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GLOSSARY

"3PL" refers to Third-party Logistics.

"ACA" refers to Asset Condition Assessment.

"ADMS" refers to Advanced Distribution Management System.

"AEO" refers to Annual Energy Outlook.

"AES" refers to Alectra Energy Solutions Inc.

"AESI" refers to Alectra Energy Services Inc.

"AFRM" refers Audit, Finance and Risk Management Committee.

"AHT" refers to Average Handle Time.

"AIPM" refers to Asset Investment Planning and Management (software).

"ANSI" refers to the American National Standards Institute.

"AODA" refers to the *Accessibility for Ontarians with Disabilities Act, 2005*.

"APH" refers to the OEB's Accounting Procedures Handbook.

"APSI" refers to Alectra Power Services Inc.

"ARC" refers to the OEB's *Affiliate Relationships Code*.

"ASO" refers to Administrative Services Only.

"AUC" refers to Alectra Utilities Corporation.

"AVL" refers to Automated Vehicle Location.

"BEV" refers to Battery EV.

"BI" refers to Business Intelligence (i.e. Microsoft Power BI).

“BPMN” refers to Business Process Management Notation.

"Bridge Year" refers to years 2025 and 2026.

“BRZ” refers to Brampton Rate Zone.

“BT” refers to Business Transformation.

“BU” refers to Business Unit.

“CADD” refers to Computer Aided Design and Drafting.

“CAGR” refers to Compound Annual Growth Rate.

“CANMAG” refers to Canadian Mutual Assistance Group.

“CAP” refers to Customer Assistance Program Team.

“Capital Expenditures” or **“Capex”** refers to expenditures relating to property, plant and equipment and intangible assets.

"CAS" refers to Cost Allocation Study.

“CBR” refers to Capacity Based Recovery.

“CC&B” refers to Customer Care & Billing system.

“CDM” refers to Conservation and Demand Management.

“CEP” refers to Corporate Emergency Plan.

“CEAP” refers to Covid Energy Assistance Program.

“CGAAP” refers to Canadian Generally Accepted Accounting Principles.

“CGNC or CG&N” refers to Corporate Governance and Nominating Committee.

“CHI” refers to Customer Hours of Interruption.

”CI” refers to Customer Interruptions.

“CIA” refers to Customer Impact Assessment.

“CIR” or “Custom IR Application” refers to Custom Incentive Regulation.

“CIS” refers to Customer Information System.

“CMA” refers to Census Metropolitan Area.

“CMDE” refers to Centralized Meter Data Engines.

“CMMS” refers to Computerized Maintenance Management System.

”CPCI” refers to Custom Price Cap Index.

“CSA” refers to Canadian Standards Association.

“CSDS” refers to Canadian Sustainability Disclosure Standards.

“CSRs” refers to Customer Service Representatives.

“CVC” refers to Construction Verification and Compliance.

“CWIP” refers to Construction Work in Progress.

“DDM” refers to Distribution Design Manual.

“DERs” refers to Distributed Energy Resources.

“DERCP” refers to Distributed Energy Resources Connection Procedures.

“DGA” refers to Dissolved Gas Analysis.

“DGEN” refers to Distributed Generation.

“DI” refers to Digital Interface.

“DLC” refers to Direct Labour Capitalization.

"DLTDR" refers to Deemed Long-term Debt Rate.

"DMS" refers to Distribution Management System.

"DR" refers to Demand Response.

"DSC" refers to the OEB's *Distribution System Code*.

"DSP" refers to Distribution System Plan.

"DVA" refers to Deferral and Variance Accounts.

"EAM" refers to Enterprise Asset Management System.

"ECL" refers to Expected Credit Loss.

"EIA" refers to the US Energy Information Administration.

"Electricity Act" refers to the *Electricity Act, 1998, S.O. 1998, c. 15, Sched. A* (Ontario), as amended.

"EMS" refers to Emergency Management Services (i.e. police, fire and ambulance).

"EPP" refers to Endpoint Protection Platform.

"ERM" refers to Enterprise Risk Management

"ERP" refers to Enterprise Resource Planning (software).

"ERZ" refers to Enersource Rate Zone.

"ESA" refers to Electrical Safety Authority.

"ESMVA" refers to Earning Sharing Mechanism Variance Account.

"ESQR" refers to Electricity Service Quality Requirements as mandated by the OEB's *Distribution System Code*.

"EUL" refers to End of Useful Life.

"EUSA" refers to the Electric Utility Safety Rules.

"EUSR" refers to the Electrical Utilities Safety Rules.

"EV" refers to Electric Vehicle.

"FDM" refers to Financial Data Mart.

"Filing Requirements" refers to Chapter 1,2 and 5 of the *OEB Filing Requirements for Electricity Distribution Rate Applications*, as amended.

"FLISR" refers to Fault Location, Isolation, and Service Restoration.

"FPA&S" refers to Financial Planning, Analysis and Systems.

"FTE" refers to Full-time Equivalent.

"GIS" refers to Geospatial Information System.

"GL" refers to General Ledger.

"GOCA" refers to *Getting Ontario Connected Act, 2022*

"GRZ" refers to Guelph Rate Zone.

"GWh" refers to Gigawatt-hour, a standard unit for measuring electrical energy produced or consumed over time. One GWh is the amount of electricity consumed by one million kWh.

"HCMS" refers to Human Capital Management System

"HI" refers to Health Index. .

"HOEP" refers to Hourly Ontario Energy Price.

"HR" refers to Human Resources.

"HRZ" refers to Horizon Rate Zone.

"HST" refers to Harmonized Sales Tax.

“HVAC” refers to Heating, Ventilation, and Air-Conditioning

“Hydro One” refers to Hydro One Network Inc.

“IAM” refers to Identity Access Management.

“IAS” refers to International Accounting Standards.

"IBEW" refers to International Brotherhood of Electrical Workers union.

“ICI” refers to Industrial Commercial and Institutional. (Distribution Design)

“ICI” refers to Industrial Conservation Initiative. (Customer Experience)

“IEEE” refers to Institute of Electrical and Electronic Engineers Inc.

“IESO” refers to Independent Electricity System Operator.

“IFRIC” refers to International Financial Reporting Interpretations Committee.

“IFRS” refers to International Financial Reporting Standards.

“INM” refers to the Integrated Network Manager.

“IT” refers to Information Technology

“IVA” refers to Intelligent Virtual Agent.

“IVR” refers to Interactive Voice Response. Technology that assists customers with their account management enquiries by providing updated account balances, payment option information, bill amount predictors and other related tools.

“JDE” refers to JD Edwards an Enterprise resource planning software.

“Key Accounts” refers to large customers with average peak loads over 1 MW and those customers who have critical loads like hospitals, financial institutions, essential public services and developers.

"KPI" refers to Key Performance Indicators.

"kW" refers to Kilowatt, a common measure of electrical power equal to 1,000 Watts

"kWh" refers to Kilowatt-hour, a standard unit for measuring electrical energy produced or consumed over time. One kWh is the amount of electricity consumed by ten 100-Watt light bulbs burning for one hour.

"LDC" refers to the Local Distribution Company.

"LDG" refers to Load Displacement Generation.

"LEAP" refers to the financial assistance portion of the OEB's *Low-Income Energy Assistance Program.*

"LIS" refers to Load Interrupter Switches.

"LRAMVA" or **"LRAM"** refers to the Lost Revenue Adjustment Mechanism Variance Account.

"LRT" refers to the Light Rail Transit.

"LTD" refers to Long Term Disability.

"LTDR" refers to Long-term Debt Rate.

"LUDA" refers to Large Use with Dedicated Assets.

"LV" refers to the Low Voltage.

"MAR" refers to Miscellaneous Accounts Receivable.

"MDM" refers to Meter Data Management.

"MDMR" refers to Meter Data Management Repository.

"MED" refers to the Major Event Days as defined by Institute of Electrical & Electronic Engineers Inc. specification 1366.

"MIFRS" refers to the Modified IFRS.

"MoP" refers to Margin-on-Payments.

"MRP" refers to Material Requirements Planning.

"MS" refers to the Municipal Substation, a station within the distribution system which is supplied by feeders at 27.6 kV or 13.8 kV and steps down voltage to 13.8 kV or 4.16kV.

"MTSF" refers to Multi-attribute Time Series Forecasting Tool.

"MVA" refers to megavolt-amperes.

"MW" refers to Megawatt, a common measure of electrical power equal to one million watts.

"NAMag" refers to the North Atlantic Mutual Assistance Group.

"NBV" refers to the Net Book Value.

"NERC" refers to the North American Electric Reliability Corporation.

"NRCan" refers to Natural Resource Canada.

"NT Power" refers to Newmarket-Tay Power Distribution Ltd.

"NWS" or **"NWA"** refers to the Non-Wires Solutions/Alternatives.

"OCM" refers to Organizational Change Management.

"OCSF" refers to the Ontario Cybersecurity Framework.

"OEB" refers to the Ontario Energy Board.

"OER" refers to the Ontario Electricity Rebate.

"OESP" refers to the Ontario Electricity Support Program.

"OHSA" refers to the O*ccupational Health and Safety Act, R.S.O. 1990, c.O.1.*

"OHSMS" refers to the Occupational Health and Safety Management System.

"OI" refers to Organizational Improvement.

"OM&A" refers to the Operations, Maintenance, and Administration.

"OMERS" refers to the Ontario Municipal Employees' Retirement System, a multi-employer, contributory, defined benefit pension plan established in 1962 by the province for employees of municipalities, local boards, and school boards in Ontario.

"OMS" refers to the Outage Management System.

"OPEBs" refers to Other Post-Employment benefits

"OTO" refers to Order to Operate.

"P&C" refers to Protection and Control.

"PCB" refers to Polychlorinated Biphenyl.

"PDG" refers to Program Delivery Group.

"PEG" refers to Pacific Economics Group.

"PILs" refers to the Payment in Lieu of Corporate Taxes.

"PIPEDA" refers to the *Personal Information Protection and Electronic Documents Act.*

"PMO" refers to Project Management Office.

"PPE" refers to Property, Plant and Equipment.

"PR" refers to Purchase Requisition.

"PRZ" refers to PowerStream Rate Zone.

"PSC" refers to People and Safety Committee.

"PT&A" refers to the Planning Tools and Automation.

"PTI" refers to Process Technology Improvement.

"PUCC" refers to Public Utility Coordinating Committee.

"PWU" refers to Power Workers' Union.

"R&MS" refers to the Records & Mapping Services.

"RFP" refers to Request for Proposal.

"RFSP" refers to Ring-Fenced Solar Portfolio.

"RGCRP" refers to Recovery of Renewable Generation Connection Rate Protection (funding).

"RGF" refers to Revenue Growth Factor.

"ROE" refers to a Return on Equity.

"ROU" refers to right-of-use.

"ROW" refers to Right-of-Way.

"RPA" refers to Robotic Process Automation.

"RRF" or **"RRFE"** refers to the OEB's policy for a *Renewed Regulatory Framework for Electricity Distributors* .

"RRR" refers to the OEB's *Reporting & Record Keeping Requirements*.

"RRRP" refers to Rural and Remote Rate Protection.

"RRWF" refers to Revenue Requirement Workform.

"RTSRs" refers to Retail Transmission Services Rates.

"RTU" refers to a Remote Terminal Unit.

"S&P" refers to Standards & Poor's.

"SAIDI" refers to System Average Interruption Duration Index and is a measure (in hours) of the annual system average interruption duration for customers served, not including MED. SAIDI represents the quotient obtained by dividing the total customer hours of interruptions longer than one minute by the number of customers served.

"SAIFI" refers to System Average Interruption Frequency Index and is a measure of the frequency of service the frequency of service interruptions for customers served not, including MED. SAIFI represents the quotient obtained by dividing the total number of customer interruptions longer than one minute by the number or customers served.

"SARA" refers to *Species at Risk Act (S.C. 2002, c. 29)*.

"SCADA" refers to Supervisor Control and Data Acquisition.

"SECaaS" refers to Security as a Service.

"SEW" refers to Smart Energy Water.

"SG" refers to Supporting Guarantee.

"SKU" refers to Stock Keeping Units.

"SR&ED" refers to Scientific Research and Experimental Development.

"SSS" refers to Standard Supply Service.

"TDWG" refers to Transmission-Distribution Working Group.

"TESDP" refers to Techno-economic Stochastic Distribution Planning Tool.

"Test Year" refers to year 2027.

"Test Years" refers to years 2027 to 2031.

"TMO" refers to Transformation Management Office.

"TOU" refers to Time-of-Use.

"TRIF" refers to Total Recordable Injury Frequency

"TS" refers to Transformer Stations.

"TUL" refers to Typical Useful Life.

"UCC" refers to Undepreciated Capital Cost.

"UEC" refers to Unit Energy Consumption.

"USL" refers to the Unmetered Scattered Load.

"USoA" refers to the Uniform System of Accounts set out in the Accounting Procedures Handbook.

"UWPC" refers to *Utility Work Protection Code*.

"V2G" refers to Vehicle-to-grid.

"V2X"refers to Vehicle-to-everything.

"VOR" refers to Vendor of Record.

"WACC" refers to the Weighted Average Cost of Capital.

"Watt" or **"W"** refers to a common measure of electrical power. One Watt equals the power used when one ampere of current flows through an electrical circuit with a potential of one volt.

"WCA" refers to the Working Capital Allowance.

"WFM" refers to Workforce Management (system).

"WFP" refers to Work Force Planning.

"WMS" refers to the Wholesale Market Service.

"WO" refers to Work Order.

"WP" refers to Work Permits.

"WSIB" refers to the Workplace Safety and Insurance Board.

"X" refers to the social media platform (formerly Twitter).

"XLPE" refers to Cross-Linked Polyethylene.

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Alectra Utilities Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2027.

APPLICATION

Alectra Utilities Corporation (the Applicant, Alectra Utilities, the Company or the Utility), is a corporation incorporated under the Ontario Business Corporations Act, and is licenced by the Ontario Energy Board (OEB) to own and operate electricity distribution facilities under licence number ED-2016-0360.

Alectra Utilities hereby applies to the OEB pursuant to section 78 of the *Ontario Energy Board Act, 1998*, as amended (the OEB Act), for the following approvals:

1) Approval of electricity distribution rates and charges for Alectra Utilities' harmonized rate classes in a single Alectra Utilities-wide rate zone, effective January 1, 2027, as proposed in Exhibit 8. This includes approval of an adjustment to update the 2026 “notional harmonized” rates to 2027 in accordance with the 2027 cost allocation study.

2) Approval of 2027 base revenue requirement as proposed in Exhibit 6.

3) Approval of Alectra Utilities’ 2027-2031 Custom Rate Framework based on cost of service rebasing in 2027, followed by a Custom Price Cap Index (CPCI) applied in each of years two through five (2028-2031), as proposed in Exhibit 1, Tab 11.

4) Approval of the methodology and results of an exercise by Alectra Utilities to harmonize its distribution rates, retail transmission rates, low voltage rates, loss factors and transformer allowance in its five existing rate zones, as proposed in Exhibit 8. In particular:

a) Approval to fully harmonize all legacy rate zones into a single Alectra Utilities-wide rate zone with a consolidated set of rate classes applicable to Alectra's entire service territory, effective January 1, 2027;
b) Approval to harmonize the GS>50 kW class and consolidate all customers with demand between 50kW and 4,999kW into a single GS>50kW rate class;
c) Approval of harmonized retail transmission rates and low voltage service rates on the basis of the RTSR model which has been completed on an Alectra Utilities-wide basis (Attachment 8-1 RTSR Work Form);
d) Approval of a harmonized loss factor on the basis of Appendix 2-R (Attachment 8-2 OEB Appendix 2-R Loss Factors);
e) Approval of a harmonized demand-billed transformer allowance rate on the basis of a weighted average of the existing transformer allowance rates by rate zone; and
f) Approval to make the transformer allowance rate for the GS<50kW class in the existing Brampton Rate Zone an Alectra Utilities-wide rate.

5) Approval of the following additional rate design proposals as outlined in Exhibit 8:
   a) Approval to implement an Alectra Utilities-wide harmonized standby power rate structure;
   b) Approval to eliminate the Distributed Generation Rate Class in the existing Brampton Rate Zone and transition all customers to the GS<50kW rate class;
   c) Approval to eliminate the Energy from Waste Rate Class in the existing Brampton Rate Zone;
   d) Approval to update the Brampton Rate Zone fixed charges street lighting billing unit from a “per connection” charge to a "per device" charge consistent with all other rate zones;
   e) Approval to harmonize all specific service charges that apply across Alectra Utilities’ entire service territory; and
   f) Approval to establish five new specific service charges (Exhibit 8, Tab 3, Schedule 2).

6) Approval of updated depreciation rates as proposed in Exhibit 2B, Tab 3.

7) Approval to include the remaining net book value of transition-related capital expenditures of $50.3MM in opening 2027 rate base.

8) Approvals related to deferral and variance accounts, as proposed in Exhibit 9, including:
    a) Approval to dispose of Group 2 deferral and variance account balances (Exhibit 9, Tab 5);
    b) Approval to dispose of Group 1 deferral and variance account balances once audited Group 1 balances for 2025 become available;
    c) Approval of the continuation and termination of certain deferral and variance account (Exhibit 9, Tab 1); and
    d) Approval of the following new deferral and variance accounts: Capital-Related Revenue Requirement Variance Account, an Earnings Sharing Mechanism, and a Non-Wires Solution Deferral Account (Exhibit 9, Tab 8).

This Application is prepared in accordance with the OEB's:

1. Chapter 2 Cost of Service *Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications,* issued May 7, 2025 (the Chapter 2 Filing Requirements);

2. Chapter 5 Distribution System Plan *Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications*, issued December 9, 2024 (the Chapter 5 Filing Requirements);

3. Report of the Board: *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach,* dated October 18, 2012; and

4. *Handbook for Utility Rate Applications*, dated October 13, 2016.

This Application is supported by pre-filed written evidence which may be amended from time to time. For the reasons set out in this Application, Alectra Utilities submits that the proposed distribution rates and other charges are just and reasonable.

PROPOSED EFFECTIVE DATE

Alectra Utilities requests that the OEB make its Final Rate Order effective January 1, 2027. If the OEB does not expect that the Final Rate Order will be issued by such date, the Applicant requests an Order declaring its 2026 distribution rates and charges to be effective on an interim basis as of January 1, 2027. Further, the Applicant requests that the OEB approve rate riders to facilitate the recovery of any differences between the interim rates and the actual rates from January 1, 2027, until the implementation date of the OEB's Decision and Order establishing final rates and charges.

FORM OF HEARING REQUESTED

Alectra Utilities requests that the elements of this Application be heard by way of oral hearing.

CONTACT INFORMATION

Alectra Utilities requests that copies of all documents filed with the OEB by each party to this proceeding be served on the Applicant and the Applicant's counsel as follows:

a) The Applicant:

Christine E. Long
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b) The Applicant's Counsel:

Charles Keizer
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Email: ckeizer@torys.com

Dated at Mississauga, Ontario this 10th day of October, 2025.

ALECTRA UTILITIES CORPORATION

Christine E. Long

Christine E. Long, LL.B.
Vice-President, Regulatory Affairs and Privacy Officer

In accordance with section 2.1.3 of the Chapter 2 Filing Requirements, this schedule provides information relating to the administration of this Application.

1. CONTACT INFORMATION

Alectra Utilities requests that copies of all documents filed with the OEB by each party to this proceeding be served on the Applicant and the Applicant's counsel as follows:

Primary Contacts for the Application:

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2. INTERNET ADDRESS

Alectra Utilities' main webpage: www.alectrautilities.com
The application will be available for viewing at: www.alectrautilities.com/regulatory-affairs

3. SOCIAL MEDIA ACCOUNTS

X (formerly known as Twitter): https://x.com/alectranews
YouTube: https://www.youtube.com/alectranews
Instagram: https://ca.linkedin.com/company/alectra
Facebook: https://www.facebook.com/alectranews/
LinkedIn: https://ca.linkedin.com/company/alectra

4. NOTICE OF HEARING PUBLICATION

Alectra Utilities recommends the Notice of Hearing for its Application be published in the Toronto Star, Hamilton Spectator, St. Catharines Standard and the following online news publications - Simcoe.com and GuelphMercuryTribune.com. Alectra Utilities also recommends that the Notice of Hearing be published on Alectra Utilities' website, www.alectrautilities.com. These publications reach customers across Alectra Utilities' entire service territory.

5. FORM OF HEARING REQUESTED

Alectra Utilities requests that the elements of this Application be heard by way of oral hearing.

6. REQUESTED EFFECTIVE DATE

Alectra Utilities requests an effective date of January 1, 2027.

7. CHANGES TO METHODOLOGIES

Section 2.1.3 of the Chapter 2 Filing Requirements states that a distributor must identify and describe any changes to methodologies as used in previous applications. This Application is Alectra Utilities' first rebasing application filed as an amalgamated entity. The company's predecessor utilities last rebased in 2013 (Enersource), 2015 (Hydro One Brampton), 2015-2019 (Horizon Utilities – CIR), 2016 (Guelph Hydro), and 2017 (PowerStream). As a result

of the amalgamation, there are notable changes to methodologies as compared to each predecessor utilities' previous applications. These are outlined in detail in the evidence and include:

- A 2027 to 2031 custom rate framework which includes cost of service rebasing in 2027, followed by a Custom Price Cap Index (CPCI) applied in each of years two through five (2028-2031) (Exhibit 1, Tab 11).
- A rate harmonization plan that includes the harmonization of (Exhibit 8):
    - Distribution rates
    - Retail transmission rates
    - Low voltage service rates
    - Loss factors
    - Specific Service Charges
- The harmonization of all two-tiered GS>50 kW classes into a single GS>50 kW rate class.
- A Cost Allocation Study utilizing Alectra Utilities' proposed harmonized rate classes in a single Alectra Utilities-wide rate zone (Exhibit 7).
- Load forecast that considers the impact of electrification (Exhibit 3).
- A change in the rate design methodology for Standby Rates. Alectra Utilities proposes charging Standby Rates to Load Displacement Generation (LDG) customers at the proposed distribution rate for each corresponding class (Exhibit 8, Tab 2).
- Updated asset useful lives and resulting depreciation rates in accordance with the outputs of a third-party depreciation study (Exhibit 2B, Tab 3).

8. OEB DIRECTIONS FROM PREVIOUS DECISIONS AND/OR ORDERS

Table 1-2-1 below summarizes OEB directives from Alectra Utilities' two MAADs applications and each of its IRM and/or ICM applications since 2017. Alectra Utilities has addressed all OEB directions identified in the table below.

Table 1-2-1: **Summary of OEB Directives**

No.	OEB Directives	Response
1	EB-2016-0025 (LDC Co MAADs; D&O December 8, 2016, p.28) Deferral and Variance Accounts: The OEB grants approval to the applicants to continue to track costs to the deferral and variance accounts currently approved by the OEB for each of the applicants and Hydro One Brampton and to seek disposition of their balances at a future date. The OEB supports the OEB staff submission that the applicants should continue to maintain the capability to track the DVAs separately. Doing so will allow the DVAs to be disposed of separately by rate zone if such a determination is made in a future rates proceeding.	Alectra Utilities has tracked deferral and variance account balances separately, by rate zone. In this application, the utility proposes to dispose of the legacy balances through class-specific rate riders for each rate zone. For more details, refer to Exhibit 9.
2	EB-2016-0025 (LDC Co MAADs; D&O December 8, 2016, p.31) ESM: The applicants shall file plans for the ESM by December 31, 2019	Alectra Utilities filed its MAADs ESM proposal in its 2020 IRM application (EB-2019-0018) and the OEB approved the ESM proposal as filed (p.43 of the D&O). The ESM was not triggered during the deferred rebasing period.

No.	OEB Directives	Response
3	EB-2018-0014 (Alectra Guelph MAADs; D&O October 18, 2018, p.17) Deferral and Variance Accounts: The Applicants are granted approval to continue, after the amalgamation, to track costs to the deferral and variance accounts currently approved by the OEB for each of the Applicants.(p.17)	Alectra Utilities addressed this direction (Refer to item 1 and Exhibit 9 for further details).
4	EB-2017-0024 (2018 IRM/ICM D&O April 6, 2018, p.19) Customer Engagement: The OEB encourages Alectra Utilities to consider the submissions of intervenors and OEB staff in order to revise and refine any future ICM-related customer engagement.	Alectra Utilities addressed the feedback from the 2018 proceeding and refined its 2019 ICM-related customer engagement. Details of the refinements were included in the Customer Engagement report filed as Attachment 34 in EB-2018-0016. Further, the customer engagement approach in this Application included further refinements as described on p.21 of Innovative's Customer Engagement Report filed as Attachment 1-2 (Exhibit 1, Tab 5).
5	EB-2017-0024 (2018 IRM/ICM; D&O April 16, 2018, p.29) DSP: The MAADs decision noted that Alectra Utilities would not be in a position to file a consolidated DSP until 2019, applicable to 2020 rates. The OEB finds this proposal reasonable. The OEB requires Alectra Utilities to file a consolidated DSP as a filing requirement with any ICM application requesting rate changes for 2020 rates and beyond.	Alectra Utilities filed its first consolidated DSP (2020-2024 DSP) in 2019 as part of its 2020 rate application (EB-2019-0018, Exhibit 4, Tab 1, Schedule 1). In this Application, Alectra Utilities has filed its 2027-2031 DSP (Exhibit 2A).

No.	OEB Directives	Response
6	EB-2017-0024 (2018 IRM/ICM; D&O April 6, 2018, p.29) DSP: The OEB accepts that costing and detailed analysis of an option is not required if an option does not meet the required capabilities or applicable technical standards. The OEB does not accept Alectra Utilities' assertion that CDM is not an alternative for system renewal investments options. Like-for-like asset replacements for aging infrastructure should not be the only option considered. Circumstances may have materially changed since an asset was first put into service. As a result, new options, including those that do not involve distribution infrastructure, should be considered when Alectra Utilities prepares its consolidated DSP.	Alectra Utilities addressed the OEB's feedback in its 2020-2024 DSP (EB-2019-0018), providing details on its proposed Non-Wires project. In the 2027-2031 DSP filed in this Application, Alectra Utilities has deferred five Station Capacity investments that would otherwise have been included in the DSP, based on the application of the NWS screening Framework. For further details, refer to Section 5.3.5 and Appendix B13 of the DSP.
7	EB-2017-0024 (2018 IRM/ICM; D&O April 6, 2018, p.61) ICM True-up: The OEB accepts Alectra Utilities' commitment to include a project-level report in its next rebasing application. At that time, the OEB will determine if a true-up is warranted between the revenues collected from the ICM rate riders and the revenue requirement calculated for the actual capital spending for the ICM projects.	Alectra Utilities has provided a project-level comparison of actual vs approved costs for each of its approved ICM projects, including a variance analysis in Exhibit 2B, Tab 6. For details on the proposed amount for disposition, refer to Exhibit 9, Tab 3, Schedule 10.

No.	OEB Directives	Response
8	EB-2018-0016 (2019 IRM/ICM; D&O January 31, 2019, p.13) York Region Rapid Transit Project ICM $13.27MM: Any capital forecast is subject to uncertainty given the risks of project delays and scope changes. In any given year, an ICM rate rider may provide revenue that is over or under what the revenue would have been from the actual capital cost. This risk is mitigated as the in-service assets will be reviewed at the time of rebasing to determine if a true-up is warranted between the revenue at the forecast cost and the revenue at the actual cost.	For details on the true-up and proposed amount for disposition, refer to Exhibit 2B, Tab 6 and Exhibit 9, Tab 3, Schedule 10.

No.	OEB Directives	Response
9	EB-2019-0018 (2020 IRM; Partial Decision and Interim Rate Order December 12, 2019, p.29) Collection of Account Charge Account: The lost revenues that will be recorded in this deferral account should be capped at the aggregated revenue forecast for the Collection of Account charges from the last rebasing application for each predecessor distributor as this is the amount that was used in establishing of the distribution rates. Alectra Utilities should make every effort to continue to improve the efficiency of its collection of account activities. The deferral account is expected to cease when Alectra Utilities next rebases, as there will be no lost revenues thereafter once its rates are reset without the provision for other revenues from the Collection of Account charge.	Alectra Utilities has complied with this direction. For details on the disposition of the balance in this account, refer to Exhibit 9, Tab 3, Schedule 13. In this Application, Alectra Utilities proposes to discontinue this account per the OEB's direction. Further, in Exhibit 4, Tab 2, Schedule 7 (Customer Service - section 4.2), Alectra Utilities provides details on its Collections Enhancement Project which will improve customer payment flexibility, optimize collections, and enhance the overall customer experience.

No.	OEB Directives	Response
10	EB-2019-0018 (2020 IRM; Partial D&O January 30, 2020, p.37) Capitalization Deferral Accounts: Consistent with the Account 1576 approach, the OEB agrees that disposition at the next rebasing is appropriate. The OEB concludes that the duration of the disposition is best determined at the time of rebasing so the impact on rates to customers and cashflow to the utility can be considered based on the most up-to-date information. The Account 1576 approach requires a rate of return component to be applied to the balance in the deferral account before disposition. The return component captures the return on capital that is earned between the start of the rebasing year and the date that the principal balance is fully amortized (end of the disposition period). Therefore, it cannot be calculated until the disposition period is determined.	Alectra Utilities has provided details on the balance in this account in Exhibit 9, Tab 3, Schedule 8. The utility has applied a rate of return component to the balance proposed for disposition.

No.	OEB Directives	Response
11	EB-2022-0013 (2023 ICM; D&O November 17, 2022, p.21) DSP: The OEB considers reliable electricity service a fundamental, core function and responsibility of an electricity distributor. Preventing power failures from underground cables in poor condition, in urgent need of replacement, should be of a greater priority than its customer experience project. Further, the OEB is not convinced that Alectra Utilities provided sufficient evidence to justify its prioritizing of some general plant projects in base rates over its cable replacement program. The OEB emphasizes that Alectra Utilities must give its overall cable renewal program the priority it needs.	In the OEB's Decision and Order in Alectra Utilities' 2024 ICM application, the OEB stated that it is "…reasonably satisfied that Alectra Utilities has initiated some improvements to address the OEB's concern noted in the 2023 ICM decision with respect to Alectra Utilities prioritizing cable refurbishment projects..." Further, as detailed in the 2027-2031 DSP filed in this Application, 55% of capital expenditures over the 2027-2031 period relate to renewing and replacing infrastructure ($1.8B), with investments in underground renewal totaling $567MM. The utility's primary focus for System Renewal continues to be underground cable. For further details, refer to Appendix B02 of the DSP.
12	EB-2023-0004 (2024 ICM D&O February 13, 2024, p.28) ICM: The OEB expects that the ICM projects that Alectra Utilities has proposed in its 2023 and 2024 requests, supported by need and urgency for which a finding of sufficient funding through base rates and ICM amounts has been made, will be carried out regardless of whether Alectra Utilities is satisfied with the OEB decision on how much incremental funding is approved.	Alectra Utilities has completed all ICM projects proposed in its 2023 and 2024 ICM applications.

9. CONDITIONS OF SERVICE

The current version of Alectra Utilities' Conditions of Service is publicly available on the Alectra Utilities website: https://alectrautilities.com/conditions-service.

Alectra Utilities confirms that there are no rates or charges listed in the Conditions of Service that are not in its Tariff of Rates and Charges.

On January 31, 2017, Enersource Corporation, Horizon Utilities Inc., and PowerStream Inc. merged, forming the amalgamated entity Alectra Utilities. On February 28, 2017, Alectra Utilities purchased the shares of Hydro One Brampton Networks Inc. and on January 1, 2019, Guelph Hydro Electric Systems also merged with Alectra Utilities. The *Distribution System Code* (DSC) requires a distributor to document its Conditions of Service that describes the operating practices and connection policies of the distributor. The Conditions of Service represents the fundamental service contract between a utility and its customers, and it is of vital importance to have an up to date and reflective Conditions of Service in place. Importantly, the Conditions of Service defines the rights, obligations, limitations, and liabilities for both the distributor and its customers. Prior to the merger, each legacy utility had its own Conditions of Service, reflecting that utility's operational practices. For the most part, these practices were very similar; however, there did exist some differences that required identification, evaluation and alignment. In order to provide a consistent customer experience, Alectra Utilities worked to synchronize its Conditions of Service for all of its service territories. This work effort resulted in alignment of some operational processes and documented a harmonized perspective for the Conditions of Service for all of Alectra Utilities' customers.

In addition to the fundamental work to develop a consolidated Conditions of Service, the work effort also included updating certain elements to align with code amendments, as appropriate.

In accordance with Section 2.4.8 of the DSC, utilities are required to provide advance public notice of any changes to their Conditions of Service, including a proposed timeline for implementation and a means through which public feedback may be collected. To this end, Alectra Utilities utilized several means of communication, including: bill inserts, a dedicated *Revisions to Alectra Utilities' Conditions of Service* webpage (the COS webpage), invitations to public stakeholder information sessions, and a dedicated email address to collect feedback or to

answer questions. The public notice period began in December 2019. The communication and public notice efforts are described in additional detail below:

Bill Inserts

As a primary method of providing notice, Alectra Utilities informed customers of the proposed Conditions of Service through a newsletter insert that accompanied their bill or e-bill. This newsletter highlighted areas that the Conditions of Service addresses and invited Customers to visit the COS webpage. The newsletter also described how customers could submit feedback by email and provided a 60-day period to collect feedback.

Alectra Utilities' Conditions of Service Webpage

The COS webpage included a copy of the proposed Conditions of Service, as well as providing a copy of each legacy entity's Conditions of Service. Additional material presented detailed information cross-referencing changes between each individual legacy's Conditions of Service and the proposed Alectra Conditions of Service, through a "Summary of Changes" document relevant to each entity. Similar to the newsletter, the webpage also provided instructions for how to submit feedback or to participate in public stakeholder sessions that would be held in various regions across the service territory.

Mail or Email Comments and Responses

Through both the customer bill insert and the Conditions of Service webpage, customers were invited to make comments or to provide feedback either by standard mail or by email. To this end, a dedicated email address was established to receive and record feedback on the proposed Conditions of Service.

Public Information Sessions

Alectra Utilities also hosted dedicated information sessions in each of its service territories to engage directly with customers and stakeholders. Alectra Utilities sent roughly 1,600 invitations specifically targeting the builder, developer, and contractor community. The invitation provided stakeholders with notice of the proposed changes and invited them to attend a session of their

choice, among a variety of sessions planned across the service regions. The Conditions of Service webpage also provided information on how to register for any of the sessions.

Two sessions were held in each of the Guelph, Hamilton, Vaughan, and Mississauga areas, for a total of eight sessions altogether, each for a duration of two hours. The invitation also included a reminder and link to view the material on the Conditions of Service webpage, as well as the dedicated email address.

In total, forty-two participants attended the information sessions in which subject matter experts from Alectra Utilities presented and discussed the draft Conditions of Service. Participants were provided with information about the proposed Conditions of Service, and an overview of harmonized and updated forms, processes, and other important elements. Each session provided participants with extensive time for questions and discussion.

A summary of the feedback and discussion included the following:

- Technical questions and clarification regarding metering requirements, including questions and clarification on access requirements, metering clearances, and certain specific installation scenarios;

- Questions and clarification regarding connections and expansion activities, including who can complete subdivision work, how upgrades are treated, how long expansion deposits are held, and specific transformation sizing scenarios;

- General questions and discussions, including clarifications around how Alectra Utilities' standards are determined, how to access more information, and questions relating to interest on deposits.

In summary, the discussions and feedback that took place throughout the information sessions and received by Alectra Utilities did not indicate material concerns with the harmonized Conditions of Service, and as a result did not prompt any further revisions. The harmonized Alectra Utilities Conditions of Service were filed with the OEB on June 25 2020. The Summary of Changes documents are included as Attachment 1-1.

Conditions of Service Updates

Subsequent to the filing of the harmonized Conditions of Service, Alectra Utilities undertook further updates to the document in 2023, followed by minor administrative updates in 2024 made in order to comply with updated OEB requirements. The 2023 revisions were designed to clarify operating practices related to disconnections for maintenance purposes, voltage supply, customer payments, the installation and maintenance of civil infrastructure, Distributed Energy Resources (DERs), and embedded market participants. Additionally, a new section was added to address farm stray voltage, providing customers with references to Alectra Utilities' response procedures. Further changes were made to conform with code amendments concerning DER connection, along with general clarifications and administrative updates to the glossary and appendices.

A detailed summary of the 2023 changes is included in Table 1-2-2 below.

Table 1-2-2: Summary of 2023 Updates to Alectra Utilities' Conditions of Service

Reference	Section	Summary of Amendments
2.2.2	Disconnection for Maintenance Purposes	Clarified that non-residential customers will be advised of the cost of isolation/re-energization service after they have contacted Alectra Utilities' New Connections department and completed the request for isolation. Clarified that where a customer or their representative provides less than two business days' cancellation notice to Alectra Utilities for work scheduled at the Customer's property, the Customer may be charged for Alectra Utilities' costs. The same may hold if the Customer has scheduled an appointment and Alectra Utilities, or its third-party contractor, finds that the conditions at the property are not suitable to conduct work.

Reference	Section	Summary of Amendments
2.3.3.6	Farm Stray Voltage	Added a new section defining farm stray voltage and providing reference to Alectra Utilities' Customer Response Procedure as it relates to farm stray voltage complaints or inquiries.
2.3.4.1	Primary Voltage Supply	Removed the condition that 44kV primary supply voltage is only offered for underground services.
2.4.5 3.3.5.2	Customer and Alectra Utilities Installation and Maintenance Underground Services	Clarified connection requirements related to the primary/secondary duct that services a property, as well as the location of the main electrical room and access to Alectra Utilities' transformer vaults. Updated requirements to ensure equipment is accessible. Alectra Utilities will work with the Customer to determine a mutually satisfactory location of the equipment; however, the final location of the equipment shall be at the approval of Alectra Utilities.
3.2.2.3	Underground Services	Clarified that the Customer is responsible for installing, owning, maintaining, and replacing any vertical conduit that guides the service cable from underground to the meter base.
3.2.2.4	Underground Servicing Details	Clarified that all underground ducts and service wires installed by Alectra Utilities will be at the Customer's expense. Alectra Utilities will own, maintain, and replace all underground ducts and service wires that are 'like-for-like'.
3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	Clarified location of civil infrastructure for Alectra-owned underground primary/secondary services requirements (should not be located underneath and/or embedded into Customer-owned infrastructure, such as parking garages, buildings, or other structures).

Reference	Section	Summary of Amendments
3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	Clarified location of civil infrastructure for Alectra Utilities-owned underground primary/secondary services requirements (should not be located underneath and/or embedded into Customer-owned infrastructure, such as parking garages, buildings, or other structures).
3.4	Embedded Generation and Energy Storage	Clarified that its Generation Connection Process, Information Package, and further details can be found on Alectra Utilities' website www.alectrautilities.com/connecting-generation. Alectra Utilities will follow the DSC, IESO Market Rules, ESA and the Technical Interconnection Requirements and Alectra Utilities' standards as applicable.
3.4.2	Generation Connection Information Package	Updated the section heading 'Connection Process' to 'Generation Connection Information Package'. Clarified that details regarding the Embedded Generation Connection Overview can be found in the DSC sections 6.2.3 and 6.2.4. Alectra Utilities' Generation Connection Information Package is available electronically on Alectra Utilities' website.

Reference	Section	Summary of Amendments
3.4.3	Connection of Micro-Embedded Generation Facilities	Updated the section heading 'Connection of Micro Generation Facilities' to 'Connection of Micro-Embedded Generation Facilities'. Clarified that an overview of the Micro-Embedded generation facilities connection process and information package is available on www.alectrautilities.com/connecting-generation. Additional details can be found in the DSC section 6.2. Alectra Utilities shall use the process as specified in the Distributed Energy Resources Connection Procedures (DERCP).
3.4.4	Connection of Small, Mid-Sized and Large Generation Facilities	Clarified that an overview of the Small, Mid-Sized and Large-generation facilities connection process and information package is available on www.alectrautilities.com/connecting-generation. Additional details can be found in the DSC sections 6.2.9 to 6.2.21. A Customer who wishes to apply for the connection of a generation facility to Alectra Utilities' distribution system shall submit an application, pay their impact assessment costs and provide all relevant information including, but not limited to, application forms, single line diagram, interface protection design, and sequence of operation. All documents shall be signed and stamped by a Professional Engineer licensed within the Province of Ontario.

Reference	Section	Summary of Amendments
3.4.5	Technical Requirements	Clarified that new or significantly modified generation facilities shall meet the technical requirements specified in section 6.2.25 of the DSC and Alectra Utilities' Technical Interconnection Requirements. Remote Monitoring requirements are as per Alectra Utilities' Information Package, which can be found on Alectra's Website: www.alectrautilities.com/connecting-generation.
3.4.6	Net Metering for an Embedded Generation Facility	Regulatory amendments that came into effect July 1, 2022, clarify that Customers can access third party ownership arrangements like leasing, renting, financing and power purchase agreements for the provision of renewable generation equipment or to purchase renewable electricity for the purposes of net metering. Clarified that it is the Customer's responsibility to send the Net Metering Confirmation of Disclosure form to Alectra Utilities.
3.5	Embedded Market Participant	Clarified that all embedded and Wholesale Market Participants approved by the IESO and within Alectra Utilities' service territory, are required to inform Alectra Utilities of their approved status in writing, sixty (60) days prior to their participation in the Ontario electricity market.
4	Glossary of Terms	Updated Glossary of Terms to align with the definitions from the source material. Where necessary, terms have been removed and/or added to align with the content of the Conditions of Service.
5.1	Ownership Demarcation Points and Charges for Connections/ Disconnections	Clarified service type description under the 'Large Use – Customer-Owned Transformer or Substation' section.

Reference	Section	Summary of Amendments
5.2	Transformation and Voltage Availability	Clarified that Three Phase Pole-Mounted Services are subject to Alectra Utilities' approval.
5.5	Operating Agreement (REMOVED Section)	Removed the section, and the Operating Agreement Template housed within it. Replaced references to Appendix 5.5 with a link to www.alectrautilities.com/conditions-service, where the most current version of the Operating Agreement Template is available.

10. CORPORATE STRUCTURE AND GOVERNANCE

Pursuant to section 2.1.3. of the Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, dated May 7, 2025, Alectra Utilities provides the information below regarding its corporate and utility organizational structure, and corporate governance practices.

10.1. CORPORATE AND UTILITY ORGANIZATIONAL STRUCTURE

Alectra Inc. is a for-profit investment holding corporation with its head office in Mississauga. It is incorporated under the *Ontario Business Corporations Act* and is indirectly owned through holding companies by eight shareholders: the City of Barrie; the City of Hamilton; the City of Markham; the City of Mississauga; the City of St. Catharines; the City of Vaughan; the City of Guelph; and BPC Energy Corporation. Alectra Inc. is governed by a Board of Directors appointed by the shareholders, the majority of whose members are independent. Alectra Inc. owns 100 percent of the common shares of both Alectra Utilities Corporation (Alectra Utilities), and Alectra Energy Solutions Inc. (AES), which is a non-regulated business.

Alectra Utilities is a corporation incorporated under the *Ontario Business Corporations Act* and is licenced by the Ontario Energy Board (OEB) to own and operate electricity distribution facilities under licence number ED-2016-0360. Though it is largely a regulated business, Alectra Utilities also holds a 100% ownership interest in Ring Fenced Solar Partnership, which operates a commercial rooftop solar photovoltaic generation business (Ring Fenced Solar), and a 99.9975% ownership interest in Solar Sunbelt General Partnership, which owns and operates

seven solar photovoltaic generation facilities under OEB Electricity Generation Licence EG-2012-0259 (Solar Sunbelt GP).

AES, the non-regulated business, has two direct subsidiaries: Alectra Power Services Inc. (APSI) and Alectra Energy Services Inc. (AESI). APSI provides street lighting services, including design, construction and maintenance. AESI provides wholesale metering services, power services, streetlighting, e-mobility and distributed energy solutions. In addition, AESI wholly-owns three subsidiaries: Util-Assist Inc., which provides various consulting services, Alectra Microgrid Master Limited Partnership, which provides energy management services, and Holland Power Services Inc., which provides emergency restoration and related services to utilities.

10.1.1. CURRENT GOVERNANCE STRUCTURE

Alectra Utilities has a three-member Board of Directors. Since 2019 the powers of the Directors of the Alectra Utilities Board of Directors have been subject to a Shareholder Declaration, made in accordance with Section 108 of the *Ontario Business Corporations Act*, under which Alectra Inc. as shareholder has assumed all of the rights, powers, duties and liabilities of the Directors of Alectra Utilities. While the three Directors on the Alectra Utilities Board of Directors continue to serve as Directors they do so in an advisory capacity. As a corporate entity, Alectra Inc. undertakes its governance obligations under the Shareholder Direction through its Board of Directors, the majority of which are independent.

The chart below depicts the relationships between the various corporate entities. There are no planned changes to the corporate or operational structure.

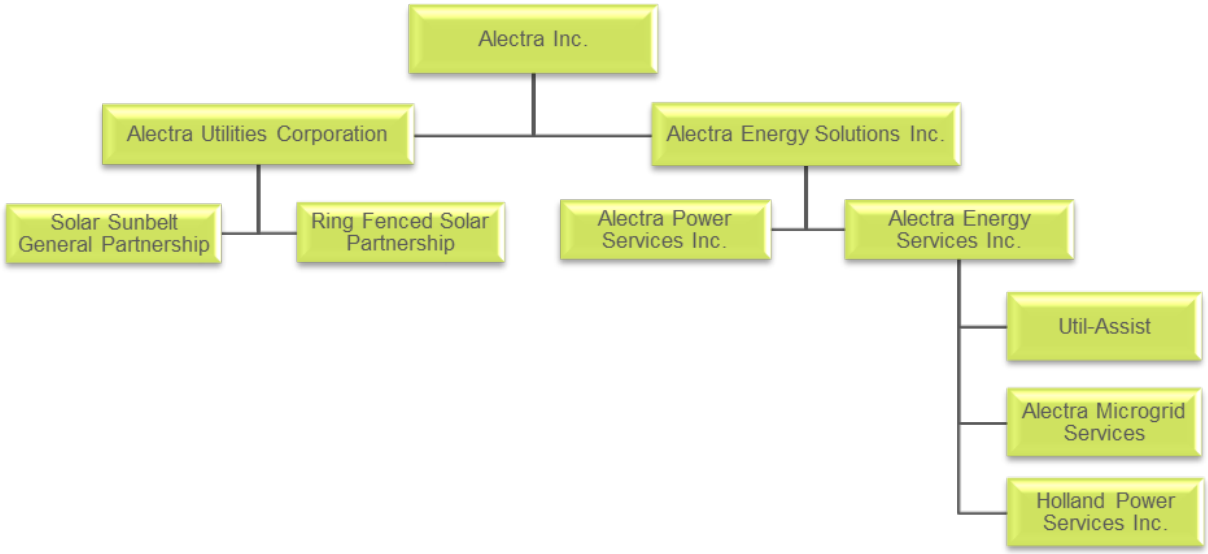


Figure 1-2-1: Corporate Entities Relationship Chart

Alectra Inc. has four standing committees of the Board namely the Audit, Finance and Risk Management Committee (AFRM), the Corporate Governance and Nominating Committee (CGNC), the People and Safety Committee (PSC) and the Development Committee (DC) (each a Committee or collectively the Committees). Consistent with the Shareholder Declaration, each of the Committees of the Alectra Inc. Board of Directors also exercises its rights, powers and duties in their separate capacities as Committees of the Board of Directors of Alectra Utilities.

The Chair of the Board and the Chairs of each committee are independent.

10.1.2. EXECUTIVE MANAGEMENT TEAM AND REPORTING RELATIONSHIPS

Alectra Utilities is led by a Senior Management Committee (Executive Committee) comprised of (1) the EVP and Chief Financial Officer, (2) the EVP, Energy Solutions & Growth, (3) the EVP, Asset Strategy & Operations, (4) the EVP, Legal, Strategy & Corporate Secretary, (5) the EVP, People & Transformation, (6) the EVP, Customer Experience, and (7) the EVP and Chief Digital & Innovation Officer., as well as the President & CEO (who sits within Alectra Inc.). The Executive Committee is accountable to the Alectra Inc. Board of Directors pursuant to the Shareholder Declaration.

The chart shown below in Figure 1-2-2 depicts Alectra Utilities' management structure.

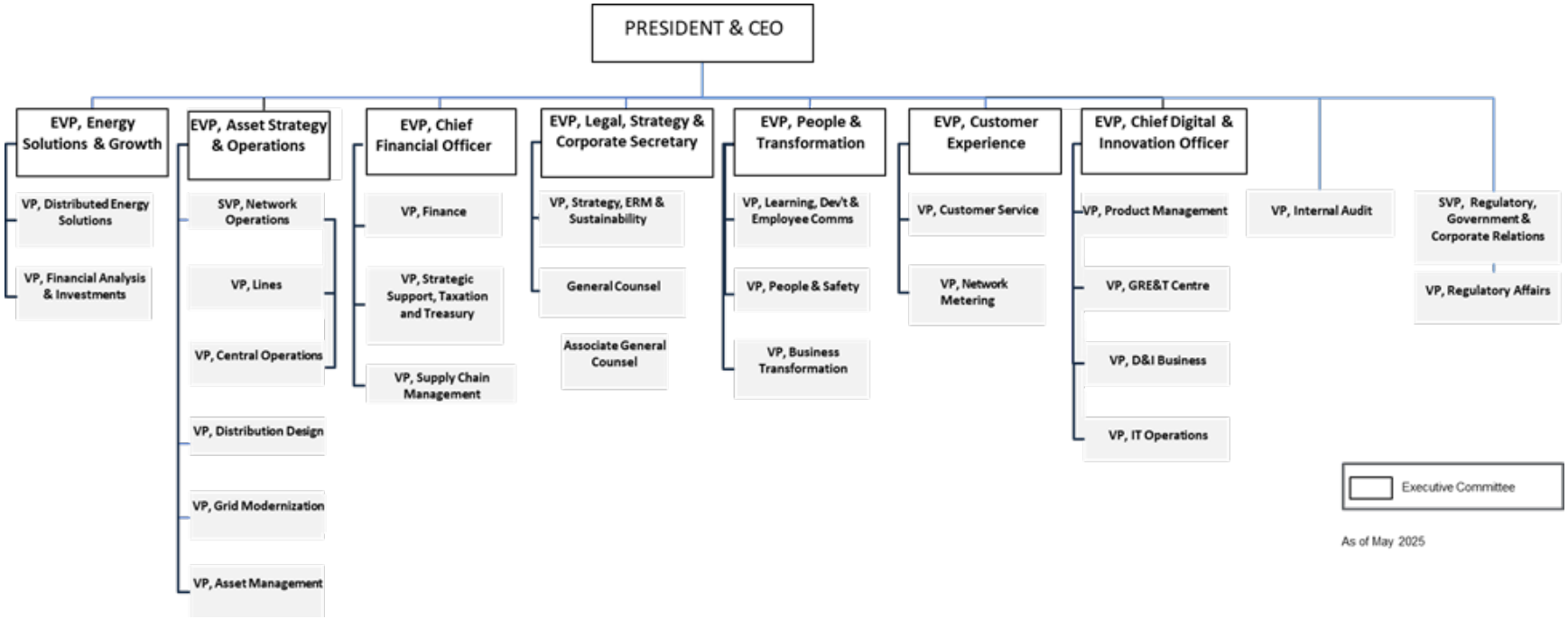


Figure 1-2-2: Utility Management Structure for Alectra

11. LIST OF SPECIFIC APPROVALS REQUESTED

Alectra Utilities hereby applies to the OEB pursuant to section 78 of the *Ontario Energy Board Act, 1998*, for the following approvals:

1) Approval of electricity distribution rates and charges for Alectra Utilities' harmonized rate classes in a single Alectra Utilities-wide rate zone, effective January 1, 2027, as proposed in Exhibit 8. This includes approval of an adjustment to update the 2026 "notional harmonized" rates to 2027 in accordance with the 2027 cost allocation study.

2) Approval of 2027 base revenue requirement as proposed in Exhibit 6.

3) Approval of Alectra Utilities' 2027-2031 Custom Rate Framework based on cost of service rebasing in 2027, followed by a Custom Price Cap Index (CPCI) applied in each of years two through five (2028-2031), as proposed in Exhibit 1, Tab 11.

4) Approval of the methodology and results of an exercise by Alectra Utilities to harmonize its distribution rates, retail transmission rates, low voltage rates, loss factors across and transformer allowance in its five existing rate zones, as proposed in Exhibit 8. In particular:
    a) Approval to fully harmonize all legacy rate zones into a single Alectra Utilities-wide rate zone with a consolidated set of rate classes applicable to the utility's entire service territory, effective January 1, 2027;
    b) Approval to harmonize the GS>50 kW class and consolidate all customers with demand between 50kW and 4,999kW into a single GS>50kW rate class;
    c) Approval of harmonized retail transmission rates and low voltage service rates on the basis of the RTSR model which has been completed on an Alectra Utilities-wide basis (Attachment 8-1 RTSR Work Form);
    d) Approval of a harmonized loss factor on the basis of Appendix 2-R (Attachment 8-2 OEB Appendix 2-R Loss Factors);
    e) Approval of a harmonized demand-billed transformer allowance rate on the basis of a weighted average of the existing transformer allowance rates by rate zone; and

f) Approval to make the transformer allowance rate for the GS<50kW class in the existing Brampton Rate Zone an Alectra Utilities-wide rate.

5) Approval of the following additional rate design proposals as outlined in Exhibit 8:
   a) Approval to implement an Alectra Utilities-wide harmonized standby power rate structure;
   b) Approval to eliminate the Distributed Generation Rate Class in the existing Brampton Rate Zone and transition all customers to the GS<50kW rate class;
   c) Approval to eliminate the Energy from Waste Rate Class in the existing Brampton Rate Zone;
   d) Approval to update the Brampton Rate Zone fixed charges street lighting billing unit from a “per connection” charge to a "per device" charge consistent with all other rate zones;
   e) Approval to harmonize all specific service charges that apply across Alectra Utilities’ entire service territory; and
   f) Approval to establish five new specific service charges (Exhibit 8, Tab 3, Schedule 2).

6) Approval of updated depreciation rates as proposed in Exhibit 2B, Tab 3.

7) Approval to include the remaining net book value of transition-related capital expenditures of $50.3MM in opening 2027 rate base.

8) Approvals related to deferral and variance accounts, as proposed in Exhibit 9, including:
   a) Approval to dispose of Group 2 deferral and variance account balances (Exhibit 9, Tab 5);
   b) Approval to dispose of Group 1 deferral and variance account balances once audited Group 1 balances for 2025 become available;
   c) Approval of the continuation and termination of certain deferral and variance account (Exhibit 9, Tab 1); and
   d) Approval of the following new deferral and variance accounts: Capital-Related Revenue Requirement Variance Account, an Earnings Sharing Mechanism, and a Non-Wires Solution Deferral Account (Exhibit 9, Tab 8).

Attachment 1-1

Conditions of Service Summary of Changes

Conditions of Service (CoS) Reference Mapping Table and Summary of Changes
Brampton Hydro (BH) to Alectra Utilities (Alectra)

The table below summarizes the changes made to the Conditions of Service for Brampton Hydro in moving to harmonized Conditions of Service for all Alectra Utilities' service territories. The table should be read as follows:

- Brampton Hydro's Section Reference and Heading – these refer to the section and heading within the original Brampton Hydro Conditions of Service document;
- Alectra Utilities' Section Reference and Heading – these refer to the section and heading where the same or similar material can be found within the Alectra Utilities Conditions of Service document;
- Summary of Updates/Changes – this column provides a summary of the changes, if any. If no indication is provided, then the material is substantially or materially the same as the original Conditions of Service.

Brampton Hydro Section Reference	Brampton Hydro Section Heading	Alectra Section Reference	Alectra Section Heading	Summary of Updates/Changes
1	**Introduction**	**1**	**Introduction**	
1.1	Identification of Distributor & Service Area	1.1	Identification of Distributor and Service Area	Alectra's service area is described in this section, consistent with its electricity distribution license.
1.1.1	Distribution Overview	2.3.4	Standard Voltage Offerings	Primary and secondary supply of voltage and associated transformer capacity offerings vary by service location and will be determined by Alectra.
1.2	Related Codes & Governing Laws	1.2	Related Codes, and Governing Laws	Alectra has updated this section to specify that in the event of a conflict between

				these Conditions of Service and a Connection Agreement executed by a Customer and Alectra, the Connection Agreement shall govern.
1.3	Interpretation	1.3	Interpretation	
1.4	Amendments & Changes	1.4	Amendments and Changes	
1.5	Contact Information	1.5	Contact Information	Alectra has updated its contact information.
1.6	Customer Rights & Obligations	1.6 1.7	Customer Rights Distributor Rights	
1.7 1.7.1	Distributor Rights Access to Customer Property	1.7	Distributor Rights	
1.7.2	Safety of Equipment	1.6.2 2.2	Operating Control Disconnection/Reconnection Processes and Charges	
1.7.3	Operating Control	1.6.2	Operating Control	
1.7.4	Repairs of Defective Customer Electrical Equipment	1.6.1	Defective Customer Equipment	
1.7.5	Repairs to Customer's Physical Structures	3.1.6	Customer and Alectra Utilities Installation and Maintenance	
1.7.6	Force Majeure	1.9	Force Majeure	

1.8	Disputes	1.8 1.8.1	Disputes Dispute Resolution Process	BH's dispute resolution process has been replaced with Alectra's dispute resolution process.
2	**Distribution Activities (General)**	**2**	**Distribution Activities (General)**	
2.1	Connections: Process & Timing	2.1	Connections – Process and Timing	Alectra describes activities that take place during the connection process. Alectra has added the following clarifications: • If the Customer is not the registered landowner, Alectra must have the written consent of the registered landowner to enter into an agreement; • Customers must apply for a disconnection in writing; • Standard voltage offerings are not necessarily available at every service location; • Alectra does not guarantee the availability of capacity of what may have been the on-site capacity of a property or facility at the time service was removed. Customers are encouraged to contact Alectra in order to confirm the availability of capacity.
2.1.1	Building that Lies Along	2.1.1	Building that Lies Along	Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if the Customer cancels the connection process.

				For the purposes of a connection the Offer to Connect will be based on a firm cost, and not subject to true up. Alectra will designate the point of supply for all primary and secondary services.
2.1.2	Expansions / Offer to Connect	2.1.2 2.1.2.3	Expansions / Offer to Connect Alternative Bid	Consistent with recent amendments to the Distribution System Code ("DSC"), Alectra will perform an economic evaluation for every expansion project. The evaluation will include all the costs relevant to the expansion. Alectra describes the alternative bid process, consistent with the DSC. Alectra has added three new sections, which provide details on Alectra's expansion process: • 2.1.2.1 – Expansion Request Requirements from Customer; • 2.1.2.7 – Timing of Service Energization Obligation; • 2.1.2.8 – Timing and Process for Embedded Market Participant, Embedded Generation, and Embedded Distributor.
2.1.2.1	Offer to Connect	2.1.2.2	Offer to Connect	Once an Offer to Connect for an expansion is accepted, the Customer will be required to enter into a Capital Cost Recovery Agreement, and provide the necessary deposits, contributions, and/or guarantees.

2.1.2.2	Capital Contributions	2.1.2.4	Capital Contributions	
2.1.2.3	Settlement of Capital Contributions: Residential Subdivisions			This section has been omitted.
2.1.2.4	Rebates Related to Expansions: Residential Subdivisions	2.1.2.5	Un-forecasted Load/Customers	
2.1.2.5	Supply Agreement & Securities	2.1.2.6	Expansion Deposit	Distributors must collect an Expansion Deposit for any Expansion where a capital contribution is required. Distributors may collect an Expansion Deposit where there is no capital contribution required. Therefore, Alectra has changed this section as follows: • Alectra shall require an expansion deposit for all expansion projects; • For expansions that require a capital contribution, an expansion deposit of up to 100% of the present value of the forecasted revenues will apply; • For expansions that do not require a capital contribution, an expansion deposit of up to 100% of the present value of the projected capital costs will apply.
2.1.3	Connection Denial	2.1.3	Connection Denial	Alectra describes the reasons it may refuse to connect, or continue to connect, a Customer.

2.1.4	Inspections Before Connection	2.1.4	Inspection Before Connection	Services that have been disconnected for the purposes of upgrade or change, or services that have been altered subsequent to ESA approval, must be re-inspected and approved by the ESA via a Connection Authorization prior to the re-energization of a Customer's supply of electricity.
2.1.5	Relocation of Plant	2.1.5	Relocation of Plant	Alectra describes the processes a Customer must follow in undertaking work which may encroach on Alectra's plant or its working clearances. Costs for relocating plant or equipment will be charged to the requesting party, and a design pre-payment may be required before work commences.
2.1.6	Easements	2.1.6	Easements and Access to Equipment	The rights and responsibilities of Alectra and its Customer regarding easements are described; an easement which benefits one Customer which is required to be located on another Customer's land must be acquired by and maintained by the benefitting Customer.
2.1.7	Contracts	2.1.7	Contracts	Alectra has added four new sections: • 2.1.7.5 – Tenant or Occupier Customer; • 2.1.7.7 – Operating Agreements;

				• 2.1.7.8 – Capital Cost Recovery Agreement; • 2.1.7.9 – Assignment and Succession.
2.1.7.1	Contract for New or Modified Electricity Service	2.1.7.1	Opening and Closing of Accounts	
2.1.7.2	Implied Contract	2.1.7.2	Implied Contracts	
2.1.7.3	Special Contracts	2.1.7.3	Special Contracts	
2.1.7.4	Landlord & Tenant Agreements	2.1.7.4 2.1.7.6	Payment by Building Owner Owner Liability for Tenant or Occupier	Alectra will not terminate the supply of electricity when requested by a building Owner for the purpose of evicting a Tenant contracted with Alectra for the supply of electricity.
2.1.7.5	Opening & Closing of Accounts	2.1.7.1 2.3.7.5	Opening and Closing of Accounts Final Meter Reading	Seven (7) business days' notice is required in advance of the date service is to be discontinued.
2.2 2.2.1 2.2.1.1 2.2.1.3 2.2.1.4	Disconnection Disconnection & Reconnection: Process & Charges Disconnection / Load Control / Timed Device Electrical General	2.2	Disconnection/Reconnection Processes and Charges	Alectra has added a new section 2.2.2 – Disconnection for Maintenance Purposes.
2.2.1.2	Process for Non-Payment of Account	2.2	Disconnection/Reconnection Processes and Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.

2.2.2	Unauthorized Energy Use	2.2.1	Unauthorized Energy Use / Energy Diversion	
2.2.3	Restricted Access to Meter Located on Residential Property	2.2.4	Restricted Access to Meter Located on Residential Property	
2.2.4 2.2.5 2.2.6 2.2.7 2.2.8	Disconnection Process for Reasons Other Than Non-Payment Immediate Disconnection Without Notice Liability for Disconnection Reconnection Disconnection & Reconnection Related Charges	2.2	Disconnection/Reconnection Processes and Charges	
2.2.9	Unauthorized Energy Use	2.2.1	Unauthorized Energy Use / Energy Diversion	
2.2.10	Fraudulent Account Set-Up			This section has been omitted.
2.2.11	Service Cancellation	2.2.3	Termination or Disconnection of Supply	
2.3	Conveyance of Electricity	2.3	Conveyance of Electricity	
2.3.1	Limitations on the Guarantee of Supply	2.3.1	Limitations on the Guarantee of Supply	
2.3.2	Power Quality	2.3.2	Power Quality	Alectra has added a new section 2.3.2.1 – Power Factor.

2.3.2.1	Power Quality Testing	2.3.2.2	Power Quality Testing	
2.3.2.2	Prevention of Voltage Distortion in Distribution	2.3.2.3	Prevention of Voltage Distortion in Distribution System	
2.3.2.3	Obligation to Assist the Investigation	2.3.2.4	Obligation to Assist the Investigation	
2.3.2.4	Timely Correction of Deficiencies	2.3.2.5	Timely Correction of Deficiencies	
2.3.2.5	Notification for Interruptions	2.3.3.1	Notification of Interruptions	
2.3.2.6	Third-Party Notification to Customers			This section has been omitted.
2.3.2.7	Emergency Interruptions for Safety	2.3.3.2	Emergency Interruptions for Safety	
2.3.2.8	Emergency Service (Trouble Calls)	2.3.3.4	Emergency Service (Trouble Calls)	Alectra has updated its contact information.
2.3.2.9	Outage Reporting	2.3.3.5	Outage Reporting	This section includes information to view or report outage information for all of Alectra's service territories.
2.3.3 2.3.3.1 2.3.3.2	Electrical Disturbances Voltage Fluctuations Motors, Welders, Arc Furnaces, Etc.	2.3.3	Electrical Disturbances	Alectra has added a new section 2.3.3.3 – Consumers Using Life Support.
2.3.3.3 2.3.3.4 2.3.3.5	Three-Phase Reclosure, Single-Phase Operation & Loss of Phase System Switching Electric & Magnetic Fields			These sections have been omitted.

2.3.4	Standard Voltage Offerings	2.3.4	Standard Voltage Offerings	Alectra has added a new section 2.3.4.3 – Higher Reliability Supply Offerings.
2.3.4.1	Primary Voltage	2.3.4.1	Primary Voltage Supply	Alectra describes its standard voltage offerings across all service territories. 44kV is only offered for underground services. Customers must provide a convenient and safe location satisfactory to Alectra for the installation of distribution equipment.
2.3.4.2	Supply Voltage	2.3.4.2	Secondary Voltage Supply	
2.3.5	Voltage Guidelines	2.3.5	Voltage Guidelines	
2.3.6	Back-Up Generators (Open & Closed Transition Operation)	2.3.6	Back-up Generators	Customers with permanently connected emergency generation equipment shall notify Alectra in writing regarding the presence of such equipment.
2.3.7	Metering	2.3.7 3.4.5.1	Metering Metering for Embedded Generation	
2.3.7.1	General	2.3.7 2.3.7.1 3.1.13.5	Metering General Metering located in Electrical Rooms	Customers must arrange outages during regular business hours if required to maintain metering equipment. If it is necessary to do so after hours, incremental costs will be incurred by the Customer.

2.3.7.1.1	Multi-Unit Residential Suite Buildings	3.3.9 3.3.10	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	Units that contain two or more demised premises will be individually metered. Building developers have the option to choose between Alectra Unit Metering Socket Meters and Bulk Metering installations.
2.3.7.1.2	Main Switch & Meter Mounting Devices	2.3.7.1 3.1.13.1	General General	
2.3.7.1.3 2.3.7.1.4 2.3.7.1.5	Service Mains Limitations Special Metering Enclosures Meter Loops inside Meter Cabinets	2.3.7 3.1.13	Metering Metering Requirements	
2.3.7.1.6	Barriers	3.3.8	Metering - General	
2.3.7.1.7	Doors	2.3.7.1 3.1.13.1	General General	
2.3.7.1.8	Auxiliary Connections	3.1.13.6	Auxiliary Connections	
2.3.7.1.9	Working Space	2.3.7.1 3.1.13.5	General Metering located in Electrical Rooms	Alectra describes the requirements for metering installations in electrical rooms.
2.3.7.2	Current & Potential Transformer Boxes and/or Utility Compartment	2.3.7.2	Current Transformer Boxes	

2.3.7.2.1	Primary Metering: Overhead & Underground Installations	3.1.13	Metering Requirements	Alectra's metering standards, instructions, and specifications provide information on approved equipment such as meter bases and enclosures, and characteristics for the various types of metering installations. Please contact Alectra for further information on metering standards.
2.3.7.3	Interval Metering	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	Interval (MIST) meters will be installed on services with a monthly average peak demand during a calendar year over 50 kW.
2.3.7.4	Meter Reading & Access to Meter Equipment	2.3.7.4	Meter Reading	It is the responsibility of the Customer to ensure the meter can be read using standard infrastructure. At the Customer's cost, a meter may be read by an alternate method.
2.3.7.5	Final Meter Reading	2.3.7.5	Final Meter Reading	Seven (7) business days' notice is required in advance of the date service is to be discontinued.
2.3.7.6	Faulty Registration of Meters	2.3.7.6	Faulty Registration of Meters	
2.3.7.7	Meter Dispute Testing	2.3.7.7	Meter Dispute Testing	
2.3.7.8	Working Ground Points: 120 V to 46 kV Metering Applications	3.1.13	Metering Requirements	Alectra's metering standards, instructions, and specifications provide information on approved equipment such as meter bases and enclosures, and characteristics for the various types of metering installations. Please contact Alectra for further information on metering standards.

2.4	Tariffs & Charges	2.4	Tariffs and Charges	
2.4.1 2.4.1.1	Service Connections Customers Switching to Retailer	2.4.1	Service Connections	
2.4.1.2	Supply Deposits & Agreements			This section has been omitted.
2.4.2 2.4.2.1 2.4.2.2 2.4.2.3	Energy Supply Standard Service Supply Retailer Supply Wheeling of Energy	2.4.2	Energy Supply	The transfer from an SSS Customer to a Retailer, or vice versa, will be effective as of the next scheduled meter read date.
2.4.3 2.4.3.1 2.4.3.2 2.4.3.3 2.4.3.4 2.4.3.5 2.4.3.6	Deposits Security Deposit Requirements Exemption from Paying Security Deposit Security Deposit Limits Retention of Security Deposits Interest on Security Deposits Enforcement for Unpaid Security Deposits	2.4.3	Deposits	This section also refers to Alectra's credit policy, which can be obtained by contacting Alectra.
2.5	Billing	2.4.4	Billing	Alectra has added two new sections: • 2.4.4.4 – Adjustment Factor; • 2.4.4.5 – Aggregated Billing.
2.5.1	Billing Frequency	2.4.4.1	Billing Frequency	
2.5.2	Use of Estimates	2.4.4.2	Use of Estimates	

2.5.3	Pro-Rating of Accounts	2.4.4.3	Pro-ration of Accounts	
2.5.4	Equal Payment Plan	2.4.5	Payments and Late Payment Charges	
2.5.5	Billing Errors	2.3.7.6	Faulty Registration of Meters	
2.5.6	Annual Reclassification of Class			This section has been omitted.
2.6	Payments & Overdue Account Interest Charges	2.4.5	Payments and Late Payment Charges	
2.6.1	HOB Payment Options	2.4.5	Payments and Late Payment Charges	Clarifications regarding payment sources and terms are provided.
2.6.2	Late Payment Charges	2.2 2.4.5	Disconnection/Reconnection Processes and Charges Payments and Late Payment Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.
2.6.3 2.6.4 2.6.5	Allocation of Payments Return Payments Specific Service Charges	2.4.5	Payments and Late Payment Charges	
2.6.6 2.6.6.1 2.6.6.2	Arrears Management Program Residential Customer Eligible Low-Income Residential Customer	2.4.6	Arrears Management Program	
2.7	Customer Information	2.5 2.5.1 2.5.1.1 2.5.1.2	Customer Information Disclosure of Historical Usage to a Third Party Aggregated Information List of Retailers	Historical information provided to a third party at a Customer's request will be what is readily available to a maximum of 24 months. Alectra may charge an OEB approved fee for this service.

		2.5.1.3	Request Response or Referral	
2.8	Forestry	2.2 3.1.6 3.1.9	Disconnection/Reconnection Processes and Charges Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Distribution System Construction and Maintenance	Alectra describes the Customer's responsibility for requesting a temporary isolation of supply in advance of completing maintenance activities in cases where the Customer has ownership of overhead primary or secondary conductor on their property, and where the Customer is responsible for tree trimming near the overhead lines.
3	**Customer (Class) Specific**	**3**	**Customer Class Specific**	
3.1	Residential	3.1 3.2 3.2.1 3.2.2	Service Information – All Customer Classes Residential Services Application Single Detached Dwellings/Semi-Detached/Multiplexes	Alectra has added a new section 3.2.3 – Metering for Condominium Townhouses.
3.1.1	Overhead Services	3.2.2.2	Overhead Services	
3.1.1.1	Minimum Requirements	3.1.5 3.2.2.2	Authorization of Overhead Services Overhead Services	Alectra clarifies the conditions that must be met before energizing overhead service.
3.1.1.2	Electrical Services in Vicinity of Swimming Pools	3.2.2.1 3.2.2.4	Services Over/Under Swimming Pools Underground Servicing Details	The conditions surrounding electrical conductors in the vicinity of swimming pools are described.
3.1.2	Underground Services for Individual Residences	3.2.2.3 3.2.2.4	Underground Services Underground Servicing Details	Alectra describes the responsibilities of the Customer and Alectra as they pertain to

				underground services. Where a new service or service upgrade is requested with underground distribution infrastructure, the new service or service upgrade shall be underground. New underground services will have a 200 Amp capacity. Alectra approval is required for any service or configuration that exceeds this service level.
3.1.3	MicroFIT Solar & Micro Generator Installations	3.4.3	Connection of Micro-Generation Facilities	
3.1.4 3.1.5	Residential Upgrades Addition of Second Residential Account			These sections have been omitted.
3.2	General Service (Below 50 kW)	3.3	General Service (GS <50kW, GS>50kW, and >5000kW)	Alectra has added four new sections: • 3.3.1 – Application; • 3.3.4 – General Conditions for General Service; • 3.3.5 – Alectra Utilities-Owned Transformation Connections; • 3.3.5.1 – Overhead Services.
3.2.1	Transformer Vaults for HOB Use	3.3.5.2	Underground Services	Alectra describes the requirements and responsibilities related to transformer vaults.
3.2.1.1	Common	3.1.6 3.1.9	Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Distribution System Construction and Maintenance	Alectra describes the requirements and responsibilities related to Alectra-owned substations.

		3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.2.1.2	Customer Rate Class Eligibility Criteria	3.3.2 3.3.3	General Service Rate Classes by Rate Zone Rate Class Assignments	
3.2.2	Electrical Requirements (Applicable): Regulatory			This section has been omitted.
3.2.2.1	Electrical (Utility) Room	3.1.13.5 3.3.5.2	Metering located in Electrical Rooms Underground Services	Alectra describes the requirements for electrical rooms.
3.2.3	Underground Service Requirements	3.3.5.2 3.3.5.3	Underground Services Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	Alectra describes the requirements and responsibilities related to underground services.
3.2.4	Temporary Services	3.3.11	Temporary Services	Alectra has added a new section 3.3.11.1 – Metering.
3.2.5	Reference Guides & Standards for Commercial & Industrial Contribution			This section has been omitted.
3.3 3.3.2	General Service (Above 50 kW) General Service (50 kW to 1499 kW)	3.3	General Service (GS <50kW, GS>50kW, and >5000kW)	
3.3.1	New Residential Subdivisions or Multi-Unit Developments			This section has been omitted.

3.3.2.1	Electrical Requirements	3.1.6 3.3.5.2	Customer and Alectra Utilities Installation and Maintenance Underground Services	
3.3.2.2	Electrical (Utility) Room	3.1.13.5 3.3.5.2	Metering located in Electrical Rooms Underground Services	Alectra describes the requirements for electrical rooms.
3.3.3 3.3.3.1 3.3.3.2 3.3.3.3 3.3.3.4 3.3.3.5 3.3.3.6	Technical Information Architectural Site & Grading Plans Site Services Plan Landscaping Site Plan Electrical Site Plan Single Line Diagram Secondary Switchboard			These sections have been omitted.
3.3.4	Technical Considerations	3.3.7	Technical Requirements	
3.3.4.1	Protective Equipment: Short-Circuit Ratings	3.3.7.1	Short Circuit Ratings	
3.3.4.2	Primary Fusing	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.3.4.3	Ground Fault Protection	3.3.7.3	Ground Fault Protection	
3.3.4.4	Lightning Arresters	3.3.7.4	Lightning Arresters	
3.3.4.5	Basic Impulse Level	3.3.7.2	Basic Impulse Level	
3.3.4.6	Unbalanced Loads	3.3.7.5	Unbalanced Loads	Customers will maintain a balanced, three-phase load. It is the responsibility of Customers with large non-linear loads to

				install proper corrective measures that comply with industry standards.
3.4 3.4.2	General Service (Above 1500 kW): Customer-Owned Substations Customer-Owned Substation with Customer-Owned 44 kV Transformer	3.3.6	Customer-Owned Substations	Alectra has added three new sections: • 3.3.6.1 – Overhead Services – Customer Owned Substations; • 3.3.6.3 – Operation of Primary Disconnect Devices on Substations; • 3.3.6.4 – Maintenance of Substations.
3.4.1	Initial Installation or Upgrade/Replacement	3.3.6	Customer-Owned Substations	Alectra describes the requirements and responsibilities related to Customer-owned substations.
3.4.2.1 3.4.2.3	Primary LIS Lightning Arresters			These sections have been omitted.
3.4.2.2	Fuses	3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	Customers shall specify the fuse rating and demonstrate coordination with Alectra's upstream protection.
3.4.2.4	Maintenance	3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	Alectra describes the requirements and responsibilities related to maintenance of Customer-owned substations.
3.4.3	Customer-Owned Substation (U/G) with Customer-Owned 27.6 kV Transformer	3.3.6	Customer-Owned Substations	
3.4.3.1 3.4.3.3 3.4.3.5	Primary LIS Lightning Arresters General			These sections have been omitted.

3.4.3.2 3.4.3.4	Fuses Maintenance	3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	
3.4.4 3.4.5	Electrical Requirements Technical Information & Considerations			These sections have been omitted.
3.5 3.5.1	Embedded Generation Introduction	3.4	Embedded Generation and Energy Storage	The conditions for Embedded Generation also apply to Customers with energy storage that has the capability of providing power to Alectra's distribution system. Alectra has added two new sections: • 3.4.6 – Net Metering for an Embedded Generation Facility; • 3.4.7 – Gross Load Billing.
3.5.2	Renewable Energy Generators: MicroFIT & FIT	3.4.3	Connection of Micro-Generation Facilities	Alectra describes the requirements related to the connection of micro-generation facilities.
3.5.3 3.5.4 3.5.4.2	HOB Distribution System HOB Utility Practices Small Embedded Generators	3.4.5	Technical Requirements	
3.5.4.1	Mid-Size & Large Embedded Generators	3.4.5 3.4.5.1	Technical Requirements Metering for Embedded Generation	Alectra will provide, install, own and maintain a meter installation for all embedded generation Customers.
3.5.5	Small, Mid-Size & Large Embedded Generator Interconnection: Requirements & Procedure	3.4.2 3.4.4	Connection Process Connection of Small, Mid-Sized and Large Generation Facilities	Alectra describes the required information and timelines associated with the connection of generation facilities.

3.5.5.1 3.5.5.2 3.5.5.3 3.5.5.5	Initial Contact & Embedded Generator Interconnection Application Preliminary Review for Connection Requirements: Customer Request Connection Impact Assessment: Detailed Study to Determine Connection Requirements Commissioning	3.4.4	Connection of Small, Mid-Sized and Large Generation Facilities	
3.5.5.4	Agreements	3.4.1	Connection and Operating Agreements	
3.5.6 3.5.6.1 3.5.6.2	General Responsibilities Embedded Generator Responsibilities HOB Responsibilities	3.4.2 3.4.5	Connection Process Technical Requirements	
3.5.7	Important Technical Requirements for Connecting Mid-Size & Large Embedded Generation Projects	3.4.2 3.4.5.1	Connection Process Metering for Embedded Generation	
3.5.8 3.5.10	Maintenance Schedules Disconnection of Embedded Generation Facility	3.4.5	Technical Requirements	
3.5.9	Reporting Requirements			This section has been omitted.
3.6	Embedded Market Participant	3.5	Embedded Market Participant	30 days prior to their participation in the Ontario electricity market, embedded

				market participants are required to inform Alectra of their approved status in writing.
3.7	Embedded Distributor	3.6	Embedded Distributor	Alectra has added a new section 3.6.1 – Metering.
3.8	Unmetered Connections	3.7	Unmetered Connections	
3.8.1	General	3.7.1	General	
3.8.2	Rate Structure			This section has been omitted.
3.8.3	Customer(s) Obligations	3.7.1.1	Unmetered Customer Responsibilities	
3.8.4	Distributors Obligations	3.7.1.2	Alectra Utilities Responsibilities	
3.8.5	Data Requirements	3.7.2	Data Requirements	
3.8.6 3.8.6.1	Data Quality Auditing Requirements and Records Retention Data Quality Requirements	3.7.2.1	Customer Data Quality Requirements	
3.8.6.2	Data Auditing Requirements	3.7.2	Data Requirements	Customers may initiate an audit.
3.8.6.3	Records Retention	3.7.2.2	Records Retention	Once a service is permanently removed, the records retention period shall be for a minimum of two (2) years.
3.8.7 3.8.7.1 3.8.7.2	Unmetered Load Types Defined Street Lighting	3.7.3	Unmetered Load Types	

3.8.7.3 3.8.7.4 3.8.7.5	Telecommunication Power Supplies Traffic Signals Decorative Lighting Other Small Services			
3.8.8	Service Costs	3.7.4	Service Costs	
3.8.8.1 3.8.8.2 3.8.8.3	Proposed In-Service Permanently Removed	3.7.4.1	General Billing Conditions and States of Connection	
3.8.9	Work by Hydro One Brampton	3.7.1	General	
3.8.10	Audit Costs	3.7.2	Data Requirements	
3.8.11	Error Costs	3.7.4.2	Data Error Costs	
4	**Glossary of Terms**	**4**	**Glossary of Terms**	This section has been updated and expanded.

Conditions of Service (CoS) Reference Mapping Table and Summary of Changes
Enersource Hydro Mississauga (Enersource) to Alectra Utilities (Alectra)

The table below summarizes the changes made to the Conditions of Service for Enersource Hydro Mississauga in moving to harmonized Conditions of Service for all Alectra Utilities' service territories. The table should be read as follows:

- Enersource Hydro Mississauga's Section Reference and Heading – these refer to the section and heading within the original Enersource Hydro Mississauga Conditions of Service document;
- Alectra Utilities' Section Reference and Heading – these refer to the section and heading where the same or similar material can be found within the Alectra Utilities Conditions of Service document;
- Summary of Updates/Changes – this column provides a summary of the changes, if any. If no indication is provided, then the material is substantially or materially the same as the original Conditions of Service.

Enersource Section Reference	Enersource Section Heading	Alectra Section Reference	Alectra Section Heading	Summary of Updates/Changes
1	**Introduction**	**1**	**Introduction**	Section 1.9 Force Majeure is new.
1.1	Identification of Distributor and Territory	1.1	Identification of Distributor and Service Area	Alectra's service area is described in this section, consistent with its electricity distribution license.
1.2	Related Codes and Governing Laws	1.2	Related Codes, and Governing Laws	
1.3	Interpretations	1.3	Interpretation	
1.4	Amendments and Changes	1.4	Amendments and Changes	

1.5	Contact Information	1.5	Contact Information	Alectra has updated its contact information.
1.6	Customer Rights	1.6	Customer Rights	Each person listed on an account with more than one person is jointly and severally responsible for compliance with these Conditions of Service and for payment of account.
1.6.1 1.6.2 1.6.3	Privacy of Information Accessibility Ontario Clean Energy Benefit (OCEB)			These sections have been omitted.
1.7	Distributor's Rights and Responsibilities	1.7	Distributor Rights	Alectra describes its right to request certain information from Customers for purposes of verifying identity.
1.7.1	Access to Customer Property	1.7	Distributor Rights	
1.7.2	Safety of Equipment	1.6.2 2.2	Operating Control Disconnection/Reconnection Processes and Charges	
1.7.3	Operating Control	1.6.2	Operating Control	
1.7.4	Repairs of Defective Electrical Equipment	1.6.1	Defective Customer Equipment	
1.7.5	Customer's Civil and Physical Structures	3.1.6	Customer and Alectra Utilities Installation and Maintenance	
1.7.6	Tree and Vegetation Management	2.2.2	Disconnection for Maintenance Purposes	Alectra describes the Customer's responsibility for requesting a temporary

		3.1.6 3.1.9	Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Distribution System Construction and Maintenance	isolation of supply in advance of completing maintenance activities in cases where the Customer has ownership of overhead primary or secondary conductor on their property, and where the Customer is responsible for tree trimming near the overhead lines.
1.7.7	System Inspection Requirements and Maintenance	3.1.9	Alectra Utilities Distribution System Construction and Maintenance	
1.8	Disputes	1.8	Disputes	
1.8.1	Internal Dispute Resolution Process	1.8.1	Dispute Resolution Process	Enersource's dispute resolution process has been replaced with Alectra's dispute resolution process.
1.8.2	External Resolution Process			This section has been omitted.
2	**Distribution Activities (General)**	**2**	**Distribution Activities (General)**	
2.1	Connections	2.1 2.1.2.7	Connections – Process and Timing Timing of Service Energization Obligation	Alectra describes activities that take place during the connection process. Alectra has added the following clarifications: • If the Customer is not the registered landowner, Alectra must have the written consent of the registered landowner to enter into an agreement; • Customers must apply for a disconnection in writing;

				• Standard voltage offerings are not necessarily available at every service location; • Alectra does not guarantee the availability of capacity of what may have been the on-site capacity of a property or facility at the time service was removed. Customers are encouraged to contact Alectra in order to confirm the availability of capacity.
2.1.1	Building that Lies Along	2.1.1	Building that Lies Along	Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if the Customer cancels the connection process. For the purposes of a connection the Offer to Connect will be based on a firm cost, and not subject to true up. Alectra will designate the point of supply for all primary and secondary services.
2.1.1.1	Connection Charges	2.1.1	Building that Lies Along	Alectra describes the responsibility for costs associated with new connections.
2.1.2	Expansions	2.1.2 2.1.2.1	Expansions / Offer to Connect Expansion Request Requirements from Customer	Consistent with recent amendments to the Distribution System Code (“DSC”), Alectra will perform an economic evaluation for every expansion project. The evaluation will include all the costs relevant to the expansion.

				Alectra has added a new section 2.1.2.8 – Timing and Process for Embedded Market Participant, Embedded Generation, and Embedded Distributor.
2.1.2.1 2.1.2.2	Offer to Connect Enersource's Obligations Under "Offer To Connect"	2.1.2.2	Offer to Connect	
2.1.2.3	Settlement of "Capital Contribution" for "Offer To Connect"	2.1.2.4	Capital Contributions	
2.1.2.4	Alternate Bids	2.1.2.3	Alternative Bid	Alectra describes the alternative bid process, consistent with the DSC.
2.1.2.5	Settlement of Rebates for Connection of Un-forecasted Customers During Connection Horizon	2.1.2.5	Un-forecasted Load/Customers	
2.1.2.6	Phase Developments			This is covered in the Offer to Connect.
2.1.2.7	Expansion Deposit	2.1.2.6	Expansion Deposit	Distributors must collect an Expansion Deposit for any Expansion where a capital contribution is required. Distributors may collect an Expansion Deposit where there is no capital contribution required. Therefore, Alectra has changed this section as follows: • Alectra shall require an expansion deposit for all expansion projects;

				• For expansions that require a capital contribution, an expansion deposit of up to 100% of the present value of the forecasted revenues will apply; • For expansions that do not require a capital contribution, an expansion deposit of up to 100% of the present value of the projected capital costs will apply.
2.1.2.8 2.1.2.9	Securities Against Forecasted Revenues Customer Classes			These sections have been omitted.
2.1.3	Connection Denial	2.1.3	Connection Denial	Alectra describes the reasons it may refuse to connect, or continue to connect, a Customer.
2.1.4	Inspection Before Connection	2.1.4	Inspection Before Connection	Services that have been disconnected for the purposes of upgrade or change, or services that have been altered subsequent to ESA approval, must be re-inspected and approved by the ESA via a Connection Authorization prior to the re-energization of a Customer's supply of electricity.
2.1.5	Relocation of Plant	2.1.5	Relocation of Plant	Alectra describes the processes a Customer must follow in undertaking work which may encroach on Alectra's plant or its working clearances. Costs for relocating plant or equipment will be charged to the requesting party, and a

				design pre-payment may be required before work commences.
2.1.6	Easements and Access to Equipment	2.1.6	Easements and Access to Equipment	The rights and responsibilities of Alectra and its Customer regarding easements are described; an easement which benefits one Customer which is required to be located on another Customer's land must be acquired by and maintained by the benefitting Customer.
2.1.7	Contracts	2.1.7	Contracts	Alectra has added five new sections: • 2.1.7.5 – Tenant or Occupier Customer; • 2.1.7.6 – Owner Liability for Tenant or Occupier; • 2.1.7.7 – Operating Agreements; • 2.1.7.8 – Capital Cost Recovery Agreement; • 2.1.7.9 – Assignment and Succession.
2.1.7.1	Contract for New or Modified Service	2.1.7.1	Opening and Closing of Accounts	
2.1.7.2	Implied Contracts	2.1.7.2	Implied Contracts	
2.1.7.3	Special Contracts	2.1.7.3	Special Contracts	
2.1.7.4	Payment by Building Owner	2.1.7.4	Payment by Building Owner	
2.1.7.5	Opening and Closing of Accounts	2.1.7.1 2.3.7.5	Opening and Closing of Accounts Final Meter Reading	Seven (7) business days' notice is required in advance of the date service is to be discontinued.

2.1.8	Pole Attachments	3.1.15	Pole Attachments (Temporary and Permanent)	
2.1.9	Enhancements			This section has been omitted.
2.2 2.2.2 2.2.3 2.2.4 2.2.5	Disconnection Disconnection on Order of Inspection Department Disconnection and Reconnection of Customer-Owned Substations for Maintenance Disconnection Notice Disconnection and Reconnection of Residential Meters and General Service Customer	2.2	Disconnection/Reconnection Processes and Charges	Alectra has added two new sections: • 2.2.3 – Termination or Disconnection of Supply; • 2.2.4 – Restricted Access to Meter Located on Residential Property.
2.2.1	Collection of Arrears	2.2 2.4.6	Disconnection/Reconnection Processes and Charges Arrears Management Program	
2.2.1.1	Disconnection for Non-Payment	2.2	Disconnection/Reconnection Processes and Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.
2.2.1.2	Late Payment Charge	2.2 2.4.5	Disconnection/Reconnection Processes and Charges Payments and Late Payment Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.
2.2.3.1	Procedure	2.2.2	Disconnection for Maintenance Purposes	After the Customer has contacted Alectra for temporary isolation, and once all requirements have been met, the work will

				be scheduled within ten (10) business days under normal circumstances.
2.2.6 2.2.8	Electrical Disturbances Hazardous Conditions	2.2 2.3.3	Disconnection/Reconnection Processes and Charges Electrical Disturbances	If a hazardous condition or disturbance propagation exists, Customers have seven (7) calendar days from notification to remedy the condition.
2.2.7	Unauthorized Energy Use	2.2.1	Unauthorized Energy Use / Energy Diversion	
2.2.9	Reconnection After Six Months	2.1.4	Inspection Before Connection	
2.2.10 2.2.11 2.2.12	Disconnection of Overlapped Services Demolition Requirements House Moving			These sections have been omitted.
2.3	Conveyance of Electricity	2.3	Conveyance of Electricity	
2.3.1	Limitations on the Guarantee of Supply	2.3.1	Limitations on the Guarantee of Supply	
2.3.2	Power Quality	2.3.2	Power Quality	Alectra has added two new sections: • 2.3.2.1 – Power Factor; • 2.3.2.3 – Prevention of Voltage Distortion in Distribution System.
2.3.2.1	Power Quality Testing	2.3.2.2	Power Quality Testing	
2.3.2.2	Obligation to Help in the Investigation	2.3.2.4	Obligation to Assist the Investigation	

2.3.2.3	Timely Correction of Deficiencies	2.3.2.5	Timely Correction of Deficiencies	
2.3.2.4	Notification for Interruptions	2.3.1 2.3.3.1	Limitations on the Guarantee of Supply Notification of Interruptions	
2.3.2.5	Notification to Customers on Life Support	2.3.3.3	Consumers Using Life Support	Consumers who require an uninterrupted source of power for life support equipment must provide their own back-up power supply equipment for these purposes. Alectra shall not be liable in any manner for an interruption of power.
2.3.2.6	Emergency Interruptions for Safety	2.3.3.2	Emergency Interruptions for Safety	
2.3.2.7	Emergency Service (Trouble Calls)	2.3.3.4	Emergency Service (Trouble Calls)	Alectra has updated its contact information.
2.3.2.8	Outage Reporting	2.3.3.5	Outage Reporting	This section includes information to view or report outage information for all of Alectra's service territories.
2.3.3	Electrical Disturbances	2.3.3	Electrical Disturbances	
2.3.4	Standard Voltage Offerings	2.3.4 2.3.4.1 2.3.4.2	Standard Voltage Offerings Primary Voltage Supply Secondary Voltage Supply	Alectra describes its standard voltage offerings across all service territories. 44kV is only offered for underground services. Customers must provide a convenient and safe location satisfactory to Alectra for the installation of distribution equipment.

				Alectra has added a new section 2.3.4.3 – Higher Reliability Supply Offerings.
2.3.5	Voltage Guidelines	2.3.5	Voltage Guidelines	
2.3.6	Backup Generators	2.3.6	Back-up Generators	Customers with permanently connected emergency generation equipment shall notify Alectra in writing regarding the presence of such equipment.
2.3.7	Metering	2.3.7 3.1.13 3.4.5.1	Metering Metering Requirements Metering for Embedded Generation	
2.3.7.1 2.3.7.2 2.3.7.3 2.3.7.4 2.3.7.5 2.3.7.6 2.3.7.7	General Residential All General Service Customers Main Switch With Respect to Meter Mounting Devices Meter Sockets Meter Cabinets Meter Cabinet Specifications	2.3.7 2.3.7.1 2.3.7.2 3.1.13.1 3.1.13.4 3.1.13.5	Metering General Current Transformer Boxes General Alterations to Buildings or Sites Metering located in Electrical Rooms	Customers must arrange outages during regular business hours if required to maintain metering equipment. If necessary, to do so after hours, incremental costs will be incurred by the Customer. Alectra's metering standards, instructions, and specifications provide information on approved equipment such as meter bases and enclosures, and characteristics for the various types of metering installations. Please contact Alectra for further information on metering standards.
2.3.7.8	Multi Metering	3.3.9	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial	Units that contain two or more demised premises will be individually metered. Building developers have the option to choose between Alectra Unit Metering

		3.3.10	Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	Socket Meters and Bulk Metering installations.
2.3.7.9	Metering at Customer-Owned Substation	3.3.8	Metering - General	Metering for General Services shall comply with the Standard designated by Alectra's Standards, instructions and specifications. Alectra will provide these specifications directly to Customers on a project by project basis.
2.3.7.10	Auxiliary Connections	3.1.13.6	Auxiliary Connections	All Customer connections shall be made to the load side of Alectra's metering, except as approved by Alectra.
2.3.7.11	Current Transformer Boxes	2.3.7.2	Current Transformer Boxes	
2.3.7.12 2.3.7.13	MIST Meter Interval Metering	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	Alectra clarifies that interval (MIST) meters will be installed on services with a monthly average peak demand during a calendar year over 50 kW.
2.3.7.14	Meter Reading	2.3.7.4	Meter Reading	Meters are read remotely. It is the responsibility of Customers to ensure the meter can be read using standard infrastructure. At the Customer's cost, a meter may be read by an alternate method.

2.3.7.15	Final Meter Reading	2.3.7.5	Final Meter Reading	Seven (7) business days' notice is required in advance of the date service is to be discontinued.
2.3.7.16	Faulty Registration of Meters	2.3.7.6	Faulty Registration of Meters	
2.3.7.17	Meter Dispute Testing	2.3.7.7	Meter Dispute Testing	
2.4	Tariffs and Charges	2.4	Tariffs and Charges	
2.4.1 2.4.1.1	Service Connections and Miscellaneous Charges Customers Switching to a Retailer	2.4.1	Service Connections	
2.4.2 2.4.2.1 2.4.2.2 2.4.2.3	Energy Supply Standard Supply Service (SSS) Retailer Supply Wheeling of Energy	2.4.2	Energy Supply	The transfer from an SSS Customer to a Retailer, or vice versa, will be effective as of the next scheduled meter read date.
2.4.3 2.4.3.1 2.4.3.2 2.4.3.2.1 2.4.3.2.2 2.4.3.2.3 2.4.3.3 2.4.3.3.1 2.4.3.3.2 2.4.3.3.3 2.4.3.4 2.4.3.4.1 2.4.3.4.2	Deposits Procedure Residential Customer – Credit Procedure Security Deposit Amount of Security Deposit Review of Security Deposit Commercial Customer – Credit Procedure Security Deposit Amount of Security Deposit Review of Security Deposit Demand Customer – Credit Policy Security Deposit Amount of Security Deposit	2.4.3	Deposits	This section also refers to Alectra's credit policy, which can be obtained by contacting Alectra.

2.4.3.4.3 2.4.3.5 2.4.3.5.1 2.4.3.5.2 2.4.3.5.3 2.4.3.6 2.4.3.7 2.4.3.7.1 2.4.3.7.2 2.4.3.7.3 2.4.3.7.4 2.4.3.7.5 2.4.3.7.6	Review of Security Deposit Large User Customer – Credit Policy Security Deposit Amount of Security Deposit Review of Security Deposit Retailer Prudential Requirements General Rules Good Payment History Payment of Security Deposit Return of Security Deposit Interest on Security Deposit Other Charges Collection Procedures			
2.4.4 2.4.4.1 2.4.4.2 2.4.4.3	Billing Retailer-Consolidated Billing Distributor-Consolidated Billing Standard Supply Service	2.4.4	Billing	Alectra does not offer Retailer Consolidated or Distributor Consolidated billing. Alectra has added five new sections: • 2.4.4.1 – Billing Frequency; • 2.4.4.2 – Use of Estimates; • 2.4.4.3 – Pro-ration of Accounts; • 2.4.4.4 – Adjustment Factor; • 2.4.4.5 – Aggregated Billing.
2.4.4.4	Billing Errors	2.3.7.6	Faulty Registration of Meters	
2.4.5	Payments and Late Payment Charges	2.4.5	Payments and Late Payment Charges	Alectra has made changes to this section as per current OEB Customer service rules. Effective March 1, 2020 bills will be past due after 20 days (excluding bill delivery time allowances).

2.5	Customer Information	2.5 2.5.1 2.5.1.1 2.5.1.2 2.5.1.3	Customer Information Disclosure of Historical Usage to a Third Party Aggregated Information List of Retailers Request Response or Referral	Historical information provided to a third party at a Customer's request will be what is readily available to a maximum of 24 months. Alectra may charge an OEB approved fee for this service.
3	**Customer Class Specific**	**3**	**Customer Class Specific**	
3.1	Residential Customers	3.1 3.2 3.2.1	Service Information – All Customer Classes Residential Services Application	Alectra has added a new section 3.2.3 – Metering for Condominium Townhouses.
3.1.1	Single Detached Dwellings	3.2.2	Single Detached Dwellings/Semi-Detached/Multiplexes	
3.1.1.1	Early Consultation			This section has been omitted.
3.1.1.2	Overhead Services (Maintenance Only)	3.1.2 3.1.6 3.2.2.2	Ownership Demarcation Points Customer and Alectra Utilities Installation and Maintenance Overhead Services	In addition to the requirements of the Ontario Electricity Safety Code, clearance must be provided between utility conductors and finished grade according to CSA requirements.
3.1.1.3	Overhead Servicing Details (Maintenance Only)	3.1.2 3.1.6 3.1.11 3.2.2.2	Ownership Demarcation Points Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Service Entrance Requirements Overhead Services	

3.1.1.4	Services Over/Under Swimming Pools	3.2.2.1	Services Over/Under Swimming Pools	The conditions surrounding electrical conductors in the vicinity of swimming pools are described.
3.1.1.5	Underground Services (Required For All New Services)	3.1.2 3.1.6 3.2.2.3	Ownership Demarcation Points Customer and Alectra Utilities Installation and Maintenance Underground Services	
3.1.1.6	Underground Servicing Details	3.2.2.4	Underground Servicing Details	New underground services will have a 200 Amp capacity. Alectra approval is required for any service or configuration that exceeds this service level.
3.1.1.7	Conversion from Overhead to Underground Services (to be assessed for all Major Renovations/Infills)	3.2.2.3	Underground Services	Where a new service or service upgrade is requested where Alectra's distribution system is underground, the new service or service upgrade shall be underground.
3.1.2	Semi-Detached, Duplex or Triplex Dwellings	3.2.2	Single Detached Dwellings/Semi-Detached/Multiplexes	
3.1.2.1	Underground Servicing Details	3.2.2.4	Underground Servicing Details	New underground services will have a 200 Amp capacity. Alectra approval is required for any service or configuration that exceeds this service level.
3.1.2.2	Overhead Distribution Area (Maintenance Only)	3.1.11 3.2.2.2	Alectra Utilities Service Entrance Requirements Overhead Services	

3.1.2.3	Underground Distribution Area	3.2.2.4	Underground Servicing Details	
3.1.2.4	Point of Demarcation	3.1.2	Ownership Demarcation Points	
3.1.3	Residential Subdivisions or Multi-unit Developments (Row-type Multiple Dwellings)	2.1.2.4	Capital Contributions	
3.2	General Service	3.3 3.3.1	General Service (GS <50kW, GS>50kW, and >5000kW) Application	Alectra has added four new sections: • 3.3.2 – General Service Rate Classes by Rate Zone; • 3.3.3 – Rate Class Assignments; • 3.3.7 – Technical Requirements (and its subsections); • 3.3.8 – Metering – General.
3.2.1	General Requirements (Type A Customers)	3.3.5	Alectra Utilities-Owned Transformation Connections	
3.2.1.1	Type of Service	3.1.5	Authorization of Overhead Services	Alectra clarifies the conditions that must be met before energizing overhead service.
3.2.1.2	Delivery Point and Point of Entry	3.1.4	Requirements for Service Layouts or Service Designs	
3.2.1.3	Overhead Services	3.1.2 3.3.5.1	Ownership Demarcation Points Overhead Services	
3.2.1.4	Overhead Servicing Requirements	3.3.5.1 3.3.5.3	Overhead Services Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	

3.2.1.5	Underground Services	3.1.2 3.3.4 3.3.5.2	Ownership Demarcation Points General Conditions for General Service Underground Services	Alectra describes the requirements and responsibilities related to underground services.
3.2.1.6	Underground Servicing Requirements	3.3.5.2 3.3.5.3	Underground Services Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.2.1.7 3.2.1.8 3.2.1.9	Maintenance of Supply Transformation and Voltage Availability (Type A Customer) Early Consultation	3.1.7 2.3.4	Private Pole Line Requirements Standard Voltage Offerings	
3.2.1.9	Early Consultation	2.1	Connections – Process and Timing	
3.2.1.10	Electrical Service Characteristics	3.1.1 3.3.5.3 3.3.7.1 3.3.7.5	Services per Property Overhead/Underground Servicing Details – Alectra Utilities' Owned Substations Short Circuit Ratings Unbalanced Loads	Alectra describes the requirements and responsibilities as they pertain to Alectra-owned substations.
3.2.1.11 3.2.1.12 3.2.1.13	Overhead Secondary Services (max 400 Amp) Underground Secondary Services - Via Overhead Circuits (max 600 Amp) Underground Secondary Services - Via Pad-mounted Transformer (max 3000 Amp)	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	

3.2.1.14 3.2.1.14.1 3.2.1.14.2 3.2.1.14.3 3.2.1.14.4 3.2.1.14.5	Transformer Vaults General Requirements Vault Requirements Access to Vaults Maintenance and Costs Secondary Conductors in a Vault	3.3.5.2	Underground Services	Alectra describes the requirements and responsibilities as they relate to transformer vaults.
3.2.1.15	Point of Demarcation	3.1.2	Ownership Demarcation Points	
3.2.2	Transformation and Voltage Availability (Type B Customer)	3.3.6	Customer-Owned Substations	
3.2.2.1	Early Consultation	2.1 2.1.2.1	Connections – Process and Timing Expansion Request Requirements from Customer	
3.2.2.2	Electrical Service Characteristics	3.1.1 3.3.6.2 3.3.7.1 3.3.7.5	Services per Property Overhead/Underground Servicing Details – Customer Owned Substations Short Circuit Ratings Unbalanced Loads	Alectra describes the requirements and responsibilities as they pertain to Customer-owned substations.
3.2.2.3	Type of Service	3.1.5	Authorization of Overhead Services	Alectra clarifies the conditions that must be met before energizing overhead service.
3.2.2.4	Delivery Point and Point Of Entry	3.1.4	Requirements for Service Layouts or Service Designs	
3.2.2.5	Overhead Lateral Services	3.3.6.1 3.3.6.2	Overhead Services – Customer Owned Substations	

			Overhead/Underground Servicing Details – Customer Owned Substations	
3.2.2.6	Underground Service Requirements	3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	Alectra describes requirements and details regarding trench routes.
3.2.2.7	Equipment Rating in Customer-Owned Substations	3.3.6 3.3.7.1 3.3.7.2 3.3.7.4	Customer-Owned Substations Short Circuit Ratings Basic Impulse Level Lightning Arresters	
3.2.2.8 3.2.2.9 3.2.2.10	Transformer Specifications when Supplied by Customer Plans and Specifications for Customer-Owned Substations Pre-Service Inspection and Energization	3.3.6	Customer-Owned Substations	Customer-owned substations must be inspected by both Alectra and the ESA.
3.2.2.11	Operation of Primary Disconnect Devices	3.3.6.3	Operation of Primary Disconnect Devices on Substations	A minimum of two (2) weeks notice is required for planned operation of primary disconnect devices for maintenance purposes.
3.2.2.12 3.2.2.12.1 3.2.2.12.2 3.2.2.12.3 3.2.2.12.4	Maintenance of Supply to Customer-Owned Substation Overhead Lateral Supply Underground Supply Service Removal Maintenance of Customer-Owned Substations	3.3.6.1 3.3.6.2 3.3.6.3 3.3.6.4	Overhead Services – Customer Owned Substations Overhead/Underground Servicing Details – Customer Owned Substations Operation of Primary Disconnect Devices on Substations Maintenance of Substations	

		3.3.6.4	Maintenance of Substations	
3.2.2.12.5	Point of Demarcation	3.1.2	Ownership Demarcation Points	
3.2.3	Industrial / Commercial Subdivisions	2.1 2.1.2	Connections – Process and Timing Expansions/Offer to Connect	
3.2.3.1	Early Consultation	2.1 2.1.2.1	Connections – Process and Timing Expansion Request Requirements from Customer	
3.3	Temporary Services	3.3.11	Temporary Services	Alectra has added a new section 3.3.11.1 – Metering.
3.3.2	Delivery Point Location	3.1.4	Requirements for Service Layouts or Service Designs	
3.3.1 3.3.3 3.3.4 3.3.5	Early Consultation Installation and Removal Supply of Transformation Temporary Pole Requirements	2.1 3.1.7 3.3.11	Connections – Process and Timing Private Pole Line Requirements Temporary Services	
3.4 3.4.1 3.4.2 3.4.3 3.4.4	Private Pole Lines Owner Responsibilities Location Approval Submission of Drawings Pole Line Specifications	3.1.7	Private Pole Line Requirements	
3.5	Embedded Generation Facilities	3.4	Embedded Generation and Energy Storage	The conditions for Embedded Generation also apply to Customers with energy storage that has the capability of providing power to Alectra's distribution system.

				Alectra has added a new section 3.4.7 – Gross Load Billing.
3.5.1	Connection Agreement	3.4.1	Connection and Operating Agreements	New Customers must enter into a Connection Agreement prior to connecting a new generation facility.
3.5.2	Connection Process	3.4.2	Connection Process	
3.5.3	Connection of Micro-Generation Facilities	3.4.3	Connection of Micro-Generation Facilities	Alectra describes the timelines related to the Offer to Connect.
3.5.4	Connection of Other Generation Facilities	3.4.4	Connection of Small, Mid-Sized and Large Generation Facilities	Alectra describes requirements to be met before connecting a generation facility.
3.5.5	Technical Requirements	3.4.5	Technical Requirements	Alectra has added a new section 3.4.5.1 – Metering for Embedded Generation.
3.5.6	Net Metering for an Embedded Generation Facility	3.4.6	Net Metering for an Embedded Generation Facility	
3.5.7	Ontario Power Authority's (OPA) Feed-In Tariff (FIT) Program for an Embedded Generation Facility			This section has been omitted.
3.6	Embedded Market Participant	3.5	Embedded Market Participant	
3.7	Embedded Distributors	3.6	Embedded Distributor	Alectra has added a new section 3.6.1 – Metering.
3.8 3.8.1 3.8.2	Un-metered Connections Introduction References	3.7 3.7.1	Un-metered Connections General	

3.8.3	General Conditions for Un-metered Loads			
3.8.3.1	General Responsibilities	3.7.1.1 3.7.1.2	Unmetered Customer Responsibilities Alectra Utilities Responsibilities	
3.8.3.1.1	Un-metered Customer Responsibilities	3.7.1.1	Unmetered Customer Responsibilities	
3.8.3.1.2	Enersource Responsibilities:	3.7.1.2	Alectra Utilities Responsibilities	
3.8.4 3.8.4.1 3.8.4.2	Data Requirements New Un-metered Services Existing Un-metered Services	3.7.2	Data Requirements	
3.8.5 3.8.5.1	Data Quality & Auditing Requirements, and Records Retention Data Quality Requirements	3.7.2.1	Customer Data Quality Requirements	
3.8.5.2	Data Auditing Requirements	3.7.2	Data Requirements	
3.8.5.3	Records Retention	3.7.2.2	Records Retention	
3.8.6 3.8.6.1 3.8.6.1.1 3.8.6.2 3.8.6.2.1 3.8.6.3 3.8.6.3.1 3.8.6.4 3.8.6.4.1	Un-metered Load Types Defined Street Lighting Service Information Traffic Signals Service Information Bus Shelters Service Information Parks & Pathway Lighting Service Information	3.7.3	Unmetered Load Types	

3.8.7 3.8.7.1 3.8.8 3.8.9 3.8.10 3.8.10.1	Decorative Lighting Service Information Fire Pump Services Billboards Other Small Services Service Information			
3.8.11	Service Costs	3.7.4	Service Costs	
3.8.11.1 3.8.11.1.1 3.8.11.1.2 3.8.11.1.3 3.8.11.2	General Billing Conditions Proposed In-Service Permanently Removed Ongoing Account Tariffs and Charges	3.7.4.1	General Billing Conditions and States of Connection	Customers may request permanent removal in writing.
3.8.11.3	Work by Enersource	3.7.1	General	
3.8.11.4	Disruptive Loads	2.2 2.3	Disconnection/Reconnection Processes and Charges Conveyance of Electricity	
3.8.11.4	Audit Costs	3.7.2	Data Requirements	
3.8.11.5	Error Costs	3.7.4.2	Data Error Costs	
4	**Glossary of Terms**	**4**	**Glossary of Terms**	This section has been updated and expanded.

Conditions of Service (CoS) Reference Mapping Table and Summary of Changes
Guelph Hydro to Alectra Utilities (Alectra)

The table below summarizes the changes made to the Conditions of Service for Guelph Hydro in moving to harmonized Conditions of Service for all Alectra Utilities' service territories. The table should be read as follows:

- Guelph Hydro's Section Reference and Heading – these refer to the section and heading within the original Guelph Hydro Conditions of Service document;
- Alectra Utilities' Section Reference and Heading – these refer to the section and heading where the same or similar material can be found within the Alectra Utilities Conditions of Service document;
- Summary of Updates/Changes – this column provides a summary of the changes, if any. If no indication is provided, then the material is substantially or materially the same as the original Conditions of Service.

Guelph Hydro Section Reference	Guelph Hydro Section Heading	Alectra Section Reference	Alectra Section Heading	Summary of Updates/Changes
1	**Introduction**	**1**	**Introduction**	Section 1.9 Force Majeure is new.
1.1	Identification of Distributor and Service Territory	1.1	Identification of Distributor and Service Area	Alectra's service area is described in this section, consistent with its electricity distribution license.
1.1.1	Distribution System Overview	2.3.4	Standard Voltage Offerings	Primary and secondary supply of voltage and associated transformer capacity offerings vary by service location and will be determined by Alectra.
1.2	Related Codes and Governing Laws	1.2	Related Codes, and Governing Laws	

1.3	Interpretations	1.3	Interpretation	
1.4	Abbreviations	4	Glossary of Terms	
1.5	Amendments and Changes	1.4	Amendments and Changes	
1.6	Contact Information	1.5	Contact Information	Alectra has updated its contact information.
1.6.1	Underground Cable Locates	3.1.3	Requirement for Locates	
1.7	Customer Rights	1.6	Customer Rights	Alectra describes circumstances in which Alectra may be liable to a Customer or Embedded Generator and vice versa. Alectra has added two new sections: • 1.6.1 – Defective Customer Equipment; • 1.6.2 – Operating Control.
1.8	Distribution Rights	1.7	Distributor Rights	Alectra describes its right to request certain information from Customers for purposes of verifying identity.
1.8.1	Supply Equipment on the Customer's Property	1.7 3.1.14	Distributor Rights Damage to Plant	Alectra describes its rights and the Customer's responsibilities in making supply equipment accessible.
1.8.2	Repair of Defective Customer Electrical Equipment and Physical Structures	1.7 2.1.1 3.1.6	Distributor Rights Building that Lies Along Customer and Alectra Utilities Installation and Maintenance	Alectra describes the Customer's responsibility for requesting a temporary isolation of supply in advance of completing maintenance activities.

1.8.3	Right to Disconnect	2.2	Disconnection/Reconnection Processes and Charges	
1.9	Disputes	1.8 1.8.1	Disputes Dispute Resolution Process	Guelph Hydro's dispute resolution process has been replaced with Alectra's dispute resolution process.
2	**Distribution Activities (General)**	**2**	**Distribution Activities (General)**	
2.1	Connections	2.1 2.2	Connections – Process and Timing Disconnections/Reconnections Processes and Charges	Alectra describes activities that take place during the connection process. Alectra has added the following clarifications: • If the Customer is not the registered landowner, Alectra must have the written consent of the registered landowner to enter into an agreement; • Customers must apply for a disconnection in writing; • Standard voltage offerings are not necessarily available at every service location; • Alectra does not guarantee the availability of capacity of what may have been the on-site capacity of a property or facility at the time service was removed. Customers are encouraged to contact Alectra in order to confirm the availability of capacity.
2.1.1	Building that "Lies Along"	2.1.1	Building that Lies Along	Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if

				the Customer cancels the connection process. The location of the Customer's service entrance equipment is subject to the approval of Alectra and the ESA. Alectra will designate the point of supply for all primary and secondary services, in some cases this could be located on an adjacent property for which Alectra has an easement.
2.1.1.1	Connections	2.1.1 2.1.2	Building that Lies Along Expansions / Offer to Connect	
2.1.2	Expansions or Offers to Connect	2.1.2	Expansions / Offer to Connect	Alectra has added six sections, which provide details on the expansion process: • 2.1.2.1 – Expansion Request Requirements from Customer; • 2.1.2.2 – Offer to Connect; • 2.1.2.4 – Capital Contributions; • 2.1.2.5 – Un-forecasted Load/Customers; • 2.1.2.7 – Timing of Service Energization Obligation; • 2.1.2.8 – Timing and Process for Embedded Market Participant, Embedded Generation, and Embedded Distributor.
2.1.2.1	General	2.1.2 2.1.2.3	Expansions / Offer to Connect Alternative Bid	For the purposes of a connection the Offer to Connect will be based on a firm cost, and not subject to true up.

				Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if the Customer cancels the connection process. Consistent with recent amendments to the Distribution System Code ("DSC"), Alectra will perform an economic evaluation for every expansion project. The evaluation will include all the costs relevant to the expansion. Alectra describes the alternative bid process, consistent with the DSC.
2.1.2.2	Securities and Rebates related to Expansions	2.1.2.6	Expansion Deposit	Distributors must collect an Expansion Deposit for any Expansion where a capital contribution is required. Distributors may collect an Expansion Deposit where there is no capital contribution required. Therefore, Alectra has changed this section as follows: • Alectra shall require an expansion deposit for all expansion projects; • For expansions that require a capital contribution, an expansion deposit of up to 100% of the present value of the forecasted revenues will apply; • For expansions that do not require a capital contribution, an expansion deposit of up to 100% of the present value of the projected capital costs will apply.

2.1.3	Connection Denial	2.1.3	Connection Denial	Alectra describes the reasons it may refuse to connect, or continue to connect, a Customer.
2.1.4	Inspections Before Connection	2.1.4 2.2	Inspection Before Connection Disconnection/Reconnection Processes and Charges	The Electrical Safety Authority ("ESA") must approve a Connection Authorization for any temporary service.
2.1.5	Relocation of Plant	2.1.5	Relocation of Plant	Alectra describes the processes a Customer must follow in undertaking work which may encroach on Alectra's plant or its working clearances. Costs for relocating plant or equipment will be charged to the requesting party, and a design pre-payment may be required before work commences.
2.1.6	Easements	2.1.6	Easements and Access to Equipment	The rights and responsibilities of Alectra and its Customer regarding easements are described; an easement which benefits one Customer which is required to be located on another Customer's land must be acquired by and maintained by the benefitting Customer.
2.1.7 2.1.7.1	Contracts and Agreements General	2.1.7	Contracts	Alectra describes various forms of contracts, including: • 2.1.7.1 – Opening and Closing of Accounts; • 2.1.7.2 – Implied Contracts; • 2.1.7.3 – Special Contracts;

				• 2.1.7.4 – Payment by Building Owner; • 2.1.7.5 – Tenant or Occupier Customer; • 2.1.7.6 – Owner Liability for Tenant or Occupier; • 2.1.7.7 – Operating Agreements; • 2.1.7.8 – Capital Cost Recovery Agreement; • 2.1.7.9 – Assignment and Succession.
2.2 2.2.1	Disconnections Disconnections and Reconnection – Processes and Charges	2.2	Disconnection/Reconnection Processes and Charges	Alectra has added two new sections: • 2.2.3 – Termination or Disconnection of Supply; • 2.2.4 – Restricted Access to Meter Located on Residential Property.
2.2.1.1	Non-Payment of Accounts	2.2 2.3.3.3	Disconnection/Reconnection Processes and Charges Consumers Using Life Support	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020. Consumers who require an uninterrupted source of power for life support equipment must provide their own back-up power supply equipment for these purposes. Alectra shall not be liable in any manner for an interruption of power.
2.2.1.2	Electrical Hazards or Disturbances	2.2	Disconnection/Reconnection Processes and Charges	Alectra specifies that seven (7) calendar days written notice will be provided for a Customer to rectify a hazardous condition or disturbance propagation before disconnecting service; written notice will be left at the service address. If the condition

				poses a public safety risk disconnection may occur without notice.
2.2.1.3 2.2.1.5	Disconnection Procedures Service Connection or Reconnection	2.2	Disconnection/Reconnection Processes and Charges	
2.2.1.4	Suspending Disconnection Action			This section has been omitted.
2.2.1.6	Customer Requested Isolation and Re-energization	2.2.2	Disconnection for Maintenance Purposes	Alectra's process for arranging an isolation and re-energization is described. Once Alectra has received the written request from the Customer and the Customer has met any applicable conditions, work will be scheduled within ten (10) business days under normal circumstances.
2.2.2	Non-authorized Use of Energy	2.2.1	Unauthorized Energy Use/Energy Diversion	
2.3	Conveyance of Electricity	2.3	Conveyance of Electricity	
2.3.1	Limitations on the Guarantee of Supply	2.3.1	Limitations on the Guarantee of Supply	
2.3.2	Power Quality	2.3.2	Power Quality	Alectra has added two new sections: • 2.3.2.4 – Obligation to Assist the Investigation; • 2.3.2.5 – Timely Correction of Deficiencies.
2.3.2.1	Power Quality Testing	2.3.2.2	Power Quality Testing	Alectra is not obligated to identify the source of a power quality concern on the Customer's side of an electric service and may seek reimbursement for any costs

				incurred by investigating power quality issues at Customer request.
2.3.3 2.3.3.2	Electrical Disturbances System Disturbances	2.3.3	Electrical Disturbances	Alectra has added two new sections: • 2.3.3.2 – Emergency Interruptions for Safety; • 2.3.3.5 – Outage Reporting.
2.3.3.1	Voltage Distortion from Customer Equipment	2.3.2.3	Prevention of Voltage Distortion in Distribution System	
2.3.3.3	Planned and Unplanned System Interruptions	2.3.3.1 2.3.3.3	Notification of Interruptions Consumers Using Life Support	
2.3.4	Standard Voltage Offerings	2.3.4	Standard Voltage Offerings	Alectra has added a new section 2.3.4.3 – Higher Reliability Supply Offerings.
2.3.4.1	Supply Voltage	2.3.4.1 2.3.4.2	Primary Voltage Supply Secondary Voltage Supply	Alectra describes its standard voltage offerings across all service territories. 44kV is only offered for underground services. Customers must provide a convenient and safe location satisfactory to Alectra for the installation of distribution equipment.
2.3.5	Voltage Guidelines	2.3.5	Voltage Guidelines	
2.3.6	Backup Generators	2.3.6	Back-up Generators	
2.3.7	Metering	2.3.7	Metering	
2.3.7.1	General	2.3.7.1	General	Customers must arrange outages during regular business hours if required to maintain metering equipment. If it is

				necessary to do so after hours, incremental costs will be incurred by the Customer.
2.3.7.2	Smart Meters	2.3.7.3 2.3.7.4 3.1.13.2	Metering Inside the Settlement Timeframe (MIST) Metering Meter Reading Meter Types	
2.3.7.3	Multi-Unit Residential Rental Buildings and Condominiums	3.3.9 3.3.10	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	Units that contain two or more demised premises will be individually metered. Building developers have the option to choose between Alectra Unit Metering Socket Meters and Bulk Metering installations.
2.3.7.4	Demand Metering	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	
2.3.7.5	Interval Metering	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	Interval (MIST) meters will be installed on services with a monthly average peak demand during a calendar year over 50 kW.
2.3.7.5.1	Metering Wireless Communication	2.3.7.4	Meter Reading	
2.3.7.6	Embedded Load Displacement Generation Metering	3.1.13.2 3.4.5.1	Meter Types Metering for Embedded Generation	Alectra clarifies the application of gross load billing charges for Load Displacement Generation or Energy Storage facilities.

		3.4.7	Gross Load Billing	
2.3.7.7	Meter Reading, Changing or Maintenance	2.3.7.1 2.3.7.4	General Meter Reading	Externally mounted meters must be at least one (1) meter clear from vegetation and structures.
2.3.7.8	Final Meter Reading	2.3.7.5	Final Meter Reading	Seven (7) business days' notice is required in advance of the date service is to be discontinued.
2.3.7.9	Faulty Registration of Meters	2.3.7.6	Faulty Registration of Meters	
2.3.7.10	Meter Dispute Testing	2.3.7.7	Meter Dispute Testing	
2.4	Tariffs and Charges	2.4	Tariffs and Charges	
2.4.1	Service Connection Charges	2.4.1	Service Connections	
2.4.2 2.4.2.1	Energy Supply Standard Supply Service (SSS)	2.4.2	Energy Supply	
2.4.2.2	Retailer Supply	2.4.2 2.5.1.2	Energy Supply List of Retailers	The transfer from an SSS Customer to a Retailer, or vice versa, will be effective as of the next scheduled meter read date.
2.4.3 2.4.3.1 2.4.3.2 2.4.3.2.1 2.4.3.2.2 2.4.3.2.3 2.4.3.2.4	Deposits Security Deposit Non-Residential Security Deposit Non-Residential Security Deposit Waiver or Reduction Conditions Non-Residential Customer Satisfactory Payment History Forms of Acceptable Security	2.4.3	Deposits	This section also refers to Alectra's credit policy, which can be obtained by contacting Alectra.

	Security Deposit Management and Refund			
2.4.3.2.5	Failure to Comply with Security			
2.4.3.3	Deposit Request			
	Residential Customer Security			
2.4.3.3.1	Deposit			
	Security Deposit Requirement			
2.4.3.3.2	Security Deposit Payment			
2.4.3.3.3	Security Deposit Calculation			
2.4.3.3.4	Security Deposit Exemption			
2.4.3.3.5	Security Deposit Management and Refund			
2.4.3.3.6	Failure to Comply with Security Deposit Request			
2.4.4	Billing	2.1.1 2.4.4 2.4.4.3 2.4.4.5	Building that Lies Along Billing Pro-ration of Accounts Aggregated Billing	Totalized Billing will not be offered. Only one service connection to any building or complex of buildings on the same legal parcel of land (property), with service connection originating from the frontage on public road allowance, will be permitted. Other voltages or servicing arrangements will be supplied by the Customer for their own purposes. Alectra has added a new section 2.4.4.4 – Adjustment Factor.
2.4.4.1	Billing Frequency	2.4.4.1 2.4.4.2	Billing Frequency Use of Estimates	
2.4.4.2	Billing Determinants	2.3.2.1 2.4.4	Power Factor Billing	

2.4.4.3	Billing Adjustments	2.3.7.6	Faulty Registration of Meters	Customers who are overbilled will receive a credit on their next bill.
2.4.4.4	Opening and Closing Accounts	2.1.7.1 2.1.7.4 2.1.7.5 2.1.7.6 2.2	Opening and Closing of Accounts Payment by Building Owner Tenant or Occupier Customer Owner Liability for Tenant or Occupier Disconnection/Reconnection Processes and Charges	Building Owners are responsible for notifying Alectra of any changes in tenancies. Where a tenant/occupier has terminated their account, it will automatically transfer to the Owner's name and the Owner will be responsible for the supply of electricity from the transfer date. Disconnection of a service may occur if no Customer has accepted responsibility for the account after a final bill has been produced for the prior account holder. Upon request to reconnect the service location, reconnection fees must be paid by the Customer prior to reconnection.
2.4.4.5	Arrears Payment Agreements	2.4.6	Arrears Management Program	
2.4.4.6	Electronic Billing			This section has been omitted.
2.4.5	Payments and Late Payment Charges	2.4.5	Payments and Late Payment Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.
2.4.5.1	Payment Methods	2.4.5	Payments and Late Payment Charges	Clarifications regarding payment sources and terms are provided.
2.4.5.2	Overdue Interest Charges	2.4.5	Payments and Late Payment Charges	

2.4.5.3	Bill Issuance and Payment	2.4.5	Payments and Late Payment Charges	Payments made by mail are deemed to be made on the date payment is received. Payments made at financial institutions are deemed to be made when stamped or acknowledged by the financial institution.
2.5	Customer Information	2.5	Customer Information	
2.5.1	Historical Load Information	2.5.1 2.5.1.1 2.5.1.3	Disclosure of Historical Usage to a Third Party Aggregated Information Request Response or Referral	Historical information may be disclosed where it has been sufficiently aggregated such that the account it pertains to is not identifiable; fees may apply.
2.5.2	Access to Interval Metering Point	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	
2.5.3	Appointment Scheduling	2.1.2.7	Timing of Service Energization Obligation	New services will be connected within five (5) working days of all prerequisites being met for services with less than 750 volts and within ten (10) working days of all prerequisites being met for services with greater than 750 volts.
2.5.4	Emergency Response	2.3.3.4	Emergency Service (Trouble Calls)	Alectra has updated its contact information.
2.6	Use of Load Control Devices	2.4.5	Payments and Late Payment Charges	
3	**Customer Class Specific**	**3**	**Customer Class Specific**	

3.1	Residential Class	3.2 3.2.2 3.2.2.1	Residential Services Single Detached Dwellings/Semi-Detached/Multiplexes Services Over/Under Swimming Pools	The conditions surrounding electrical conductors in the vicinity of swimming pools are described.
3.1.1	General	3.1.1 3.2.1	Services per Property Application	Single metered services with mixed Commercial or Industrial and Residential use will be classified as General Service. Where multiple services are provided to a General Service Customer and one service is to be upgraded, the upgraded service will conform to one single-phase or one three-phase service per lot.
3.1.2	Overhead Supply	3.1.6 3.2.2.2	Customer and Alectra Utilities Installation and Maintenance Overhead Services	
3.1.3 3.1.4	Underground Supply from Overhead Facilities Underground Supply from Underground Facilities	3.1.6 3.2.2.3 3.2.2.4	Customer and Alectra Utilities Installation and Maintenance Underground Services Underground Servicing Details	Alectra describes the conditions in which Underground Services can be offered to residential Customers, and the underground servicing details.
3.1.5	Metering	3.1.13 3.2.3	Metering Requirements Metering for Condominium Townhouses	Alectra will determine the metering location and where practical will locate it at the operational demarcation point or point of supply.
3.2	General Service Class	3.3	General Service (GS <50kW, GS>50kW, and >5000kW)	Alectra has added a new section 3.3.7 – Technical Requirements: • 3.3.7.1 – Short Circuit Ratings; • 3.3.7.2 – Basic Impulse Level; • 3.3.7.3 – Ground Fault Protection;

				• 3.3.7.4 – Lightning Arresters; • 3.3.7.5 – Unbalanced Loads.
3.2.1	General	3.1.1 3.1.6 3.3.1 3.3.5	Services per Property Customer and Alectra Utilities Installation and Maintenance Application Alectra Utilities-Owned Transformation Connections	Where multiple services are provided to a General Service Customer and one service is to be upgraded, the upgraded service will conform to one single-phase or one three-phase service per lot.
3.2.1.1	Assignment to Rate Classes	3.3.3 3.3.4	Rate Class Assignments General Conditions for General Service	
3.2.1.2 3.2.1.3 3.2.1.4 3.2.1.5	General Service (Below 50 kW) – Definition of Class General Service (Above 50 and Below 999 kW) – Definition of Class General Service (Above 1000 and Below 4999 kW) – Definition of Class Large Users (Above 5000 kW) – Definition of Class	3.3.2	General Service Rate Classes by Rate Zone	
3.2.2	Overhead Secondary Supply	3.1.6 3.3.5.1	Customer and Alectra Utilities Installation and Maintenance Overhead Services	Alectra describes the conditions in which Overhead Services can be offered to General Service Customers.
3.2.3	Underground Secondary Supply	3.1.6 3.3.5.2	Customer and Alectra Utilities Installation and Maintenance Underground Services	Alectra describes the conditions in which Underground Services can be offered to General Service Customers.

		3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	Alectra describes the conditions in which Alectra-Owned Transformers are supplied, installed and maintained.
3.2.3.1 3.2.3.2 3.2.3.3	From Road Allowance From Pad-Mounted Transformer From Transformer Vault	3.1.6 3.3.5.2 3.3.5.3	Customer and Alectra Utilities Installation and Maintenance Underground Services Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.2.4	Supply from Customer Owned Transformation	3.3.6 3.3.6.1 3.3.6.2	Customer-Owned Substations Overhead Services – Customer Owned Substations Overhead/Underground Servicing Details – Customer Owned Substations	Alectra has added two new sections: • 3.3.6.3 – Operation of Primary Disconnect Devices on Substations; • 3.3.6.4 – Maintenance of Substations.
3.2.4.1	General	3.3.6	Customer-Owned Substations	
3.2.4.2	Operating Control	2.1.7.7	Operating Agreements	
3.2.4.4	Design Requirements	3.7.2.1	Customer Data Quality Requirements	
3.2.4.3 3.2.4.5 3.2.4.6	Supply Limitations Load break Switches Transformers			These sections have been omitted.
3.2.4.7	Pre-Service Testing	3.3.6	Customer-Owned Substations	
3.2.5	Temporary Services	3.3.11 3.3.11.1	Temporary Services Metering	

3.2.6	Metering	3.1.13	Metering Requirements	
3.2.6.1	General	3.1.13.1 3.3.8	General Metering - General	Customers must use switchgear for all services in excess of 600 Amp. Barriers are required in each section of switchgear or service entrance equipment between metered and unmetered conductors and/or between sections reserved for Alectra's use and sections reserved for Customer use. Alectra has approval authority on plans for switchgear and load centres.
3.2.6.2 3.2.6.3	Multi-unit Buildings Apartment Buildings	3.3.9 3.3.10	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
3.2.6.4	Approval of Metering Assemblies and Switchgear	2.3.7.2	Current Transformer Boxes	
3.2.6.5	Metering Cabinet and Socket Information	3.1.13.1	General	Alectra's metering standards, instructions, and specifications provide information on approved equipment such as meter bases and enclosures, and characteristics for the various types of metering installations. Please contact Alectra for further information on metering standards.

3.2.6.6	Meter Location	2.3.7.1 3.1.13.1 3.1.13.5	General General Metering located in Electrical Rooms	Customers are responsible for the general care of Alectra's meters and equipment on the Customer's premise and are liable to pay for any damages that occur on site plus estimated energy not metered. Alectra describes the requirements for electrical rooms.
3.2.6.7	Primary Metered Services	3.1.13.1	General	Alectra addresses technical specifications for single phase central metering as per Alectra Metering Standards.
3.3	New Residential Developments	2.1	Connections – Process and Timing	
3.3.1	Townhouse Developments	2.1.1 3.2.3	Building that Lies Along Metering for Condominium Townhouses	Alectra must approve meter bases and their associated details prior to installation; the Customer is responsible for identifying the metering equipment and electrical panel with the appropriate Unit number, per Alectra's standards before energization. The property owner/developer will bear costs associated with incorrect/incomplete marking.
3.3.2	New Residential Subdivisions	2.1.2	Expansions / Offer to Connect	
3.4 3.4.1	Embedded Generation Design Requirements	3.4 3.4.5 3.4.5.1	Embedded Generation and Energy Storage Technical Requirements Metering for Embedded Generation	The conditions for Embedded Generation also apply to Customers with energy storage that has the capability of providing power to Alectra's distribution system. Alectra has added two new sections:

				• 3.4.1 – Connection and Operating Agreements; • 3.4.2 – Connection Process.
3.4.2	Connection of Micro-Generation Facilities	3.4.3	Connection of Micro-Generation Facilities	
3.4.3	Connection of Other Generation Facilities	3.4.4	Connection of Small, Mid-Sized and Large Generation Facilities	Details surrounding connection timelines and requirements are provided for each of Small, Mid, or Large size generators.
3.4.4	Load Displacement Generation Requirements	3.4.7	Gross Load Billing	Alectra clarifies the criteria for Gross Load Billing Customers and the charges billed at gross demand level.
3.4.4.1	Standby Power Charge			This section has been omitted.
3.4.5	Net Metering	3.4.6	Net Metering for an Embedded Generation Facility	
3.5	Embedded Market Participant	3.5	Embedded Market Participant	
3.6	Embedded Distributor	3.6 3.6.1	Embedded Distributor Metering	
3.7	Unmetered Connections	3.7	Unmetered Connections	Alectra has added five new sections: • 3.7.2.2 – Records Retention; • 3.7.3 – Unmetered Load Types; • 3.7.4 – Service Costs; • 3.7.4.1 – General Billing Conditions and States of Connection; • 3.7.4.2 – Data Error Costs.

3.7.1 3.7.2	General Conditions for Unmetered Load Connections Street Lighting	3.7.1 3.7.1.1 3.7.1.2 3.7.2 3.7.2.1 3.7.3 3.7.4.1	General Unmetered Customer Responsibilities Alectra Utilities Responsibilities Data Requirements Customer Data Quality Requirements Unmetered Load Types General Billing Conditions and States of Connection	Alectra or the Customer may initiate an audit of data at regular intervals or on notice, and Customers bear any costs associated with this endeavour.
4	**Glossary of Terms**	**4**	**Glossary of Terms**	This section has been updated and expanded.

Conditions of Service (CoS) Reference Mapping Table and Summary of Changes
Horizon Utilities (Horizon) to Alectra Utilities (Alectra)

The table below summarizes the changes made to the Conditions of Service for Horizon Utilities in moving to harmonized Conditions of Service for all Alectra Utilities' service territories. The table should be read as follows:

- Horizon Utilities' Section Reference and Heading – these refer to the section and heading within the original Horizon Utilities Conditions of Service document;
- Alectra Utilities' Section Reference and Heading – these refer to the section and heading where the same or similar material can be found within the Alectra Utilities Conditions of Service document;
- Summary of Updates/Changes – this column provides a summary of the changes, if any. If no indication is provided, then the material is substantially or materially the same as the original Conditions of Service.

Horizon Section Reference	Horizon Section Heading	Alectra Section Reference	Alectra Section Heading	Summary of Updates/Changes
1	**Introduction**	**1**	**Introduction**	
1.1	Identification of Distributor and Territory	1.1	Identification of Distributor and Service Area	Alectra's service area is described in this section, consistent with its electricity distribution license.
1.2	Related Codes and Governing Laws	1.2	Related Codes, and Governing Laws	
1.3	Interpretations	1.3	Interpretation	
1.4	Amendments and Changes	1.4	Amendments and Changes	

1.5	Contact Information for Horizon Utilities	1.5	Contact Information	Alectra has updated its contact information.
1.6	Customer Rights	1.6	Customer Rights	
1.6.1	Obligation to Sell Electricity	2.1 2.4.2	Connections – Process and Timing Energy Supply	
1.6.2	Access to Meter Information	2.3.7	Metering	
1.6.3	Liability for Damage	1.6	Customer Rights	
1.7	Distributor Rights	1.7	Distributor Rights	
1.7.1	Assignment	2.1.7.9	Assignment and Succession	
1.7.2	Access to Customer Property	1.7	Distributor Rights	
1.7.3	Safety of Equipment	1.6.2 2.2	Operating Control Disconnection/Reconnection Processes and Charges	
1.7.4	Damaged Electrical Equipment	2.2	Disconnection/Reconnection Processes and Charges	
1.7.5	Defective Customer Electrical Equipment	1.6.1	Defective Customer Equipment	
1.7.6	Operating Control	1.6.2	Operating Control	
1.7.7	Customer-owned Physical Structures	2.1.4 3.1.10	Inspection Before Connection Customer ESA Requirements	

1.7.8	Allocation of Electricity During Emergencies	2.3.1	Limitations on the Guarantee of Supply	
1.7.9	Tree and Vegetation Management	2.1.6 3.1.6	Easements and Access to Equipment Customer and Alectra Utilities Installation and Maintenance	Alectra describes the Customer's responsibility for requesting a temporary isolation of supply in advance of completing maintenance activities in cases where the Customer has ownership of overhead primary or secondary conductor on their property, and where the Customer is responsible for tree trimming near the overhead lines.
1.7.10	Force Majeure	1.9	Force Majeure	
1.8	Disputes	1.8 1.8.1	Disputes Dispute Resolution Process	Horizon's dispute resolution process has been replaced with Alectra's dispute resolution process.
2	**Distribution Activities (General)**	**2**	**Distribution Activities (General)**	
2.1	Connections – Process and Timing	2.1	Connections – Process and Timing	Alectra describes activities that take place during the connection process. Alectra has added the following clarifications: • If the Customer is not the registered landowner, Alectra must have the written consent of the registered landowner to enter into an agreement; • Customers must apply for a disconnection in writing; • Standard voltage offerings are not necessarily available at every service location;

				• Alectra does not guarantee the availability of capacity of what may have been the on-site capacity of a property or facility at the time service was removed. Customers are encouraged to contact Alectra in order to confirm the availability of capacity.
2.1.1	Building that Lies Along	2.1.1	Building that Lies Along	Customers must complete a Service Request Form (available on Alectra Utilities' website). Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if the Customer cancels the connection process. Alectra will designate the point of supply for all primary and secondary services, in some cases this could be located on an adjacent property for which Alectra has an easement.
2.1.2	Expansions / Offer to Connect	2.1.2	Expansions / Offer to Connect	Alectra has added sections to provide more information around Alectra's expansion process: • 2.1.2.5 – Un-forecasted Load/Customers; • 2.1.2.7 – Timing of Service Energization Obligation; • 2.1.2.8 – Timing and Process for Embedded Market Participant, Embedded Generation, and Embedded Distributor.

2.1.2.1	Expansions	2.1.2 2.1.2.1	Expansions / Offer to Connect Expansion Request Requirements from Customer	Consistent with recent amendments to the Distribution System Code, Alectra will perform an economic evaluation for every expansion project. The evaluation will include all the costs relevant to the expansion. Specific information requirements from Customers are also detailed.
2.1.2.2	Offer to Connect	2.1.2.2	Offer to Connect	
2.1.2.3	Alternative Bid Option	2.1.2.3	Alternative Bid	Alectra describes the alternative bid process, consistent with the Distribution System Code.
2.1.2.4	Capital Contributions	2.1.2.4	Capital Contributions	
2.1.2.5	Expansion Deposit	2.1.2.6	Expansion Deposit	Distributors must collect an Expansion Deposit for any Expansion where a capital contribution is required. Distributors may collect an Expansion Deposit where there is no capital contribution required. Therefore, Alectra has changed this section as follows: • Alectra shall require an expansion deposit for all expansion projects; • For expansions that require a capital contribution, an expansion deposit of up to 100% of the present value of the forecasted revenues will apply; • For expansions that do not require a capital contribution, an expansion deposit of up to 100% of the present

				value of the projected capital costs will apply.
2.1.3	Connection Denial	2.1.3	Connection Denial	Alectra describes the reasons it may refuse to connect, or continue to connect, a Customer. The Customer will have 30 calendar days from the date of a Connection Denial to complete the application and/or remove the denial condition(s), after which the application becomes null and void. Once the connection denial conditions have been removed, Alectra will provide an Offer to Connect within 60 calendar days.
2.1.4	Inspections Before Connection	2.1.4	Inspection Before Connection	Services that have been disconnected for the purposes of upgrade or change, or services that have been altered subsequent to ESA approval, must be re-inspected and approved by the ESA via a Connection Authorization prior to the re-energization of a Customer's supply of electricity. Services that have been disconnected for a period of six (6) months or longer must also be re-inspected and approved by the ESA.
2.1.5	Relocation of Plant	2.1.5	Relocation of Plant	Alectra describes the processes a Customer must follow in undertaking work which may encroach on Alectra's plant or its working clearances. Alectra clarifies that costs for relocating plant or equipment will be charged to the

				requesting party, and a design pre-payment may be required before work commences.
2.1.6	Easements	2.1.6	Easements and Access to Equipment	The rights and responsibilities of Alectra and its Customer regarding easements are described; an easement which benefits one Customer which is required to be located on another Customer's land must be acquired by and maintained by the benefitting Customer.
2.1.7	Contracts	2.1.7	Contracts	Alectra has added four new sections: • 2.1.7.2 – Implied Contacts; • 2.1.7.4 – Payment by Building Owner; • 2.1.7.5 – Tenant or Occupier Customer; • 2.1.7.6 – Owner Liability for Tenant or Occupier.
2.1.7.1	Special Contracts	2.1.7.3	Special Contracts	
2.1.7.2	Capital Cost Recovery Agreement (CCRA)	2.1.7.8	Capital Cost Recovery Agreement	
2.1.7.3	Meter Communications Agreement	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	Access to Meter information is available to Customers by written request.
2.1.7.4	Assignment and Succession	2.1.7.9	Assignment and Succession	
2.2	Disconnection/Reconnection Processes and Charges	2.2 2.2.2	Disconnection/Reconnection Processes and Charges Disconnection for Maintenance Purposes	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020.

		2.2.3 2.2.4	Termination or Disconnection of Supply Restricted Access to Meter Located on Residential Property	This section also expands on the circumstances in which a Customer may be disconnected due to restricted access to the meter, consistent with the Electricity Act.
2.2.1	Unauthorized Energy Usage	2.2.1	Unauthorized Energy Usage / Energy Diversion	
2.3	Conveyance of Electricity	2.3	Conveyance of Electricity	
2.3.1	Limitations on the Guarantee of Supply	2.3.1 2.3.3.1 2.3.3.2	Limitations on the Guarantee of Supply Notification of Interruptions Emergency Interruptions for Safety	
2.3.2	Power Quality	2.3.2 2.3.2.2 2.3.2.3 2.3.2.4 2.3.2.5 2.3.3.3	Power Quality Power Quality Testing Prevention of Voltage Distortion in Distribution System Obligation to Assist the Investigation Timely Correction of Deficiencies Consumers Using Life Support	Consumers who require an uninterrupted source of power for life support equipment must provide their own back-up power supply equipment for these purposes. Alectra shall not be liable in any manner for an interruption of power.
2.3.2.1	Emergency Service	2.3.3.4	Emergency Service (Trouble Calls)	Alectra has updated its contact information.
2.3.3	Electrical Disturbances	2.3.3 2.3.3.5	Electrical Disturbances Outage Reporting	This section includes information to view or report outage information for all of Alectra's service territories.

2.3.4	Standard Voltage Offerings	2.3.4 2.3.4.1 2.3.4.2 2.3.4.3 2.3.5	Standard Voltage Offerings Primary Voltage Supply Secondary Voltage Supply Higher Reliability Service Offerings Voltage Guidelines	Alectra describes its standard voltage offerings across all service territories. 44kV is only offered for underground services. Customers must provide a convenient and safe location satisfactory to Alectra for the installation of distribution equipment. Upon request of a Customer to provide higher reliability and where Alectra determines that such request is practical, Alectra may require the Customer to assume all of the costs associated with such upgrades or improvements.
2.3.5	Backup Generators	2.3.6 3.1.13.6	Back-up Generators Auxiliary Connections	
2.3.6	Metering	2.3.7	Metering	
2.3.6.1	General	2.3.7.1	General	
2.3.6.2	Instrument Transformer Enclosures	2.3.7.2	Current Transformer Boxes	
2.3.6.3 2.3.6.3.1	Interval Metering Interval Metering with Pulse Outputs	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	
2.3.6.4 2.3.6.4.1 2.3.6.4.2	Metering for Embedded Generation Facilities Revenue Metering Standards Net Metering	3.4.5.1 3.4.6	Metering for Embedded Generation Net Metering for an Embedded Generation Facility	

2.3.6.4.3	Feed-in Tariff Metering			This section has been omitted.
2.3.6.5	Metering of Common Areas (Multi-Unit Residential Buildings)	3.3.9 3.3.10	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	Building owners and developers have the following options: i. Alectra Utilities Unit Metering Socket Meters (Meter Centers): Alectra Utilities installs the house meter at a centralized metering point. The building owner/developer provides individual metering points for each unit. Alectra Utilities installs residential and commercial unit meters, which are billed by the Distributor. ii. Bulk Metering (building owner/developer owned unit sub-metering): Alectra Utilities installs a bulk meter to measure all electricity used by the building. The owner/developer hires a licensed unit sub-metering contractor to install, operate unit metering, and allocate bills to the individual units and the common areas.
2.3.6.6	Meter Reading	2.3.7.4	Meter Reading	
2.3.6.7	Final Meter Reading	2.3.7.5	Final Meter Reading	
2.3.6.8	Faulty Registration of Meters	2.3.7.6	Faulty Registration of Meters	
2.3.6.9	Meter Dispute Testing	2.3.7.7	Meter Dispute Testing	
2.4	Tariffs and Charges	2.4	Tariffs and Charges	

2.4.1	Service Connection Rates and Charges	2.4.1	Service Connections	
2.4.2 2.4.2.1	Supply of Electricity Sale of Electricity	2.4.2	Energy Supply	
2.4.2.2	Re-sale of Electricity	3.3.9 3.3.10	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
2.4.3 2.4.3.1	Deposits Security Requirement	2.4.3	Deposits	This section refers to Alectra's credit policy, which can be obtained by contacting Alectra.
2.4.4 2.4.4.2 2.4.4.3 2.4.4.4 2.4.4.5 2.4.4.6 2.4.4.9	Billing Billing Options Frequency Estimates Pro-ration of Accounts Adjustment Factor Aggregated Billing	2.4.4 2.4.4.1 2.4.4.2 2.4.4.3 2.4.4.4 2.4.4.5	Billing Billing Frequency Use of Estimates Pro-ration of Accounts Adjustment Factor Aggregated Billing	Alectra issues bills on a monthly basis. Alectra does not offer Retailer Consolidated or Distributor Consolidated billing.
2.4.4.1	Opening and Closing of Accounts	1.6 2.1.7.1	Customer Rights Opening and Closing of Accounts	
2.4.4.7	Power Factor	2.3.2.1	Power Factor	

2.4.4.8	Equal Payment Plan	2.4.5	Payments and Late Payment Charges	
2.4.4.10	Billing Disputes	1.8	Disputes	
2.4.4.11	Arrears Management Plan	2.4.6	Arrears Management Program	
2.4.5	Bill Payment and Late Payment Interest Charges	2.4.5	Payments and Late Payment Charges	Alectra has made changes to this section as per current OEB Customer service rules. Effective March 1, 2020 bills will be past due after 20 days (excluding bill delivery time allowances).
2.4.5.1	Billing Breakdown Request	2.4.4	Billing	This section has been omitted. Customers may still request a bill breakdown through normal Customer Service channels.
2.5 2.5.1 2.5.5	Customer Information Provision of Customer Information to Horizon Utilities Restrictions on Provision of Information	2.5	Customer Information	Alectra has added a new section 2.5.1.3 – Request Response or Referral.
2.5.2	Provision of Current Usage Data to Retailers	2.5.1 2.5.1.2	Disclosure of Historical Usage to a Third Party List of Retailers	
2.5.3	Provision of Current Usage Data to Customers	2.3.7.3	Metering Inside the Settlement Timeframe (MIST) Metering	
2.5.4	Provision of Historical Information to Designated Parties	2.5.1 2.5.1.1	Disclosure of Historical Usage to a Third Party Aggregated Information	

2.6 2.6.1	General Information Pole Attachments	3.1.15	Pole Attachments (Temporary and Permanent)	
2.6.2	Services over Swimming Pools	3.2.2.1	Services Over/Under Swimming Pools	
2.6.3	Moving Oversized Loads	2.1.5	Relocation of Plant	
3	**Customer Class Specific**	**3**	**Customer Class Specific**	
3.1	Residential Services	3.2 3.2.2	Residential Services Single Detached Dwellings/Semi-Detached/Multiplexes	
3.1.1	Application	3.2.1	Application	
3.1.2	Connection	3.1.1 2.3.4 3.1.2 3.1.4	Services per Property Standard Voltage Offerings Ownership Demarcation Points Requirements for Service Layouts or Service Designs	
3.1.3	Demarcation Points	3.1.2	Ownership Demarcation Points	
3.1.4	Supply	3.1.11	Alectra Utilities Service Entrance Requirements	
3.1.5 3.1.5.1	Metering Metering for Residential Customers	3.1.13.1 3.1.13.2 3.1.13.3 3.1.13.4 3.1.13.5	General Meter Types New or Altered Electrical Services Alterations to Buildings or Sites Metering located in Electrical Rooms	

3.1.5.2	Metering for Condominium Townhouses	3.2.3	Metering for Condominium Townhouses	
3.1.5.3	Metering for New Multi-Unit Residential Rental Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	3.3.9	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	Alectra does not offer the Unit Smart Metering with a Multiple Customer Metering System (MCMS) option for metering multi-unit buildings. This service can be procured from competitive sub-meter service providers.
3.1.5.4	Metering for Existing Multi-Unit Residential Rental Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	3.3.10	Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
3.1.6	Overhead Secondary Service	3.1.2 3.1.5 3.1.6 3.2.2.2	Ownership Demarcation Points Authorization of Overhead Services Customer and Alectra Utilities Installation and Maintenance Overhead Services	Customers will be required to apply for upgrades to existing service (See Section 2.1 – Connections – Process and Timing).
3.1.7	Underground Secondary Service	3.1.2 3.1.6 3.2.2.3 3.2.2.4	Ownership Demarcation Points Customer and Alectra Utilities Installation and Maintenance Underground Services Underground Servicing Details	
3.2	General (non-Residential) Service	3.3	General Service (GS <50kW, GS>50kW, and >5000kW)	Alectra has added two new sections: • 3.3.3 – Rate Class Assignments;

				• 3.3.4 – General Conditions for General Service.
3.2.1	Application	3.3.1 3.3.2	Application General Service Rate Classes by Rate Zone	Each rate class is described for each of Alectra's legacy rate zones.
3.2.2	Connection	2.1.1 2.1.2 3.1.1 3.1.4 3.1.6 3.1.10	Building that Lies Along Expansions / Offer to Connect Services per Property Requirements for Service Layouts or Service Designs Customer and Alectra Utilities Installation and Maintenance Customer ESA Requirements	
3.2.3	Service Removals and New Installations – General Service Customers	2.1 2.1.1	Connections – Process and Timing Building that Lies Along	
3.2.4	Demarcation Points	3.1.2	Ownership Demarcation Points	
3.2.5	Supply	2.3.1 2.3.4 2.3.5	Limitations on the Guarantee of Supply Standard Voltage Offerings Voltage Guidelines	
3.2.6	Metering	2.3.7.3 3.3.8	Metering Inside the Settlement Timeframe (MIST) Metering Metering – General	
3.2.6.1	Metering in Malls or Plazas	3.1.13.5	Metering Located in Electrical Rooms	
3.2.7	Overhead Secondary Service	3.1.2	Ownership Demarcation Points	

		3.1.5 3.1.6 3.1.11 3.3.5.1	Authorization of Overhead Services Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Service Entrance Requirements Overhead Services	
3.2.8	Underground Secondary Service	3.1.2 3.1.6 3.1.11 3.2.2.3 3.2.2.4 3.3.5.2	Ownership Demarcation Points Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Service Entrance Requirements Underground Service Underground Servicing Details Underground Services	
3.3	Commercial and Industrial Developments	3.3 3.3.2	General Service (GS <50kW, GS>50kW, and >5000kW) General Service Rate Classes by Rate Zone	
3.3.1	Application	3.3.1	Application	
3.3.2	Connection	2.1.1 2.1.2 3.1.1 3.1.4 3.1.6 3.1.10	Building that Lies Along Expansions / Offer to Connect Services per Property Requirements for Service Layouts or Service Designs Customer and Alectra Utilities Installation and Maintenance Customer ESA Requirements	
3.3.3	Underground Supply	3.1.2	Ownership Demarcation Points	

		3.1.6 3.1.11 3.2.2.3 3.2.2.4 3.3.5.2	Customer and Alectra Utilities Installation and Maintenance Alectra Utilities Service Entrance Requirements Underground Service Underground Servicing Details Underground Services	
3.3.4	Supply of Equipment	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	Any trench route on the Customer's property shall be approved by Alectra and follow the route indicated on the drawings approved by Alectra. Any deviation must be approved by Alectra. The Customer shall be responsible for Alectra's costs associated with re-design and inspection services due to changes or deviations initiated by the Customer (or representative).
3.3.5	Location of Transformers	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.4	Transformation	3.3.5	Alectra Utilities-Owned Transformation Connections	
3.4.1	Transformers Owned by Horizon Utilities	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	
3.4.1.1	Underground Primary Construction to Pad-Mounted Transformers	3.3.5.3	Overhead/Underground Servicing Details – Alectra Utilities' Owned Transformers	

3.4.2	Customer-owned Transformer or Substation	3.3.6	Customer-Owned Substations	
3.4.2.1	General	3.3.6	Customer-Owned Substations	
3.4.2.2	Plans and Specifications for Transformers or Substations	3.3.6 3.3.6.1 3.3.6.2 3.3.7	Customer-Owned Substations Overhead Services – Customer Owned Substations Overhead/Underground Servicing Details – Customer Owned Substations Technical Requirements	Alectra provides additional details in the Technical Requirements subsections: • 3.3.7.1 – Short Circuit Ratings; • 3.3.7.2 – Basic Impulse Levels; • 3.3.7.3 – Ground Fault Protection; • 3.3.7.4 – Lightning Arresters; • 3.3.7.5 – Unbalanced Loads.
3.4.2.3	Pre-service Inspection, Commissioning, and Energization of Substations	2.1.4 2.1.7.7 3.3.6	Inspection before Connection Operating Agreements Customer-Owned Substations	For new and upgraded Customer-owned substations, the Customer will be required to sign an Operating Agreement prior to energization.
3.4.2.4	Operation of Primary Disconnect Devices on Substations	3.3.6.3	Operation of Primary Disconnect Devices on Substations	Per section 2.2.2 Disconnection for Maintenance Purposes, all non-residential rate classes will be advised of the cost of isolation after they have contacted Alectra.
3.4.2.5	Maintenance of Substations	3.3.6.4	Maintenance of Substations	Per section 2.2.2 Disconnection for Maintenance Purposes, all non-residential rate classes will be advised of the cost of isolation after they have contacted Alectra.
3.5	Temporary Service	3.3.11	Temporary Services	
3.5.1	Application	3.3.11	Temporary Services	
3.5.2	Connection	3.3.11	Temporary Services	The Customer will be responsible for costs associated with the installation and

				removal of equipment required for a temporary service.
3.5.3	Metering	3.3.11.1	Metering	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.
3.6	Embedded Market Participant	3.5	Embedded Market Participant	
3.7	Embedded Generation	3.4 3.4.1 3.4.2 3.4.3 3.4.4 3.4.5 3.4.5.1 3.4.6 3.4.7	Embedded Generation and Energy Storage Connection and Operating Agreements Connection Process Connection of Micro-Generation Facilities Connection Small, Mid-Sized and Large Generation Facilities Technical Requirements Metering for Embedded Generation Net Metering for an Embedded Generation Facility Gross Load Billing	The conditions for Embedded Generation also apply to Customers with energy storage that has the capability of providing power to Alectra's distribution system. Details surrounding connection timelines and requirements are provided for each of Micro-generation or Small, Mid, or Large size generators. Technical and metering requirements as well as net metering, and gross load billing are also addressed.
3.8	Embedded Distributor	3.6	Embedded Distributor	Alectra has added a new section 3.6.1 – Metering.
3.9	Unmetered Connections	3.7	Unmetered Connections	
3.9.1	General	3.7.1 3.7.3	General Unmetered Load Types	Unmetered connections are treated as GS<50 kW rate class accounts.

3.9.2	Unmetered Customer Responsibilities	3.7.1.1	Unmetered Customer Responsibilities	
3.9.3	Horizon Utilities Responsibilities	3.7.1.2	Alectra Utilities Responsibilities	
3.9.4	Unmetered Service Load Revisions	3.7.2 3.7.2.1 3.7.2.2 3.7.4 3.7.4.1 3.7.4.2	Data Requirements Customer Data Quality Requirements Records Retention Service Costs General Billing Conditions and States of Connection Data Error Costs	Alectra provides more detail on data requirements, record retention provisions, and the states of connection for unmetered services. If the Customer provides Alectra poor data, no data, or late data, the Customer shall pay Alectra's field verification costs, data correction costs, and the corrected consumption usage going forward.
3.9.5 3.9.5.1 3.9.5.2	Load Transfers Short-term Load Transfers Long-term Load Transfers			As per the Distribution System Code, Load Transfers are no longer permitted.
4	**Glossary of Terms**	**4**	**Glossary of Terms**	This section has been updated and expanded.

Conditions of Service (CoS) Reference Mapping Table and Summary of Changes
PowerStream to Alectra Utilities (Alectra)

The table below summarizes the changes made to the Conditions of Service for PowerStream in moving to harmonized Conditions of Service for all Alectra Utilities' service territories. The table should be read as follows:

- PowerStream's Section Reference and Heading – these refer to the section and heading within the original PowerStream Conditions of Service document;
- Alectra Utilities' Section Reference and Heading – these refer to the section and heading where the same or similar material can be found within the Alectra Utilities Conditions of Service document;
- Summary of Updates/Changes – this column provides a summary of the changes, if any. If no indication is provided, then the material is substantially or materially the same as the original Conditions of Service.

PowerStream Section Reference	PowerStream Section Heading	Alectra Section Reference	Alectra Section Heading	Summary of Updates/Changes
1	**Introduction**	**1**	**Introduction**	
1.1	Identification of Distributor and Service Area	1.1	Identification of Distributor and Service Area	Alectra's service area is described in this section, consistent with its electricity distribution license.
1.1.1	Distribution Overview	2.3.4	Standard Voltage Offerings	Primary and secondary supply of voltage and associated transformer capacity offerings vary by service location and will be determined by Alectra.
1.2	Related Codes and Governing Laws	1.2	Related Codes, and Governing Laws	

1.3	Interpretation	1.3	Interpretation	
1.4	Amendments and Changes	1.4	Amendments and Changes	
1.5	Contact Information	1.5	Contact Information	Alectra has updated its contact information.
1.6	Customer Rights & Mutual Obligations	1.6	Customer Rights	Each person listed on an account with more than one person is jointly and severally responsible for compliance with these Conditions of Service and for payment of account.
1.6.1	Defective Customer Equipment	1.6.1	Defective Customer Equipment	
1.6.2	Customer's Physical Structures	3.1.6 3.3.6.2	Customer and Alectra Utilities Installation and Maintenance Overhead/Underground Servicing Details – Customer Owned Substations	
1.7	Distributor Rights & Mutual Obligations	1.7	Distributor Rights	Alectra describes its right to request certain information from Customers for purposes of verifying identity.
1.7.1	Access to Customer Property	1.7	Distributor Rights	
1.7.2	Safety of Equipment	1.6.2 2.2.2 3.1.6	Operating Control Disconnection for Maintenance Purposes Customer and Alectra Utilities Installation and Maintenance	Alectra describes the Customer's responsibility for requesting a temporary isolation of supply in advance of completing maintenance activities in cases where the Customer has ownership of overhead primary or secondary conductor

		3.1.9	Alectra Utilities Distribution System Construction and Maintenance	on their property, and where the Customer is responsible for tree trimming near the overhead lines.
1.7.3	Operating Control	1.6.2	Operating Control	
1.7.4	Defective Customer Equipment	1.6.1	Defective Customer Equipment	
1.7.5	Customer's Physical Structures	3.1.6	Customer and Alectra Utilities Installation and Maintenance	
1.8	Disputes	1.8	Disputes	
1.8.1	Dispute Resolution Process	1.8.1	Dispute Resolution Process	PowerStream's dispute resolution process has been replaced with Alectra's dispute resolution process.
1.9	Force Majeure	1.9	Force Majeure	
2	**Distribution Activities (General)**	**2**	**Distribution Activities (General)**	
2.1	Connections and Expansions	2.1	Connections – Process and Timing	Alectra describes activities that take place during the connection process. Alectra has added the following clarifications: • Not all standard voltage offerings are available at every location; • The Customer is required to obtain prior approval from Alectra for the use of a specific voltage at a specific location; • Alectra does not guarantee the availability of capacity that may have

				been the on-site capacity of a property or facility at the time service was removed. Customers are encouraged to contact Alectra in order to confirm the availability of capacity. Alectra describes the conditions upon which a connection and the supply of electricity can be established.
2.1.1	Building That Lies Along/Connection	2.1.1	Building that Lies Along	Customers must complete a Service Request Form (available on Alectra Utilities' website). Alectra requires a design pre-payment, which will be applied against the total variable connection charge or returned if the Customer cancels the connection process.
2.1.1.1	Connection Charges	2.1.1	Building that Lies Along	Alectra describes the responsibility for costs associated with new connections.
2.1.2	Expansions/Offer To Connect	2.1.2	Expansions / Offer to Connect	Consistent with recent amendments to the Distribution System Code, Alectra will perform an economic evaluation for every expansion project. The evaluation will include all the costs relevant to the expansion. The Customer is required to provide loading information. Where an expansion involves a commercial or industrial development in an area not previously serviced, and where the load and/or Customer requirements

				are unknown or cannot be reasonably estimated, loading based on the development parameters and available historical information, will be used to calculate the developer's contribution. Alectra has added sections to provide more information around Alectra's expansion process: • 2.1.2.1 – Expansion Request Requirements from Customer; • 2.1.2.2 – Offer to Connect; • 2.1.2.5 - Un-forecasted Load/Customers; • 2.1.2.7 – Timing of Service Energization Obligation; • 2.1.2.8 – Timing and Process for Embedded Market Participant, Embedded Generation, and Embedded Distributor.
2.1.2.1	Capital Contributions	2.1.2.4 2.1.2 2.1.2.3	Capital Contributions Expansions / Offer to Connect Alternative Bid	
2.1.2.1.1	Alternative Bid	2.1.2.3	Alternative Bid	Alectra describes the alternative bid process, consistent with the Distribution System Code.
2.1.2.2	Expansion Deposit/Security	2.1.2.6	Expansion Deposit	Distributors must collect an Expansion Deposit for any Expansion where a capital contribution is required. Distributors may collect an Expansion Deposit where there is no capital contribution required.

				Therefore, Alectra has changed this section as follows: • Alectra shall require an expansion deposit for all expansion projects; • For expansions that require a capital contribution, an expansion deposit of up to 100% of the present value of the forecasted revenues will apply; • For expansions that do not require a capital contribution, an expansion deposit of up to 100% of the present value of the projected capital costs will apply.
2.1.3	Connection Denial	2.1.3	Connection Denial	Alectra describes the reasons it may refuse to connect, or continue to connect, a Customer. Alectra may request the ESA to inspect the Customer's property if warranted by existing unsafe conditions.
2.1.4	Inspections Before Connection	2.1.4	Inspection Before Connection	
2.1.5	Relocation of Plant	2.1.5	Relocation of Plant	Alectra describes the processes a Customer must follow in undertaking work which may encroach on Alectra's plant or its working clearances. Alectra clarifies that costs for relocating plant or equipment will be charged to the requesting party, and a design pre-payment may be required before work commences.

2.1.6	Easements	2.1.6	Easements and Access to Equipment	The rights and responsibilities of Alectra and Customers regarding easements are described; an easement which benefits one Customer which is required to be located on another Customer's land must be acquired by and maintained by the benefitting Customer.
2.1.7	Contracts	2.1.7	Contracts	Alectra has added three new sections: • 2.1.7.7 – Operating Agreements; • 2.1.7.8 – Capital Cost Recovery Agreement; • 2.1.7.9 – Assignment and Succession.
2.1.7.1	Contract for New or Upgraded Service	2.1.7.1	Opening and Closing of Accounts	
2.1.7.2	Implied Contract	2.1.7.2	Implied Contracts	
2.1.7.3	Special Contracts	2.1.7.3	Special Contracts	
2.1.7.4	Payment by Building Owner	2.1.7.4	Payment by Building Owner	
2.1.7.5	Opening and Closing of Accounts-Final Meter Reading	2.1.7.1 2.3.7.5 2.1.7.4	Opening and Closing of Accounts Final Meter Reading Payment by Building Owner	Seven (7) business days' notice is required in advance of the date service is to be discontinued.
2.1.7.6	Tenant or Occupier Customer	2.1.7.5	Tenant or Occupier Customer	
2.1.7.7	Owner Liability for Tenant or Occupier	2.1.7.6	Owner Liability for Tenant or Occupier	

2.2	Disconnection	2.2	Disconnection/Reconnection Processes and Charges	Alectra has added a new section 2.2.4 – Restricted Access to Meter Located on Residential Property.
2.2.1	PowerStream Initiated	2.2	Disconnection/Reconnection Processes and Charges	
2.2.1.1	Disconnection and Reconnection for Non-payment of Overdue Amounts	2.2	Disconnection/Reconnection Processes and Charges	Consistent with recent amendments to the Distribution System Code, the minimum payment period has increased to 20 days, effective March 1, 2020. Alectra may require the Customer to apply to the ESA for inspection of the electrical installation before Alectra can reconnect the Customer.
2.2.1.2	Unauthorized Energy Use / Energy Diversion	2.2.1	Unauthorized Energy Use / Energy Diversion	
2.2.2	Customer Initiated	2.2	Disconnection/Reconnection Processes and Charges	
2.2.2.1	Maintenance Purposes	2.2.2	Disconnection for Maintenance Purposes	
2.2.2.2	Termination or Disconnection of Supply	2.2.3	Termination or Disconnection of Supply	
2.3	Conveyance of Electricity	2.3	Conveyance of Electricity	
2.3.1	Limitations on the Guaranty of Supply	2.3.1	Limitations on the Guarantee of Supply	Customers requiring a higher level of reliability than a normal supply shall be responsible for providing their own

				uninterruptible power supply, back-up or standby facilities. Pertaining to Customers requiring three-phase supply, any damages resulting from the failure by the Customer to install protective apparatus shall be at the Customer's expense.
2.3.2	Power Quality	2.3.2	Power Quality	
2.3.2.1	Power Quality Investigations	2.3.2.2	Power Quality Testing	
2.3.2.2	Power Factor	2.3.2.1	Power Factor	
2.3.2.3	Prevention of Voltage Distortion on the Distribution System by the Customer	2.3.2.3	Prevention of Voltage Distortion in Distribution System	
2.3.2.4	Obligation of the Customer to Assist in an Investigation	2.3.2.4	Obligation to Assist the Investigation	
2.3.2.5	Obligation of the Customer to Make Timely Correction of Deficiencies	2.3.2.5	Timely Correction of Deficiencies	Alectra specifies that the Customer is responsible for all costs incurred by the utility in its effort to identify and correct the source(s) of disturbance.
2.3.3	Electrical Disturbances	2.3.3	Electrical Disturbances	
2.3.3.1	Notification of Service Interruption to Customers	2.3.3.1	Notification of Interruptions	
2.3.3.2	Emergency Interruptions for Safety	2.3.3.2	Emergency Interruptions for Safety	

2.3.3.3	Consumers Using Life Support	2.3.3.3	Consumers Using Life Support	
2.3.3.4	Emergency Service (Trouble Calls)	2.3.3.4	Emergency Service (Trouble Calls)	Alectra has updated its contact information.
2.3.3.5	Outage Reporting	2.3.3.5	Outage Reporting	This section includes information to view or report outage information for all of Alectra's service territories.
2.3.4	Standard Voltage Offerings	2.3.4	Standard Voltage Offerings	
2.3.4.1	Primary Voltage Supply	2.3.4.1	Primary Voltage Supply	Alectra describes its standard voltage offerings across all service territories. 44kV is only offered for underground services. Customers must provide a convenient and safe location satisfactory to Alectra for the installation of distribution equipment.
2.3.4.2	Secondary Voltage Supply	2.3.4.2	Secondary Voltage Supply	
2.3.4.3	Higher Reliability Service	2.3.4.3	Higher Reliability Supply Offerings	Alectra will determine if a Customer's request to provide higher reliability is practical.
2.3.5	Voltage Guidelines	2.3.5	Voltage Guidelines	
2.3.6	Backup Generators	2.3.6	Back-up Generators	
2.3.7	Metering	2.3.7 3.1.13.2	Metering Meter Types	

2.3.7.1	Location of Metering	2.3.7.1	General	Customers must arrange outages during regular business hours if required to maintain metering equipment. If necessary, to do so after hours, incremental costs will be incurred by the Customer.
2.3.7.2	Single Phase - Secondary Metered	3.1.13	Metering Requirements	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.
2.3.7.3	Temporary Service Metering	3.3.11 3.3.11.1	Temporary Services Metering	Alectra clarifies conditions under which a temporary service must be supplied underground. Temporary service servicing residential properties is considered a residential account.
2.3.7.4	Three Phase - Secondary Metered	3.1.13	Metering Requirements	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.
2.3.7.5	Totalized Metering	2.4.4.5	Aggregated Billing	Each ownership demarcation point or point of supply will be billed as a separate service and aggregation of electricity usage for billing purposes is not permitted in most cases.
2.3.7.6	Single Phase Central Metering	3.1.13	Metering Requirements	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.

2.3.7.7	Multi-Unit Residential (Condominiums) Building	3.3.9	Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
		3.3.10	Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
2.3.7.8	Main Switch & Meter Installation for Industrial/Commercial Buildings	2.3.7.2 3.1.13.1 3.3.9 3.3.10	Current Transformer Boxes General Metering for New Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises Metering for Existing Multi-Unit Residential Buildings, Condominiums and Commercial Buildings that contain two or more demised premises	
2.3.7.9	Service Markings	3.1.13	Metering Requirements	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.
2.3.7.10	Special Enclosures	3.1.13.1	General	
2.3.7.11	Meter Loops	3.1.13	Metering Requirements	This section refers to Alectra's metering standards, which can be obtained by contacting Alectra.

2.3.7.12 2.3.7.12.1 2.3.7.12.2 2.3.7.12.4	Electrical Room(s) for Metering Installation(s) Barriers in Electrical Enclosures Doors for Electrical Enclosures Working Space for Metering Equipment	3.1.13.5	Metering Located in Electrical Rooms	Alectra describes requirements as it relates to metering located in electrical rooms.
2.3.7.12.3	Auxiliary Connections	3.1.13.6	Auxiliary Connections	All Customer connections shall be made to the load side of Alectra's metering, except as approved by Alectra. The Customer is responsible for removing any unbilled connection on the supply side at the Customer's expense.
2.3.7.13	Instrument Transformer Enclosures and Connection for Meter Cabinet	2.3.7.2	Current Transformer Boxes	
2.3.7.14 2.3.7.14.1 2.3.7.14.2 2.3.7.14.3	Specialty Metering Procurement and Supply of Primary Metering Commissioning of Primary Metering Additional Labor Charges for Specialty / Primary Metering	3.3.6 2.1.1	Customer-Owned Substations Building that Lies Along	
2.3.7.15 2.3.7.15.1 2.3.7.15.2	Interval Metering Telephone Line for Interval Meters and Internal-Like Meters Customer Request for Interval Metering	2.3.7.3 2.3.7.4	Metering Inside the Settlement Timeframe (MIST) Metering Meter Reading	

2.3.7.15.3 2.3.7.15.4	Customer Request for Interval Meter Data Customer Request for Meter Pulse Output or Real-Time Meter Data			
2.3.7.16	Meter Reading, Inspection and Access to Meter Equipment	2.3.7.1 2.3.7.4	General Meter Reading	The Customer is responsible to ensure that the meter can be read using the standard infrastructure for the type of meter installed. If Alectra cannot read a meter remotely, the Customer is responsible for the cost to install infrastructure to permit remote reading of the meter, and the cost to read the meter manually.
2.3.7.17	Faulty Registration of Meters	2.3.7.6	Faulty Registration of Meters	Alectra describes the steps taken in the event of incorrect electricity usage. Alectra will be responsible for advising the Customer of any meter error and its magnitude and of the Customer's rights and obligations.
2.3.7.18	Meter Dispute Testing	2.3.7.7	Meter Dispute Testing	Alectra has a meter test lab that is certified by Measurement Canada.
2.3.8	Obstruction of Distribution Equipment on Public and Private Property	3.1.12	Alectra Utilities Access Requirements	Access requirement also applies to Alectra's vehicles and roads. The Customer shall provide an unobstructed paved or graveled surface. If an adequate roadway is not provided, resulting in damages to Alectra's vehicles, the

				Customer will take full responsibility for the necessary repairs to vehicles.
2.4.	Tariffs and Charges	2.4	Tariffs and Charges	Alectra has added a new section 2.4.6 – Arrears Management Program.
2.4.1	Service Connections	2.4.1	Service Connections	
2.4.1.1	Customers Switching to Retailers	2.4.1	Service Connections	
2.4.2	Energy Supply	2.4.2	Energy Supply	
2.4.2.1	Standard Service Supply (SSS)	2.4.2	Energy Supply	
2.4.2.2	Retailer Supply	2.4.2	Energy Supply	The transfer from an SSS Customer to a Retailer, or vice versa, will be effective as of the next scheduled meter read date.
2.4.2.3	Wheeling of Energy	2.4.2	Energy Supply	
2.4.3	Deposits	2.4.3	Deposits	This section refers to Alectra's credit policy, which can be obtained by contacting Alectra.
2.4.4	Billing	2.4.4	Billing	Alectra has added three new sections: • 2.4.4.2 – Use of Estimates; • 2.4.4.3 – Pro-ration of Accounts; • 2.4.4.4 – Adjustment Factor.
2.4.4.1	Billing Cycle	2.4.4.1	Billing Frequency	Alectra issues bills on a monthly basis. This section addresses use of estimate energy usage/demand value(s) for billing purposes.

2.4.4.2	Settlement Costs			This section has been omitted.
2.4.4.3	Transformer Ownership Credit			This section has been omitted.
2.4.5	Payments	2.4.5	Payments and Late Payment Charges	
2.4.5.1	Payments and Overdue Account Interest Charges	2.4.5	Payments and Late Payment Charges	
2.4.5.2	Payment Options	2.4.5	Payments and Late Payment Charges	Cash payments are no longer accepted, as there are no cashier services in any of Alectra's locations. Payments by EFT may be acceptable from large commercial and industrial accounts. Payments made by mail are deemed to be made on the date payment is received. Payments made at financial institutions are deemed to be made when stamped or acknowledged by the financial institution.
2.4.5.3	Late Payment Charges	2.4.5	Payments and Late Payment Charges	Alectra has made changes to this section as per current OEB Customer service rules. Effective March 1, 2020 bills will be past due after 20 days (excluding bill delivery time allowances).
2.5	Customer Information	2.5	Customer Information	
2.5.1	Disclosure of Historical Usage to a Third Party	2.5.1	Disclosure of Historical Usage to a Third Party	

2.5.1.1	Aggregated Information	2.5.1.1	Aggregated Information	
2.5.1.2	List of Retailers	2.5.1.2	List of Retailers	
2.5.1.3	Request Response or Referral	2.5.1.3	Request Response or Referral	
3	**Customer Specific**	**3**	**Customer Specific**	
3.1	Service Information - All Customer Classes	3.1 3.1.1 3.1.3 3.1.6	Service Information – All Customer Classes Services per Property Requirements for Locates Customer and Alectra Utilities Installation and Maintenance	Single metered services with mixed Commercial or Industrial and Residential use will be classified as General Service. Alectra reserves the right to require that a loop feed be completed for system reliability and primary feeder circuits may enter premises or exit via a different route on the land parcel. Alectra has added seven new sections: • 3.1.4 – Requirements for Service Layouts or Service Design; • 3.1.5 – Authorization of Overhead Services; • 3.1.7 – Private Pole Line Requirements; • 3.1.8 – Supply Agreements Precedence; • 3.1.11 – Alectra Utilities Service Entrance Requirements; • 3.1.13 – Metering Requirements (and its subsections); • 3.1.14 – Damage to Plant.

3.2	Residential Service	3.1 3.2 3.2.2 2.1.1	Service Information – All Customer Classes Residential Services Single Detached Dwellings/Semi-Detached/Multiplexes Building That Lies Along	Alectra has added a new section 3.2.1 – Application.
3.2.1	Overhead Service	3.1.2 3.1.10 3.2.2.1 3.2.2.2	Ownership Demarcation Points Customer ESA Requirements Services Over/Under Swimming Pools Overhead Services	In addition to the requirements of the OESC, clearance must be provided between utility conductors and finished grade according to CSA requirements.
3.2.2	Underground Services	3.1.2 3.2.2.3 3.2.2.4 2.1.1	Ownership Demarcation Points Underground Services Underground Servicing Details Building that Lies Along	Where a new service or service upgrade is requested where Alectra's distribution system is underground, the new service or service upgrade shall be underground. New underground services will have a 200 Amp capacity. Alectra approval is required for any service or configuration that exceeds this service level. The Customer is responsible for the vertical conduit.
3.2.3	Multi-Building High Rise Residential Condominiums on One Site	3.2.3	Metering for Condominium Townhouses	
3.3	General Service (GS < 50 kW, GS > 50 kW, Large User > 5000 kW)	3.1 3.3 2.1.1	Service Information – All Customer Classes General Service (GS <50kW, GS>50kW, and >5000kW) Building That Lies Along	Alectra has added six new sections: • 3.3.1 – Application; • 3.3.2 – General Service Rate Classes by Rate Zone; • 3.3.3 – Rate Class Assignments;

				• 3.3.4 – General Conditions for General Service; • 3.3.5 – Alectra Utilities-Owned Transformation Connections (and its subsections); • 3.3.8 – Metering - General.
3.3.1	Technical Information	2.1	Connections – Process and Timing	
3.3.1.1 3.3.1.2 3.3.1.3 3.3.1.4 3.3.1.5 3.3.1.6 3.3.1.7 3.3.1.8	Site & Grading Plans Mechanical Servicing Plan Floor Plan Duct Bank Location Transformer Location Electrical Meter Room Single Line Diagram Switchgear	2.1.2.1	Expansion Request Requirements from Customer	The Customer shall submit drawings at least six (6) months prior to a proposed in-service date and in digital format where possible.
3.3.1.9	Substation Information	2.1.2.1 3.3.6	Expansion Request Requirements from Customer Customer-Owned Substations	
3.3.1.10	Additional Information	2.1.2.1	Expansion Request Requirements from Customer	
3.3.2	Technical Considerations	3.3.7	Technical Requirements	
3.3.2.1	Short Circuit Ratings	3.3.7.1	Short Circuit Ratings	Customers must ensure that service entrance equipment has adequate short-circuit interruption capacity. Upon Customer request, Alectra will advise of the maximum available capacity at any specific location.

3.3.2.2	Primary Fusing	3.3.6.2	Overhead/Underground Servicing Details – Customer Owned Substations	
3.3.2.3	Ground Fault Interrupting	3.3.7.3	Ground Fault Protection	
3.3.2.4	Lightning Arresters	3.3.7.4	Lightning Arresters	
3.3.2.5	Basic Impulse Level	3.3.7.2	Basic Impulse Level	
3.3.2.6	Unbalanced Loads	3.3.7.5	Unbalanced Loads	This section has been expanded to provide the requirements for large non-linear loads. These types of Customers are required to install proper corrective measures that comply with the current version of industry standard.
3.3.2.7	Customer-Owned Substation	3.3.6 3.3.6.1 3.3.6.2	Customer-Owned Substations Overhead Services – Customer Owned Substations Overhead/Underground Servicing Details – Customer Owned Substations	All Customer-owned equipment (including cables, transformers, surge arrestors, terminators and protective and switching devices) must be approved by Alectra. Alectra may specify special tap settings to accommodate system voltage variations. Alectra reviews the original proposal and one (1) corrected proposal, free of charge. Alectra has added two new sub-sections: 3.3.6.3 – Operation of Primary Disconnect Devices on Substations; 3.3.6.4 – Maintenance of Substations.

3.3.3	Temporary Services	3.3.11	Temporary Services	Temporary services are required to meet the requirements of permanent services of the same size, as detailed in Alectra's Conditions of Service.
3.4	Unmetered Connections (Scattered Loads)	3.7 3.7.1	Unmetered Connections General	
3.4.1	Introduction	3.7.1	General	
3.4.2	General Conditions for Unmetered Loads	3.7.1	General	
3.4.2.1	Unmetered Customer Responsibilities	3.7.1.1	Unmetered Customer Responsibilities	Alectra has made changes to this section by adding the following: • Customers are required to establish an account for the connections; • Customers are required to notify Alectra in writing prior to making changes to existing equipment or adding new equipment.
3.4.2.2	PowerStream Responsibilities	3.7.1.2	Alectra Utilities Responsibilities	
3.4.3 3.4.3.1 3.4.3.2	Data Requirements New Unmetered Connections Existing Unmetered Connections	3.7.2	Data Requirements	The Customer shall provide the data in a format, and on a schedule, as specified by Alectra.
3.4.4	Data Quality & Auditing Requirements, and Records Retention	3.7.2	Data Requirements	

3.4.4.1	Data Quality Requirements	3.7.2.1	Customer Data Quality Requirements	Alectra has made changes to this section as follows: • Customers are required to provide method description and manufacturer documentation on measurement devices; • All data to be provided on a schedule, and in a format as per Alectra's specifications.
3.4.4.2	Data Auditing Requirements	3.7.2	Data Requirements	
3.4.4.3	Records Retention	3.7.2.2	Records Retention	
3.4.5	Unmetered Load Types Defined	3.7.3	Unmetered Load Types	
3.4.6	Service Costs	3.7.4	Service Costs	
3.4.6.1 3.4.6.2 3.4.6.3 3.4.6.4	General Billing Conditions Proposed In-Service Permanently Removed	3.7.4.1	General Billing Conditions and States of Connections	Deemed to be in-service connections will be billed for up to six (6) consecutive months. Following the sixth month, the unmetered connection must be energized or deemed "permanently removed" from service. Alectra clarifies that electrically isolated is defined as temporarily physically detached from Alectra's distribution system. The Customer must request the isolation in writing.

3.4.7	Ongoing Account Tariffs and Charges			This section has been omitted.
3.4.8	Work by PowerStream	3.7.1	General	
3.4.9	Audit Costs	3.7.2	Data Requirements	
3.4.10	Error Costs	3.7.4.2	Data Error Costs	
3.4.11	Communication to Customer on Rate-Impact Matters			This section has been omitted.
3.4.12	Street Lighting Service			This section has been omitted.
3.5	Embedded Generation	3.4	Embedded Generation and Energy Storage	The conditions for Embedded Generation also apply to Customers with energy storage that has the capability of providing power to Alectra's distribution system. Alectra has added a new section 3.4.7 – Gross Load Billing.
3.5.1	Connection and Operating Agreements	3.4.1	Connection and Operating Agreements	
3.5.2	Connection Process	3.4.2	Connection Process	
3.5.3	Connection of Micro-Generation Facilities	3.4.3	Connection of Micro-Generation Facilities	
3.5.4	Connection of Small, Mid-Sized and Large Generation Facilities	3.4.4	Connection of Small, Mid-Sized and Large Generation Facilities	

3.5.5	Technical Requirements	3.4.5	Technical Requirements	Generation facilities shall meet the technical requirements in Appendix F-2 of the Distribution System Code and Alectra's Technical Interconnection Requirements, as well as Hydro One Networks Inc. ("HONI") requirements in cases where HONI supplies power to Alectra's distribution system. All interconnection arrangements shall be acceptable and approved by Alectra, and by HONI, where applicable.
3.5.5.1	Metering for Embedded Generation	3.4.5.1	Metering for Embedded Generation	
3.5.6	Net Metering Program for an Embedded Generation Facility	3.4.6	Net Metering for an Embedded Generation Facility	
3.5.7	OPA Feed-in Tariff (FIT) Program for an Embedded Generation Facility			This section has been omitted.
3.6	Embedded Market Participant	3.5	Embedded Market Participant	
3.7	Embedded Distributor	3.6	Embedded Distributor	Alectra has updated this section to specify that the Embedded Distributor is a Customer of Alectra. Alectra is not involved in metering the Customers of the Embedded Distributor. Alectra has added a new section 3.6.1 – Metering.

3.8	Pole Attachments (Temporary and Permanent)	3.1.15	Pole Attachments (Temporary and Permanent)	
3.8.1 3.8.2 3.8.3 3.8.4 3.8.5	Material Dimensions / Weight Restrictions Methods of Attachment to Pole Requirements for Attaching to PowerStream Poles Exceptions for Municipalities			These sections have been omitted.
4	**Glossary of Terms**	**4**	**Glossary of Terms**	This section has been expanded and modified.

OEB Checklist

Please see live Excel version

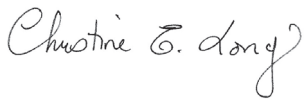
CERTIFICATION OF THE EVIDENCE

As Executive Vice-President and Chief Financial Officer of Alectra Inc., I certify that, to the best of my knowledge, the evidence filed in this Application is accurate, consistent and complete. I also certify that Alectra Utilities has robust processes and internal controls in place for the preparation, review, verification and oversight of the account balances being disposed.

Danielle Diaz, CPA, CA
Executive Vice-President and Chief Financial Officer

CERTIFICATION REGARDING PERSONAL INFORMATION

As Vice-President Regulatory Affairs and Privacy Officer of Alectra Utilities Corporation, I certify that, to the best of my knowledge, the evidence filed in this Application does not include any personal information, as defined in the *Freedom of Information and Protection of Privacy Act*, that is not otherwise redacted in accordance with Rule 9A of the OEB's Rules of Practice and Procedure.



Christine E. Long, LL.B
Vice-President Regulatory Affairs and Privacy Officer

BOARD CERTIFICATION

Alectra Inc. is the parent company of Alectra Utilities Corporation. The Alectra Inc. Board of Directors certifies that it is aware of and approves the submission of Alectra Utilities Corporation's 2027-2031 Custom Incentive Rate-setting Application.

This certification is provided pursuant to the Ontario Energy Board's *Chapter 2, Filing Requirements for Electricity Distribution Rate Applications*, as dated on May 7, 2025.

Jane Armstrong
Chair, Board of Directors
Alectra Inc.

October 7, 2025
Date

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Alectra Utilities Corporation

Business Plan

2027 – 2031

Alectra Utilities Corporation
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EXECUTIVE SUMMARY

Alectra Utilities Corporation presents its 2027-2031 Business Plan, outlining the utility's strategy and priorities to meet the evolving needs of its customers and highlighting the benefits that will be delivered as a result of the proposals outlined in Alectra's 2027-2031 rate application.

This Business Plan supports Alectra Utilities first rate-rebasing application since the utility was formed through a merger in 2017. Over that period, the utility has invested significantly in core distribution assets in municipalities across its service territory. The merger has resulted in significant benefits for customers, including cost savings achieved through the consolidation of legacy workforces into regional operations centres, improved reliability and outage response through the installation of automated circuit switches on the grid, and the introduction of more on-line digital self-service options to provide 24/7 customer account access.

Since the merger, Alectra Utilities' capital budgets have not increased at the pace required to maintain the integrity of the grid, and defective equipment is now responsible for approximately 50% of the customer hours of interruption that occur[1]. Alectra Utilities' rate application proposes programs that will renew deteriorated assets, increase system capacity to accommodate load growth driven by population and economic expansion, and improve customer communications during outages.

Alectra Utilities proposed rate application balances the requirement for reliability, grid accessibility, and service affordability that customers expect, and will enable Alectra Utilities to continue to meet its obligations to the homes and businesses the utility serves.

Corporate Overview

Alectra Utilities began business operations on January 31, 2017, following the merger of Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, PowerStream Inc., and acquisition of Hydro One Brampton Networks Inc., followed by the merger in 2019 with Guelph Hydro Electric Systems Inc. The merger created the largest municipally owned local distribution company in Canada based on the number of customers served, which stands at approximately

[1] Excluding Major Event Days and Scheduled Outages

1.1 million homes and businesses, and a total population in the region greater than three million persons. The utility's service territory spans approximately 1,912 square kilometers including seventeen communities. From the Niagara Region fruit belt, through the dense urban cities surrounding Toronto, to the Central Ontario snow belt communities of Barrie and Penetanguishene, Alectra Utilities has successfully bridged the unique and varied characteristics of the territory to build a customer centric utility that addresses varied local needs and priorities.

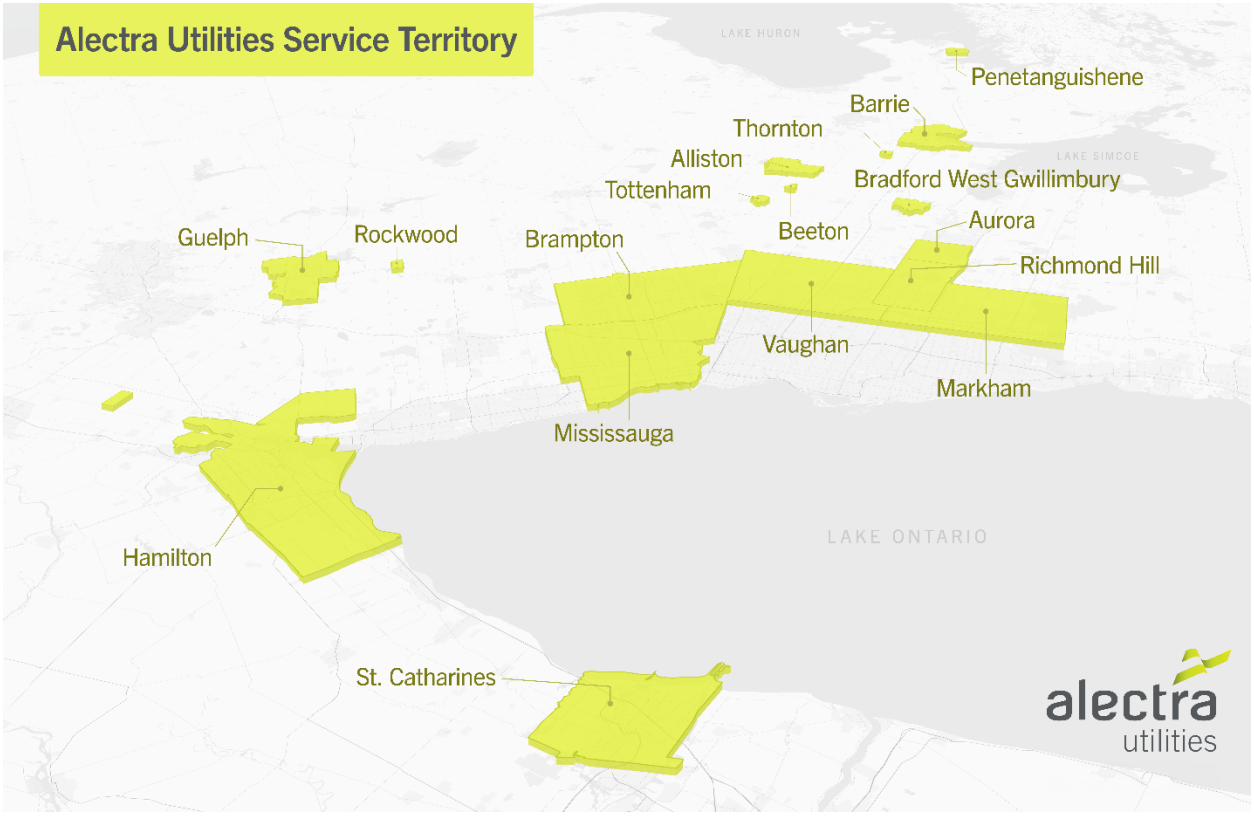


Figure 1-3-1: Alectra Utilities' Service Territory

Alectra Utilities' distribution system includes more than 134,000 poles, 128,000 distribution transformers, 14 Transformer Stations, 149 Municipal Stations and more than 51,000 circuit kilometers of primary and secondary wires. The utility serves approximately 100,000 businesses including Canada's largest airport Toronto Pearson International, top ranked universities and colleges including McMaster University, University of Toronto (Mississauga), and major hospitals across the service territory. Alectra Utilities is renewing deteriorated equipment and as well as

modernizing and hardening the grid. The utility is also investing in cybersecurity technology and updated customer service platforms to meet evolving needs such as providing 24/7 digital self-service options for customers. As a result, system reliability has improved since the merger, and the utility is able to rapidly deploy skilled trouble response crews to all locations when storms occur.

Table 1-3-1: Customers by rate classification

Rate Class	Customer Count (December 2024)	2024 Total Consumption (kWh)
Residential	985,462	8,358,537
General Service Less Than 50kW	88,209	2,812,814
General Service >= 50kW	12,469	13,195,860
Large Use	30	1,941,696
Large Use with Dedicated Assets	6	864,720
Embedded Distributor(s)	1	17,012
Street Lighting Connections	241,236	93,691
Sentinel Lighting Connections	422	587
Unmetered Scattered Load Connections	11,265	47,636
TOTAL	1,339,100	27,332,554

THE MERGER

The Alectra Utilities merger remains the largest consolidation of local distribution companies (LDCs) to have taken place in Ontario, in terms of the number of utilities involved and customers served, which stands at approximately 1.1 million homes and businesses covering approximately 1,912 square kilometers.

The merger has resulted in significant benefits for Alectra Utilities' customers. Operationally, planning and construction activities have been organized into four operating areas, enabling the efficient oversight of distribution system and fast deployment of skilled trades for construction projects and trouble response. Furthermore, reliability has improved since the merger. From

2020 to 2024, Alectra Utilities' average SAIFI[2] was 1.23 which is an improvement compared to the five year period prior the merger (2012-2016) which had an average SAIFI of 1.41. From 2020 to 2024, Alectra Utilities' average SAIDI[3] was 0.92 times per year which is an improvement compared to the 2012-2016 average SAIDI of 0.95 times a year. Alectra Utilities' customers are experiencing fewer outages on average, and trouble crews are able to respond and tend to outages more quickly from regional dispatch centres.

Since the merger in 2017, including the addition of Guelph Hydro in 2019, total net savings from operating and capital budgets will reach $340.7 million over 10 years. Importantly, Alectra Utilities anticipates that sustained savings will total approximately $44.3 million per year from 2027 onward. These benefits were realized through persistent efforts to merge the operations of the five predecessor utilities to reduce costs while maintaining the quality, reliability and adequacy of electricity service that our customers expect. Customer service has been enhanced through the introduction of web-based digital self-service options that streamline account management processes and provide 24/7 assistance to consumers.

STRATEGIC PLAN

Alectra Inc.'s Strategic Plan prioritizes customer experience, grid modernization and enterprise growth, supported by the development of the workforce, sustainable business practices and corporate performance that enables the delivery of excellent service and reliability. Customers, employees, communities and shareholders are at the centre of Alectra Inc.'s Strategic Plan. The Strategic Plan is updated every five years to ensure that it captures the social and economic changes that are occurring at a rapid pace. Alectra Utilities' 2027-2031 Business Plan was conceived with these strategic priorities in mind.

[2] Excluding Major Event Days
[3] Excluding Major Event Days

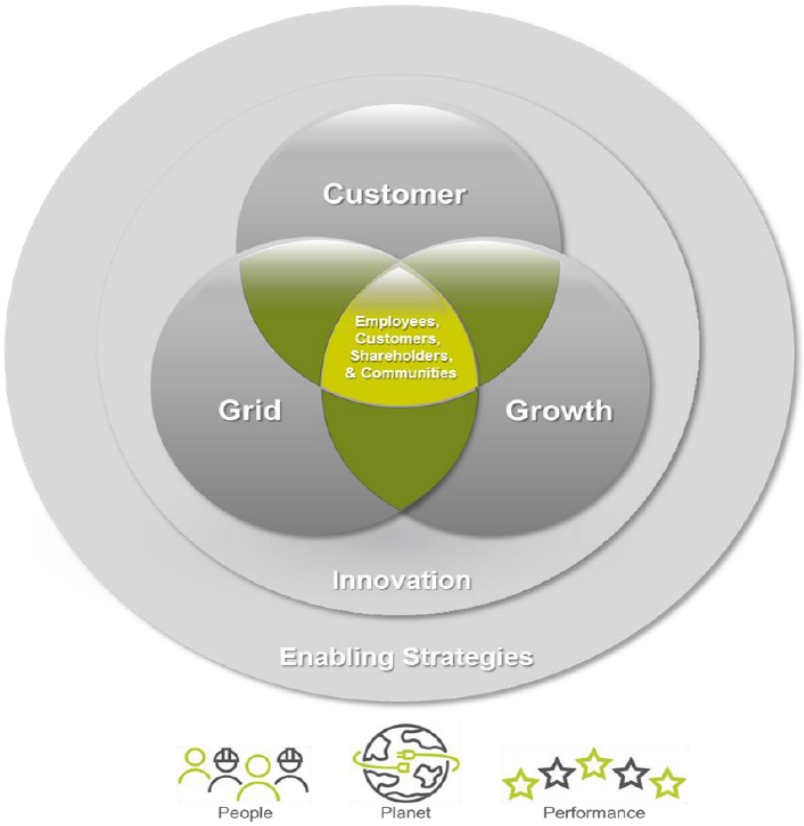


Figure 1-3-2: Strategic Plan

BUSINESS PLANNING PROCESS AND ASSUMPTIONS

Alectra Utilities undertakes an annual five-year business planning process that engages multiple business streams to form the consolidated business plan. The planning horizon of the 2025 Plan was extended to seven years to encompass the full 2027 to 2031 application period. Alectra Utilities' business planning process is informed by coordinated inputs from the distribution system plan (capital planning), workforce planning, operational, maintenance and administrative requirements, revenue forecasts, financing requirements, and tax obligations. Alectra Utilities' business plan is presented to the Board of Directors for approval annually and the updated 2025 to 2031 Business Plan that underpins this rate application was approved by Alectra Inc.'s Board of Directors in May 2025.

Distribution System Plan (Capital Investment Planning)

The Asset Management Process (capital planning) is the starting point of the consolidated business plan, as it establishes the foundational investments of the distribution system plan that impact all subsequent planning processes and assumptions.

Customer engagement is the first step in the development of Alectra Utilities' capital plan. The utility engages with its customers to better understand their needs and preferences, and to help determine which investments will achieve the desired outcomes.

Workforce Planning

The alignment of workforce planning with Alectra's Strategy allows for the planning, developing, and managing of the Company's workforce effectively. Guided by its strategic objectives of renewing, expanding and modernizing the distribution grid and proactively aligning its talent strategy with its strategic goals, Alectra Utilities will be positioned for sustainable growth, innovation and to be a competitive leader in the industry.

The workforce planning process identifies the skilled workforce required to maintain, enhance and innovate when adapting to new technology. Workforce planning assists in anticipating future talent needs and preparing employees to have the skills and knowledge that is necessary to provide exceptional customer service.

The process starts with an overview of the strategic objectives of renewing, expanding and modernizing the grid. Business Unit leadership teams develop their operational plans, by aligning their priorities to the strategy and identifying the required resources to enable their objectives. Leaders then develop and align their headcount plan with the financial plan, identify talent needs and skill gaps, and develop an associated action plan to address these needs and gaps. Action plans include items such as internal training and development opportunities, talent management requirements as well as talent acquisition strategies. As a result of identifying the organization's needs, Alectra Utilities is able to identify opportunities to optimize its workforce.

Operational, Maintenance, and Administration Planning

The OM&A planning process is guided by several key inputs that together form Alectra Utilities' OM&A budget. Central to this process is the capital plan, which directly influences a variety of administrative and overhead costs. For example, the pacing of capital investments will impact transaction processing levels within the finance department and incremental OM&A licensing costs in IT. The OM&A budget schedules are carefully reconciled with the optimized capital plan to ensure alignment of OM&A requirements presented in the business plan.

Additionally, other operational requirements are brought forward by business units through collaborative budget workshops facilitated by their Finance business partners, where business units align priorities and allocate required resources. Other operational requirements may include updates for third party services in Operations (e.g., locates, maintenance plans, vegetation management etc.), or other special studies to support regulatory requirements or business operations.

CHALLENGES FACING ALECTRA

There have been significant changes in Ontario's economic and social environment since Alectra Utilities commenced business operations in 2017. The Covid-19 pandemic severely impacted Ontarians, resulting in stagnant load growth coupled with financial stress for many residential and commercial customers. Severe weather events, due in part to the effects of climate change, are occurring more frequently, causing federal, provincial, and municipal governments to adopt policies intended to reduce greenhouse gas emissions and gradually convert homes and businesses from fossil fuels to cleaner energy sources, such as electricity.

Alectra Utilities' customers depend on safe and affordable service that meets acceptable quality standards. Alectra Utilities' proposed investment plan will address these priorities by making the minimum investment necessary to continue to meet immediate challenges, while making measured expenditures to ready the grid for growth. The investment plan recognizes that there are now additional investments required to provide customers, and policymakers, with options as the transition to electric alternatives for heating and transportation evolves. Some of this funding requires longer lead times, and Alectra Utilities' plan proposes the minimum spending

necessary, with flexibility to adapt if needed due to the uncertainty that surrounds the pace of the decarbonization of the economy.

Population growth in the Alectra Utilities' service territory has resulted in a serious shortage of affordable housing. Aggressive federal, provincial, and municipal programs are in place to encourage the rapid construction of single and multi-dwelling homes. Alectra Utilities' distribution system is deteriorating and requires significant investment to renew and replace equipment at higher risk of failure.

Alectra Utilities' investment plan as outlined in its Distribution System Plan (DSP) aligns with Alectra's strategy to ensure excellent customer experience by maintaining infrastructure, preparing the grid for anticipated growth and electrification, and increasing resiliency and modernization to improve system performance against adverse weather causing power outages. The DSP requires a considerable ramp up to address the deterioration of the grid.

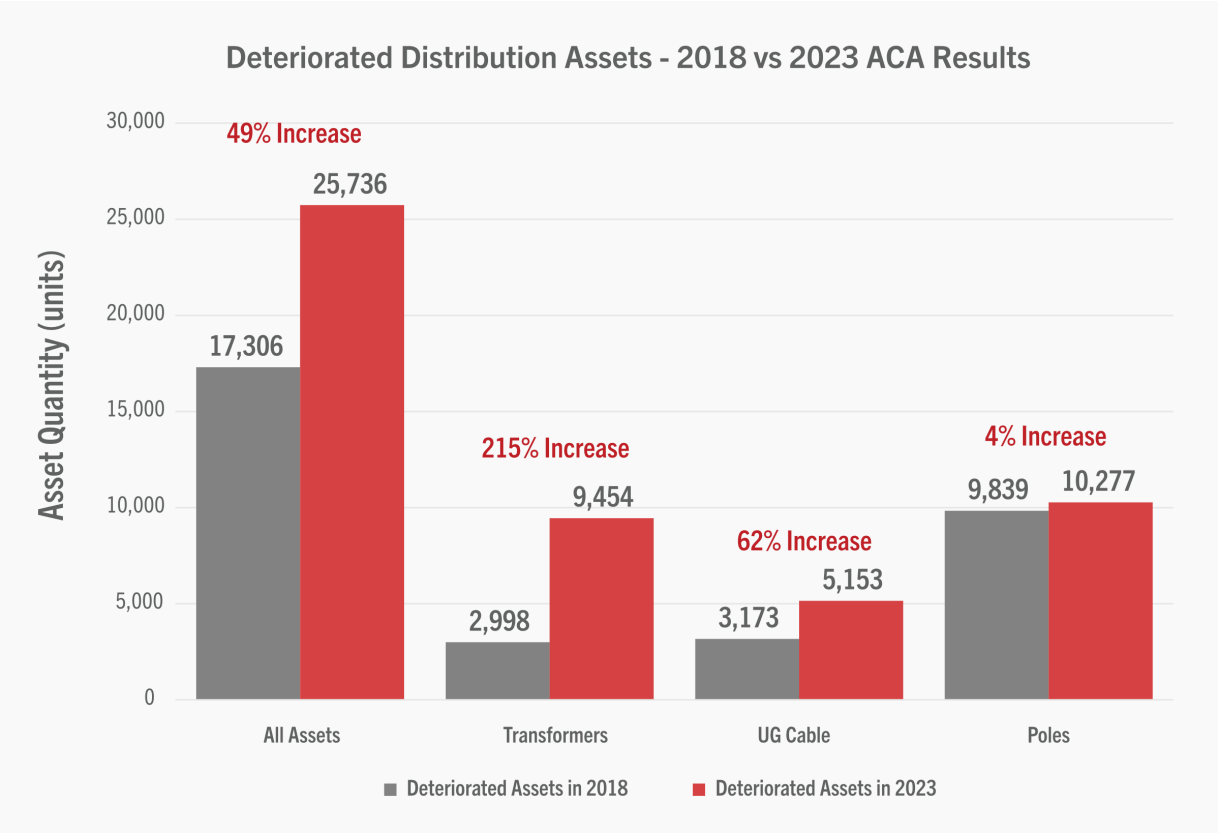
The increase in System Renewal is primarily driven by the urgent need to replace deteriorated overhead and underground assets through pole and cable replacement.

System Access investments are also required for major growth to ensure capacity is available to meet increasing energy demands. System Access expenditure includes replacement of failing first generation metering infrastructure in addition to customer driven expansion projects. Investments in System Access and System Renewal represent approximately 77% of the total capital investment plan in 2027.

Growing Backlog of Deteriorated Assets

Despite Alectra Utilities' effort to increase the pace of asset renewal, the backlog of deteriorated assets in Alectra Utilities' distribution system has increased by 49% from 2018 to 2023.

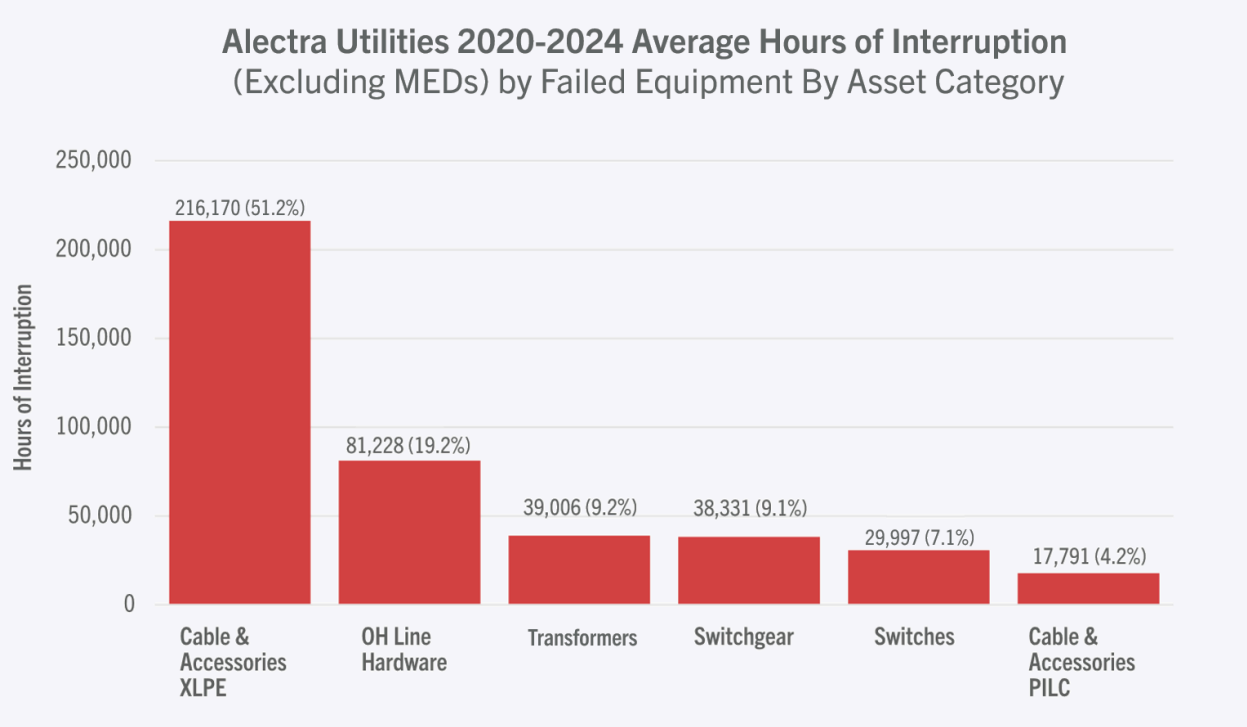
Chart 1-3-1: Deteriorated Distribution Assets



Increasing the pace of renewal of deteriorating and failing underground cable remains a top priority for Alectra Utilities. Failing cable and accessories resulted in 55% of all defective equipment hours of interruption over the 2020-2024 period.[4]

[4] *Appendix B02 – Underground Asset Renewal,* Part I Overview, Pages 4, Figure B02 – 2 Customer Hours of Interruption Due to Defective Equipment, Alectra Utilities 5-Year Average (2020-2024)

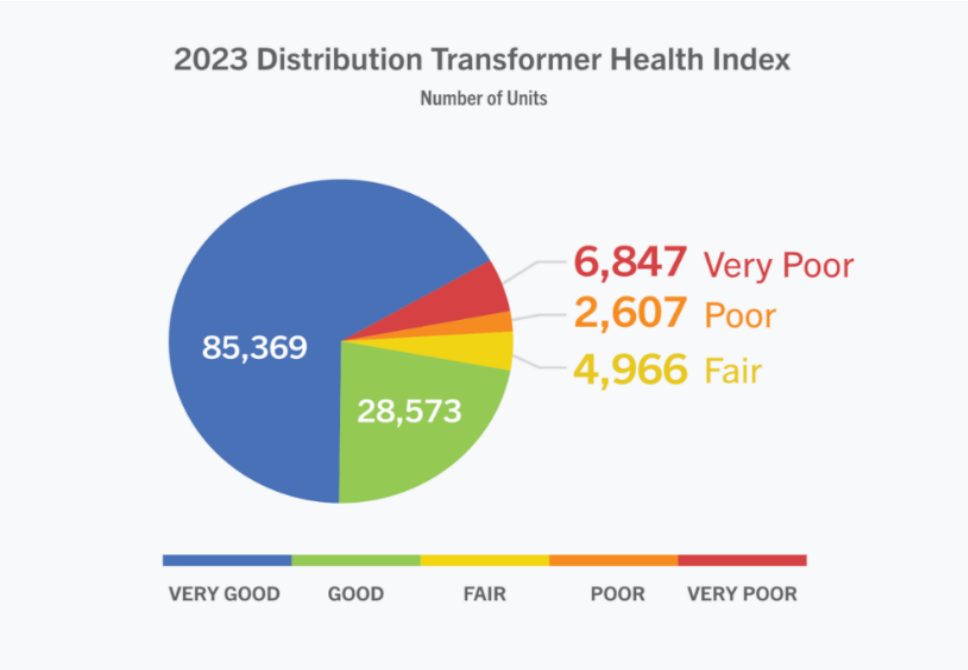
Chart 1-3-2: Average hours of interruption, failed equipment



Deteriorated Distribution Transformer

Alectra Utilities' total population of in-service distribution-class transformers is 128,362 units. Of these, approximately 65% are Pad Mounted, 25% are Pole Mounted, and 10% are in Vaults.

Chart 1-3-3: Distribution Transformer Health Index



The 2023 Asset Condition Assessment identified 9,454 transformers, representing 7.4% of total population, in the "Poor" or "Very Poor" Health Index category. The increase can be attributed to assets continuing to deteriorate over time as they are utilized and exposed to environmental conditions.

In addition to planned replacement based on deterioration, transformers within this population are also replaced to avoid the risk of oil leaks containing poly chlorinated biphenyls (PCBs).

Secondly, failure to proactively replace deteriorated vault transformers elevates the risk of prolonged outages experienced by customers (e.g., apartment buildings) and increases the risk to safety. Many vault transformers are unable to be replaced like-for-like due to older construction standards and complex installations which require extensive civil construction modifications.

All transformers in the "Poor" and "Very Poor" Health Index (HI) categories exhibit major degradation, indicating signs of leaking oil or corrosion. These conditions pose risks to public

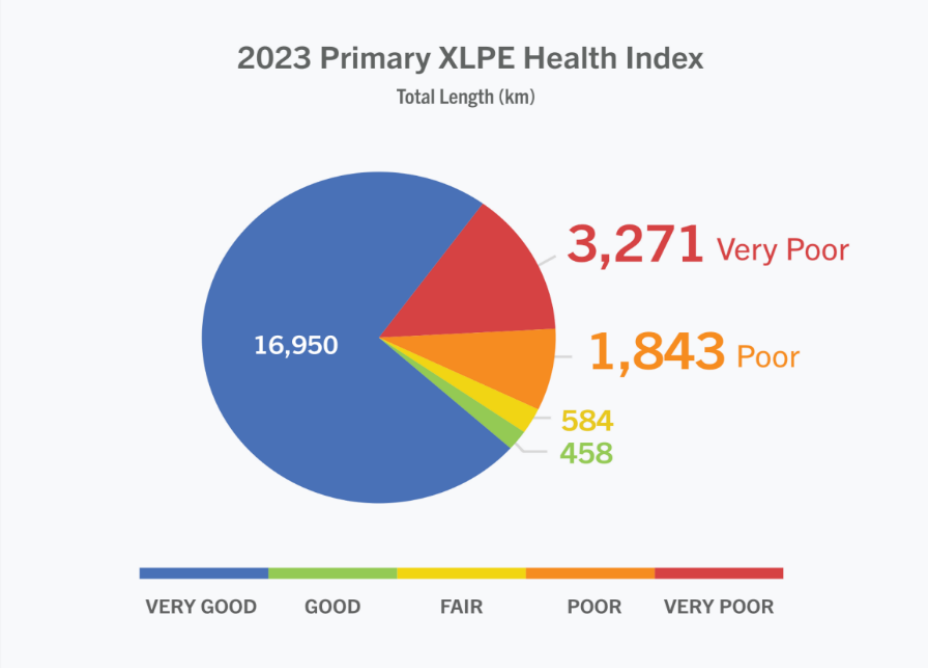
safety and environmental contamination. These transformers are proposed for replacement within the 2027- 2031 DSP period.

Deteriorated Underground Cable

Alectra Utilities owns and operates 23,694KM of underground primary cable, comprised of paper insulated lead covered (PILC) cable, ethylene propylene rubber-insulated (EPR) cable, and cross-linked polyethylene (XLPE) cable.

Cross-linked polyethylene (XLPE) cable represents over 97% of Alectra Utilities' primary cable population. Cable manufacturers introduced the first-generation XLPE cables, which were constructed with stranded or solid conductors, into the market in the late 1960s. These cables are susceptible to moisture ingress leading to insulation breakdown. This results in localized cable faults that are difficult to locate, causing lengthy and recurring power failures. Alectra Utilities' distribution system has 23,106KM of primary underground XLPE cable in the ground. This chart summarizes the health index of these cables.

Chart 1-3-4**: Primary XLPE Cable Health**

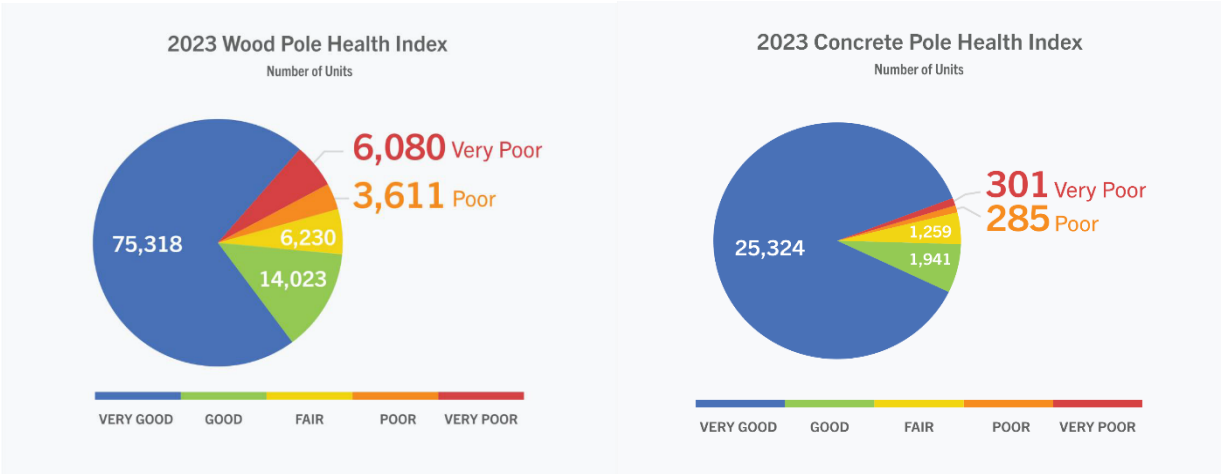


With a significant XLPE cable population already in "Poor" and "Very Poor" condition, Alectra Utilities expects that continued cable deterioration will cause more of its cables to shift toward these health index categories. This impending wave of aging and deteriorating XLPE cable, if not proactively addressed, will pose a significant reliability risk for Alectra Utilities' distribution system resulting in poor customer service and reliability. Failing cable and accessories resulted in 55% of all defective equipment hours of interruption over the 2020-2024 period.

Deteriorated Poles

Alectra Utilities' overhead distribution system includes 134,372 poles, of which 105,262 are wood poles and 29,110 are concrete poles.

Chart 1-3-5: Wood and Concrete Pole Health Index



The 2023 ACA identified 9,691 wood poles and 586 concrete poles, representing 7.6% of total pole population, in "Poor" or "Very Poor" HI. All poles in the "Poor" and "Very Poor" HI categories exhibit major degradation. Key degradation indicators for wood poles include rot and feathering at the top of the pole, shell and ground line rot, and pole defects, including horizontal cracks or electrical burns. Key degradation indicators for concrete poles include rust and corrosion of the re-bar, cracking, concrete spalling, and mechanical damage.

Alectra Utilities has increased planned pole replacement volumes to stabilize the asset deterioration trend. However, current volumes remain insufficient to arrest the growth in deteriorated poles.

Meeting the Needs of a Growing Regional Population

The population in Alectra Utilities' service area will significantly increase in the next twenty years. Projections indicate that there will be growth in the number of households in Brampton, York Region, and Guelph, as well as increases caused by intensification and redevelopment in Mississauga and Hamilton.

Table 1-3-2: Service Territory Population Growth Projection

City	Population						Households					
	2021	2026	2031	2036	2041	% Increase Population	2021	2026	2031	2036	2041	% Increase Households
Brampton	691,382	751,542	807,875	848,897	889,920	28.72 %	247,826	264,478	280,723	295,336	309,950	25.07 %
Mississauga	763,300	792,340	818,100	849,680	883,290	15.72 %	249,514	262,450	279,850	298,940	317,840	27.38 %
Hamilton	584,000	618,000	652,000	692,500	733,000	25.51 %	222,540	240,320	258,100	276,635	295,170	32.64 %
York	973,024	1,078,997	1,207,649	1,234,573	1,333,680	37.07 %	311,657	351,392	394,004	436,977	478,958	53.68 %
Guelph	147,000	157,500	168,000	177,000	186,000	26.53 %	57,500	62,850	68,200	72,950	77,700	35.13 %
Simcoe County	255,310	295,700	337,990	375,780	412,790	61.68 %	88,140	104,750	120,790	137,260	153,770	74.46 %
St. Catharines	137,886	142,993	148,099	155,982	163,865	18.84 %	59,549	62,274	64,999	68,734	72,469	21.70 %

The table above indicates that an average population growth of 31% and an average growth of 39% in the number of households is anticipated by 2041. Alectra Utilities' planned investments are based on localized growth assessments in specific areas, as well as the overall impact of growth across the service territory.

Alectra Utilities also needs to invest in system expansion of transformer stations as well as committing more spending on new customer connections, as housing and ICI connections increase. New and ongoing transit projects, such as the Mississauga and Hamilton LRTs, and the GO Transit electrification, will require continued investment in infrastructure to meet the growth in peak demand that these loads will contribute.

In addition, municipalities and transit authorities in the Alectra Utilities' service area continue to build new roads and widen existing thoroughfares. This requires Alectra Utilities to frequently invest in the installation and relocation of grid assets, including overhead and underground distribution equipment, such as poles, power cables and transformers, as this rapid urban development progresses.

Severe Weather is Increasing in Frequency and Force

Alectra Utilities operates a distribution network in a geographically diverse area exposed to a wide range of weather conditions which can impact different regions of the service territory at separate times. This complicates the challenges in managing climate impacts that have an adverse impact on the distribution system. As climate change causes more frequent and extreme weather events, Alectra Utilities' infrastructure faces serious operational strain. Deteriorated equipment is more prone to fail during severe weather events, not only contributing to the long-term deterioration of assets, but they also have the potential to cause major outages and catastrophic equipment failures, putting public and worker safety at risk.

The increased frequency and severity of weather events requires Alectra Utilities to strengthen grid resiliency to mitigate the significant risk of damage to the system. An emerging trend is the occurrence of widespread severe windstorms, also known as derechos. Derechos are associated with fast-moving thunderstorms that can result in serious infrastructure damage and lengthy service interruptions.

On May 21, 2022, a derecho suddenly swept across Alectra Utilities' service territory with wind gusts of 120KM/h. The storm impacted one-third of the customer base, resulting over 100 poles requiring replacement. Alectra Utilities required 12.5 hours to restore 90% of impacted customers as entire pole lines were rebuilt.

The projections from the climate risk and vulnerability assessment of Alectra Utilities' distribution system completed by Hatch indicate that the 2022 derecho event is no longer an anomaly. Instead, events of this magnitude are expected to occur, on average every four years, as shown in the Figure below.

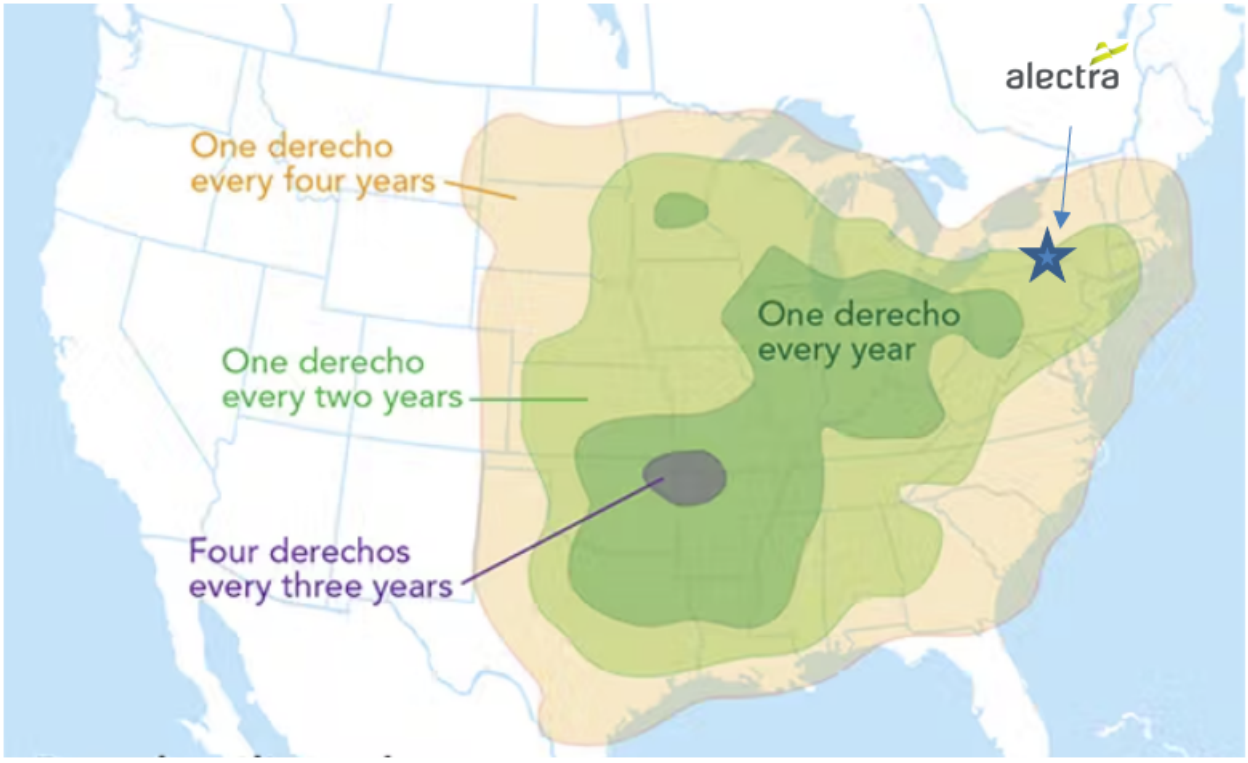


Figure 1-3-3: Projected exposure to high wind derecho events

These derecho events, characterized by intense winds and widespread destruction, will increasingly challenge the resilience of the overhead distribution system. Alectra Utilities has a responsibility to proactively plan and maintain its system, ensuring that the equipment can withstand extreme weather conditions. Moreover, the financial and operational impacts of these events cannot be understated. The cost of repairing and replacing damaged infrastructure,

coupled with the potential for lengthy and disruptive power outages that are costly to our customers, underscores the urgency of implementing robust mitigation strategies.

Climate projections show that the majority of Alectra Utilities' service territory will experience more damaging high wind events that will increase in severity and intensity. Alectra Utilities must address public safety risks, maintain system reliability, and account for customer preferences to ensure that the distribution system is hardened to adverse environmental events. By investing in renewing overhead assets, focusing on vulnerable areas, and increasing distributed automation, Alectra Utilities will be able to better protect its customers from the threat of long outages caused by the serious storms that are frequently damaging the grid.

WORKFORCE

Alectra Utilities depends on a workforce that includes skilled tradespeople, highly trained technical staff including system controllers, professionals and employees in operational support roles providing reliable service 24 hours per day, 7 days a week. The availability of qualified staff is essential to Alectra Utilities delivering on its investment and operational priorities. Staffing levels since the merger have remained relatively flat.

The workforce requirements to support Alectra Utilities' investment plan were developed through a process that considers the labour impact of the increased capital program. Most of the additional human resources that will be required are in the skilled trades that work on the grid, engineering, and customer service support areas.

Alectra Utilities' plan to refurbish and renew the grid to accommodate the population and projected load growth requires investment in adequate resources with the skill sets required to work safely and efficiently. The lead times to recruit and train a modern utility workforce are significant, with years of training and development required before an employee has the skills needed to work competently and efficiently on the distribution system.

Alectra Utilities is working with Mohawk College, Conestoga College and Georgian College to develop and deliver skilled electrical and technical trades training to ensure that there is a pipeline of labour available in the years ahead. The amount of work required to renew and

refurbish deteriorated infrastructure, and to accommodate the population and load growth that lies ahead, requires that Alectra must begin to reinforce its workforce now to be ready to successfully meet customer expectations and needs as the economy transitions to a digitized and lower-carbon environment.

Since the merger in 2017, Alectra Utilities has carefully managed its workforce requirements while navigating an unpredictable and uncertain economy, exemplified by the Covid-19 pandemic and the economic and social upheaval that it caused. Many residential customers are working from home and require high service reliability at their residences to do their jobs. Businesses are still recovering from the economic downturn caused by the pandemic and can't afford power outages or service connection delays caused by workforce shortages or congestion on the grid. As Ontario enters a new era of growth and electrification, Alectra Utilities is ready to prepare the distribution system to meet the needs of the more than 1.1 million homes and businesses that depend on reliable electricity to grow and prosper.

CUSTOMER ENGAGEMENT

A key element of the DSP planning process was to obtain customer feedback. Alectra Utilities reached out to its customers to obtain their opinions about Alectra Utilities' proposed investment plan, and more than 50,000 residential and commercial customers responded. More than 80%[5] of customers indicated their support for the DSP as presented, or supported additional investment.

Alectra Utilities believes that in addition to planning and maintaining a safe and reliable electricity grid and providing affordable and dependable service, it has a significant role to play helping guide customers through the complexities of the energy transition. Increasingly, customers are looking to the utility for information and advice about energy options for their homes and businesses. Alectra Utilities' DSP balances the need to deliver reliable electricity service at a reasonable cost, harden the grid in the face of increasingly severe weather events, and invest cautiously to ensure that the system is ready as the energy transition proceeds.

Alectra Utilities initially drafted five objectives for capital investment needs for 2027-2031:

[5] Based on Residential (81%), GS<50kW (77%), GS>50kW (86%) and Large Use (100%) customers.

1. Maintain reliable, safe and dependable assets and infrastructure
2. Prepare the grid for anticipated growth and electrification
3. Empower customer choice and enhancing customer experience
4. Optimize the grid with automation, digitization and analytics
5. Improve grid resilience and adapting to extreme weather

A survey was conducted to address the five objectives in the first quarter of 2024 by Innovative Research. The survey found that reliable service and reasonable prices were the top priorities for residential, GS<50kW, and GS>50 customers. Meanwhile, Large Use customers emphasized the importance of improving both system reliability and customer experience. Based on the engagement results, Alectra Utilities focused on the following objectives:

1. Renewing and Replacing Deteriorated Infrastructure: Ensuring reliable, safe and dependable assets and infrastructure
2. Meeting Growing Electricity Demand: Prudently preparing the grid for anticipated growth and electrification
3. Enabling Resiliency and Modernization: Increase system uptime and performance against adverse weather, communicate effectively with customers

Customer feedback, which highlighted the importance of balancing reliability and cost efficiency, directly impacted on the optimization of investments for the 2027-2031 period. Consequently, investment solutions were devised that accounted for various pacing options and investment levels.

PLAN VALIDATION AND FINALIZATION

After optimizing and developing the draft capital investment plan, Alectra Utilities engaged Innovative Research to conduct another round of customer engagement in the fourth quarter of 2024. This round aimed to identify customer options and trade-offs related to specific elements

in the draft capital investment plan. Phase 2 of the customer engagement collected feedback on (i) pacing and bill impacts for key investment areas in Alectra Utilities' plan; and (ii) the overall cost of the draft plan and whether customers were willing to accept the proposed rate increases.

The second phase of customer engagement garnered an unprecedented level of responses. On average, 86%[6] of customers granted Alectra Utilities social permission to proceed with its 2027-2031 capital investment plan. Notably, Large Use customers provided unanimous approval, with a record 100% social permission. Customers indicated that the survey provided them with sufficient information to make informed decisions and express their preferences.

Alectra Utilities integrated the second phase of customer engagement results into its capital investment plans. These adjustments included (i) accelerated investment in overhead asset renewal; (ii) reduced investment in system expansion; (iii) reduced investment in cable replacement; and (iv) reduced investment in deployment of AMI 2.0 meters. The overall adjustment to the draft investment plan resulted in a net reduction of $106MM of capital expenditure over the 2027-2031 period. Alectra Utilities structured engagement methodology ensured that customers were actively involved in shaping the DSP, reinforcing Alectra Utilities' commitment to customer-focused capital investment decisions in alignment with the OEB's RRF outcomes.

In May 2025, Alectra received Board approval for the plan and rate-setting framework for the 2027-2031 period, completing the utility's business planning process.

Alectra Utilities' 2027-2031 DSP proposes strategic investments of approximately $3.1 billion focused on three key priorities: renewing and replacing infrastructure; meeting growing electricity demand; and enabling resiliency and modernization. These investments will help to ensure that Alectra Utilities' distribution system will continue to operate safely and reliably and will meet the increasing demand for electricity driven by organic population growth, new housing, building heating, and transportation. The DSP also includes projects that will harden the grid in storm-vulnerable regions of Alectra Utilities' service territory by replacing ageing overhead equipment and installing automated systems to enable more effective power restoration and customer communications during power outages.

[6] Average of 86% social permission is based on Residential (81%), GS<50kW (77%), GS>50kW (86%) and Large Use (100%) customers.

Alectra Utilities' capital spending is focused on accommodating load increases driven by local population growth, economic development, and new housing construction. The utility is renewing and replacing equipment that is at or near the end of its expected life and modernizing the system by installing remote switches and communications capabilities that help reduce outage duration and improve customer communications.

Alectra Utilities' capital expenditure plan is reasonable and necessary, and addresses the requirements identified for infrastructure renewal, growth, and resilience. The capital plan reflects the company's objectives to enhance customer experience through infrastructure maintenance to provide dependable service, prepare the grid for anticipated growth and electrification, and it will enable system resiliency and modernization. Over the 2027-2031 planning period, Alectra Utilities will undertake capital investments across all four of the Ontario Energy Board's (OEB) investment categories to address system needs, Government directives and respond to customer priorities.

The focus during this period will be on:

- System Renewal investments to address the backlog of deteriorated and failing infrastructure, as well as safety and reliability risks.
- System Access investments to facilitate obligatory initiatives, including responding to customer connection and customer-driven expansion requests and renewing metering infrastructure necessary to support accurate and timely settlement.
- System Service investments required to ensure sufficient system capacity to meet the growing energy demands driven by organic growth and electrification.
- General Plant investments to ensure operational systems, including IT, facilities, and fleets which support the operation of the organization remain secure, dependable, and efficient.

These investments are critical to enabling the efficient delivery of services and ensuring compliance with evolving regulatory and operational standards.

Table 1-3-4: Summary of Alectra Utilities planned investments over the 2027-2031 period

	Forecast Period (Planned) ($MM)				
	2027	**2028**	**2029**	**2030**	**2031**
System Access	157.7	180.4	164.2	139.1	138.7
System Renewal	193.1	209.4	257.3	346.1	362.6
System Service	39.2	79.6	150.0	132.0	184.2
General Plant	64.8	85.5	82.6	95.9	71.8
Total	454.8	554.9	654.1	713.1	757.3

The plan ramps up to address urgent system refurbishment needs, with System Renewal planned investments increasing from $193.1MM in 2027 to $362.6MM in 2031.

Chart 1-3-6: Investment portfolio by OEB category

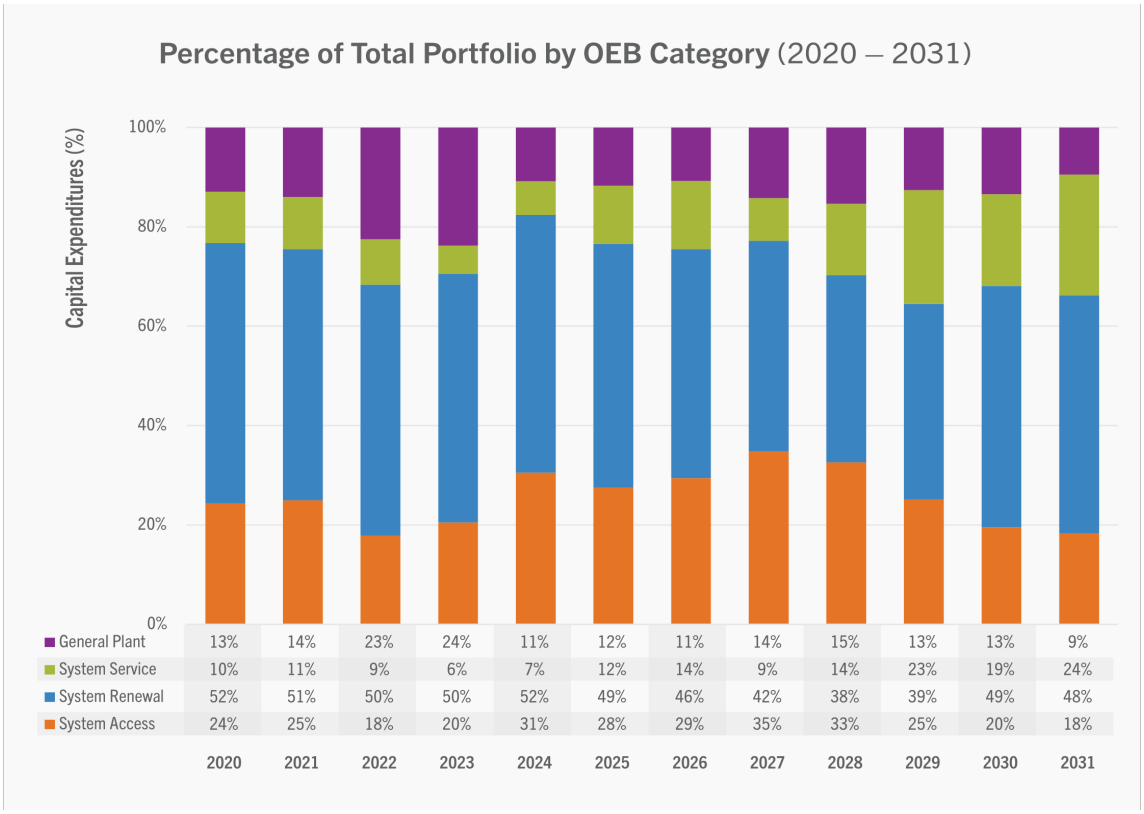
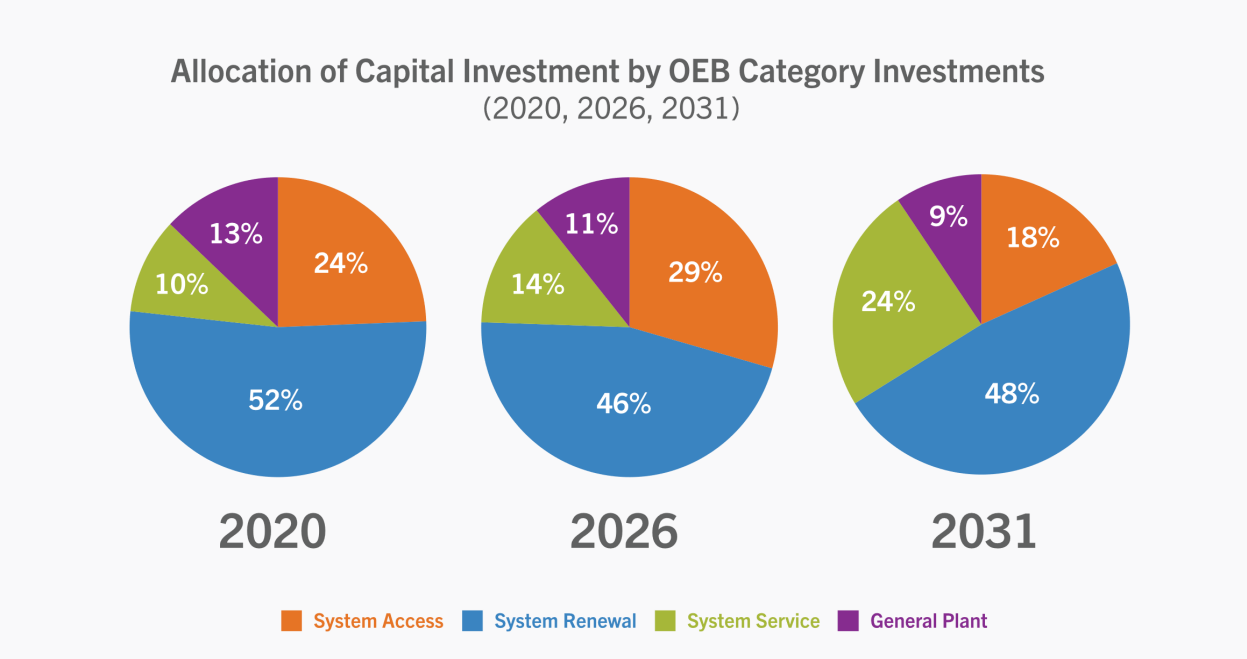


Chart 1-3-7: Allocation of Capital Investment by OEB Category Investments



System Renewal

The emphasis on System Renewal investments during the planning period reflects the critical need to refurbish and renew equipment that is failing at an unacceptable rate. These failures represent the leading causes of both the duration (SAIDI) and frequency (SAIFI) of outages.

The pace of asset renewal is lagging behind the rate of asset deterioration. Between 2020 and 2024, defective equipment accounted for approximately 50% of all customer hours of interruption[7], more than double the amount attributed to the next most significant cause. Alectra Utilities' replacement of deteriorated and failing equipment, as well as investments in automation that expedites fault detection, communications and service restoration, have resulted in moderately improved reliability. Despite these efforts, outages caused by failing underground cables and related equipment remain the leading cause of interruptions, contributing 55% of the customer hours of interruption during this period. Alectra Utilities expects that outage frequency and duration will increase if the growing population of deteriorated assets is not addressed.

[7] Excluding Major Event Days and Scheduled Outages

To address this, Alectra Utilities is prioritizing increased System Renewal investments throughout the DSP planning period, with a strong emphasis on Underground cable replacements and injection and Overhead Asset Renewal. These initiatives target deteriorated direct-buried cables, cable accessories, and deteriorating overhead infrastructure, which are the primary contributors to declining system reliability. Additionally, increased replacements of leaking and rusting transformers identified through the Asset Condition Assessment will mitigate safety and environmental risks. Addressing these critical assets will improve reliability, reduce the number of outages, and improve grid resilience to the benefit of the homes and businesses in the service territory.

System Access

System Access investments are mandatory, non-discretionary projects initiated by customers or third parties (e.g.: Municipalities, Regions, Ministry of Transportation, etc.) and driven by customer demand and regulatory requirements. Without these investments, Alectra Utilities would be unable to meet growing demand, comply with regulatory mandates, or support regional infrastructure development.

These investments include the following:

- New customer connections and subdivisions (including industrial/commercial) expansions
- Road authority and Transit projects that require the relocation of distribution system assets
- Metering installations and replacements
- Other customer-initiated relocation and expansion

System Access investments can fluctuate in response to external factors such as customer-driven demand for new connections, municipal projects and regional development plans, upgrades to metering infrastructure, and requirements to accommodate road authority requests for the relocation and reconfiguration of distribution infrastructure. Investments in System

Access are required to meet growing demand, comply with regulatory mandates, and support regional infrastructure development.

Over the 2027-2031 period, total investments in System Access will see growth followed by reductions due to volatility in demand from customers and agencies. Investments will continue to increase from 2027, reaching their peak in 2028 before moderating in 2030 and 2031 as some major scheduled projects are completed. These expenditures will enable the company to support the growth of new customer connections, support upcoming data centres, replace aging first-generation meters, and facilitate municipal transit and road infrastructure projects while ensuring compliance with regulatory obligations. System Access will account for approximately 18% of total planned capital expenditures in 2031.

System Service

System Service investments consist of costs related to expanding the company's distribution system and addressing grid capacity, improving reliability and ensuring operational safety. In addition, these projects include the expansion of SCADA and related communication infrastructure which would result in increased licensing fees on an ongoing basis. Failure to invest in System Service upgrades would result in capacity shortages, overloading of assets, power quality issues, and an inability to support growing customer energy demands.

Over the DSP planning period, required System Service investments are projected to increase significantly as a proportion of overall capital investment, reaching 24% by 2031. This increase will be primarily driven by the need to add new capacity to accommodate organic growth and electrification. Organic growth, new developments including data centre expansion, and transportation are the key drivers of peak demand. By expanding substations, upgrading distribution lines, and integrating advanced automation systems, Alectra Utilities can ensure a safe, stable, efficient, and future-ready grid capable of meeting customer needs and regulatory expectations.

General Plant

General Plant investments support the daily operations of the utility, involving assets that are essential to business functions but are not distribution system equipment. These include IT

systems, fleet, facilities and tools required to support both operational and administrative activities.

These investments enable Alectra Utilities to operate efficiently, manage cybersecurity vulnerabilities and avoid increased costs related to maintaining outdated assets. In 2027-2031, the increased volume of General Plant expenditures is primarily attributable to investments in Information Technology and the need to settle Connection and Cost Recovery Agreements with Hydro One Networks Inc. Additional investments are also planned for fleet for the renewal of aging vehicles and additional vehicles to accommodate the increase in the capital plan. These investments are critical to enable regulatory compliance, workforce efficiency, and enhanced service delivery to our customers.

RATE HARMONIZATION

Alectra Utilities has maintained the original five rate zones that were in place in 2017 for the former Brampton, Enersource, Horizon, PowerStream and Guelph regions. As part of its rate application, Alectra Utilities will propose a rate harmonization plan. This first application since the merger will seek approval of the methodology and results of an exercise by Alectra Utilities to harmonize its distribution rates, retail transmission rates, low voltage rates and loss factors across these five existing rate zones.

The objective of rate harmonization is to develop common rates across Alectra Utilities' entire service area such that customers in the same class will pay the same rates for the same service. Rate harmonization is a revenue-neutral exercise in that it only shifts revenue contributions among rate zones. On average, the impact of harmonization (not including the rebasing impact) will result in a rate decrease for over 60% of customers. If the combined impact of the cost of service-based rate increases and harmonization effects result in total bill increases for any rate class exceeding 10%, Alectra Utilities will propose measures to smooth material rate impacts.

PERFORMANCE

Alectra Utilities recognizes that the OEB's RRF places significant emphasis on outcomes for customers. Alectra Utilities will propose an Alectra Custom Scorecard that will require the utility to achieve targeted outcomes over the 2027-2031 rate term. In doing so, Alectra Utilities will commit to customers that the proposed capital budget will result in tangible outcomes geared to improve reliability and quality of service. A copy of the Custom Scorecard is outlined below.

2027 – 2031
Custom Performance Scorecard

Reporting Category	Performance Measures	Target by 2031
Reliability*	SAIDI	0.74 hours
	Failed Equipment - CHI	354,481 hours
Cost Control	Planned Capital - Actual vs. Planned	100% (+/-5%)
	Fleet Availability	>90% (yearly)
Infrastructure Asset Renewal	Assets replaced	Poles: 5,256
		Transformers: 4,771
		Switch: 255
		Switchgear: 344
		Cable: 381 KM
	AMI 2.0 Meters installed	950,000
Automation	Automated Devices added to the distribution system	2027: 100
		2028: 100
		2029: 110
		2030: 110
		2031: 110
Meeting Capacity Needs	Added Station Capacity	685 MVA

*excluding Major Event Days

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Figure 1-3-4: Custom Performance Scorecard

APPLICATION SUMMARY

In accordance with section 2.1.2 of the Chapter 2 Filing Requirements, distributors must provide a brief summary of their application which must include the main requests or proposals in the application with appropriate section references. This Schedule includes Alectra Utilities' Application Summary.

Revenue Requirement

Alectra Utilities' 2027 Test Year service revenue requirement is $841.2MM, summarized in Table 1-3-5 below.

Table 1-3-5: 2027 Service Revenue Requirement ($MM)

	2027 Test Year
OM&A Expenses (including Property Taxes)	352.4
Depreciation/Amortization Expenses	195.6
Deemed Interest Expense	111.0
Income Taxes (grossed up)	22.4
Return on Deemed Equity	159.7
Service Revenue Requirement	**841.2**
Revenue Offsets	(30.8)
Base Revenue Requirement	**810.3**

Table 1-3-6 summarizes the service revenue requirement variances between historical 2019 actuals, the first full calendar year as a five-rate zone consolidated utility, and the 2027 Test Year.

Table1-3-6: Service Revenue Requirement Changes ($MM)

	2019 Actual	2027 Test Year	Variance	Variance %
OM&A Expenses (including Property Taxes)	264.5	352.4	87.9	33%
Depreciation/Amortization Expenses	129.2	195.6	66.4	51%
Deemed Interest Expense	83.4	111.0	27.6	33%
Income Taxes (grossed up)	(5.5)	22.4	27.9	100%
Return on Deemed Equity	114.8	159.7	44.9	39%
Service Revenue Requirement	**586.4**	**841.2**	254.8	43%
Revenue Offsets	(53.1)	(30.8)	22.3	-42%
Base Revenue Requirement	**533.3**	**810.3**	277.0	52%

The main drivers for the change in revenue requirement from historical 2019 actuals include:

- planned additions to rate base from 2027 capital investments (driving increases in depreciation, and return on equity), detailed in the Distribution System Plan (Exhibit 2A) and summarized in Exhibit 2B;

- an increase in OM&A expenses to support growing customer and asset base, and to execute Alectra Utilities' 2027-2031 DSP, as detailed in Exhibit 4, Tabs 2 and 3.

Load Forecast Summary

For the 2027 Test Year, Alectra Utilities' forecast energy sales are 28,092 GWh, forecast demand sales are 40,281 MW, and forecast monthly number of customers is 1,100,561. Table 1-3-7 summarizes Alectra Utilities' load and customer growth changes since amalgamation in 2017 to 2031. Alectra Utilities' load and customer forecast methodology is described in Exhibit 3 and incorporates impacts of electric vehicle (EV) electrification.

Table 1-3-7: Load and Customer Growth Changes (2017-2031)

Year		Total Normalized GWh	Total Normalized GWh (% Change)	Total Normalized MW	Total Normalized MW (% Change)	Total Customers	Total Customers (% Change)
2017	Actual	25,956		39,907		1,037,264	
2018	Actual	26,320	1.4%	40,327	1.1%	1,046,677	0.9%
2019	Actual	26,482	0.6%	40,208	-0.3%	1,053,678	0.7%
2020	Actual	25,986	-1.9%	37,536	-6.6%	1,060,895	0.7%
2021	Actual	26,268	1.1%	38,386	2.3%	1,068,760	0.7%
2022	Actual	26,898	2.4%	39,577	3.1%	1,075,666	0.6%
2023	Actual	27,220	1.2%	39,903	0.8%	1,081,609	0.6%
2024	Actual	27,592	1.4%	39,972	0.2%	1,086,177	0.4%
2025	Bridge	27,477	-0.4%	39,894	-0.2%	1,091,472	0.5%
2026	Bridge	27,793	1.1%	39,994	0.3%	1,095,891	0.4%
2027	Test	28,092	1.1%	40,281	0.7%	1,100,561	0.4%
2028	Forecast	28,643	2.0%	40,503	0.6%	1,105,574	0.5%
2029	Forecast	29,202	1.9%	40,806	0.7%	1,110,475	0.4%
2030	Forecast	29,909	2.4%	41,148	0.8%	1,115,341	0.4%
2031	Forecast	30,537	2.1%	41,354	0.5%	1,120,186	0.4%

Note: Total customers are year-end numbers and exclude Street Lighting, Sentinel, and Unmetered Scattered Load connections.

Distribution System Plan (DSP) and Rate Base

1. DSP

Alectra Utilities' 2027-2031 DSP proposes strategic investments of approximately $3.1 billion focused on three key priorities: renewing and replacing infrastructure; meeting growing electricity demand; and enabling resiliency and modernization. Table 1-3-8 summarizes Alectra Utilities' planned capital expenditures requested in each year of the 2027-2031 rate term.

Table 1-3-8: 2027-2031 Planned Capital Expenditures ($MM)

Category	Forecast Period (Planned) ($MM)				
	2027	2028	2029	2030	2031
System Access	157.7	180.4	164.2	139.1	138.7
System Renewal	193.1	209.4	257.3	346.1	362.6
System Service	39.2	79.6	150.0	132.0	184.2
General Plant	64.8	85.5	82.6	95.9	71.8
Total	**454.8**	**554.9**	**654.1**	**713.1**	**757.3**

Table 1-3-9 summarizes variances in planned capital expenditures between Alectra Utilities' 2020-2024 consolidated DSP and the proposed 2027-2031 DSP.

Table 1-3-9: Capital Expenditures by Category ($MM)

Category	Total 2020-2024 Actual	Total 2027-2031 Forecast	Variance $	Variance %
System Access	333.9	780.1	446.20	134%
System Renewal	768.3	1368.5	600.20	78%
System Service	190.5	585	394.50	207%
General Plant	163.8	400.6	236.80	145%
Total	**1,456.5**	**3,134.2**	**1,677.7**	**115%**

Significant investments are required to maintain the safe and reliable operation of Alectra Utilities' system and to meet customer needs. In particular, Alectra Utilities' distribution is impacted by a growing backlog of deteriorated assets that can only be addressed through sustained investment in renewing distribution equipment. These investments are related to Alectra Utilities' underground distribution systems and overhead systems. Other important investment drivers include the need for system expansion to meet the increasing electricity demand from growth in population, housing, transportation and employment developments in its service area. Investments in grid resilience are required to mitigate escalating risk levels from increasing frequency and intensity of storms and extreme weather events based on system

vulnerability assessments. Investments in this theme include storm hardening and grid modernization initiatives to improve grid resiliency, flexibility and utilization of technologies (e.g. DERs). Additional information related to Alectra Utilities' planned capital expenditures over the 2027-2031 rate term is detailed in Exhibit 2A DSP.

2. Rate Base

Alectra Utilities' requested rate base for the 2027 Test Year is $4,435MM.

Table1-3-10: Rate Base Summary ($MM)

	Historical Actual							
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Average Net Book Value of Fixed Assets	2,451	2,579	2,873	3,004	3,088	3,174	3,355	3,582
Working Capital Allowance	286	299	336	380	330	334	331	367
Rate Base	**2,737**	**2,878**	**3,209**	**3,384**	**3,419**	**3,509**	**3,686**	**3,948**
	Bridge		**Test Years**					
	2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	
Average Net Book Value of Fixed Assets	3,759	3,926	4,130	4,390	4,702	5,076	5,461	
Working Capital Allowance	378	386	305	320	331	346	361	
Rate Base	**4,137**	**4,313**	**4,435**	**4,709**	**5,033**	**5,422**	**5,822**	

The increase in rate base is primarily attributable to planned capital additions during the 2027-2031 rate term as described in Exhibit 2B.

Alectra Utilities is seeking that the OEB recognize its proposed additions of certain transmission assets as Alectra Utilities-owned transformer stations. The asset investment amounts total $74MM (refer to Exhibit 2A, Tab 1, Schedule 1, Appendix B13 sections A.2 and B.1). Alectra Utilities requests that the OEB make the determination that these facilities will be part of Alectra Utilities' distribution system pursuant to section 84 of the *Ontario Energy Board Act.*

Operations, Maintenance and Administration (OM&A) Expense

The OEB's Handbook for Utility Rate Applications, issued October 13, 2026, provides guidance on the minimum standards for Custom IR applications to ensure that the performance-focused and outcomes-based approach is achieved as intended. With respect to the index for the annual

rate adjustment, the Handbook states that the index must be informed by an analysis of the trade-offs between capital and operating costs, which may be presented through a five-year forecast of operating and capital costs and volumes. If a five-year forecast is provided, it is to be used to inform the derivation of the custom index, not solely to set rates on the basis of multi-year cost of service. Alectra Utilities has provided a five-year forecast of operating costs in Exhibit 4 which is used to inform Alectra Utilities' justification for its custom index for its OM&A expenditures. Further, for the revenue requirement calculation, Alectra Utilities has reduced its 2027 OM&A forecast of $355MM as presented in Exhibit 4 by approximately $3MM related to its Green Energy & Technology Centre to reflect Alectra Utilities' commitment to the continued advancement of innovation in the sector.

Table 1-3-11 below presents Alectra Utilities' five year forecast. Further details on Alectra Utilities' proposed custom rate framework including the funding of OM&A is provided in Exhibit 1, Tab 11, Schedules 1 and 2.

Table 1-3-11: OM&A Expenditures Summary ($MM)

	Historical Actual							
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
OM&A Expenditures	215.3	232.2	264.5	285.4	274.8	288.6	287.2	292.0
	Bridge		**Test Years**					
	2025	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	
OM&A Expenditures	311.2	318.8	355.0	371.9	389.5	404.0	415.1	

The OM&A plan reflects the growing complexity of Alectra Utilities' operating environment including inflationary pressures and targeted investments to support a significantly larger capital program, strengthen IT capabilities, and bolster key corporate services. Increased OM&A expenditures during the 2027-2031 rate term will enable Alectra Utilities to:

- Support the execution of its DSP, which outlines critical investments to prepare the grid for anticipated growth and electrification, and enable grid modernization and resiliency;
- Improve customer service by addressing higher call volumes and the increasing complexity of customer interactions, while enhancing service quality through technology and training;

- Maintain distribution system assets and the supporting infrastructure required to deliver DSP and OM&A program outcomes;
- Strengthen cybersecurity and adopt new technologies to protect and enhance the electricity distribution system and advance digital transformation; and
- Maintain compliance with legal and regulatory requirements.

Detailed information of Alectra Utilities' OM&A expenditure plan is discussed in Exhibit 4.

Cost of Capital

Table 1-3-12 summarizes Alectra Utilities' proposed capital structure and cost of capital parameters. Alectra Utilities has relied on the OEB's deemed capital structure and 2025 cost of capital parameters (Exhibit 5). Alectra Utilities proposes to update cost of capital parameters when the OEB updates the parameters in the fall of 2026.

Table 1-3-12: 2027 Proposed Capital Structure and Cost of Capital Parameters

	Capital Structure		Cost Rate
	%	$MM	%
Debt			
Long-term	56.00 %	2,483.8	4.19 %
Short-term	4.00 %	177.4	3.91 %
Total Debt	60.00 %	2,661.2	4.17 %
Equity			
Common Equity	40.00 %	1,774.1	9.00 %
Preferred Shares	— %		— %
Total Equity	40.00 %	1,774.1	9.00 %
Total Weight Average Cost of Capital	**100.00 %**	**4,435.3**	**6.10 %**

Cost Allocation and Rate Design

1. Cost Allocation

This Application marks Alectra Utilities' first Cost Allocation Study (CAS) as a consolidated utility. Alectra Utilities has prepared the CAS for the 2027 Test Year in accordance with OEB directions

and policies. Table 1-3-13 summarizes the revenue-to-cost ratios calculated in the 2027 CAS model, Alectra Utilities' proposed revenue-to-cost ratios, and the comparison to OEB-approved ranges. All proposed revenue-to-cost ratios for all rate classes are within the OEB-approved target ranges. Alectra Utilities has adjusted the revenue-to-cost ratios in the GRZ for the General Service < 50 class and PRZ for Sentinel class to address rate mitigation impacts. For more information on cost allocation, refer to Exhibit 7.

Table 1-3-13: Revenue-to-Cost Ratio Summary

Rate Class	CAS Model Status-Quo (2027)	Proposed Ratios (2027)	OEB-Approved Range
Residential	90.8 %	93.2 %	85 - 115
GS<50 kW	124.2 %	114.2 %	80 - 120
GS>50 kW, Regular	109.3 %	109.3 %	80 - 120
GS>50 kW, Intermediate			80 - 120
Large Use	108.8 %	108.8 %	85 - 115
LUDA	133.8 %	115.0 %	85 - 115
Street Lighting	159.5 %	120.0 %	80 - 120
Sentinel Lighting	83.1 %	71.0 %	80 - 120
USL	110.5 %	110.5 %	80 - 120
Embedded Distributor	147.9 %	120.0 %	80 - 120

2. Rate Design

In this Application, Alectra Utilities requests approval of new base distribution rates effective January 1, 2027. Alectra Utilities proposes to update its 2028-2031 base distribution rates based on its proposed Custom Price Cap rate adjustment mechanism. The 2028-2031 Rate Framework details are outlined in Exhibit 1, Tab 11, Schedule 1. For each of these years, base distribution rates will be brought forward for final approval in Alectra Utilities' annual rate update applications, inclusive of actual inflation factors applicable to those years.

In accordance with the OEB's *Handbook to Electricity Distributor and Transmitter Consolidation* (the “MAADs Handbook”) and *Handbook for Utility Rate Applications* ("Rates Handbook"), Alectra Utilities is proposing a rate harmonization plan and is seeking approval of the methodology and approach used to harmonize distribution, retail transmission, low voltage, and

loss factors across its five rate zones. As part of the harmonization plan, Alectra Utilities proposes harmonization of the General Service > 50 classes, elimination of some rate zone specific classes, and Standby Power classes. Further details are described in Exhibit 8.

Alectra Utilities provides the following summary of its rate design proposals:

- Fully harmonize all legacy rate zones into a single Alectra Utilities-wide rate zone with a consolidated set of rate classes applicable to Alectra's entire service territory, effective January 1, 2027;
- Harmonize the GS>50 kW class and consolidate all customers with demand between 50kW and 4,999kW into a single GS>50kW rate class;
- Harmonize retail transmission rates and low voltage service rates on the basis of the RTSR model which has been completed on an Alectra Utilities-wide basis (Attachment 8-1 RTSR Work Form);
- Harmonize loss factors on the basis of Appendix 2-R (Attachment 8-2 OEB Appendix 2-R Loss Factors);
- Harmonize demand-billed transformer allowance rate on the basis of a weighted average of the existing transformer allowance rates by rate zone; and
- Implementation of an Alectra Utilities-wide harmonized standby power rate structure;
- Elimination of the Distributed Generation Rate Class in the existing Brampton Rate Zone and transition all customers to the GS<50kW rate class;
- Elimination the Energy from Waste Rate Class in the existing Brampton Rate Zone; and
- Update to the Brampton Rate Zone fixed charges street lighting billing unit from a “per connection” charge to a "per device" charge consistent with all other rate zones.

3. Specific Service Charges

Alectra Utilities is proposing to harmonize all specific service charges for the purpose of establishing a consistent set of specific service charges that apply across its service territory. The proposal includes setting each charge to the standard charge set out in the Rates Handbook, where applicable. A summary of proposed harmonized specific service charges is presented in Exhibit 8, Tab 3, Schedule 2, Table 8-3-2.

Alectra Utilities proposes to eliminate specific service charges that are infrequently used, can be charged using a generic specific service charge, and are approved for one rate zone. Details are described in Exhibit 8, Tab 3, Schedule 2.

Alectra Utilities proposes to establish five new specific service charges related to customer-requested disconnection-reconnection services. Four of the proposed disconnect-reconnect specific service charges will apply to residential or commercial service customers for disconnect-reconnect service appointments including services performed as a result of meter tampering. A new cancelled disconnect-reconnect service appointments charge is proposed for missed appointments to allocate the costs based on causality.

Deferral and Variance Accounts (DVA)

Alectra Utilities proposes to credit/refund $90.4MM in Group 2 DVA balances to customers. The balances include forecasted principal activity and carrying charges to December 31, 2026. Alectra Utilities proposes to refund the balances to customers by rate zone over a one year period beginning January 1, 2027. Table 1-3-14 presents the proposed Group 2 DVA balance allocation by rate zone and rate class. Alectra Utilities will provide Group 1 DVA balances and related evidence once the audited 2025 balances are available.

Table 1-3-14: Summary of Total Requested Disposition ($MM)

	Disposition Summary					
	HRZ	BRZ	PRZ	ERZ	GRZ	Total
Residential	(23.7)	6.7	(6.3)	(9.7)	(1.6)	(34.6)
General Service < 50 kW	(6.9)	1.5	(2.0)	(4.2)	(0.4)	(11.9)
General Service 50 to 4,999 kW	(19.1)		(0.9)			(20.0)
General Service 50 to 999 kW					(0.7)	(0.7)
General Service 1,000 to 4,999 kW					(1.3)	(1.3)
General Service 50 to 499 kW				(7.7)		(7.7)
General Service 500 to 4,999 kW				(8.7)		(8.7)
General Service 50 to 699 kW		6.4				6.4
General Service 700 to 4,999 kW		4.2				4.2
Large Use	(2.5)	1.6	(0.4)	(5.6)	(0.5)	(7.3)
Large Use with Dedicated Assets (LUDA)	(8.3)					(8.3)
Unmetered Scattered Load (USL)	(0.1)	0.0	0.0	(0.1)	0.0	(0.2)

	Disposition Summary					
	HRZ	**BRZ**	**PRZ**	**ERZ**	**GRZ**	**Total**
Sentinel Lighting	0.0		0.0		0.0	0.0
Street Lighting	(0.3)	0.0	0.0	(0.1)	0.1	(0.2)
Total	**(60.9)**	**20.4**	**(9.6)**	**(35.9)**	**(4.4)**	**(90.4)**

Table 1-3-15 summarizes Alectra Utilities' proposed discontinuation and establishment of new DVAs effective 2027. Additional information is detailed in Exhibit 9, Tab 8.

Table 1-3-15: DVA Continuance Request Summary

Deferral & Variance Account	Request
1508 - Earnings Sharing Mechanism	Discontinue
1508 - Energy East Consultation Costs	Discontinue
1508 - Advanced Pricing Project	Discontinue
1508 - CGAAP IFRS Differential	Discontinue
1508 - Hydro-One Charges	Discontinue
1508 - Pole Attachment Revenue Variance	Discontinue
1508 - Capitalization Policy	Discontinue
1508 - Incremental Capital Module	Discontinue
1508 - Long-term Load Mitigation	Discontinue
1508 - Collection of Account Charge-Related Lost Revenue	Discontinue
1508 - GOCA Variance Account	Discontinue
1508 - LEAP Emergency Financial Assistance Funding Deferral Account	Discontinue
1509 - Impacts Arising from the COVID-19 Emergency	Discontinue
1518 Retail Cost Variance Account (RCVA) Retail	Discontinue
1548 RCVA STR	Discontinue
1522 - Pension and OPEB Forecast Accrual versus Actual Cash Payments Differential Tracking Account	Discontinue
1525 - Miscellaneous Deferred Debits	Discontinue
1531 Renewable Connection Capital Deferral Account	Discontinue
1532 Renewable Connection OM&A Deferral Account	Discontinue
1533 Renewable Generation Connection Funding Adder Deferral Account	Discontinue
1535 Smart Grid OM&A Deferral Account	Discontinue
1536 Smart Grid Funding Adder Deferral Account	Discontinue
1555 Smart Meter Capital and Recovery Offset Variance Account, Sub-account Stranded Meter Costs	Discontinue
1557 Meter Cost Deferral Account	Discontinue
1508, Accounting Changes - Useful Lives	Discontinue
1508, Accounting Changes - Direct Labor Capitalization	Discontinue

Deferral & Variance Account	Request
1508 Capital-Related Revenue Requirement Variance Account	Proposed new DVA
1508 Earnings Sharing Mechanism Variance Account (2027-2031)	Proposed new DVA
1508 Non-wires Solution Deferral Account	Proposed new DVA

Bill Impacts

Table 1-3-16 below summarizes Alectra Utilities' proposed monthly total bill impacts for a typical customer in all rate classes.

Table 1-3-16: Summary of Total Bill Impacts

Rate Class	Total Bill Change	BRZ	ERZ	GRZ	HRZ	PRZ	Alectra				
				2027			2027	2028	2029	2030	2031
Residential	$	$12.75	$1.70	$3.28	$(2.80)	$4.83	$3.95	$4.88	$1.79	$2.38	$2.49
	%	9.9%	1.3%	2.5%	-2.1%	3.7%	3.1%	3.7%	1.3%	1.7%	1.7%
GS<50 kW	$	$21.92	$(19.41)	$30.93	$(16.90)	$4.69	$4.25	$12.72	$4.08	$5.79	$5.71
	%	6.6%	-5.5%	10.0%	-5.0%	1.4%	1.5%	3.9%	1.2%	1.6%	1.6%
GS>50, Regular	$	$1,133.30	$(1,204.06)	$(93.37)	$(1,172.78)	$(48.51)	$(277.09)	$440.88	$166.72	$218.27	$211.00
	%	4.9%	-4.9%	-0.4%	-5.0%	-0.2%	-1.1%	1.9%	0.7%	0.9%	0.9%
GS>50, Intermediate	$	$(602.08)	$(2,920.97)	$(972.76)			$(1,498.60)	$302.71	$166.72	$218.27	$211.00
	%	-2.4%	-11.3%	-4.0%			-5.9%	1.3%	0.7%	0.9%	0.9%
Large Use	$	$46,824.49	$(39,625.34)	$(989.57)	$(43,106.71)	$31,704.56	$(1,038.52)	$21,011.13	$4,550.58	$2,459.11	$8,004.40
	%	4.3%	-3.5%	-0.1%	-3.9%	3.0%	-0.1%	2.0%	0.4%	0.2%	0.7%
LUDA	$				$(88,918.57)		$(88,918.57)	$128,264.16	$9,707.60	$12,115.69	$11,793.60
	%				-4.2%		-4.2%	6.3%	0.5%	0.6%	0.5%
Street Light	$	$(1.86)	$(0.49)	$(2.55)	$(1.97)	$(0.53)	$(1.48)	$0.14	$0.13	$0.17	$0.19
	%	-17.3%	-5.3%	-20.8%	-19.1%	-5.6%	-13.6%	1.8%	1.5%	1.9%	2.0%
Sentinel Light	$			$(0.01)	$(3.78)	$2.49	$(0.43)	$1.71	$0.76	$0.98	$0.95
	%			—%	-10.3%	10.0%	-0.1%	5.6%	2.5%	3.1%	2.9%
USL	$	$7.04	$(2.93)	$4.58	$(2.78)	$0.48	$1.28	$2.66	$1.16	$1.46	$1.50
	%	8.8%	-4.5%	7.8%	-4.4%	0.8%	1.7%	4.3%	1.7%	2.1%	2.1%
Embedded Distributor	$	$3,113.31					$3,113.31	$7,235.20	$6,820.02	$8,778.40	$7,808.51
	%	0.6%					0.6%	1.3%	1.2%	1.6%	1.4%

Table 1-3-17 below summarizes Alectra Utilities' proposed monthly distribution bill impacts for a typical customer in all rate classes. The proposed 2027 distribution bill impact includes the impact of rebasing, rate harmonization and Group 2 disposition. Please see Exhibit 8, Tab 5, Schedule 1, Table 8-5-6, for a breakout of the 2027 distribution bill impact by each driver (rebasing, rate harmonization, Group 2 disposition). As identified in Table 8-5-6, the impact of rebasing in 2027 is $5.95 for residential customers.

Table 1-3-17: Summary of Distribution Bill Impacts

Rate Class	Distribution Change	BRZ	ERZ	GRZ	HRZ	PRZ	Alectra				
				2027			2027	2028	2029	2030	2031
Residential	$	$11.55	$3.41	$0.07	$(2.71)	$1.99	$2.86	$4.89	$1.79	$2.38	$2.49
	%	38.0%	11.1%	0.2%	-8.2%	5.7%	9.3%	14.9%	4.4%	5.6%	5.5%
GS<50 kW	$	$16.02	$(16.18)	$22.02	$(18.78)	$(3.73)	$(0.13)	$12.32	$3.88	$5.17	$5.51
	%	20.8%	-18.1%	38.8%	-23.5%	-4.4%	2.7%	18.1%	4.3%	5.5%	5.6%
GS>50, Regular	$	$994.16	$(449.22)	$268.90	$(684.25)	$(9.28)	$24.06	$312.41	$73.77	$98.21	$102.91
	%	91.2%	-27.0%	23.8%	-53.5%	-0.6%	6.8%	46.2%	4.4%	5.6%	5.5%
GS>50, Intermediate	$	$(381.68)	$(2,018.86)	$(433.50)			$(944.68)	$190.13	$73.77	$98.21	$102.91
	%	-15.2%	-65.7%	-25.1%			-35.3%	23.0%	4.4%	5.6%	5.5%
Large Use	$	$39,177.60	$(32,445.67)	$(2,322.13)	$(39,050.03)	$11,306.13	$(4,666.82)	$17,692.92	$2,554.06	$3,401.20	$3,564.54
	%	99.0%	-57.0%	-5.2%	-81.2%	30.2%	-2.9%	143.5%	4.4%	5.6%	5.5%
LUDA	$				$(104,592.00)		$(104,592.00)	$104,924.11	$708.80	$943.85	$988.81
	%				-659.4%		-659.4%	-118.2%	4.4%	5.6%	5.5%
Street Light	$	$(1.64)	$(0.34)	$(2.09)	$(1.66)	$(0.34)	$(1.21)	$0.10	$0.09	$0.13	$0.14
	%	-43.5%	-14.6%	-42.6%	-50.6%	-14.1%	-33.1%	8.1%	4.3%	5.4%	5.7%
Sentinel Light	$			$(1.10)	$(3.84)	$1.35	$(1.20)	$1.45	$0.53	$0.71	$0.75
	%			-8.6%	-29.2%	13.6%	-8.0%	14.6%	4.3%	5.6%	5.5%
USL	$	$7.17	$(2.41)	$3.01	$(3.07)	$(1.14)	$0.71	$2.45	$0.91	$1.18	$1.25
	%	53.1%	-12.3%	19.2%	-17.0%	-5.8%	7.5%	14.9%	4.4%	5.5%	5.5%
Embedded Distributor	$	$(439.60)					$(439.60)	$285.93	$225.94	$300.87	$315.27
	%	-8.3%					-8.3%	5.9%	4.4%	5.6%	5.5%

DISTRIBUTION SYSTEM

Alectra Utilities serves approximately 1.1 million homes and businesses in the following 17 communities: Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan. The service territory spans 1,912 square kilometers, approximately 99% of which is urban (1,896 sq km), with small rural areas comprising the remaining 1% (16 sq km).

Alectra Utilities' service area is comprised of the distribution service areas of the former Enersource Hydro Mississauga Inc. (ED-2003-0017); Horizon Utilities Corporation (ED-2006-0031); Hydro One Brampton Networks Inc. (ED-2003-0038); and PowerStream Inc. (ED-2004-0420) as they existed at the date of the completion of their consolidation, as approved by the OEB in its Decision and Order in OEB File No. EB-2016-0025; and the service area of the former Guelph Hydro Electric Systems Inc. (ED-2002-0565) as it existed at the date of the completion of amalgamation, as approved by the OEB in its Decision and Order in OEB File No. EB-2018-0014. Alectra Utilities' service area is illustrated in Figure 1-4-1.

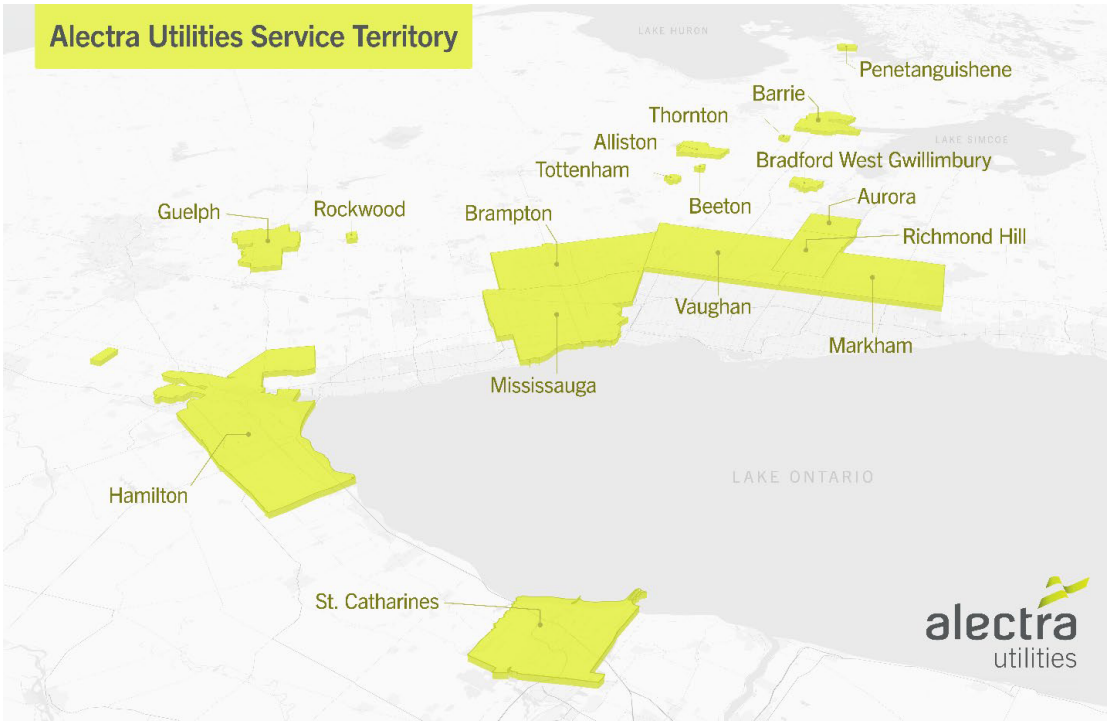

Figure 1-4-1: Alectra Utilities Service Territory

CUSTOMER ENGAGEMENT

ONGOING CUSTOMER ENGAGEMENT

1. Customer Services

Alectra Utilities' Customer Service Program serves as the primary interface for over 1.1 million residential, commercial, and industrial customers. It supports several critical customer functions, including Customer Care, Billing, Payments, Collections, Customer Connections, Key Accounts, and Customer Service Excellence. Alectra Utilities integrates digital innovation, customer support enhancements, and operational efficiencies to provide its customers with seamless services while prioritizing affordability, engagement, and continuous improvement. This includes an ongoing focus on the monitoring of customer interactions and satisfaction through data analytics of daily interactions, segmentation, quality assurance, and customer engagements through qualitative and quantitative research.

Alectra Utilities' research program includes a mix of post-transaction surveys to capture an immediate pulse of customer service performance and a more comprehensive J.D. Power Excellence Program (J.D. Power survey insights) to monitor customer satisfaction outcomes and priorities across all service touchpoints - Power Quality & Reliability, Price, Billing & Payment, Customer Care, Communications, and Corporate Citizenship. Alectra Utilities also conducts one-off deep dive engagements across qualitative and quantitative research to probe into specific customer needs.

This integrated approach ensures Alectra Utilities' services adapt to evolving customer needs and regulatory requirements while delivering a seamless and responsive customer experience. This approach contributed to Alectra Utilities' above-average customer satisfaction performance in 2024 and underpins its investment plan focused on continuous improvement.

Key customer preferences and shifts that underpin Alectra Utilities' investment plan include:

- **Exponential Growth in Digital-First preferences:** Usage of digital online service channels continue to grow year-over-year, far outpacing Call Centre interactions - nearly 40% of surveyed customers sought information or support through digital channels in

2024, compared to 14% by phone. Digital interactions have not replaced Call Centre needs, rather added to it.

- **Reliance on Traditional Services:** Call Centre support and Paper billing remain critical to Alectra Utilities' ability to serve its diverse customer base, with year-over-year growth in phone interactions, and heavy reliance on paper billing among long-tenured accounts.

- **Heightened Price Sensitivity:** Economic pressures and bill fluctuations from extreme weather changes trigger sharp swings in surveyed price satisfaction, with subsequent impact on overall satisfaction. Engagements also show that it can be mitigated through multi-fold value drivers such as improved billing transparency and corporate citizenship outreach – with lifts in price satisfaction.

- **Energy Transition intensifies need for Utility Support:** Adoption of technologies such as electric vehicles nearly doubles digital and phone interactions as first-time adopters seek options for rate plans, service upgrades, panel capacity, and more.

- **Digitization intensifies need for Commercial Support:** Growth in digital interactions across consumer and business markets is cascading a need for elevated utility support as commercial enterprises seek guidance for data centre investments, capacity planning, connection requirements, and transparency at each step of the way. Alectra's summer peak as an example is forecasted to grow by 20% through 2031, including 425 MW of added demand from data centers.

Alectra Utilities is increasing resources to support this increase in customer interactions and complexity. It is also prioritizing investments in enhanced self-service options and automation such as new customer portal features, webchat, chatbots, and AI-driven analytics to align with these evolving digital preferences, while enabling customer service representatives to respond to more complex inquiries, delivering personalized, value-added support. Alectra Utilities is also focusing on fostering affordability and supporting vulnerable customers through initiatives like flexible payment arrangements and customer assistance programs.

1.1 Digital-First Strategy

As outlined in the Customer Service Program (Exhibit 4, Tab 2, Schedule 7), Alectra Utilities offers customers 24/7 online access to their account information through the MyAlectra customer portal. The portal streamlines customer engagement by enabling customers to independently manage their accounts, access billing information, and make payments.

Customers can monitor fluctuations in electricity usage and their financial impact on a daily, monthly, and yearly basis. This helps customers understand how various factors— such as the adoption of new technologies like electric vehicles or heat pumps, household changes, weather conditions, and rate plans – affect their bills. The portal also allows customers to customize billing preferences, make payment arrangements, and easily switch between rate plans. It also simplifies enrollment in electronic billing, supported by text and email alerts to help customers avoid missed payments.

Alectra Utilities' transactional data and ongoing engagement activities indicate a growing preference for digital service channels. As of 2024, over 40% of customers have adopted e-billing, a number that continues to increase. Alectra Utilities' J.D. Power survey insights also show that most customer inquiries are now initiated through digital channels. In 2024, for example, 44% of customers reported contacting Alectra Utilities about a service request, question or to seek general information, with 38% doing so through digital channels – including the *MyAlectra* portal, website, email, social media, text, or outage chat, in order of preference. Digital web traffic analysis further supports this trend, with a volume of over 2 million visits and more than 4 million page views across Alectra Utilities' online platforms in 2024 (Google Analytics, alectrautilities.com).

Satisfaction results reinforce this digital-first shift. J.D. Power survey insights show significantly higher customer satisfaction among customers using digital channels compared to those requiring phone support (Customer Care Satisfaction Index score of 767 vs. 728). E-billing users similarly report more positive experiences (Billing and Payment Satisfaction Index of 794 vs. 736). E-billing also encourages greater use of the MyAlectra portal, improving visibility into consumption and billing patterns and supporting increased confidence and satisfaction with monthly costs (Price Satisfaction Index of 651 vs. 603).

As a cornerstone of its digital strategy, Alectra Utilities plans further enhancements to the MyAlectra portal between 2025 and 2031. These investments will support a more personalized and seamless customers experience, expanding features for customers with multiple accounts, improving access to personalized programs and insights, and enhancing preference settings.

Planned enhancements to billing and payment services include expanding digital wallet capabilities to offer multiple, convenient payment options, including Apple Pay, Google Pay, and PayPal. Automated payment arrangements will be improved, allowing customers to self-manage payment plans directly through the portal. Customers will also gain the ability to make payments via interactive voice response (IVR) or a secure text link, further simplifying the payment process. Alectra Utilities will also leverage data analytics and machine learning to deliver more proactive and personalized payment communications, including tailored reminders, alerts, offers, and assistance.

To support rate plan choice, a rate plan comparison tool will allow customers to understand the potential bill impacts before switching a rate plan, including tiered, standard time-of-use, and Ultra-Low Overnight plans.

Alectra Utilities' plan also includes the development of a mobile app in response to continued growth in mobile-based engagement within its digital web traffic (Google Analytics). J.D. Power insights also shows a sustained shift toward mobile channels – from 35% in 2022, to 46% in 2023, and 53% in 2024 – highlighting the importance of mobile accessibility.

Alectra Utilities' overarching priority is to efficiently manage increased customer inquiries by advancing a digital-first strategy focused on expanding self-serve capabilities for routine inquiries while providing superior live-agent support for more complex needs. This includes the implementation of Web Chat, Chat Bots, and smart forms to guide customers through available options. Web Chat enables real-time conversations between customers and representatives in an online chat interface, offering an alternative to phone support for immediate assistance, while Chat Bots handle common inquiries and guide customers through self-service options without human intervention. These tools, alongside proactive SMS and email outage alerts, and predictive analytics for payments and offers, will enable 24/7 support on customers’ preferred channels and schedules.

These investments build upon Alectra Utilities' foundational MyAlectra platform and support continued progress in self-serve options, automation, digitalization, and analytics. Technologies such as AI, webchat, chatbots, and proactive alerts will allow customers to make informed energy decisions, streamline customer service processes, reduce response times, and provide personalized service for customers. As outlined in Alectra Utilities' Customer Service Productivity and Cost Control section (Exhibit 4, Tab 2, Schedule 7, Section 4.2) these advancements not only lead to improved customer satisfaction and empowerment but also enable Alectra Utilities to manage resources more effectively, managing costs for its rate payers.

1.2 Traditional Service Enhancements

Despite growing digital adoption, traditional service channels such as Call Centre support and paper billing remain critical to Alectra Utilities' ability to serve its diverse customer base.

As highlighted earlier, Alectra Utilities' J.D. Power survey insights indicate that 44% of customers contact Alectra Utilities for a service request, question, or general information. While the majority use digital channels, 14% of those surveyed still rely on traditional Call Centre services, with over ten common reasons for calling (consistent across Alectra Utilities and industry-wide). These interactions are not mutually exclusive from digital, as many customers use both - often visiting Alectra Utilities' website for general information before calling for greater detail or next steps. Others rely solely on phone services, from general bill inquiries to monthly bill payments. Although 14% of customers surveyed seek call centre services on an annual basis (2024), the combination of multiple call reasons, monthly bill payment frequency, and multiple calls per inquiry for some customers results in a substantial cumulative impact on volumes, as outlined next.

Alectra Utilities Customer Care Call Centre manages over 600,000 calls annually, serving more than one million customer accounts. Inquiries encompass a range of topics, including billing, account management, collections, and outage support. While digital-first interactions continue to grow, call volumes are also expected to increase due to projected customer growth, increasing weather variability (affecting bills and outages), and the growing impacts of electrification.

Higher average bills from additional electricity consumption will also lead to incremental arrears and collections activity, increasing collection calls as customers seek to make payment

arrangements, inquire about other customer assistance programs and seek advice on ways to manage their energy costs.

J.D. Power survey insights also indicate a steady rise in the incidence of Call Centre interactions, from 9% in 2022, 12% in 2023 to 14% in 2024 (incidence refers to the proportion of unique customers who contacted the Call Centre at least once, irrespective of call volume per customer). The research shows that while simple transactions are shifting to digital channels, many customers continue to rely on customer care support for more complex or sensitive matters such as high bills, financial assistance, or account-related concerns. Another contributor to this trend, includes customers adopting technologies like electric vehicles and are twice as likely to contact Alectra Utilities' Call Centre, as further outlined under Supporting Electrification.

Call complexity has also grown. As customers adopt technologies like electric vehicles, net metering, and new rate structures, their questions require more time and knowledge to address. This shift is depicted in a rise in average handle time (AHT), which increased from 7.04 minutes in 2018 to 11.45 minutes in 2024.

Alectra Utilities anticipates continued increases in both customer interactions and AHT, as detailed in the Customer Experience forecast (Exhibit 4, Tab 2, Schedule 7). Alectra Utilities is increasing resources for its Customer Care program to manage this rising call volume and service complexity. To support front-line staff in managing this complexity, it is also investing in an online Knowledge Management System. This platform will provide real-time access to up-to-date policies, procedures, and regulatory requirements, reducing the time and effort by customer service representatives to find and retrieve information. By streamlining access to information, this tool will improve accuracy, reduce average handle time (AHT), and support stronger first-call resolution (FCR), while ensuring customers receive consistent and timely information.

Alectra Utilities' customer service strategy will also incorporate Agent Assist and Interactive Virtual Assistance in 2026 and 2027 to improve service efficiency, enhance customer support, and increase convenience.

Agent Assist is an artificial intelligence (AI)-powered tool designed to support Customer Service Representatives (CSRs) during live interactions with customers. It works by monitoring

conversations in real time, whether through phone, chat, or email, and provides agents with suggested responses, relevant knowledge base content, and next-best actions. By automating routine tasks and streamlining access to information, Agent Assist helps CSR agents resolve inquiries more quickly and accurately, while ensuring a consistent customer experience. This also reduces the pressure on increasing resource capacity with the expected rise in customer interactions. The IVA (intelligent virtual agent) technology will enhance the efficiency and effectiveness of customer calls by analyzing voice interactions in real-time, providing insights and recommended course of action, automating routine tasks, and offering immediate access to relevant information. This allows CSRs to respond to inquiries more quickly and accurately, freeing up time for more complex and value-added activities. This is anticipated to improve first-call resolution and customer satisfaction rates, while also improving operational efficiency.

Alectra Utilities also operates a dedicated Customer Solutions team that handles escalated customer concerns from various sources, including the Ontario Energy Board, the Ontario Ombudsman, government bodies, and executive leadership. This team plays a critical role in ensuring timely and respectful resolution of sensitive customer matters.

Alectra Utilities will also invest in a new Dynamic Bill Redesign, planned for 2029. Alectra Utilities' transactional data shows that while e-bill adoption has grown significantly, it remains low among long-standing accounts, at approximately 20% (compared to 60% among new account holders). Alectra Utilities' existing paper bill design is static and cannot easily support changes to its layout.

The dynamic bill will provide detailed, customer-specific usage and billing insights, while being scalable to accommodate the introduction of new rate options and programs expected with growing demand. It will also enhance the bill’s role as a key communication channel by enabling on-bill messages tailored to individual customer’s needs and preferences.

The utility bill remains a critical communication channel, helping customers clearly understand their current consumption, rates, and payment obligations. As one of the most effective and widely used touchpoints, the bill continues to play a vital role in ensuring transparency and supporting informed customer decision-making. The redesigned bill format will provide added

clarity and support for customers who continue to prefer traditional services, reinforcing transparency and customer confidence.

1.3 Supporting Electrification

Electrification is another key factor increasing the need for utility support. As electric vehicle (EV) adoption increases, more customers require guidance on how their new vehicle affects electricity usage, billing, and home charging. Ongoing customer care interactions show that first-time EV buyers often contact Alectra Utilities with a range of questions, including rate options, service upgrades, panel capacity, permits, and electrician requirements. Interactions also rise post- purchase as customers seek to better understand the impact on electricity bills. Alectra Utilities forecasts that most new EV owners will contact the utility at least once within the year of purchase.

This trend is supported by Alectra Utilities' J.D. Power survey insights, which show that EV owners are significantly more likely to engage with their utility, nearly doubling both digital interactions (66% vs. 34% for non-EV owners) and Call Centre interactions (21% vs. 12% non-EV owners). These interactions are often more complex, requiring additional time to fully address customer needs. J.D. Power survey insights forecasts an EV market potential of 50% across Alectra Utilities' service area (2025 Mid-year survey results), including 8% current ownership, 10% short-term intent (Definitely will purchase/lease), and 32% long-term intent (Probably will purchase/lease). These insights also reveal a steady conversion from intent to purchase, from 3% in 2022, 4% in 2023, 7% in 2024, to 8% as of 2025 mid-year results. As outlined in Appendix J - *Alectra Load Forecast and System Adequacy Assessment Report of the DSP*, this trend is supported by Guidehouse Consulting EV Sales Volume forecast, which projects more than 500,000 electric vehicles in Alectra Utilities' service territory by 2031.

In response to these evolving needs, Alectra Utilities launched an e-Mobility Customer Engagement Pilot in 2025. The initiative includes a dedicated EV web platform to educate prospective and current EV owners on energy-related decisions – from home upgrade considerations to managing charging needs. It features an EV comparison calculator that helps customers assess the full financial impact of switching to an EV by comparing fuel costs between electricity and gasoline. The tool also displays Ontario’s energy supply mix in real-time,

enabling customers to choose optimal charging times to maximize clean energy use and estimate greenhouse gas (GHG) emissions reductions over a one-year term. This supports customers' interest in understanding both full wallet impacts and environmental benefits – aligning with findings from Electricity Canada Behind the Meter 2022 survey and Alectra Utilities' own 2021 and 2023 SurveyMonkey EV engagements, which show high customer concern about climate change. A series of proactive customer engagements will raise awareness of these tools through Alectra Utilities' newsletters, e-blasts, and other channels.

Alectra Utilities' e-Mobility Customer Engagement Pilot also includes a SmartCharge program to assess customer participation in load management initiatives and their potential impacts on distribution assets. This program supports Alectra Utilities' preparation for future grid impacts and is part of the OEB's Innovation Sandbox. It is managed by Alectra Utilities' GRE&T center with support from Customer Service.

1.4 Fostering Affordability

Alectra Utilities' commitment to meeting all customer needs is reflected in its efforts to improve affordability and support customers in managing their electricity cost, particularly those experiencing financial hardship. Socioeconomic data from Environics indicates that nearly 20% of households within Alectra Utilities' service area are located in financially vulnerable neighbourhoods. These insights are echoed in J.D. Power survey insights, which shows that approximately 35% of Alectra Utilities' customers report worsening financial conditions annually.

To address these challenges, Alectra Utilities has prioritized customer assistance through both program delivery and proactive engagement. Its Customer Assistance Program (CAP) team plays a vital outreach role, directly engaging with customers who are at risk of disconnection and helping them access support. In 2023, the team implemented an expanded outreach campaign that included outbound calls, email blasts, in-person attendance at community events, and educational seminars for social agencies. This initiative improved awareness and access to energy assistance programs such as the Ontario Electricity Support Program (OESP) and the Low-Income Energy Assistance Program (LEAP), resulting in over $1.3MM in LEAP funding distributed that year.

In March 2024, enhancements to both programs further strengthened this support. The OEB raised income eligibility thresholds for OESP and LEAP from $28,000–$52,000 to $38,000–$71,000, increasing access for more households. LEAP grants were also increased from $500 to $650, and from $600 to $780 for electrically heated homes. Regulatory changes also removed funding caps, ensuring all eligible customers can now apply for and receive assistance, no longer limited by annual program budgets. As a result of these regulatory improvements and Alectra Utilities continued outreach, the utility anticipates distributing $1.8MM in LEAP funding in 2027, increasing to $2MM by 2031.

In addition to assistance programs, Alectra Utilities' Collections and Payments team continues to implement innovative tools and options that promote affordability, convenience, and customer choice. In April 2024, Alectra Utilities launched enhanced payment features in the MyAlectra portal, including a digital wallet that allows customers to pay using an expanded list of options, such as credit cards at a reduced convenience fee of 1.49% compared to the previous 1.75%. The portal also provides more robust payment notifications and allows eligible customers to set up automated payment arrangements with automation and integration through Alectra Utilities' Customer Information System (CIS).

These efforts reflect Alectra Utilities' commitment to fostering affordability, reducing disconnection risk, and providing accessible, user-friendly payment tools for all customers. Customer satisfaction engagements reinforce the positive impact of these efforts. Alectra Utilities' J.D. Power survey insights showcase a significantly higher satisfaction with monthly costs among customers aware of assistance programs (Price Index 698 vs 595 when not aware). This is heightened further among customers who recall Alectra Utilities' efforts to show customers how to conserve energy (Price Index 753). This positive lift is also reflected among customers with payment arrangements (Price Index 686 on budget billing plan and 737 with due date arrangements, compared to 632 average among all survey respondents, 2023-2024).

1.5 Supporting Customer Connections and Key Accounts

Alectra Utilities’ Customer Connections and Key Accounts functions play a vital role in supporting both residential growth and commercial and industrial customers. Together, they oversee new services, upgrades, and service removals, while also managing relationships with

Alectra Utilities' largest 600+ Class A customers, which typically include businesses over 1 MW in size and certain sensitive businesses greater than 500 kW. This segment provides seamless and efficient services, ensuring timely processing of service requests and maintaining transparency with customers throughout the customer connections lifecycle. It also complies with regulatory requirements and enhances customer satisfaction by fostering trust, improving communication, and delivering tailored solutions to Alectra Utilities' largest commercial and industrial customers.

Alectra Utilities' Customer Connections team operates a contact center that handles over 40,000 phone calls and 60,000 email inquiries annually for new service and upgrade requests. The team provides personalized support and timely updates to customers, builders, and contractors. Alectra Utilities' New Connections team ensures seamless and efficient service delivery, with a focus on timely processing and maintaining transparency throughout the customer connections lifecycle.

The Customer Connections program is primarily driven by the volume of new services and upgrades within Alectra Utilities' service territory, which in turn are influenced by economic conditions. During periods of high consumer spending, such as the time from the COVID-19 pandemic into 2023, customers invested more in home improvements, including electrical service upgrades. This trend, supported by appreciating home prices and low interest rates, led to a higher volume of service upgrades and new service installations. Looking ahead to 2031, Alectra Utilities anticipates an increase in demand for services upgrades driven by the increasing adoption of electric vehicles (EVs) and electric heat pumps. Additionally, government mandates for new home developments will likely lead to an increase in new service volumes.

To support this growing demand, Alectra Utilities is investing in a modernized New Customer Connections Process (NCCP) Portal to replace the existing NCCP system, which has reached end-of-life and related vendor support. The new portal will streamline the intake and processing of service requests, offer real-time project tracking, and enable customers to schedule service appointments online. It will also integrate back-end workflows and facilitate secure digital payments, improving transparency, reducing connection timelines, and enhancing staff productivity.

As outlined in Alectra Utilities' Customer Service Productivity and Cost Control section (Exhibit 4, Tab 2, Schedule 7, Section 4.2) the new system will significantly enhance staff productivity and efficiency, allowing Alectra Utilities' New Connections staff to manage higher volumes of work and reduce the upward pressure on additional full-time employees.

The Key Accounts team serves as the dedicated point of contact for over 600 Class A customers. Since the expansion of the Industrial Conservation Initiative (ICI) eligibility to include customers with peak demand of 500 kW for manufacturing and green-house businesses, the scope of work for the team has grown significantly, from approximately 100 accounts in 2017 to over 600 in 2024. These customers now account for 30% of the province’s commercial and industrial load and 28% of Alectra Utilities' system peak demand.

Key Accounts staff engage directly with customer executives and operational leads, providing support and guidance for expansion-related projects, energy and data management, power quality and reliability concerns, billing concerns, and account management. They serve as a liaison between customers and internal departments, serving as the first point of contact for any inquiries, simplifying communications and coordination with internal departments. The team also administers the ICI program to improve energy competitiveness, which had an 84% participation rate in 2024, contributing to over $227MM in potential bill reductions for Class A customers.

Beginning in 2025, the Key Account team will play a pivotal role in supporting IESO’s new Energy Efficiency Framework and the company’s future Non-Wires Alternative offerings for ICI customers, further strengthening its ability to deliver tailored solutions and optimize energy management. These efforts will help optimize system load, reduce infrastructure investment needs, and deliver tailored energy solutions to Alectra Utilities' largest and most complex customers.

Together, the Customer Connections and Key Accounts teams are essential in meeting customer expectations, managing demand growth, and supporting economic development across Alectra Utilities' service territory, while also ensuring operational efficiency and regulatory compliance.

1.6 Customer Research and Insights

Alectra Utilities conducts ongoing engagement to measure overall customer satisfaction, public safety awareness, and customer attitudes toward its services and emerging technologies. This research identifies key drivers of satisfaction, highlights areas for improvement, informs targeted action plans, and supports continuous service enhancements.

Until 2021, Alectra Utilities conducted its overall customer satisfaction research annually. In 2022, it transitioned to quarterly engagements, introducing a more comprehensive J.D. Power Excellence Program (J.D. Power survey insights). This framework evaluates all service areas that influence satisfaction - Power Quality & Reliability (Reliability), Price, Billing & Payment, Customer Care, Communications, and Corporate Citizenship – enabling Alectra Utilities to track priorities and outcomes at each customer touchpoint.

The increased frequency of engagement allows Alectra Utilities to better monitor the impacts of seasonal and climate-related variability on bills and outages, economic pressures on household financial health, evolving effects of electrification, and impact of continuous improvement initiatives and communication campaigns. For example, J.D. Power survey insights show that Reliability and Price account for top drivers of satisfaction, together accounting for 45% of overall impact. Quarterly tracking reveals how external factors influence these impacts. In 2023, media coverage of a potential recession heightened price sensitivity, triggering a sharp decline in price satisfaction and a subsequent dip in satisfaction metrics across all customer touch points. Conversely, a mild El Niño winter in early 2024 led to lower bills and fewer outages, resulting in a stark increase in price satisfaction and positive cascading affect across all service categories. Alectra Utilities' J.D. Power survey insights also reveal how value drivers such as greater billing and usage transparency, and outreach efforts on ways to manage energy costs, can mitigate price sensitivity, resulting in lifts in the Price satisfaction Index from the 500’s to 700’s (detailed further below and in the *Fostering Affordability* section).

J.D. Power survey insights also help Alectra Utilities assess the extent of customer impact from power interruptions. Results show a sharp decline in satisfaction between those who experience uninterrupted service and those affected by persistent outages, whether brief or lengthy, with the Power Quality and Reliability Index dropping from the 800s to the 600s. The research indicates that customers are generally tolerant of one or two brief interruptions (Index declines to the

750s), but tolerance decreases significantly once interruptions reach three or more (Index falls below 650).

While Reliability and Price remain the most influential drivers, insights from the J.D. Power program underscore the significance of other areas – Billing & Payment, Customer Care, Communications, and Corporate Citizenship – which together account for 55% of the satisfaction score. J.D. Power survey insights also reveal a strong correlation among these other areas with Reliability and Price satisfaction.

Proactive communication and customer care during outages for instance are critical to supporting customer needs, reflected in an Overall Satisfaction Index of 799 when outage information is 'Very easy to find', compared to 625 when 'Somewhat difficult'. Similarly, likelihood to recommend Alectra Utilities drops from a Net Promoter Score (NPS) of +22 to -30. This is mirrored in Alectra Utilities' own post-outage engagements during extreme weather events, with NPS declining from +77 to 21 from 'Very easy to find' to 'Somewhat difficult' (SurveyMonkey, 2025 Post Ice Storm Survey, Barrie and Penetanguishene affected customers).

This strong correlation is also reflected in price satisfaction. Communication engagements on a wide range of corporate citizenship topics lift satisfaction with electrical rates from a Price Satisfaction Index of 538 when there is no awareness to 714 when there is awareness of '4 or more' initiatives (i.e., mix of community, environments, supply plans, ways to save, and other corporate citizenship topics). J.D. Power survey insights also reflected that Price satisfaction increases with improved billing & consumption transparency alone, increasing from 538 to nearly 600 when customers transition to electronic billing.

This comprehensive engagement approach enables Alectra Utilities to align service enhancements and communication outreach with the needs of its residential and business customers.

In addition to the proprietary research, Alectra Utilities draws on J.D. Power Syndicated benchmarking to compare performance and identify best practices from surveyed customers across North American Utilities. This enables Alectra Utilities to assess potential customer benefits and outcomes before investing in new technologies, operational practices or

engagement activities. Alectra Utilities also utilizes Electricity Canada Syndicated Research to benchmark its service delivery against other Ontario and Canadian utilities.

Alectra Utilities complements these efforts with its own customer engagement initiatives, including post-transactional surveys in its Call Centre, one-off topic surveys, in-depth interviews, and focus groups to probe deeper into emerging preferences and improvement opportunities. Further, the Customer Insights team, in collaboration with the Digital & Innovation group, analyze data across phone and digital interactions, AI-based analysis of contact center inquiries, and segmented customer profiles based on service usage, lifestyle, financial health, and business indicators.

These various data sources provide Alectra Utilities deeper visibility into customer needs, priorities, and outcomes across all service touchpoints. This enables proactive decision-making, minimizes risks, and supports continuous improvement. The program has contributed to Alectra Utilities' above-average customer satisfaction performance in 2024 and underpins its goal of achieving higher-quartile performance within the J.D. Power Utility ranking for the North American Northeast Large utility cohort by 2030.

2. Media Relations, Customer Communications & Government Relations

Alectra Utilities' Government and Corporate Relations department regularly engages with customers and other stakeholders through numerous communications channels. A brief description of the various media channels is provided below:

- **Owned/shared media channels:** This is content that is published through channels that Alectra Utilities creates and controls. These include its websites, social media channels, print and digital newsletters, email newsletters/eblasts, bill inserts, door hanger signs, letters, customer on-bill messages, media and community events, online account portal (My Alectra), and the interactive voice response (IVR) phone system. These channels allow Alectra Utilities to provide timely and accurate information directly to customers and stakeholders.

- **Earned media channels:** This is content about Alectra Utilities that is provided to the media by the company, such as print, broadcast and online news outlets as well as third-party social media accounts.

- **Paid media channels:** This is content that is published through third-party channels that require payment from Alectra Utilities, such as newspaper advertising, direct mail, radio advertising, industry and trade newsletters, as well as pay-per-click advertising like website digital display, Google search and social media promoted posts.

Table 1-5-1: Examples of Customer Communications Channels

Owned/Shared Media	Earned Media	Paid Media
Website content	News releases	Digital display ads
Organic social media posts	Editorials/Op-eds	Promoted social media posts
Direct mail and letters / customer and stakeholder newsletters	Third-party social media posts	Google search ads
Bill inserts and on-bill messages		Sponsored articles
Door hangers and signage		

Additionally, Alectra Utilities uses customer surveys including the OEB's and Electricity Canada's customer satisfaction surveys (annual and bi-annual, respectively) and the OEB's bi-annual Public Awareness of Electrical Safety Survey. Alectra Utilities also initiates surveys on customer satisfaction, brand trust and reputation, and other one-off topics as needed for gathering relevant quantitative customer feedback.

Alectra Utilities also obtains direct customer feedback on a variety of topics using a mix of focus groups, surveys, workshop sessions, and user experience testing on pilot projects through Alectra Utilities' Green Energy & Technology Centre (GRE&T Centre). Additionally, Alectra Utilities receives direct customer feedback through its Customer Service Representatives in its Contact Centre which can relay information to the appropriate department. These customer engagement efforts are further discussed above in Section 1, Customer Services, of this schedule.

Community, municipal and industry events are also used to reach customers and stakeholders through attendance by Alectra Utilities representatives, information booths onsite, and by providing information to local business improvement organizations, chambers of commerce, boards of trade, community organizations and associations, along with proactive outreach to City Councillors, the Mayor's office and City staff at the municipal level.

News media outlets serve as an important conduit between Alectra Utilities and its customers. Media and public relations, proactively and reactively, shares accurate and timely information to the media about Alectra Utilities' programs, services and operations, including power outages, electrical safety, rates, and investments in the distribution system.

Alectra Utilities' website (AlectraUtilities.com) continues to be the primary digital resource for customer information, with detailed information on rate options, an outage map, safety and energy saving tips, access to the online customer account portal, and financial assistance programs. The website also has the capability to post emergency banners on its homepage to highlight timely information to customers during major weather events or for important customer updates. In 2024, the company had 2,172,728 visitors to the homepage of AlectraUtiltities.com. In addition to the website, Alectra Utilities has also increased its use of eblasts to inform customers on relevant updates about capital projects and financial assistance programming, maintaining a mailing list of approximately 750,000 customers. Email marketing is a very effective communications tool, especially for "call to action" style eblasts, where Alectra Utilities has seen open rates over 80% and click through rates approaching 70% for its most successful campaigns.

Increasingly, digital channels such as social media are becoming the preferred source of information for customers experiencing an outage. Alectra Utilities' communications and customer care teams focus on engaging the public through these channels. Media outlets and journalists also rely on Alectra Utilities' owned digital channels to collect information, increasing their importance and creating an opportunity for Alectra Utilities to use these channels as additional communications tools with news media.

Table 1-5-2: Followers Across Alectra Utilities Social Media

Social Media Platform	Number of Followers (as of January 2025)
X/Twitter	43,535
Instagram	3,250
Facebook	8,951
LinkedIn	22,200
Total	77,936

Alectra Utilities also communicates regularly with customers regarding planned capital work projects and scheduled outages, to engage and help customers prepare for work at or near their property. Alectra Utilities issues proactive communications to notify customers of planned work – including public notices in local papers, letters, door hanger signs, and providing advanced notice to local Councillors and Mayors. This proactive outreach process and issues management is critical for building brand trust and upholding Alectra Utilities' reputation in the communities it serves. Alectra Utilities' Customer Solutions and Government Relations teams also manage customer inquiries to address questions and concerns. Alectra Utilities' Government Relations team resolves approximately 200 constituent issues per year received through elected officials' offices.

In addition to advanced planned capital notifications and issues management, Government Relations also distributes a quarterly online e-newsletter, Ally, to municipal partners, including service territory Mayors, Councillors, MPs and MPPs. Ally contains pertinent information on municipally focused electricity updates, important reminders, and industry news. Ally is distributed to over 400 recipients.

Government and Corporate Relations also works in collaboration with Alectra Utilities' Distribution Design team on high-profile planned capital projects where customer concern has the potential to be heightened. These teams work together to field resident concerns and draft key messaging in instances where complaints escalate. This team also works to ensure the local Councillors and Mayors are briefed on the projects and provides key details and timelines they can share with their constituents ahead of construction commencing.

APPLICATION-SPECIFIC CUSTOMER ENGAGEMENT

Application-specific customer engagement serves as a key input in Alectra Utilities' planning process. At the earliest stages of the process, before Alectra Utilities began assessing specific investment options, it considered the needs and priorities of its customers. These needs and priorities were identified from both ongoing customer engagement activities carried out by the company, as well as through application-specific engagement. Alectra Utilities engaged Innovative Research Group Inc. (Innovative), an independent public opinion research and consultation firm, to design, execute and document the results of its application-specific customer engagement process. Innovative and Alectra Utilities developed a two-phased engagement approach where the first phase informed the second. Phase 1 involved identifying and assessing customer needs and priorities and Phase 2 solicited feedback from customers on key investment areas based on pacing and bill impacts. During both phases of customer engagement which occurred in 2024 and early 2025, Innovative gathered feedback from 61,135 Alectra Utilities customers making this engagement the largest customer engagement in the Ontario utility industry. The process of gathering customer input and using that input to inform Alectra Utilities' proposed investments is summarized in Figure 1-5-1 below.

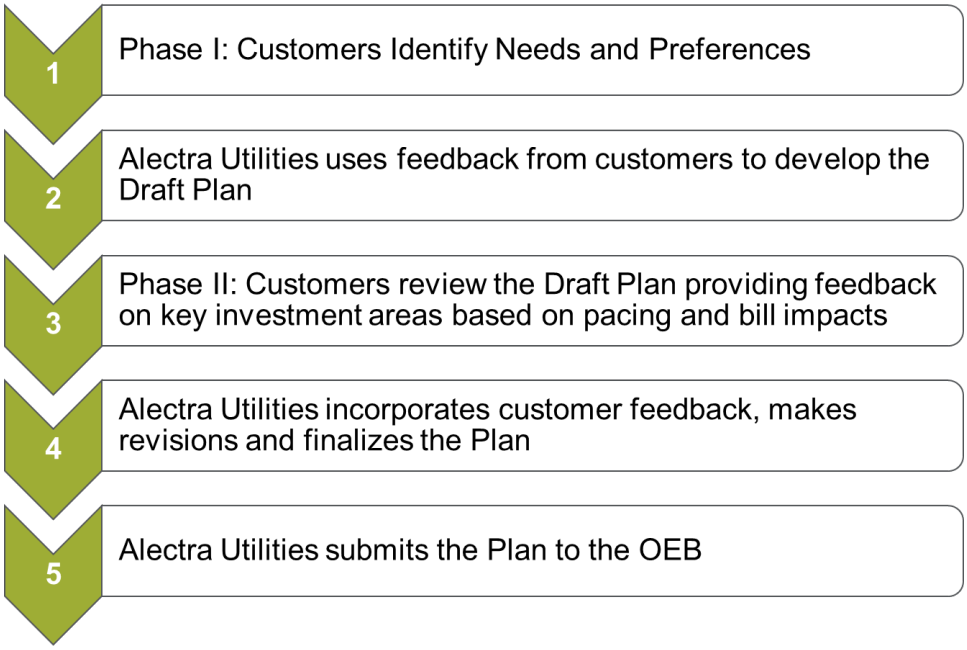

Figure 1-5-1: Customer Engagement Process

Phase I, Needs & Preferences (Planning Input): Phase I measured overall satisfaction and identified outcome priorities across rate classes via a representative sample. The Phase I engagement also included some high-level trade-off questions as well as feedback on Alectra Utilities' general approach. Results informed the proposed investment choices presented in Phase II. Conducted early in the planning cycle, Phase I provided directional guidance on customer needs, priorities, and high-level tradeoffs.

In Phase I, Innovative assessed that customers want Alectra Utilities to maintain a reliable distribution system, and this emerged as one of the top three priorities across all rate classes. At the same time, customers have also said that reasonable prices is important. Residential and GS<50kW customers placed a higher priority on price than reliability, whereas GS>50kW customers prioritized reliability above price. Large Use customers placed reliability as their top priority followed by ensuring safety and grid expansion to support technology adoption.

In terms of reliable electrical service, residential customers prioritize reducing both restoration time and number of outages in extreme weather events, followed by improved communication during outages, which emerged as one of the top three priorities across all rate classes. GS<50kW customers placed outage communication as their top priority, followed by improving power quality. For the largest customers (GS>50 kW and Large Use) improving power quality is their top priority. Alectra Utilities' understanding of these priorities served as a critical input into its identification of investment needs.

Lastly, customers provided feedback on the following five investment trade-offs: replacing deteriorated equipment; dealing with growth uncertainty; enabling customer-engaged grid; grid modernization; and grid resilience. Based on customer feedback across all rate classes, at least 80% of customers agreed that Alectra Utilities is heading in the right direction with its approach to future investments.

Based on the results of Phase I, Alectra Utilities incorporated the findings into the planning process and developed the draft plan.

Phase II, Workbook Trade-offs (Draft Plan Testing): Following the development of the draft plan, Phase II presented customers with fully costed investment options and trade-offs across six key investment areas and overall rate impacts. The six key investment areas were:

1. Overhead and Transformer Renewal;
2. Underground Renewal;
3. Meter Replacement & Renewal;
4. Fleet, Facilities & Information Technology;
5. Enabling Resiliency and Modernization; and
6. Meeting Growing Electricity Demand.

Customers provided feedback on the choices and on the overall bill impact, enabling an assessment of "social permission" (i.e., customers' willingness to support the proposed rate increase). Social permission was granted by 81% of residential customers, 77% of GS<50 kW customers, 86% of GS>50 kW customers, and 100% of Large Use customers.

On specific investment trade-offs, most customers across all rate classes supported spending on plan or above plan for Overhead & Transformer Renewal, especially for residential customers at 63%. Enabling Resiliency & Modernization closely follows, with either a majority or near-majority of customers supporting spending on plan or above plan in this area. Spending preferences were relatively lower in Meter Replacement & Renewal and Meeting Growing Electricity Demand across most rate classes, especially among GS>50 kW customers. A large proportion of Large Use customers were open to Alectra Utilities spending on plan or more for Meeting Growing Electricity Demand. Alectra Utilities incorporated customer feedback by adjusting the draft plan as follows:

- Accelerated investment in overhead asset renewal;
- Reduced investment in system expansion;
- Reduced investment in cable replacement; and
- Reduced investment in the deployment of AMI 2.0 meters.

The overall adjustment to the draft plan resulted in a net reduction of $106MM of expenditures over the 2027-2031 period. With the inclusion of customer feedback, Alectra Utilities finalized the capital investment plan incorporated into the 2027-2031 DSP.

This engagement also sought feedback from customers on Alectra Utilities' rate harmonization proposal and proposed new specific service charges. These proposals are detailed in Exhibit 8, Tab 1, Schedule 1 and Exhibit 8, Tab 3, Schedule 2. For further details on the customer engagement process, refer to Innovative's *Customer Engagement Repor*t filed as Attachment 1-2 to this schedule.

Attachment 1-2

Innovative Research Group

Customer Engagement 2027-31 Rebasing Application Report

INNOVATIVE RESEARCH GROUP

CONFIDENTIAL

Alectra
Customer Engagement

Executive Summary

2027-2031 Rebasing Application

alectra utilities | Discover the possibilities

STRICTY CONFIDENTIAL

Customer Engagement

2027-31 Rebasing Application

August 6, 2025

Confidentiality

This Report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation (Alectra).

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Alectra. The conclusions drawn and opinions expressed are those of the authors.

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Appendix.11 – Large Use Online Workbook Survey

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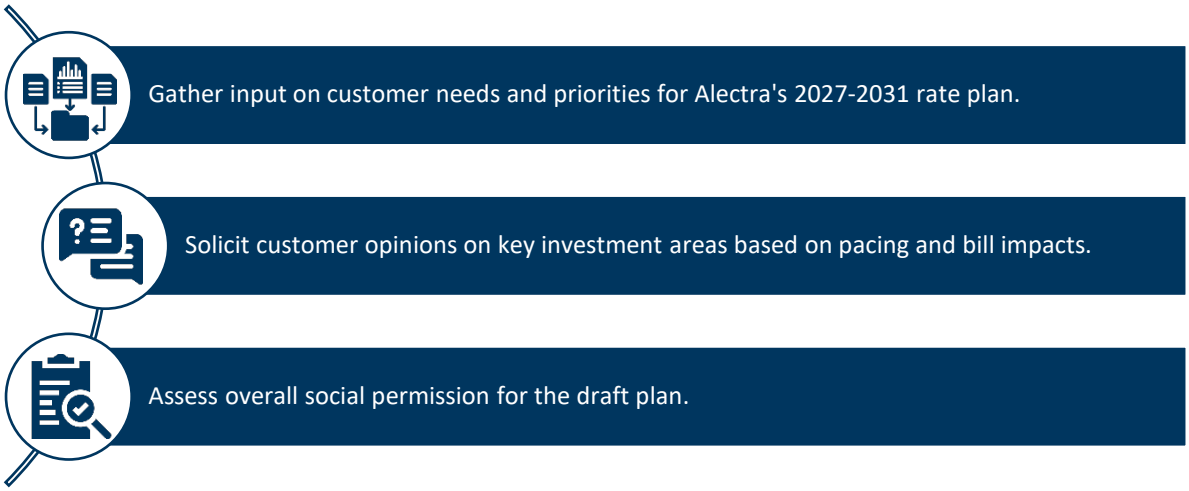
Introduction

Alectra Utilities Corporation (**Alectra**) engaged Innovative Research Group Inc. (**INNOVATIVE**) to design, execute, and document the results of its customer engagement process under the Ontario Energy Board's Renewed Regulatory Framework (RRF) as part of its business planning process for the 2027 Rebasing Application.

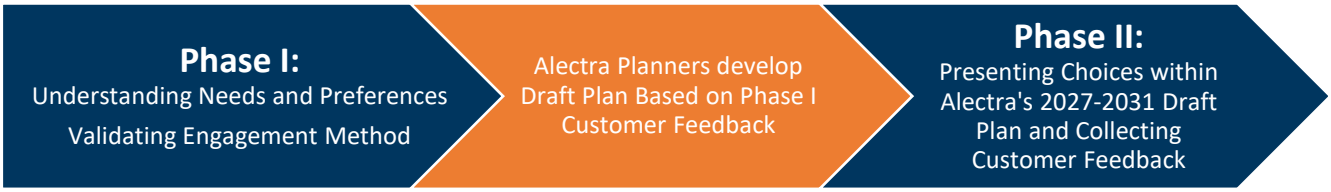
The Ontario Energy Board expects utilities to develop business plans that are aligned with the needs and preferences of its customers. This engagement facilitated Alectra's efforts to create that alignment. The key objectives of this customer engagement were to:



During 2024 and early 2025, INNOVATIVE gathered feedback from 61,135 Alectra customers as part of the utility's application-specific customer engagement efforts. This engagement represented the largest customer engagement in the Ontario utility industry.

INNOVATIVE and Alectra developed a two-phased engagement approach to achieve these objectives. The engagement was an iterative process, where the first phase informed the second.

- The key goal in Phase I was to identify customer needs and priorities. The Phase I engagement also included some high-level trade-off questions as well as feedback on Alectra's general approach.
- After collecting insights from the Phase I customer engagement, Alectra designed the draft plan.
- In Phase II, INNOVATIVE tested six key trade-offs and collected feedback on the overall rate impact.



Of course, customers are not excited to pay more for something they often take for granted. But both phases demonstrated public support for Alectra's general direction.

- In Phase I, 87% of customers across all rate classes agreed that Alectra is heading in the right direction with its approach to future investments.
- In Phase II, 86% of customers across all rate classes provided social permission for Alectra's proposed rate increase.

By Rate Class	Residential	GS<50 kW	GS>50 kW	Large Use*
Phase I – Approval of Direction	80%	83%	84%	100%
Phase II – Social Permission	81%	77%	86%	100%

* Interpret Large Use results as directional due to the small sample size.

We define *social permission* as agreement with one of three distinct responses to the proposed rate increase:

1. Customers who believe Alectra should accelerate spending beyond the proposed draft plan to deliver better system outcomes;
2. Customers who support the proposed bill increase; or
3. Customers who do not like the proposed rate increase but feel it is necessary.

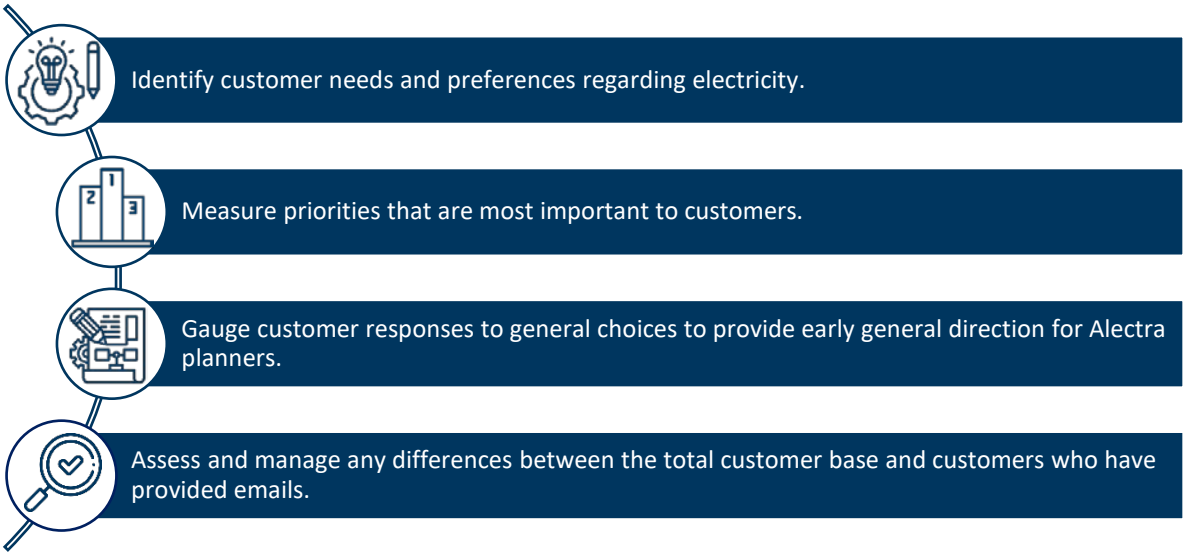
The engagement process itself was well received by customers. An average of 82% of customers had a favourable impression of the engagement survey. 75% of customers felt the amount of information provided was appropriate.

This executive summary presents findings from both phases of customer engagement, with a focus on generalizable insights of representative customer samples from Phases I and II.

Customer Engagement Key Findings

Phase I: Preparation for Engagement

Effective planning is critical to the success of large-scale customer engagement, such as one undertaken by Alectra. To effectively engage customers and maximize opportunities for gathering meaningful insights, Phase I focused on engaging with a small, yet representative sample of Alectra customers to:



Customer Engagement Approach

The engagement was developed as a key input for the Alectra planning process. As such, INNOVATIVE developed the Phase I workbook in close collaboration with Alectra's planning team.

As with all INNOVATIVE engagements, the survey began by providing customers with basic information about Alectra, where Alectra fits within the electricity system, how rates are set and how much of customers' rates flow to Alectra.

Through that process, customers were asked about their needs and priorities.

The survey then moved into customers' preferences. As Phase 1 occurred before detailed planning, the preference section focused on more general trade-offs to provide planners with directional guidance, understanding that more specific choices would be provided in Phase 2. To develop the trade-off questions, Alectra first identified five broad investment categories that reflected key system challenges and potential spending areas. INNOVATIVE then translated those categories into an accessible survey format, asking customers to provide directional input.

The focus of Phase I was not on cost or bill impacts, but rather on identifying high-level priorities and customer preferences. These early insights gave Alectra planners directional guidance as they began shaping the draft plan.

At the end of the Phase I engagement, customers were asked about their perceptions of Alectra's overall approach to future investments and whether they believe Alectra is heading in the right direction. At least

80% of customers approved of Alectra's approach, indicating it is either strongly or somewhat in the right direction.

In every engagement, we aim to provide customers with enough information to answer the questions and enough context to allow them to make informed choices. To assess whether we have achieved this, we included diagnostic questions at the end of the survey. In Phase I, 83% of respondents reported a favourable impression of the survey, and 74% felt they received just the right amount of information. Additionally, open-ended comment boxes were provided throughout the survey, ensuring that customers could elaborate on their responses, raise concerns, or offer suggestions beyond the structured questions.

The residential and business survey versions differed, where wording adjustments were needed to tailor the question or response options for residential versus business customers. A final open-ended question allowed respondents to provide any additional comments they felt Alectra should consider when developing their investment plan.

A series of online and telephone surveys were in field from March 2024 to April 2024 gathering a range of views that exist within the customer base, how different types of customers perceive certain issues, what customers expect of Alectra, and what customers prioritize, both in the context of valued customer outcomes, and choices the utility was considering in its 2027 rebasing application.

Phase I results revealed that at least 80% of customers across all rate classes indicated that they believe Alectra's overall approach to its future investments is moving in the right direction. A summary of Phase I findings, or "**Placemat,**" was delivered to and used by Alectra planners in developing the draft plan.

Understanding and Managing the Customer Sample

In developing the methodology for this engagement, INNOVATIVE needed to keep two considerations in balance:

- ***Have we heard from all types of customers?***
- ***Do customers have the information they need to answer the questions you must ask?***

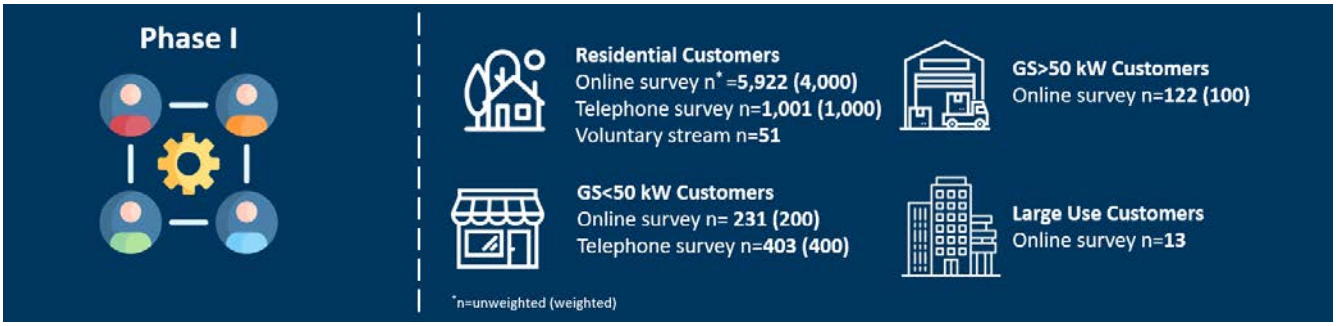
Online surveys are the most accessible and efficient mechanism when it comes to collecting customer feedback. In combination with the other core challenge to provide people who don't know much about electricity with the right amount of information to make informed choices, online surveys were seen as more effective than phone surveys, as they allow for charts and visual aids to get across complicated concepts and information.

However, to conduct an online customer engagement survey, email addresses for invitations are necessary. While email coverage is comprehensive among all large use customers and reaches 93% of GS>50 kW customers, it drops to 84% among GS<50 kW customers and 69% among residential customers.

In Phase 1, INNOVATIVE conducted overlapping online and phone surveys among residential and GS<50 kW customers to validate the online sample and ensure the results were representative of Alectra's customer base. Based on this validation, survey results were weighted by rate zone and consumption quartile to reflect the broader population. See **Appendix. 01** for detailed findings on the Customer Sample Validation.

Phase 1 Results

The graphic below summarizes the sample sizes of the Phase I online surveys conducted for all rate classes.



Understanding Needs and Preferences

Understanding customer needs and preferences is at the forefront of Alectra's Phase I customer engagement, which was guided by the principals specified in the OEB Handbook for Utility Rate Applications and its definition of customers' **needs** and **preferences**:

Needs	**Needs questions** focus on understanding the gap between the services and experience customers want and the services and experience customers are receiving.
Preferences	**Preferences questions** focus on customer views about the outcomes the utility should focus on, priorities among those outcomes, and trade-offs illustrated by choices on specific programs or the pacing and prioritization of investments.

Customer Satisfaction with Alectra

Before diving into understanding specific customer needs, Phase I measured overall customer satisfaction with services provided by Alectra. This approach serves as an opener and invitation for customers to reflect on their experience with Alectra. Results indicate that a large majority of the customers across rate classes were satisfied with Alectra's services.

Overall Satisfaction with Alectra	Phase I Online Survey Results			
	Residential (n=4,000)	GS<50 kW (n=200)	GS>50 kW (n=100)	Large Use* (n=13)
Satisfied	77%	74%	79%	13/13
Neutral	16%	19%	13%	0
Dissatisfied	5%	7%	7%	0

***** Interpret Large Use results as directional due to the small sample size.

When asked how Alectra can improve its service, a large majority of residential, GS<50 kW and GS>50 kW customers gave no specific suggestions for improvement. However, *"lower bills, better rates/affordable prices"* and *"more reliable service, fewer outages"* were top mentions among residential and GS<50 kW

customers; and *"more reliable service, better power quality"* and *"billing concerns"* were top mentions among GS>50 kW customers. For Large Use customers, a plurality (5 out of 13) cited *"improve customer service/experience/communication"*.

Top-3 Customer Needs (open-ended)	**Phase I Online Survey Results**			
	Residential (n=4,000)	**GS<50 kW** (n=200)	**GS>50 kW** (n=100)	**Large Use*** (n=13)
1st	**No specific concern**	**No specific concern**	**No specific concern**	Improve customer service
2nd	Lower rates	Lower rates	Improve power quality	
3rd	Fewer outages	Fewer outages	Billing concerns	

***** Interpret Large Use results as directional due to the small sample size.

Based on past experience and testing feedback, a list of potential utility outcomes was identified as follows:

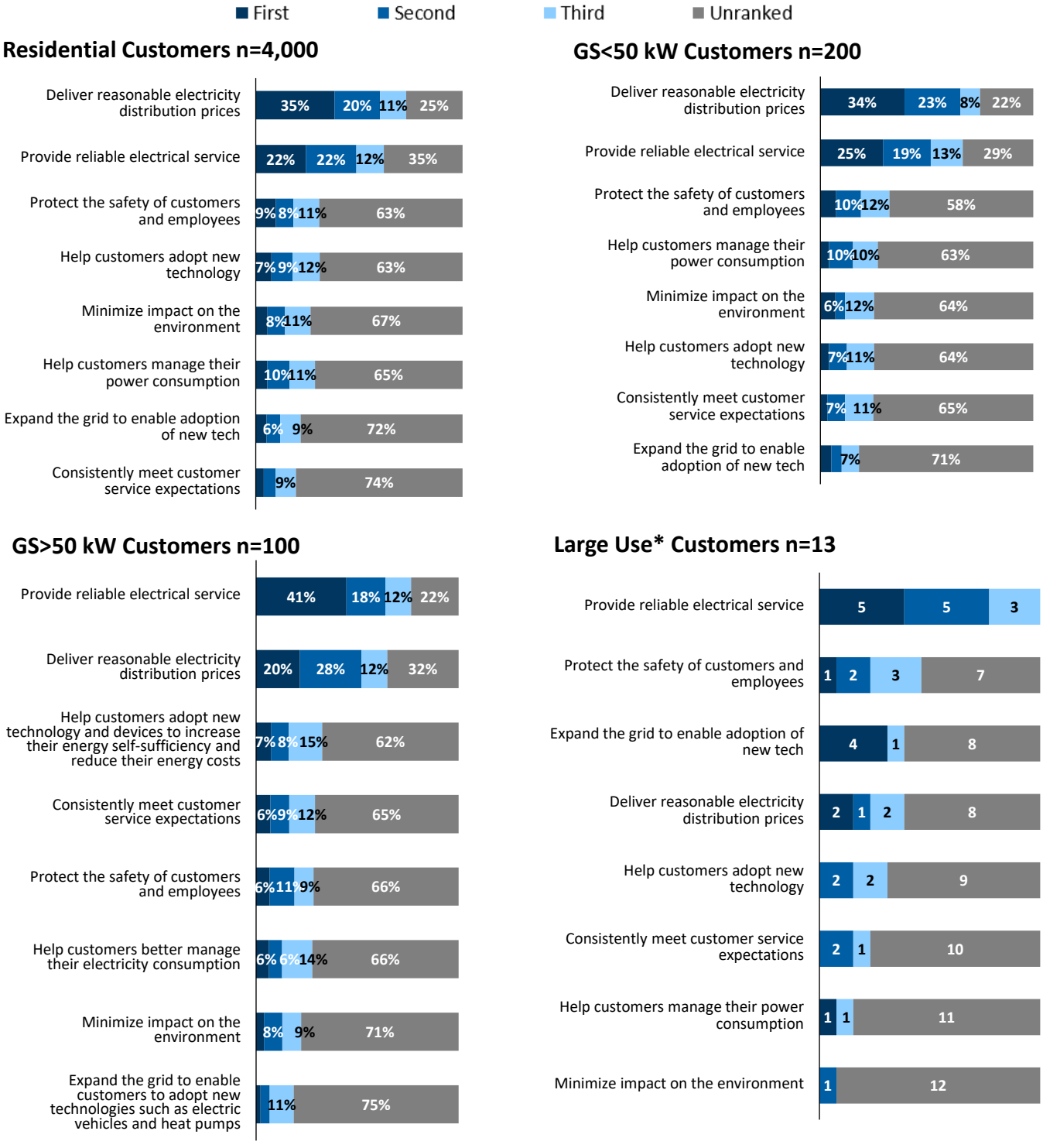
1. *Deliver reasonable electricity distribution prices.*
2. *Provide reliable electrical service.*
3. *Help customers better manage their electricity consumption.*
4. *Minimize impact on the environment.*
5. *Protect the safety of customers and employees.*
6. *Consistently meet customer service expectations*
7. *Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.*
8. *Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.*

General Priorities

To clearly identify what matters the most to customers, customers were asked to rank only their top three outcome priorities. While *reliability* emerged as one of the top three priorities across all rate classes, residential and GS<50 kW customers placed somewhat higher priority on *reasonable prices* than *reliability*. GS>50 kW, while still valuing *reasonable prices*, ranked *reliability* as their top priority, with *technology adoption for self-sufficiency* placed in third place. Further, lower usage customers shared safety as their third priority. Unlike other customers, Large Use customers placed high importance on *safety* and *grid expansion to support technology adoption* in their top three priorities, suggesting long-term infrastructure needs over affordability.

Outcome Priorities	**Phase I Online Survey Results**			
	Residential (n=4,000)	**GS<50 kW** (n=200)	**GS>50 kW** (n=100)	**Large Use*** (n=13)
Those who selected a specific outcome as one of their top 3 priorities	Reasonable prices (67%)	Reasonable prices (65%)	Reliable service (70%)	Reliable service (13)
	Reliable service (57%)	Reliable service (58%)	Reasonable prices (60%)	Ensure safety (6)
	Ensure safety (28%)	Ensure safety (28%)	Help adopt tech to boost self-sufficiency (30%)	Expand grid for tech adoption (5)

The charts below detail outcome priorities across Alectra's rate classes.



* Interpret Large Use results as directional due to the small sample size.

In addition to identifying top customer needs and general priorities, other specific preferences and support around **reliability**, **core investment priorities, and Alectra's overall approach to future investments** were measured.

Reliability Investment Priorities

In terms of prioritizing reliability investments, residential customers were primarily interested in reducing both *restoration time* and *number of outages* in extreme weather events. Continuing with the importance of addressing outages, residential customers also want Alectra to *improve communication during those outages*. Outage communication was also the top priority for GS<50 kW customers. For those small (GS<50 kW) and larger (GS>50 kW, Large Use) businesses, improving the quality of power becomes a top priority. These rate classes also see improved outage communication and restoration as top priorities, as they significantly impact business productivity and decision-making.

Reliability Priorities	**Phase I Workbook Results**			
	Residential (n=4,000)	**GS<50 kW** (n=200)	**GS>50 kW** (n=100)	**Large Use*** (n=13)
Those who picked that specific priority as one of their top 3 priorities	↓ Restoration time in extreme weather (57%)	Improve communication during outages (48%)	Improve quality of power (57%)	Improve quality of power (6)
	↓ No. of outages in extreme weather (50%)	Improve quality of power (46%)	↓ Restoration time in extreme weather (50%)	↓ No. of outages in extreme weather (6)
	Improve communication during outages (48%)	↓ Restoration time in extreme weather (46%)	Improve communication during outages (49%)	Improve communication during outages (6)

***** Interpret Large Use results as directional due to the small sample size.

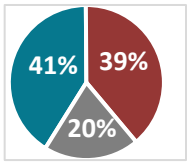
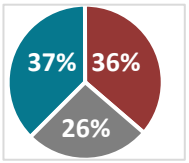
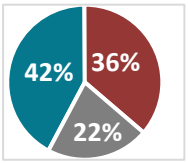
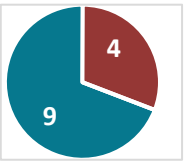
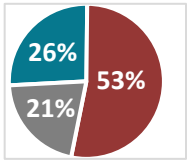
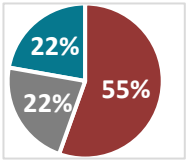
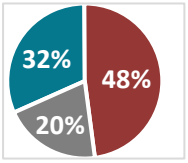
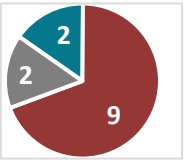
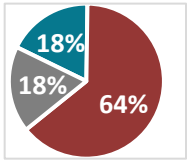
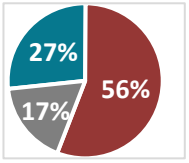
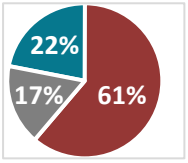
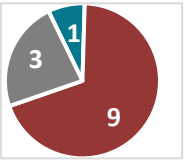
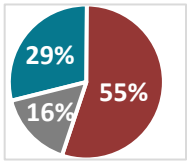
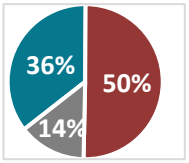
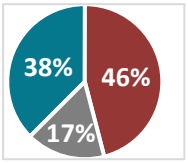
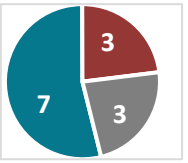
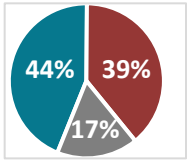
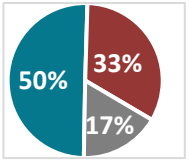
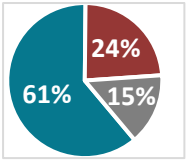
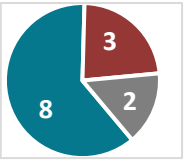
"↓" Indicates 'reduce'.

Customer Feedback on Investment Choices

While the critical and detailed feedback on specific investment choices was gathered in Phase II, one of the key objectives of Phase I customer engagement was to provide Alectra planners with early, high-level direction. To achieve this, customers were presented with broad choices across five key investment areas. These areas were selected based on their importance to Alectra's long-term planning and the knowledge that they would be addressed in the draft plan.

Customers were asked whether they preferred Alectra to invest more (at a faster pace) or invest less (at a slower pace) in each of these areas. This approach allowed Alectra to refine and shape its draft plan early on, ensuring that the more detailed engagement in Phase II could focus on the critical choices informed by this initial customer feedback.

The table below summarizes the results of customer investment trade-offs in these five areas.

Investment Trade-offs	Phase I Workbook Results			
	Residential (n=4,000)	GS<50 kW (n=200)	GS>50 kW (n=100)	Large Use* (n=13)
	Invest more; Faster pace / Invest less; Slower pace / Don't know			
Replacing Deteriorated Equipment Investing in the long-term health of the electricity system to avoid creating backlog by spreading replacement costs over time.				
Dealing with Growth Uncertainty Building a local electricity grid big enough to handle unexpected increases in demand. There is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated.				
Enabling a Customer-Engaged Grid Move more quickly from the traditional distribution grid to a two-way, customer-engaged grid, even if that means higher rates.				
Grid Modernization Invest in grid modernization technology, moving more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short run.				
Grid Resilience Increase grid resilience by doing more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run.				

* Interpret Large Use results as directional due to small sample size.

Replacing Deteriorated Equipment: Residential and GS<50 kW customers were split on how Alectra should invest, with sizable portion of both rate classes selecting 'Don't know'. A plurality of GS>50 kW and a majority of Large Use customers supported investing more to replace deteriorating equipment. There was still a sizeable number of GS>50 kW customers who felt they didn't know enough to decide either way.

Dealing with Growth Uncertainty: A majority of residential, GS<50 kW and Large Use customers felt that Alectra should invest less in preparing for growth uncertainty, especially if there is a risk some of that equipment is not fully used. A plurality of GS>50 kW customers say Alectra should invest less, while

nearly one third of customers said invest more, likely due to the impact on reliability if demand outpaces supply.

Enabling a Customer-Engaged Grid: Most customers from each of the four rate classes think Alectra should invest less in enabling a two-way grid. GS<50 kW customers seemed to see the most benefit, though these concepts are still new to most customers.

Grid Modernization: Most residential and GS<50 kW customers said Alectra should invest less in grid modernizing technology, though over a third of GS<50 kW said to spend more. GS>50 kW customers were more open than low volume customers to invest more, despite a plurality saying Alectra should invest less. These customers appear especially wary of increasing rates, especially in the short run. Most Large Use customers are on board with investing more to get to a more efficient grid, as their operations stand to benefit from the cost savings and increases in both reliability and power quality.

Grid Resilience: A plurality of residential customers supports investing more to reduce the risk of long-term outages. Of all the investment categories, residential customers are probably most familiar with the impact of outages and reducing the occurrence of these outages appears to be worth investing more for many customers. A majority of GS<50 kW, GS>50 kW and Large Use customers also think Alectra should invest more, as these outages have a significant and immediate impact on their day-to-day operations.

The investment trade-offs offer several takeaways for Alectra planners. These findings reinforce rates and reliability as top-of-mind concerns for residential and GS<50 kW customers when evaluating investment trade-offs. Low-volume customers have the highest support to invest more in those familiar categories that help mitigate outages, which is something where they have some first-hand experience. Furthermore, many residential and GS<50 kW customers are saying to invest less in those new and unfamiliar investment categories, especially those unrelated to reliability and without clear cost savings in the short run. There is also a sizable group of customers in residential, GS<50 kW, and GS>50 kW that say they simply don't know how Alectra should invest. Providing customers with more context, specifically, showing how these trade-offs directly impact their bill and electricity service with Alectra, could help reduce the proportion of those who are unsure of how Alectra should invest.

GS>50 kW customers share some of the same investment attitudes with both the low volume customers and Large Use. These customers are still concerned with rates while also maintaining power quality and overall reliability as necessary aspects of the service they receive from Alectra. These reasons are perhaps why this rate class favours spending less on a customer engaged grid and grid modernization without benefits in the short run.

Large Use customers are keen to support Alectra investing more in those trade-offs that increase their efficiency and reliability. Trade-offs outside of these concerns, such as enabling a customer engaged grid and dealing with growth uncertainty are not priorities for this rate class.

Support for Alectra's Overall Approach to Future Investments

After providing feedback on needs, preferences and investment trade-offs, customers were asked to give their feedback on the overall investment approach put forward by Alectra. This question was preceded by a page summarizing the plan and providing context around what will happen during Phase II of the engagement.

Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?

Support for Alectra's Overall Approach	Phase I Workbook Results			
	Residential (n=4,000)	**GS<50 kW** (n=200)	**GS>50 kW** (n=100)	**Large Use*** (n=13)
Right Direction	80%	83%	84%	13/13
Wrong Track	7%	6%	7%	0
Don't Know	14%	12%	9%	0

* Interpret Large Use results as directional due to small sample size.

At least 80% of customers across all rate classes indicated that they believe Alectra's overall approach to its future investments is moving in the right direction. Support among residential, GS<50 kW and GS>50 kW was between 80% to 84%, with 14% of residential customers unsure of the plan.

To encourage participation in Phase I, Alectra offered residential customers the chance to win one of ten $250 Amazon gift cards, while business customers were entered into a draw for one of three team breakfast or lunch prizes valued up to $500.

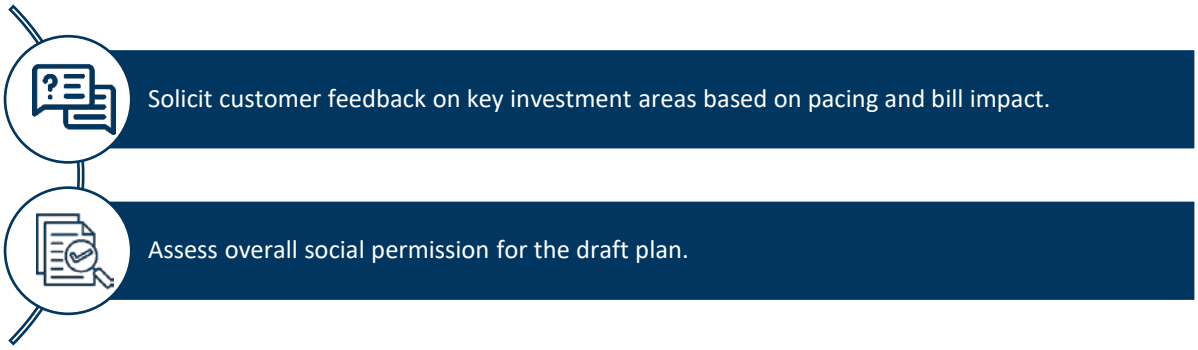
Delivery of Phase I Findings

The findings from these surveys are also summarized in the "Needs and Preferences Planning Placemat" (see **Appendix. 06**), which was shared with Alectra planners on May 17, 2024. This allowed customer feedback to be considered as input during the early stages of the planning process.

Phase II: Presenting Choices within the 2027-31 Draft Plan

Following the findings of Phase I, Alectra began developing a draft plan to align with identified customer needs, preferences, and expectations. After the draft plan is designed, Alectra engaged again with INNOVATIVE to design, execute, and document the results of a second customer engagement based on the draft plan.

The purpose of this second phase of engagement was to:



In Phase II, we maintained the same commitment to providing customers with the information and context needed to make informed decisions. To evaluate whether this was achieved, diagnostic questions were again included at the end of the survey. In this phase, 81% of respondents reported a favourable impression of the survey, and 76% felt they received just the right amount of information.

Furthermore, to ensure customers could fully express their opinions, open-ended comment boxes were included throughout the survey. This gave respondents the opportunity to elaborate on their responses or raise additional concerns not covered by the structured questions, ensuring that *everyone had the opportunity to say everything they wanted to say*. These results suggest that the engagement was both informative, accessible, and provided meaningful opportunities for feedback.

Customer Engagement Approach

INNOVATIVE worked with Alectra to understand the proposed draft plan, which outlined different investment areas where Alectra could allocate more funding or less within practical constraints. These decisions have implications for service levels and overall costs, directly affecting customers.

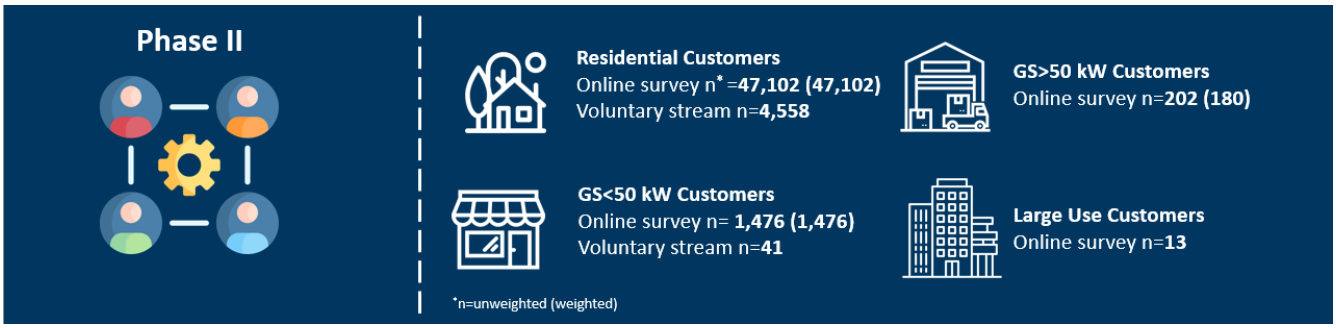
The draft plan was then translated into engagement materials designed for a typical customer to understand. INNOVATIVE developed a workbook survey, which was tested through focus groups and user testing studies. The workbook survey was made available to all customers to respond from November 15 to January 17, 2025, through either a unique URL link (for all rate class customers) or the voluntary stream through (Open Link for residential and GS<50 kW customers). The survey was launched on November 15, 2024, with different closing dates for rate classes and survey mechanisms. For residential customers, the unique URL link was closed on December 23, 2024; for customers of other rate classes, it was closed on January 17, 2025. The Open link was available for residential and GS<50 kW customers from November 15, 2024, to January 17, 2025.

The online workbook survey allowed customers to provide feedback on Alectra's draft plan by exploring specific trade-offs across three key investment areas, their associated bill impacts, and the pacing and prioritization of investments.

To ensure representativeness, we reviewed potential differences between customer segments. In Phase I, additional weighting was applied where necessary (such as weighting residential responses by familiarity) to correct for differences in key customer characteristics. For Phase II, after assessing weighting adjustments, it was determined that weighting by familiarity did not materially affect the results, so the simpler weighting by rate zone and consumption quartile was retained to avoid unnecessary complexity.

The following section summarizes customer feedback from this online workbook survey among residential, GS<50 kW, GS>50 kW, and Large Use customers.

The graphic below summarizes the Phase II sample sizes by rate class.

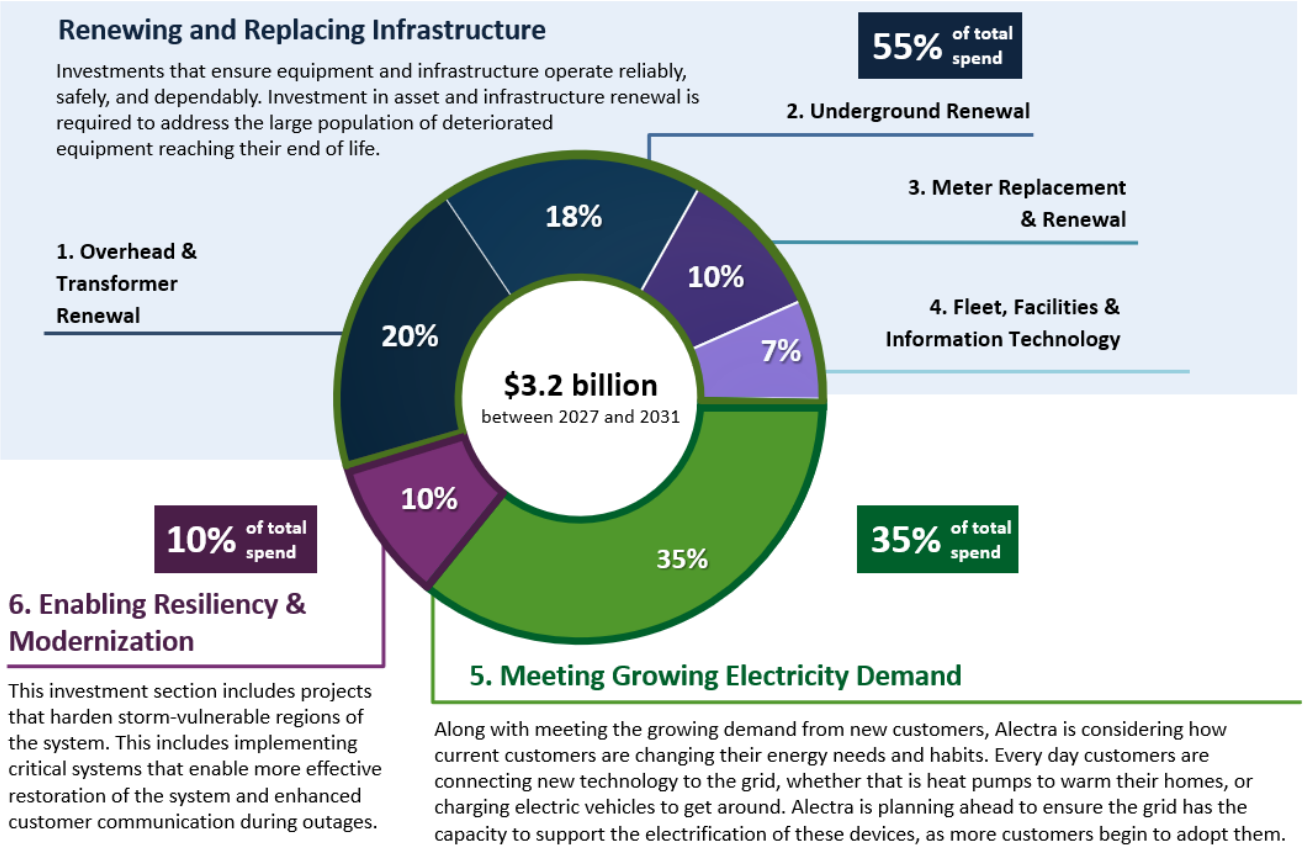


Core Investment Categories

Alectra's 2027–2031 draft plan was made up of three main spending categories: *Renewing and Replacing Infrastructure, Meeting Growing Electricity Demand, and Enabling Resiliency & Modernization*.

Recognizing that Renewing and Replacing Infrastructure accounted for the largest portion of spending, Alectra further broke this theme into four specific, easy-to-understand choices: *Overhead & Transformer Renewal, Underground Renewal, Meter Replacement & Renewal, Fleet, Facilities & Information Technology.* Meanwhile, the two other categories, *Meeting Growing Electricity Demand,* and *Enabling Resiliency & Modernization*, were presented as stand-alone choices because of their clearly defined scope.

By simplifying the narrative and breaking down large investments into smaller, more tangible choices, the engagement made it easier for customers to follow, understand, and provide meaningful input. Feedback from focus groups and user testing confirmed that this structure was easier for participants to navigate. Ultimately, this approach contributed to record-breaking engagement, with over 50,000 customers completing the survey—demonstrating that a clearer, customer-friendly framework leads to higher participation.



Social Permission

To assess social permission, customer attitudes toward the total rate impact of Alectra's proposed 2027–2031 draft plan were evaluated. Unlike typical approaches that present all customers with a single, fixed plan cost, Alectra adopted a more personalized method. After customers made their own selections across the six key investment areas, the workbook calculated and displayed the specific bill impact based on their choices.

While this customization allowed customers to see the direct connection between their preferences and the resulting costs, in practice, the average bill impacts closely mirrored those of Alectra's draft plan. Social permission was measured through customers' responses following the investment choices. Customers were classified as granting "social permission" if they indicated:

1. *They think Alectra should accelerate spending beyond its proposed draft plan to deliver better system outcomes.*
2. *They support the proposed bill increase when it comes to preparing the grid for the future.*
3. *They feel that the proposed rate increase in the draft plan is necessary, even though they don't like the proposed increase.*

Across all rate classes, 86% of customers provided social permission to proceed with the draft plan. Specifically, social permission was granted by 81% of residential customers, 77% of GS<50 kW customers, 86% of GS>50 kW customers, and 100% of Large Use customers.

Rate Class	Residential	GS<50 kW	GS>50 kW	Large Use*	Average across rate classes
Sample Size	(n = 47,102)	(n = 1,476)	(n = 180)	n = 13	
Average Response Rate Impact (increased by 2031)	$ 14.33	$ 26.71	$ 605.03	$ 7,828.00**	
Accelerate Spending	13%	13%	11%	8%	11%
Support Proposed Bill	27%	25%	28%	62%	36%
Necessary to Maintain	41%	39%	46%	31%	40%
Oppose the Bill	13%	15%	9%	0%	9%
Don't Know	6%	9%	5%	0%	5%
Social Permission (Accelerate + Support + Necessary)	**81%**	**77%**	**86%**	**100%**	**86%**

***** Interpret Large Use results as directional due to the small sample size.
**The result for Large Use Dedicated Asset customer is not included.

In addition to assessing the level of social permission customers gave to Alectra's draft plan, the workbook survey also gauged customer preferences on specific trade-offs within the three key investment areas: *Renewing and Replacing Infrastructure, Meeting Growing Electricity Demand, and Enabling Resiliency & Modernization*. Within each investment area, customers had a range of different preferences around the draft plan. To provide a general direction of customer preference for each investment area, customer responses were grouped into **three** categories depending on the degree to which they would like to dial the draft plan up or down. The three categories were: Above Plan, On Plan, and Below Plan. The definition of these categories is detailed in **Appendix. 08.**

On or Above Plan Percentage by Rate Class	Residential	GS<50 kW	GS>50 kW	Large Use*
	(n = 47,102)	(n = 1,476)	(n = 180)	n = 12
Overhead & Transformer Renewal	63%	55%	59%	7/12
Underground Renewal	50%	41%	49%	7/12
Meter Replacement & Renewal	44%	34%	38%	4/12
Fleet, Facilities & Information Technology	56%	43%	49%	8/12
Meeting Growing Electricity Demand	36%	31%	18%	9/12
Enabling Resiliency & Modernization	58%	49%	52%	7/12

* The result for Large Use Dedicated Asset customer is not included. Interpret Large Use results as directional due to the small sample size.

At a high-level, the average rate impact selected by customers lands close to draft plan proposed rate implications. Preferences on specific trade-offs can be summarized as follows:

- A majority of customers across all rate classes felt Alectra should spend on plan or above plan for *Overhead & Transformer Renewal*, especially for residential customers at 63%. Enabling Resiliency & Modernization closely follows, with either a majority or near-majority of customers that felt Alectra should spend on plan or above plan in this area.
- The percentage of customers indicating Alectra should spend on plan or above plan, within the six key investment areas, was somewhat lower among GS<50 kW customers.
- Spending preferences were relatively lower in *Meter Replacement & Renewal* and *Meeting Growing Electricity Demand* across all rate classes, especially among GS>50 kW customers.
- A large proportion of Large Use customers are open to Alectra spending on plan or more to meet growing electricity demand and advancing technologies.

The detailed results by rate class can be found in the **Appendix. 08** to **11**.

The following tables detail social permission levels across the three preference categories in terms of wanting Alectra to spend Above Plan, On Plan, or Below Plan for each investment area.

There is a common pattern that customers who opted for dialling the draft plan up were more likely to give social permission to the draft plan, similarly for those who responded within 5% above or below the draft plan. In contrast, those who responded below plan were less likely to give social permission to the draft plan. This pattern is evident across all rate classes and investment areas; Although it is less prominent among GS>50 kW or when it comes to the topic of *Meter Replacement & Renewal* and *Meeting Growing Electricity Demand*.

Residential Customers Social Permission (%) by Preference Categories	Three Categories of Customer Preference		
	Above Plan	On Plan	Below Plan
Overall Social Permission	**81%**		
Overhead & Transformer Renewal	92%	91%	65%
Underground Renewal	95%	93%	69%
Meter Replacement & Renewal	95%	94%	72%
Fleet, Facilities & Information Technology	93%	93%	68%
Meeting Growing Electricity Demand	97%	94%	74%
Enabling Resiliency & Modernization	93%	92%	67%

GS<50 kW Customers Social Permission (%) by Preference Categories	Three Categories of Customer Preference		
	Above Plan	On Plan	Below Plan
Overall Social Permission	**77%**		
Overhead & Transformer Renewal	93%	88%	62%
Underground Renewal	95%	92%	67%
Meter Replacement & Renewal	96%	89%	71%
Fleet, Facilities & Information Technology	94%	91%	67%
Meeting Growing Electricity Demand	96%	92%	71%
Enabling Resiliency & Modernization	93%	89%	66%

GS>50 kW Customers Social Permission (%) by Preference Categories	Three Categories of Customer Preference		
	Above Plan	On Plan	Below Plan
Overall Social Permission	**86%**		
Overhead & Transformer Renewal	93%	92%	77%
Underground Renewal	94%	95%	78%
Meter Replacement & Renewal	93%	100%	78%
Fleet, Facilities & Information Technology	91%	98%	77%
Meeting Growing Electricity Demand	100%	95%	84%
Enabling Resiliency & Modernization	91%	96%	78%

Large Use Customers

Due to the small sample size of Large Use customers as well as their high level of social permission to the draft plan (100%), the study refrained from further exploring the connection between their spending preferences and their level of social permission.

LEAP Qualified Residential Customers

Over three-quarters (76%) of Low-income Energy Assistance Program (LEAP) qualified residential customers gave Alectra social permission to proceed with its draft plan.

The level of social permission was similar among customers who did not disclose their household income after tax and household size in the survey.

The level of social permission among residential customers whose household income after tax is less than $52,000 but who do not qualify for LEAP is on par with the residential customers overall.

Residential Social Permission by LEAP Qualification		LEAP/OESP Qualification			
	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerate Spending	13%	12%	11%	17%	8%
Support Proposed Bill	27%	22%	30%	33%	22%
Necessary to Maintain	41%	42%	42%	38%	45%
Oppose the Bill	13%	16%	12%	9%	17%
Don't Know	6%	9%	5%	3%	8%
Social Permission (Accelerate + Support + Necessary)	**81%**	**76%**	**83%**	**88%**	**75%**

Incentives to Encourage Participation

To promote broad participation in Phase II, Alectra offered meaningful incentives tailored to each customer segment. Residential and small business customers were entered into a draw for one of ten prizes, each consisting of a $1,500 credit toward their electricity bill. For GS>50 kW and Large Use customers, the incentive was a draw for one of three team breakfasts or lunches, valued up to $500 each.

Delivery of Phase II Findings

Following Phase II, findings from this phase were provided to Alectra so they could be considered in finalizing the draft plan. The residential report summarizing Phase II results was delivered to Alectra on January 24, 2025.

Designing Customer Engagement

Engaging Customers on Technical Topics

Many customers have limited knowledge of technical subjects like the electricity distribution system, making it challenging to gather meaningful feedback. Given the critical role of customer feedback on Alectra's business planning, this engagement was designed with two key considerations in mind:

- **Encouraging informed opinions** – Providing customers with sufficient background to express informed opinions.
- **Ensuring representation and reach** – Capturing diverse, representative perspectives across all customer types and rate zones.

Encouraging Informed Opinions

This engagement referenced established opinion research literature, including the concepts of "deliberative democracy" pioneered by researchers like Fishkin and Luskin, and "public judgement" by Yankelovich. These frameworks suggest that while individuals may lack initial knowledge, they can learn, and form informed opinions.

To help customers learn about the electricity distribution system and Alectra's role in it, INNOVATIVE designed, tested, and employed online workbook surveys which outlined the various investment decisions facing Alectra. While the core questions remained the same for all customers, the language was adjusted for business and residential users, while the billing slides and rate impacts were tailored to specific rate zones.

Diagnostic questions referred earlier in the summary confirmed customers have a favourable impression of the workbook survey and felt it found the right balance in terms of how much background information was shared.

Besides the key benefit the workbook survey offers to inform customers with essential background information, the workbook survey is also an enhancement compared to traditional customer feedback gathering mechanisms. The following section summarizes the key advantages of adopting an online workbook survey for Alectra's customer engagement.

Why Online Workbook Survey?

Informs and Educates

The online workbook provided sufficient background on Ontario's electricity distribution system, Alectra's role, and the considerations behind the proposed draft plan and its investment allocation, helping customers understand the plan and respond effectively.

Visualization

The online workbook incorporated graphics, photos, charts, and other visualization elements to enhance readability and help customers better understand key information.

Accessible and Flexibility

Online surveys make long-form, essential information available to customers that would otherwise be challenging to deliver through other survey methods. Additionally, online surveys allow customers to complete the survey at their own pace.

Dynamic Bill Calculator

Customers were able to see real-time changes to their bill based on their selections, allowing them to customize it to better reflect their preferences and priorities in relation to the draft plan.

Scaled Responses

For each key investment area, the survey provided customers with a sliding scale that gave customers flexibility to dial the draft plan up or down to indicate their preference between price and outcomes.

Open-ended Feedback

The online workbook offered multiple opportunities for customers to provide open-ended feedback, ensuring their voices were heard. In addition to gathering input on Alectra's draft plan, it also invited feedback on the workbook and survey itself.

Pretested

INNOVATIVE relied on customer feedback to ensure customers were comfortable with the questions and had enough information to provide meaningful answers. Focus groups and user testing were conducted with Alectra customers before finalizing the workbook. Customer feedback was incorporated into the final version.

Innovation in Customer Engagement

In addition to informing customers with essential background information, Alectra's Phase II online workbook survey incorporated **two key innovations** that distinguished it from other rate application customer engagements.

First, Alectra's workbook introduced a new thematic structure, organizing investment choices under three themes: *Renewing and Replacing Infrastructure, Meeting Growing Electricity Demand, and Enabling Resiliency & Modernization*. These themes were directly tied to Alectra's six business challenges and replaced the four standard investment categories typically used in other rate applications, which were *System Access, System Service, System Renewal, and General Plant*. This simplified structure was designed to make complex investment decisions more intuitive for customers to understand, encouraging more informed and meaningful feedback from the general customer base.

Second, the workbook featured a revised approach to the social permission question, offering a more personalized experience for customers. Rather than presenting all customers with solely the cost of Alectra's proposed draft plan, the workbook displayed the cost of each customer's own selected investment choices. This change allowed customers to directly see the impact of their trade-off decisions on their bills, providing a clearer and more immediate connection between preferences and outcomes. Results indicate that customers' choices closely aligned with Alectra's proposed draft plan, reinforcing the relevance and validity of the priorities identified through the engagement process.

Ensuring Representation and Reach

In addition to facilitating informed opinions, this engagement process captured a representative range of customer opinions by implementing quota management, sample validation, and weighting procedures. By doing so, this engagement accounted and mitigated potential biases, so that the final data accurately reflected the distribution of Alectra customers across rate classes, region, and in some cases familiarity with Alectra.

Quota Management

To ensure fair representation of key customer groups and that all customer types from all regions had a chance to be heard, stratified random sampling method was used for the residential and GS<50 kW customers' online and telephone surveys. This approach involves:

- Dividing Alectra's customer base into smaller groups (strata) based on shared characteristics, specifically rate class and region.
- Further stratified residential and lower volume business rate classes by usage.
- Taking a random sample from each stratum, with the sample size proportional to the stratum's size in the overall customer population.
- Combining these samples to create a representative random sample of the entire customer base.

Sample Validation Process

To ensure the survey results accurately represented the broader customer base, a rigorous sample validation process was implemented:

- Complete customer lists were used to compare known sample variables between those with an email address and the full population of customers.
- For rate classes with parallel telephone and online surveys, responses on core demographics, firmographics, and environmental controls were compared to identify any significant gaps.

Weighting and Adjustment

Differences impacting investment trade-off outcomes could still occur despite quota and sample validation management efforts. As such, additional weighting adjustments were implemented to account for the differences to enhance the representativeness of the results:

- All samples were weighted by rate zone and consumption quartile.
- In Phase 1, for residential customers, the online sample was additionally weighted by familiarity with Alectra, as this factor significantly impacted views on key trade-off questions included in Phase 1.
- In Phase 2, familiarity was not included as an additional weighting factor, as the analysis found it did not influence customer views on the six investment choices included in Phase 2.

Ensuring Broad Customer Reach

Extensive efforts were made to ensure *customers who want to be heard had a chance to be heard*. This included using the latest, valid Alectra customer email addresses, implementing creative incentives, and offering a voluntary open link to customers outside of Alectra's communication list to provide input. Alectra supported these efforts with a range of communication initiatives and channels, including website, E-blast to e-billing customers, and printed bill inserts. Social media posts, news releases and media coverage further amplified reach.

These combined efforts resulted in 61,135 Alectra customers completing one of the workbooks in this engagement.

Engagement Checklist

At the start of the Customer Engagement, INNOVATIVE presented seven core questions to guide Alectra's Customer Engagement. These questions have been addressed throughout the engagement and this document. The table below highlights how the Alectra Customer Engagement met these core standards.

Has everyone who wants to be heard had a chance to be heard?
Yes – By inviting customers with valid email addresses to participate and creating open voluntary processes that allow any Alectra customers who want to be heard an opportunity to be heard.

Have you heard from all types of customers?
Yes – By employing a random sampling and quota-based approach in Phase I to ensure representation across all customer types, and by reaching out to all customers to encourage participation in Phase II. The Phase II sample was validated using the representative data collected in Phase I.

Do customers have the information they need to answer the questions you must ask?
Yes – By providing sufficient information to customers to learn the basics of the electricity system so they can provide an informed point of view.

Did you ask questions that customers are best equipped to answer?
Yes – By designing questions that ask people to choose between key outcomes rather than focus on the technical questions of how to reach those outcomes.

Do customers have the context they require to make informed decisions?
Yes – By expressing background and trade-offs in real, tangible terms.

Did you allow customers to speak about the issues they want to talk about?
Yes – By giving customers an opportunity to "colour outside the lines" through open-ended comment boxes used throughout the workbook.

Can you prove it?
Yes – Every step of the customer engagement process was documented.

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Alectra. The conclusions drawn and opinions expressed are those of the authors.

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DRAFT

APPENDIX 01

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Phase I Customer Engagement
2027 Rebasing Application

Customer Sample Validation

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

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2027 – 2031 Rate Application

Report Navigation

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- APPENDIX.02 – Residential Needs and Preferences Survey
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- APPENDIX.08 – Residential Online Workbook Survey
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Sample Validation Overview

Research Objective

Alectra Utilities (**Alectra**) commissioned Innovative Research Group (**INNOVATIVE**) as part of its Phase I Customer Engagement to conduct parallel telephone and online surveys among its two low-volume rate classes, namely, residential and GS<50kW rate classes.

The basic challenge for electricity consultations is to get meaningful input from a wide variety of customers, many of whom begin with a very limited understanding of the electricity system, its governance, and the role of distributors such as Alectra Utilities.

To overcome this challenge, INNOVATIVE recommended conducting online representative workbook-based survey as the key customer consultation tool.

Using an online survey enabled Alectra to:

- Use visual for better presentation of information (e.g. diagrams and pictures).
- Ask more questions, as respondents are able to complete questions more quickly online as well as starting and stopping the survey at their convenience.
- Reduce costs as online surveys are less costly than telephone surveys.

Using a representative sample ensured that Alectra heard from all types of customers.

While most customers provide Alectra with their email address, some do not. It is possible that customers without emails are in some ways different from those who do have emails. All of the large use customers and 93% of the GS>50 customers provide emails, but email coverage drops to 84% among GS<50 customers and 69% for residential customers.

To ensure the low volume sample was truly representative, Alectra conducted a telephone reference survey with residential and GS<50 customers to validate the online study. We manage known characteristics such as rate class, rate zone and usage through weighting. We use the telephone reference study to compare customers without emails and those who do provide emails on core attitudes such as satisfaction with Alectra, knowledge of the electricity system and financial pressures. When we find differences, we weight the online results by those variables to ensure the online sample reflects the total Alectra customer base.

This report documents the results of two surveys conducted by INNOVATIVE among Alectra's low-volume customers (residential and GS<50) and provides recommendations on appropriate weighting for future online survey methodologies.

Sample Validation Steps

Overview of Steps

The following report takes several steps to validate the sample across rate classes, both where a telephone reference survey was conducted and when it was not.

1. **Use complete customer lists to compare known sample variables between those with an email address and the full population of customers.**
   Identify systematic differences between those with an email on file and the full population of customers on known variables that may impact outcomes. All samples are weighted by rate zone and consumption quartile to ensure representativeness.

2. **For rate classes where parallel telephone and online surveys were conducted, compare responses on core demographics, firmographics, and environmental controls that impact outcomes.**
   Having the samples weighted by rate zone and consumption quartile, identify differences between online and telephone respondents on self-reported demographics, firmographics, and environmental controls in order to identify significant gaps that should be remedied further with weighting.

3. **Based on the above exercise, identify any sample differences that need to be corrected for with weighting.**
   We focus on differences that are correlated with investment trade-off outcomes. For the metrics that differ between the phone and the online samples, we looked at whether the skew observed statistically significantly impact customers' views on the key trade-off questions in the online survey. If it does, the online samples would be weighted by the additional metric to more closely reflect the distribution captured in the telephone survey.

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Comparing Known Sample Variables

All rate classes

Sample Validation
Email Coverage

Email Coverage

The information below compares the sample of each rate class with email addresses to the total customer accounts of that rate class.

- For **Residential** accounts, 668,668 out of 969,522 accounts (69%) has an email address on file.
- For **GS<50** accounts, 71,701 out of 85,618 accounts (84%) has an email address.
- For **GS>50** accounts, 11,401 out of 12,246 accounts (93%) has an email address.
- For **Large Use** accounts, all 33 accounts (100%) has an email address.

Rate Class	Total Accounts	Email Sample	Email Coverage (out of Total Accounts)	Unique Emails
Residential	969,522 records	668,669	**69%**	608,910
GS<50	85,618 records	71,701	**84%**	39,931
GS>50	12,246 records	11,401	**93%**	5,625
Large Use	33 records	33	**100%**	33

Sample Validation
Email Sample vs. Total Customer Accounts

The information below compares the sample of each rate class with email addresses to the total customer accounts of that rate class across two known variables – distributions of (1) rate zone and (2) consumption quartile.

(1) Regional Distribution by Rate Class

Alectra consists of five rate zones: Hydro One Brampton, Enersource, Guelph Hydro, Horizon Utilities, and PowerStream. Based on customer's service address, customers are grouped into one of these five rate zones.

For each rate class, the distributions of rate zone are comparable (within a difference of +/-2%) between those with an email account on file and the full set of customer records.

(2) Distribution of Consumption Quartile by Rate Class

For each rate class, the distributions of quartile are comparable (within a difference of +/-1%) between the email sample and the total accounts.

Rate Zone	Total Accounts	Email Sample	Difference*		Quartile	Total Accounts	Email Sample	Difference*
Residential								
Brampton	16%	17%	0%		**Low**	25%	25%	0%
Enersource	19%	17%	-2%		**Medium-Low**	25%	24%	-1%
Guelph	5%	3%	-2%					
Horizon	24%	26%	1%		**Medium-High**	25%	25%	0%
PowerStream	36%	38%	2%		**High**	25%	26%	1%
GS<50								
Brampton	12%	11%	-1%		**Low**	25%	25%	0%
Enersource	22%	24%	1%		**Medium-Low**	25%	24%	-1%
Guelph	4%	3%	-1%					
Horizon	22%	23%	0%		**Medium-High**	25%	25%	0%
PowerStream	39%	40%	0%		**High**	25%	26%	1%
GS>50								
Brampton	14%	13%	-1%		**Low**	25%	24%	-1%
Enersource	30%	31%	1%		**Medium-Low**	25%	25%	0%
Guelph	3%	2%	-1%					
Horizon	16%	16%	0%		**Medium-High**	25%	25%	0%
PowerStream	37%	37%	0%		**High**	25%	26%	1%

* The difference is the distribution in the email sample *minus* the distribution among total customer accounts.

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Validation Results

Residential & GS<50

Validation Results
Differences between online and telephone samples

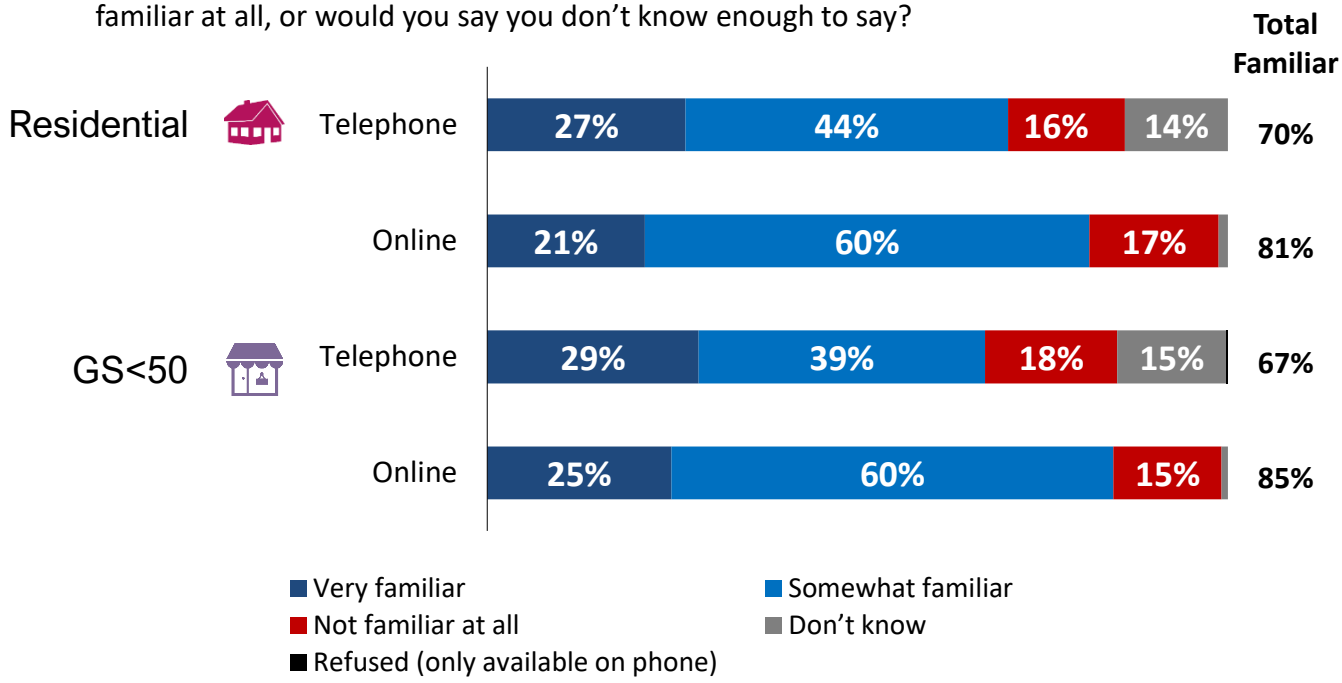
Validation Results

Once the phone and online samples were weighted by rate zone and quartile, we found that the phone and online samples differ substantially on customers' level of familiarity with Alectra.

Q

[TELEPHONE] How familiar are you with Alectra, which operates the electricity distribution system in your community?

[ONLINE] How familiar were you with Alectra, which operates the electricity distribution system in your community? Would you say you are very familiar, somewhat familiar, not familiar at all, or would you say you don't know enough to say?



NOTE: "Refused" is a volunteered option available on the phone. Sums added before rounding.

Validation Results

Whether the differences impact investment trade-off outcomes

Residential

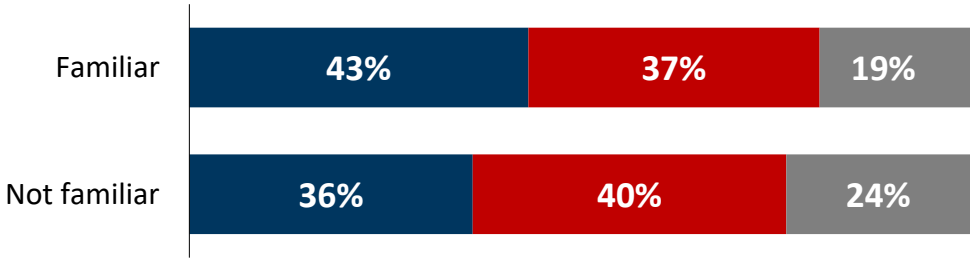
Validation Results *(continued)*

The difference in **residential** customers' familiarity with Alectra statistically significantly impacts their views on the key trade-off questions asked in the online survey (at 99% confidence level).

"Familiar" includes those who say they are "very familiar" and "somewhat familiar" with Alectra. "Not familiar" includes those who say they are "not familiar at all" with Alectra and say "Don't know".

Q **[ONLINE: Replacing Deteriorated Equipment]** Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?

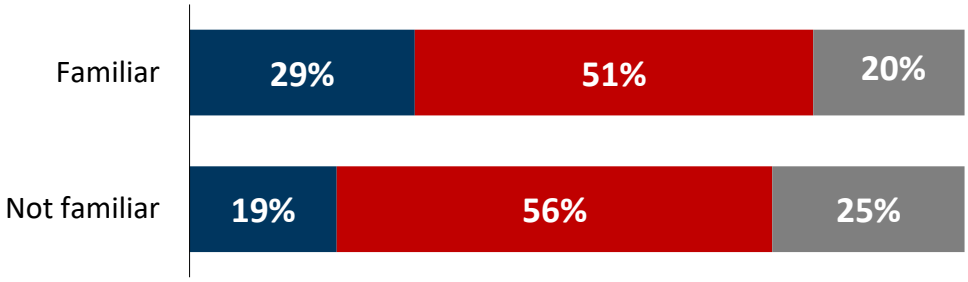
The difference in "raise rates" by familiarity is statistically significant at 99% confidence level.



- Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time
- Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future
- Don't know

Q **[ONLINE: Dealing with Growth Uncertainty]** Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?

The difference in "raise rates" by familiarity is statistically significant at 99% confidence level.



- Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated
- Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth
- Don't know

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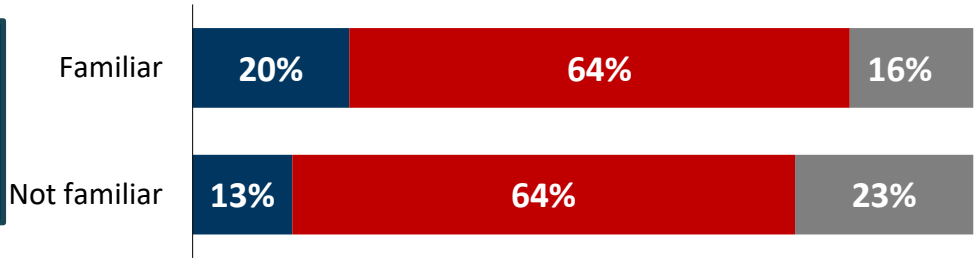
Validation Results

Whether the differences impact investment trade-off outcomes

Residential

[ONLINE: Using New Technology to Enable Customer Choice] Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?

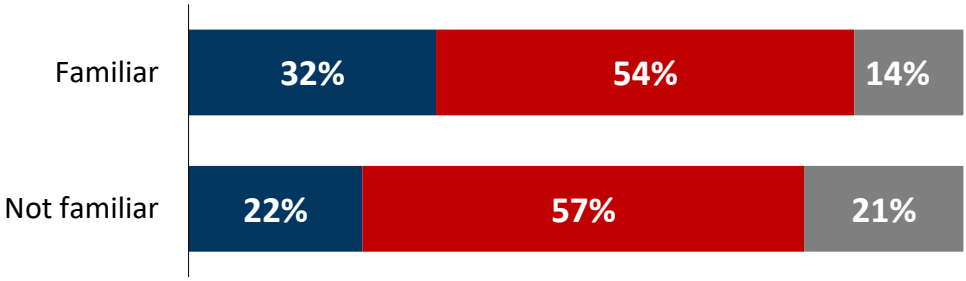
The difference in "move more quickly" by familiarity is statistically significant at 99% confidence level.



- Move more quickly to a two-way grid, even if that means higher rates
- Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low
- Don't know

[ONLINE: Grid Modernization] Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?

The difference in "move more quickly" by familiarity is statistically significant at 99% confidence level.



- Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run
- Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains
- Don't know

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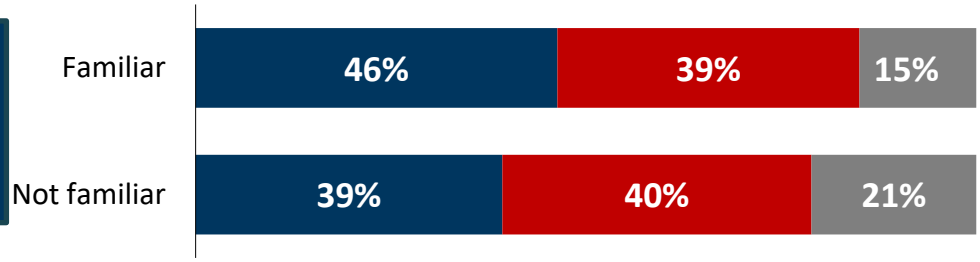
Validation Results

Whether the differences impact investment trade-off outcomes

Residential

Q **[ONLINE: Grid Resilience]** Which of the following statements best represents your point of view about Alectra's approach to grid resilience?

The difference in "do more" by familiarity is statistically significant at 99% confidence level.



- Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run
- Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low
- Don't know

Validation Conclusion

For residential customers, because the level of familiarity with Alectra differs substantially between the phone and online samples **and** the difference matters to customers' views on the key trade-off questions, the online residential sample is weighted by the familiarity with Alectra, in addition to weighting it by rate zone and consumption quartiles.

Validation Results

Whether the differences impact investment trade-off outcomes

GS<50

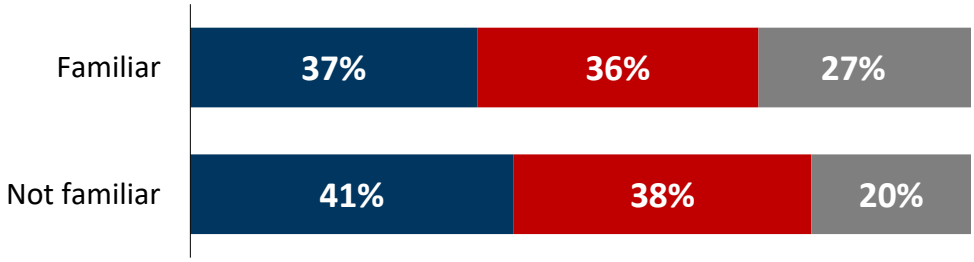
Validation Results *(continued)*

The difference in **GS<50** customers' familiarity with Alectra **does not** statistically significantly impact their views on the key trade-off questions asked in the online survey (not even at 90% confidence level) .

"Familiar" includes those who say they are "very familiar" and "somewhat familiar" with Alectra. "Not familiar" includes those who say they are "not familiar at all" with Alectra and say "Don't know".

Q **[ONLINE: Replacing Deteriorated Equipment]** Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?

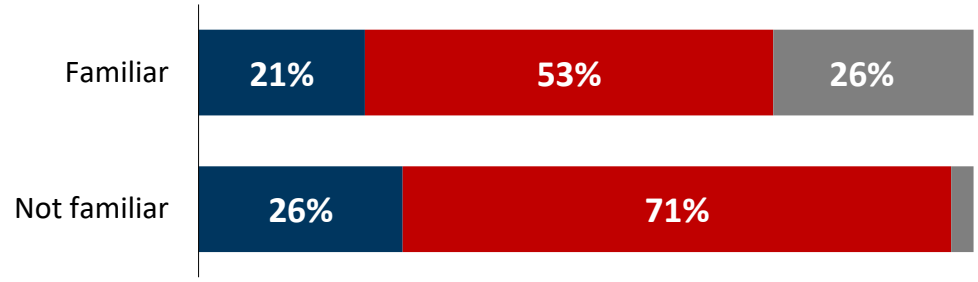
The difference in "raise rates" by familiarity is **not** statistically significant at 90% confidence level.



- Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time
- Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future
- Don't know

Q **[ONLINE: Dealing with Growth Uncertainty]** Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?

The difference in "raise rates" by familiarity is **not** statistically significant at 90% confidence level.



- Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated
- Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth
- Don't know

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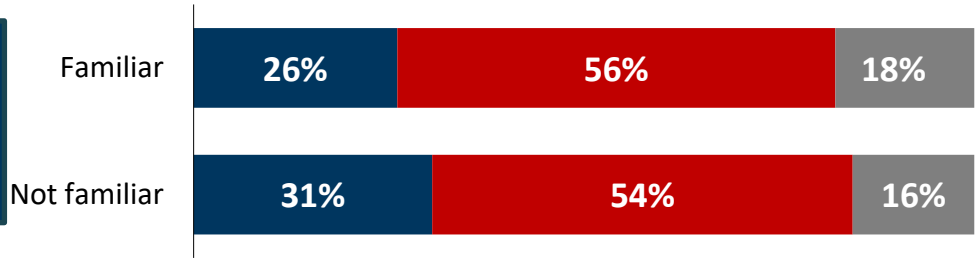
Validation Results

Whether the differences impact investment trade-off outcomes

GS<50

[ONLINE: Using New Technology to Enable Customer Choice] Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?

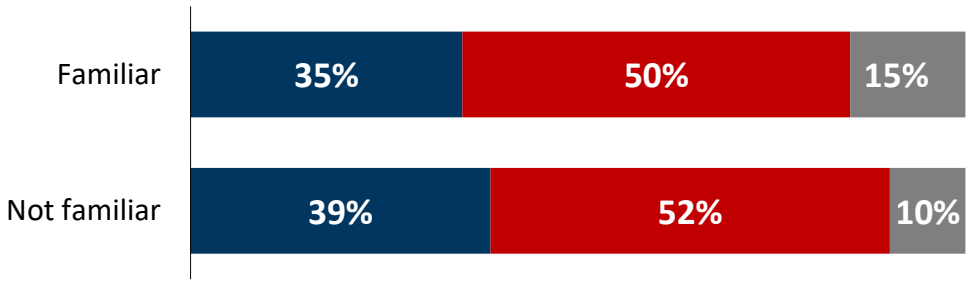
The difference in "move more quickly" by familiarity is **not** statistically significant at 90% confidence level.



- Move more quickly to a two-way grid, even if that means higher rates
- Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low
- Don't know

[ONLINE: Grid Modernization] Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?

The difference in "move more quickly" by familiarity is **not** statistically significant at 90% confidence level.



- Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run
- Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains
- Don't know

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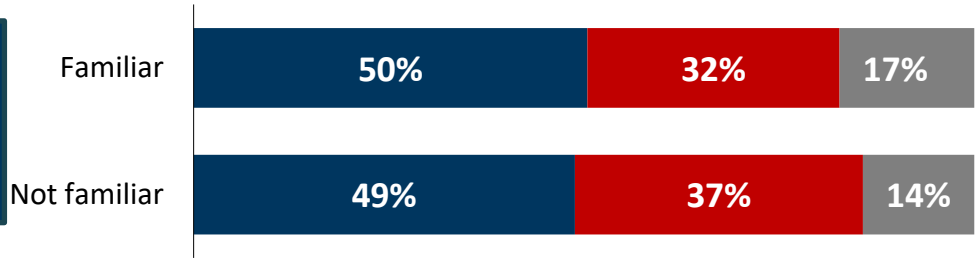
Validation Results

Whether the differences impact investment trade-off outcomes

GS<50

Q **[ONLINE: Grid Resilience]** Which of the following statements best represents your point of view about Alectra's approach to grid resilience?

The difference in "do more" by familiarity is **not** statistically significant at 90% confidence level.



- Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run
- Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low
- Don't know

Validation Conclusion

For GS<50 customers, although the level of familiarity with Alectra differs substantially between the phone and online samples, the difference does **not** matter to customers' views on the key trade-off questions. The online GS<50 sample is only weighted by rate zone and consumption quartiles and not by familiarity with Alectra (unlike the residential sample).

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Reference Surveys: Methodology & Respondent Profiles

Residential & GS<50

Reference Survey
Methodology

Survey Design

This report documents the results of four surveys conducted by INNOVATIVE among Alectra's low-volume customers (residential and GS<50).

The **residential telephone survey** was fielded from **March 5th to 17th, 2024** amongst a random sample of **n=1,000** (unweighted n=1,001) residential customers.

The **GS<50 telephone survey** was fielded from **March 5th to 15th, 2024** amongst a random sample of **n=400** (unweighted n=403) GS<50 customers.

Both telephone surveys were weighted by rate zone and consumption quartiles within their respective rate classes to produce a representative sample of Alectra's customer base.

The **residential online survey** was fielded from **March 6th to 28th, 2024** amongst **n=4,000** (unweighted n=5,922) residential customers.

As discussed earlier, because the residential telephone sample had a lower level of familiarity with Alectra than the online sample, in addition to weighting the residential online sample by rate zone and consumption quartiles, it was weighted by familiarity with Alectra to more closely reflect the distribution on familiarity that was captured in the telephone survey.

The **GS<50 online survey** was fielded from **March 6th to April 28th, 2024** amongst **n=200** (unweighted n=231) small business customers.

The GS<50 online sample was weighted by rate zone and consumption quartiles only that reflects a representative sample of the customer base.

Sample Design

Alectra provided INNOVATIVE with confidential access to its customer lists in order to conduct this research. The customer list included information on rate zone, electricity consumption quartile, all available telephone numbers, and whether a customer has an email address on file (without providing the actual email address to INNOVATIVE).

INNOVATIVE split the samples randomly to two portions: one as the phone sample and another one as the online sample. INNOVATIVE administrated the phone survey by calling the customers from the phone sample. For the online survey, INNOVATIVE generated a list of unique URLs for Alectra to administer the e-mail invite.

All four surveys followed a random sample methodology. Random samples were then surveyed.

Note: *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers. Caution interpreting results with small n-sizes.*

Residential Sample
Sample Validation

Telephone Residential Sample

Targets were set based on rate zone and annual electricity usage in the residential telephone survey. Weights were also applied to ensure the sample is representative of the residential customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and rate zone.

Rate Zone	Consumption Quartiles				Total
	Low	Medium-Low	Medium-High	High	
Brampton	21 (21)	35 (35)	48 (48)	61 (61)	165 (165)
Enersource	48 (48)	48 (48)	47 (47)	46 (46)	189 (190)
Guelph	14 (14)	12 (12)	11 (11)	8 (8)	45 (46)
Horizon	84 (84)	58 (58)	52 (52)	47 (47)	241 (241)
PowerStream	84 (83)	97 (97)	92 (92)	88 (88)	361 (359)
Total	251 (250)	250 (250)	250 (250)	250 (250)	1001 (1000)

Online Residential Sample

Similar to the telephone residential sample, targets were set based on rate zone and annual electricity usage in the residential online survey. As discussed earlier, the Residential online survey sample has been weighted proportionately by consumption quartile, rate zone and familiarity with Alectra in order to be representative of the broader Alectra service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and familiarity with Alectra.

Rate Zone	Consumption Quartiles				Familiarity with Alectra		Total
	Low	Medium-Low	Medium-High	High	Familiar	Not Familiar	
Brampton	128 (82)	178 (139)	334 (193)	301 (244)	788 (495)	153 (164)	941 (659)
Enersource	340 (194)	319 (193)	250 (189)	222 (185)	933 (552)	198 (209)	1,131 (761)
Guelph	68 (56)	68 (50)	53 (43)	39 (33)	173 (111)	55 (71)	228 (182)
Horizon	576 (337)	395 (232)	349 (207)	277 (187)	1,319 (691)	278 (272)	1,597 (963)
PowerStream	530 (331)	591 (386)	473 (367)	431 (351)	1,597 (964)	428 (471)	2,025 (1,435)
Total	1,642 (1,000)	1,551 (1,000)	1,459 (1,000)	1,270 (1,000)	4,810 (2,814)	1,112 (1,186)	5,922 (4,000)

GS<50 Sample
Sample Validation

Telephone GS<50 Sample

Targets were set based on rate zone and annual electricity usage in the GS<50 telephone survey. Weights were also applied to ensure the sample is representative of the GS<50 customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and rate zone.

Rate Zone	Consumption Quartiles				Total
	Low	Medium-Low	Medium-High	High	
Brampton	9 (9)	12 (12)	12 (12)	13 (13)	46 (47)
Enersource	18 (18)	24 (23)	24 (24)	26 (25)	92 (90)
Guelph	5 (5)	4 (4)	4 (4)	4 (4)	17 (17)
Horizon	29 (29)	20 (20)	21 (20)	21 (21)	91 (90)
PowerStream	39 (39)	41 (41)	41 (41)	36 (36)	157 (157)
Total	100 (100)	101 (100)	102 (100)	100 (100)	403 (400)

Online GS<50 Sample

Similar to the telephone GS<50 sample, targets were set based on rate zone and annual electricity usage in the GS<50 online survey. Weights were also applied to ensure the sample is representative of the GS<50 customer base.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and rate zone.

Rate Zone	Consumption Quartiles				Total
	Low	Medium-Low	Medium-High	High	
Brampton	8 (5)	9 (6)	12 (6)	6 (7)	35 (23)
Enersource	14 (9)	18 (11)	12 (12)	17 (13)	61 (45)
Guelph	2 (2)	2 (2)	2 (2)	2 (2)	8 (8)
Horizon	15 (14)	9 (10)	12 (10)	11 (11)	47 (45)
PowerStream	21 (19)	20 (20)	23 (20)	16 (18)	80 (78)
Total	60 (50)	58 (50)	61 (50)	52 (50)	231 (200)

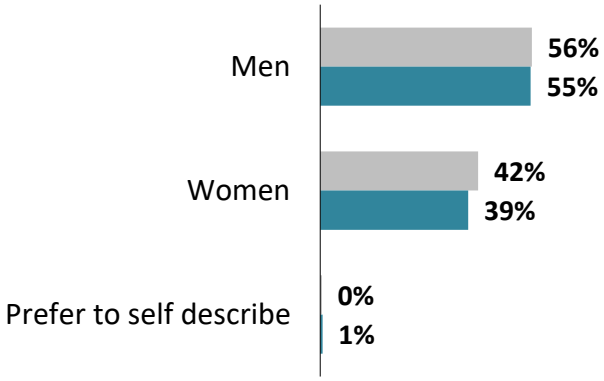
Telephone versus Online
Demographics

Residential

Telephone

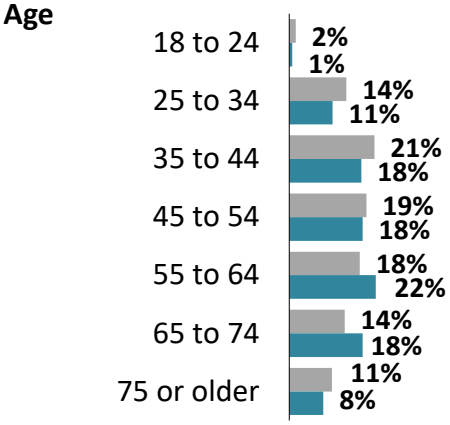
Online

Gender



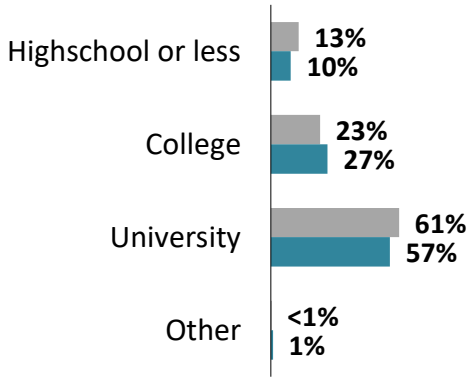
Note: 'Prefer not to say' (T: 2%; O: 5%) not shown

Age



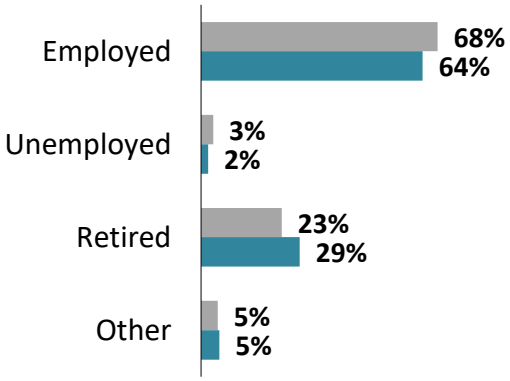
Note: 'Prefer not to say' (T: 2%; O: 4%) not shown

Education

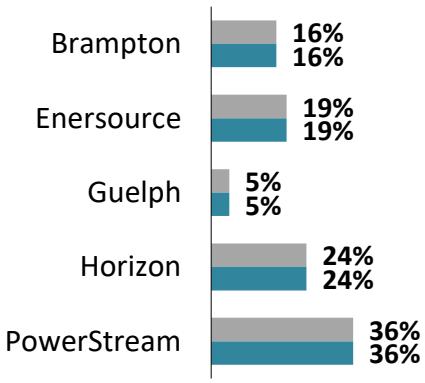


Note: 'Prefer not say' (T: 2%; O: 6%) not shown

Employment



Rate Zone

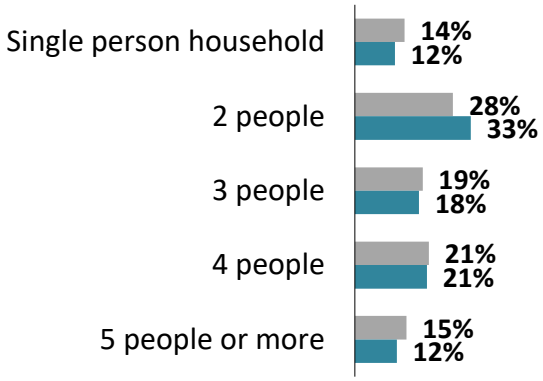


INNOVATIVE RESEARCH GROUP

Telephone versus Online
Demographics

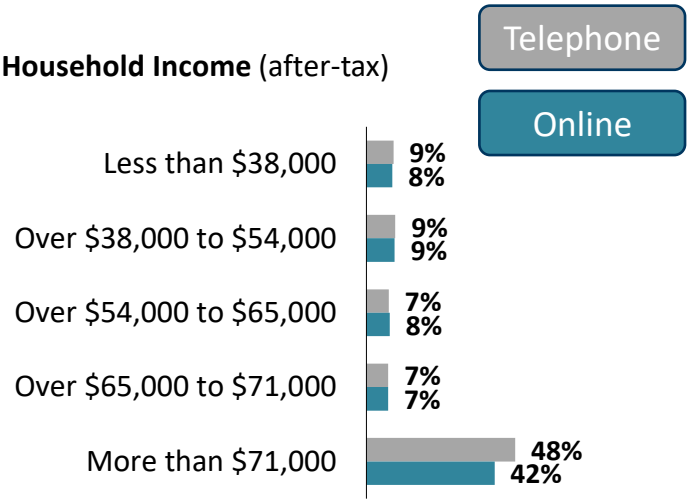
Residential

Household Size



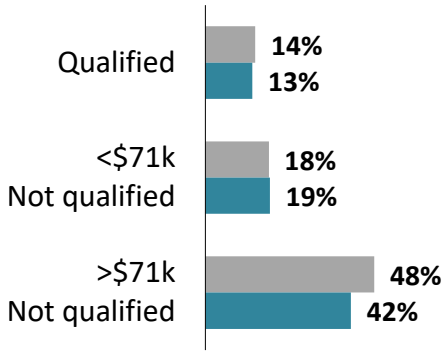
Note: 'Prefer not to say' (T: 2%; O: 4%) not shown

Household Income (after-tax)



Note: 'Prefer not to say' (T: 19%; O: 26%) not shown

LEAP/OESP Qualification (calculated based on household size and after-tax income)



Note: 'Prefer not to say' (T: 19%; O: 26%) not shown

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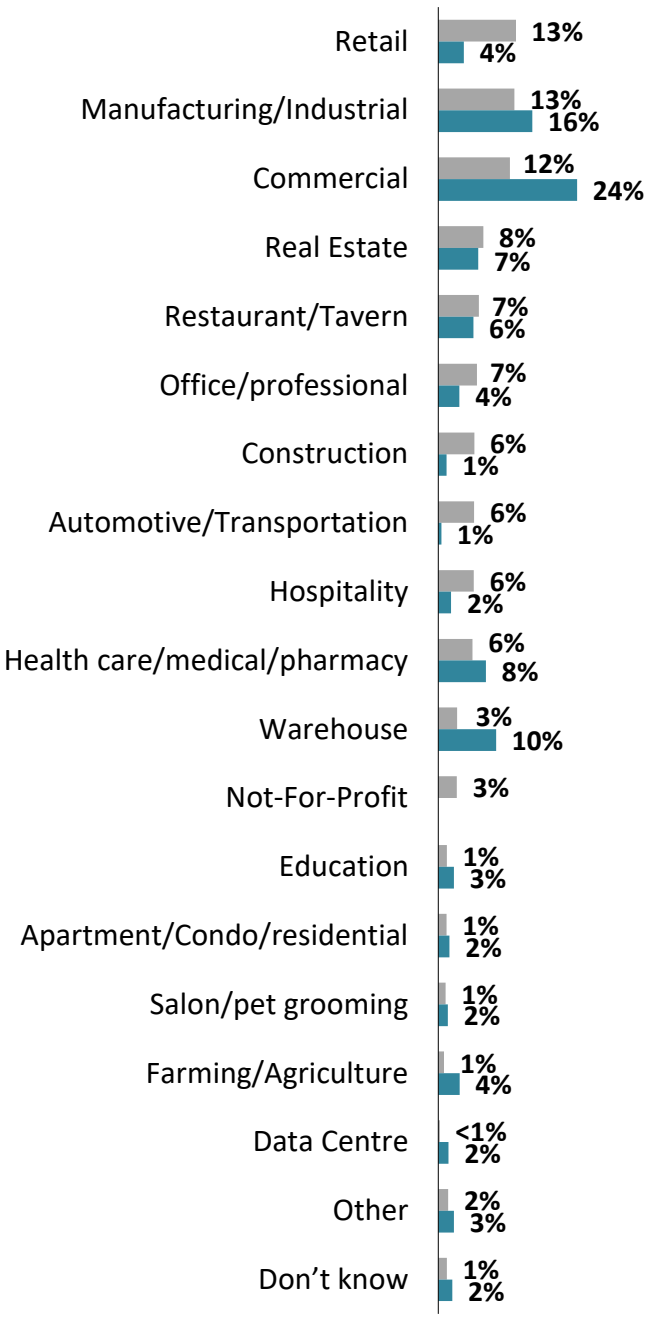
Telephone versus Online
Firmographics

GS<50

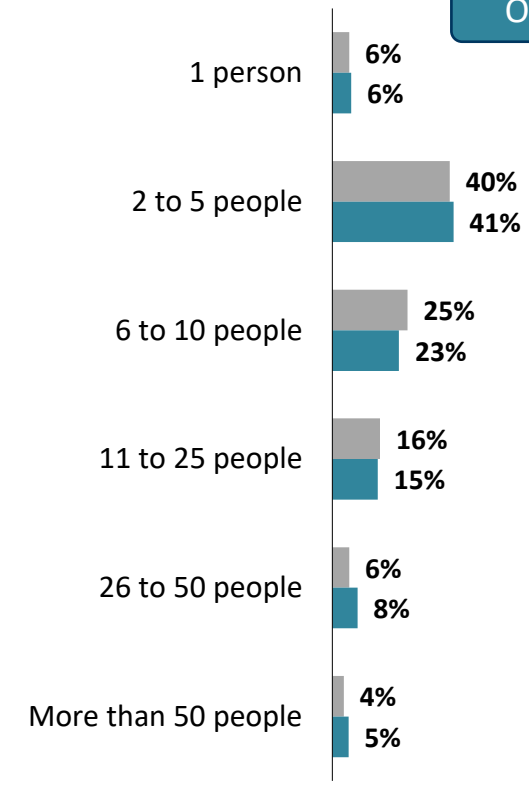
Telephone
Online

Industry



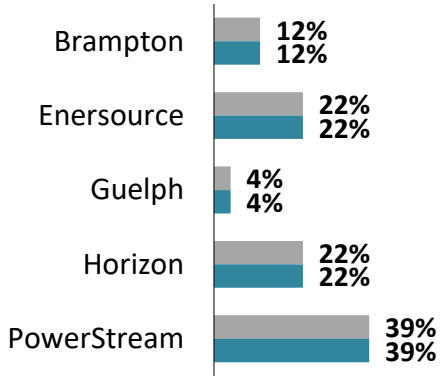
Note: Ranked in order by telephone responses.

Number of Employees



Note: 'Don't know' (T: 4%; O: 1%) not shown

Region



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INNOVATIVE RESEARCH GROUP

Reference Surveys: Environmental Controls

Residential & GS<50

Telephone versus Online
Environmental Controls

It is important to distinguish between what is within, and what is outside of Alectra's influence or control when it comes to drivers of customer opinion.

Perceptions of distributors often tend to move with general perceptions of ***Ontario's electricity sector*** rather than in response to the local utility.

Perceptions of utilities are also strongly correlated with ***financial circumstances***. In tough times perception and preference can change because customers are struggling with their bills, not because of anything the company has, or has not, done.

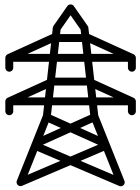
Control questions help distributors distinguish between:

a) utility driven programs that impact customer opinion; and

b) uncontrollable external drivers that impact customer opinion.

When conducting research in the energy sector, INNOVATIVE often tests multiple environmental controls to assess what role predispositions (customer values and beliefs – which can be difficult and costly to change) play in the formation of an opinion towards a utility.

In this study, our environmental controls focus on two key questions to help capture external phenomena:



General perceptions of Ontario's electricity sector: *Customers are well served by the electricity system in Ontario.*

Financial Circumstances: *The cost of my electricity bill has a major impact on [Residential: my finances / GS<50: the bottom line of my organization] and requires I do without some other important priorities.*

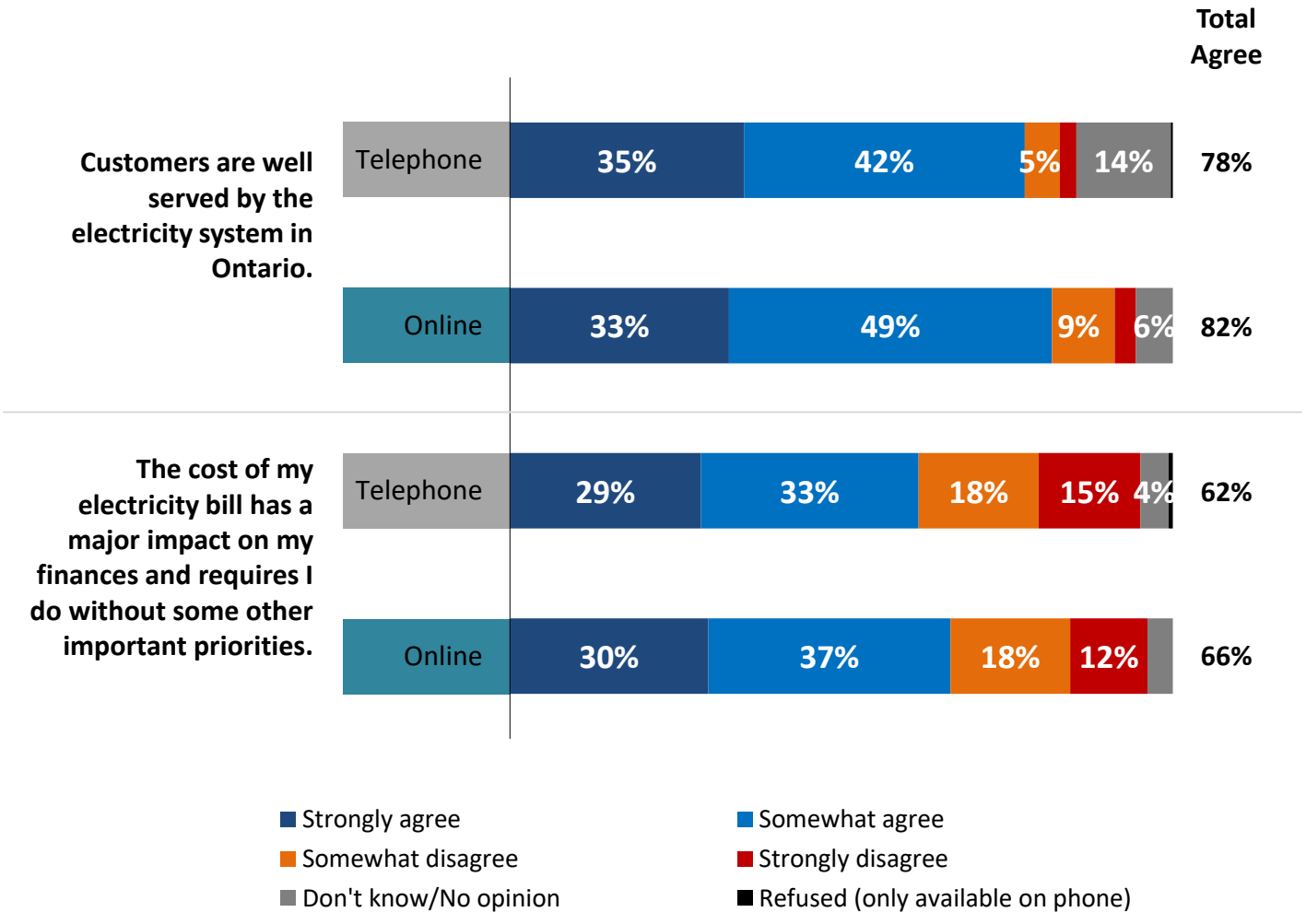
Telephone versus Online
Environmental Controls

Residential

[Telephone] Lastly, I'd like to ask you some general questions about the electricity system in Ontario.

For each statement, please tell me if you would strongly agree, somewhat agree, somewhat disagree or strongly disagree. If you don't know enough to say or don't have an opinion just let me know.

[Online] To what extent do you agree or disagree with the following statements?



NOTE: Sums added before rounding.

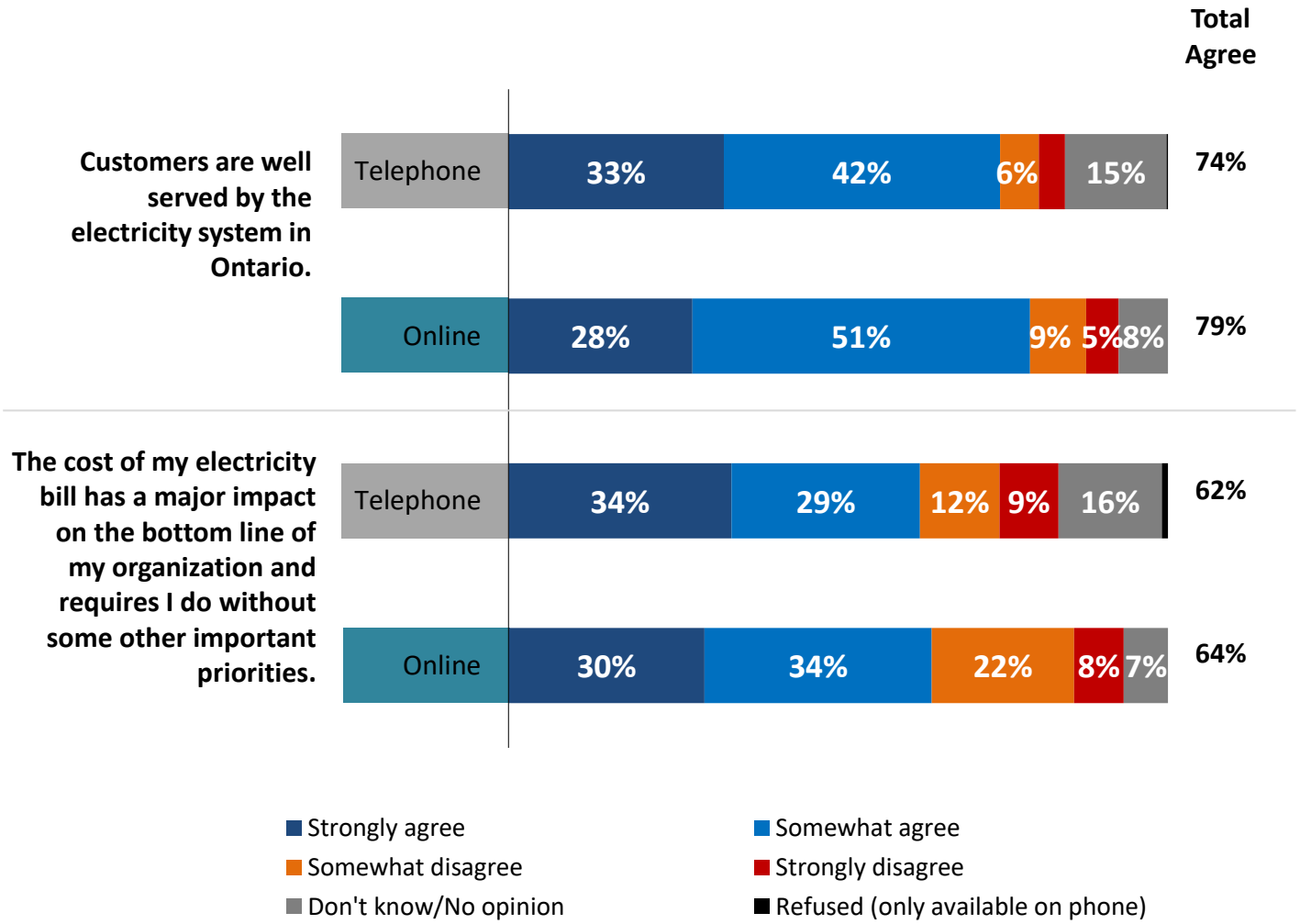
Telephone versus Online
Environmental Controls

GS<50

Q **[Telephone]** Lastly, I'd like to ask you some general questions about the electricity system in Ontario.

For each statement, please tell me if you would strongly agree, somewhat agree, somewhat disagree or strongly disagree. If you don't know enough to say or don't have an opinion just let me know.

[Online] To what extent do you agree or disagree with the following statements?



NOTE: Sums added before rounding.

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Reference Surveys: Customer Perceptions

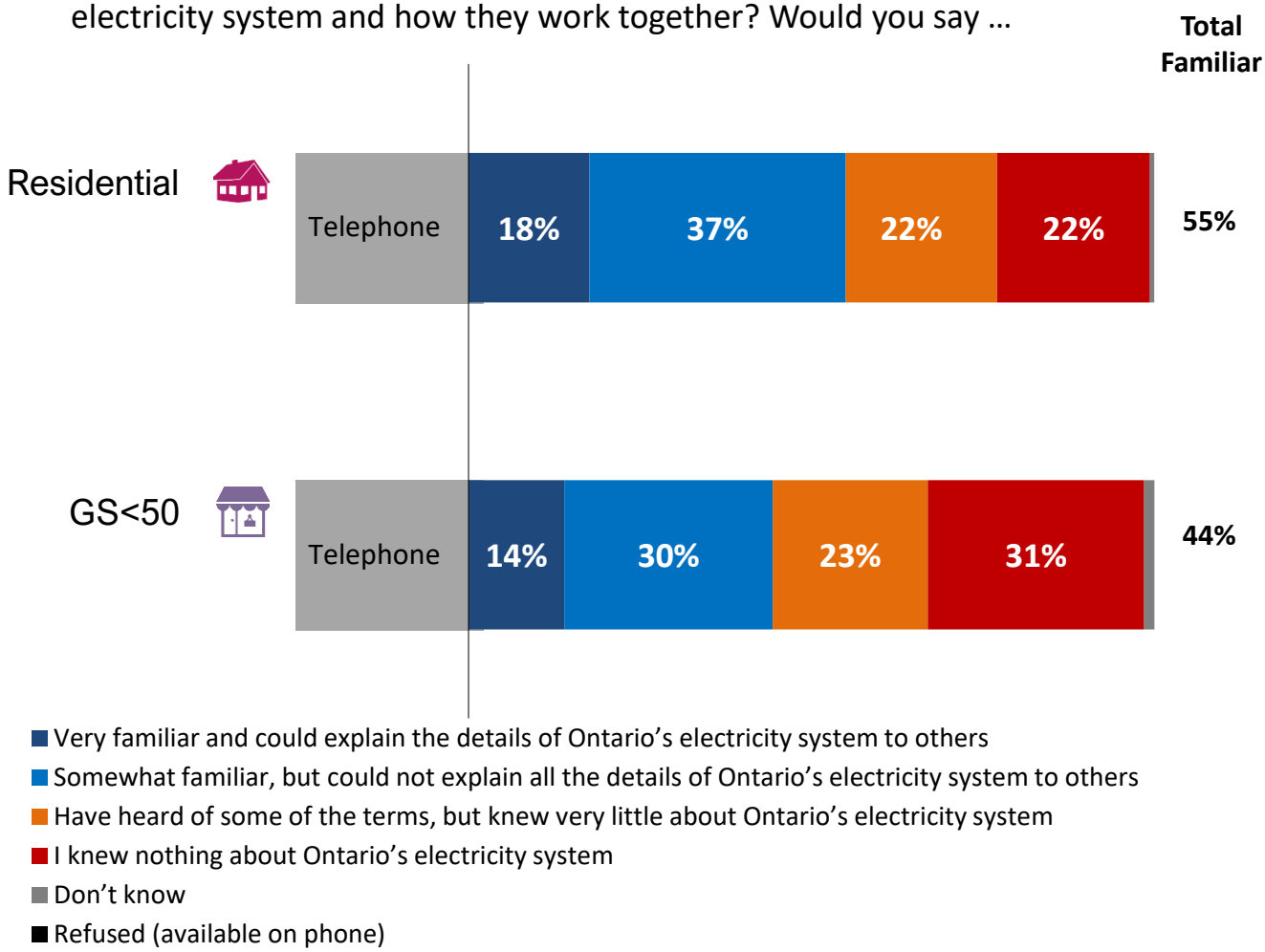
Residential & GS<50

Familiarity with Ontario's Electricity System

[TELEPHONE] As you may know, Ontario's electricity system has three key components: **generation**, **transmission** and **distribution**.

- **Generating stations** convert various forms of energy into electric power
- **Transmission lines** connect the power produced at generating stations to where it is needed across the province
- **Alectra Utilities** is responsible for the last step of the journey: distributing electricity to customers through its distribution network. This is the system that takes the electricity from provincial transmission lines and brings it to your home through a network of wires, poles and other equipment.

Before this survey, how familiar were you with the various parts of the electricity system and how they work together? Would you say …



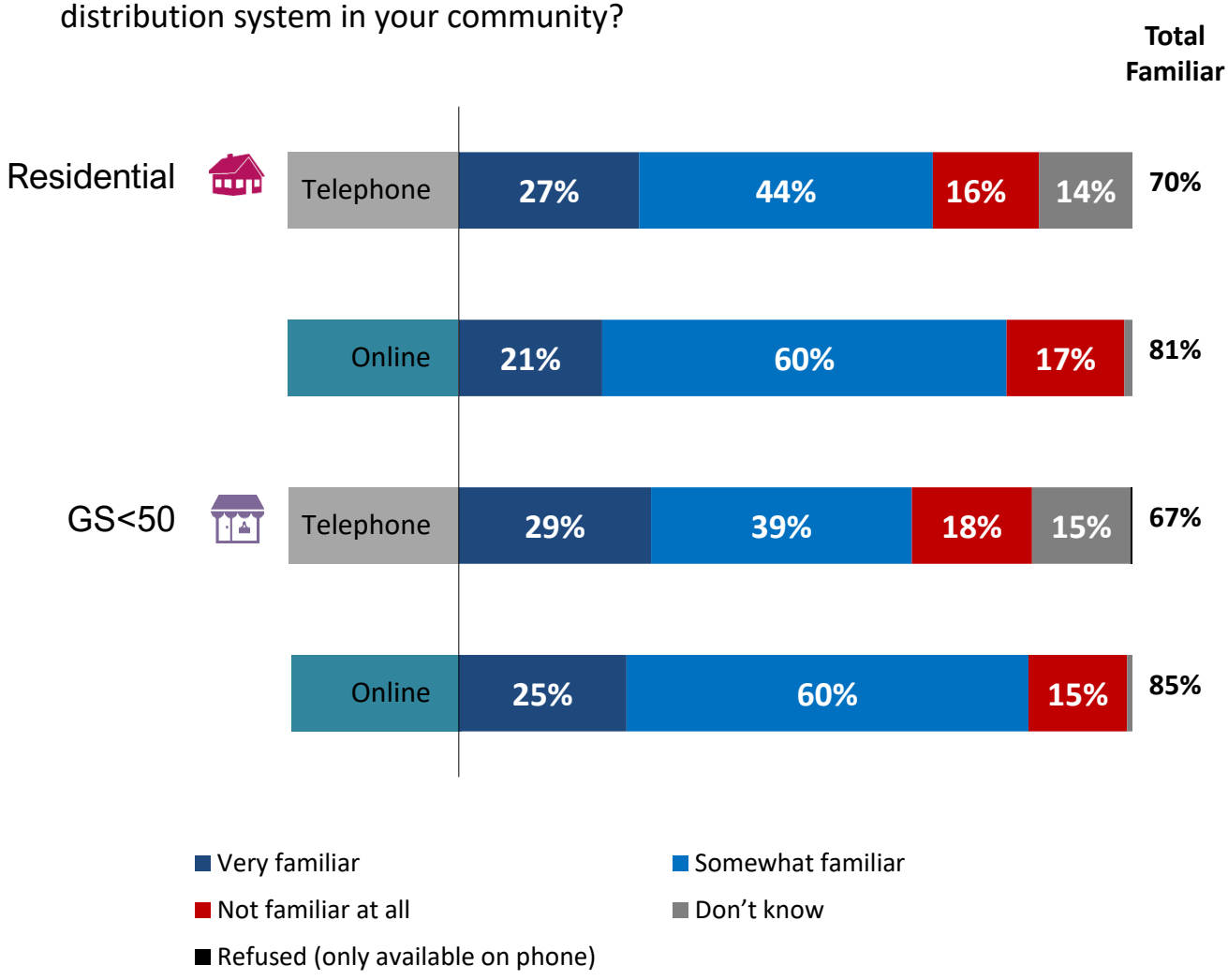
NOTE: This question is only asked on the telephone survey to provide an opportunity for customers to pause and absorb the information. Sums added before rounding.

INNOVATIVE RESEARCH GROUP

Familiarity with Alectra

Q **[TELEPHONE]** How familiar were you with Alectra, which operates the electricity distribution system in your community? Would you say you are very familiar, somewhat familiar, not familiar at all, or would you say you don't know enough to say?

[ONLINE] How familiar are you with Alectra, which operates the electricity distribution system in your community?

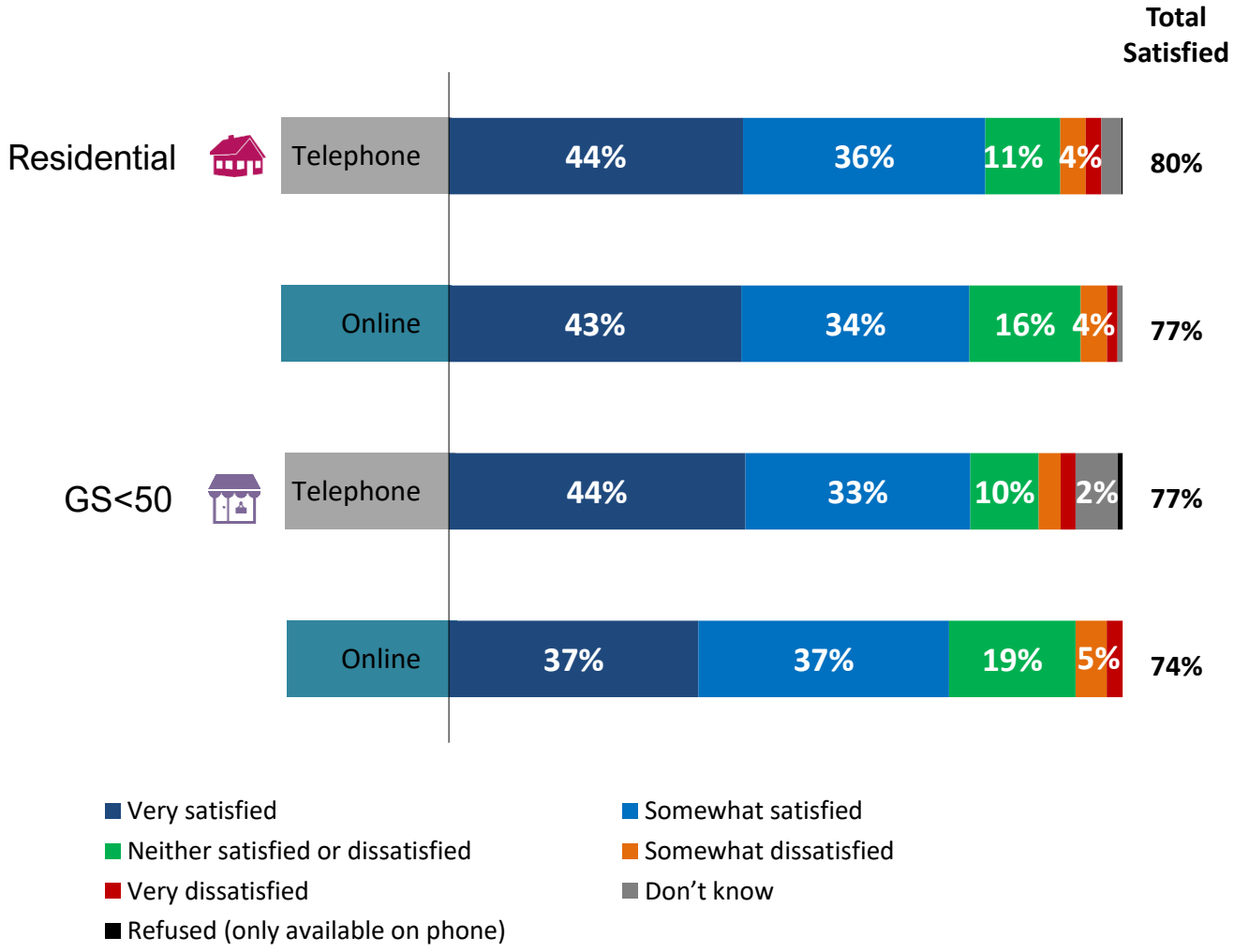


NOTE: Sums added before rounding.

Satisfaction with Alectra

[TELEPHONE] Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities? Would you say you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, very dissatisfied or would you say you don't know?

[ONLINE] Generally, how satisfied or dissatisfied are you with the services you receive/your organization receives from Alectra Utilities?



NOTE: Sums added before rounding.

INNOVATIVE RESEARCH GROUP

Building Understanding.

Acknowledgement

This report has been prepared by Innovative Research Group Inc. (INNOVATIVE) for Alectra. The conclusions drawn and opinions expressed are those of the authors.

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DRAFT

APPENDIX 02

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

Residential Needs and Preferences Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

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PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Online Survey

Survey Design & Methodology

Residential

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Residential Online Survey Completes

69% (668,669) of all 969,522 residential customer accounts provided Alectra with an email address. Removing duplicate email addresses leaves 608,910 unique email addresses.

A representative sample of the residential customers with an email address on Alectra's file received an email invitation to the **Residential Online Workbook**. The email invitation included a unique survey URL that linked back to their rate class, rate zone, and rate option. Alectra administered all email invitations. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **March 6th and March 28th, 2024**.

A total of **5,922** (unweighted) customers completed the online workbook.

Incentives

Customers who completed the survey were invited to enter a draw to win one of ten prizes. Each prize consisted of a $250 Amazon online gift card.

Online Survey
Survey Design & Methodology

Sample Weighting

The Residential online survey sample has been weighted proportionately by consumption quartile, rate zone and familiarity with Alectra in order to be representative of the broader Alectra service territory.

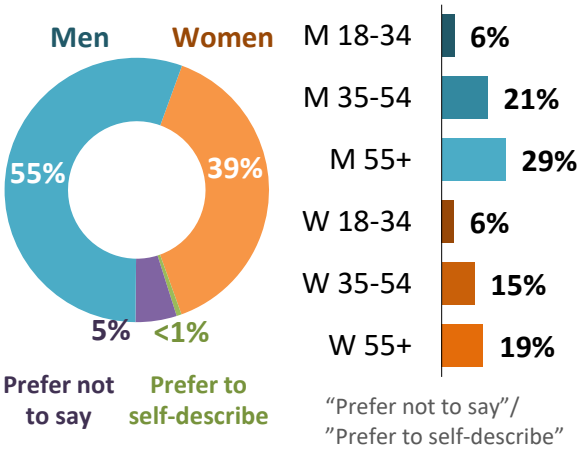
The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and familiarity with Alectra.

Rate Zone	Consumption Quartiles					Familiarity with Alectra		
	Total	Low	Medium-Low	Medium-High	High	Total	Familiar	Not Familiar
Hydro One Brampton (BRZ)	941 (659)	128 (82)	178 (139)	334 (193)	301 (244)	941 (659)	788 (495)	153 (164)
Enersource (ERZ)	1,131 (761)	340 (194)	319 (193)	250 (189)	222 (185)	1,131 (761)	933 (552)	198 (209)
Guelph Hydro (GRZ)	228 (182)	68 (56)	68 (50)	53 (43)	39 (33)	228 (182)	173 (111)	55 (71)
Horizon (HRZ)	1,597 (963)	576 (337)	395 (232)	349 (207)	277 (187)	1,597 (963)	1,319 (691)	278 (272)
PowerStream (PRZ)	2,025 (1435)	530 (331)	591 (386)	473 (367)	431 (351)	2,025 (1,435)	1,597 (964)	428 (471)
Total	5,922 (4,000)	1,642 (1,000)	1,551 (1,000)	1,459 (1,000)	1,270 (1,000)	5,922 (4,000)	4,810 (2,814)	1,112 (1,186)

Online Survey
Demographic Breakdown

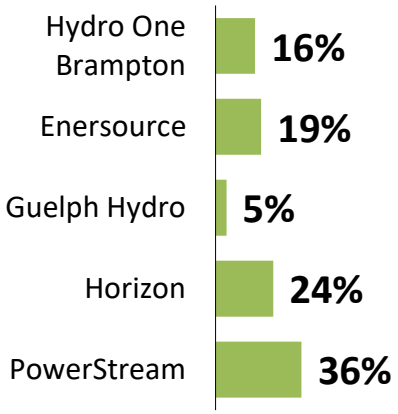
Residential

Gender & Age

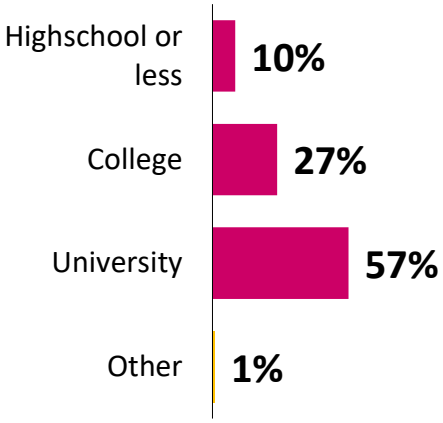


"Prefer not to say"/ "Prefer to self-describe" (6%) not shown.

Rate Zone

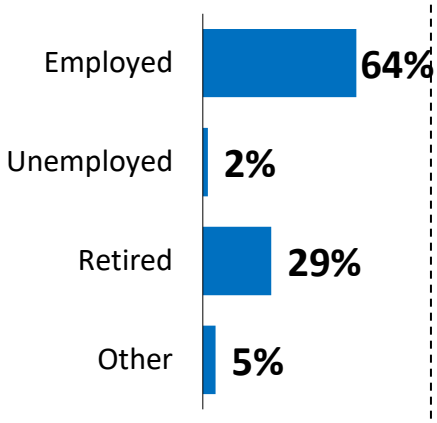


Education Level

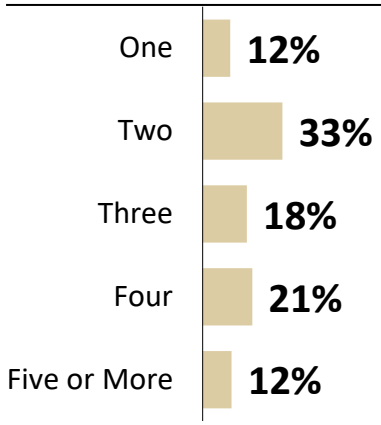


"Prefer not to say" (6%) not shown.

Employment Status

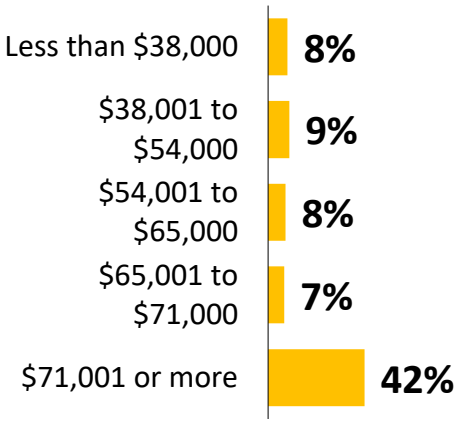


Household Size



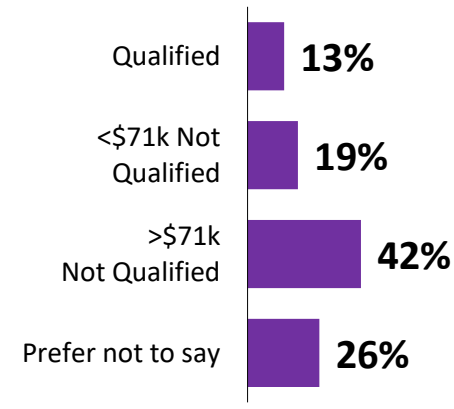
"Prefer not to say" (4%) not shown.

After Tax Household Income



"Prefer not to say" (26%) not shown.

LEAP/OESP Qualification*



*Calculation based on household size and after-tax income.

Alectra Utilities Customer Survey

Residential

Planning for the Future: About this Survey

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan. This plan will determine the investments in equipment and infrastructure, the services it provides, and the rates you pay.

Your input will focus on three things:

1. **Your experience with Alectra and how they can do better.**
2. **What outcomes matter most to you.**
3. **Different energy choices that Alectra planners need to consider.**

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions. If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

PAGE CONTINUES ON NEXT SLIDE

WORKBOOK

Alectra Utilities Customer Survey

Residential

Planning for the Future: About this Survey

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

As a company accountable to the provincial energy regulator, **the Ontario Energy Board (OEB),** all views and results will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

Your individual responses will be kept confidential. Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

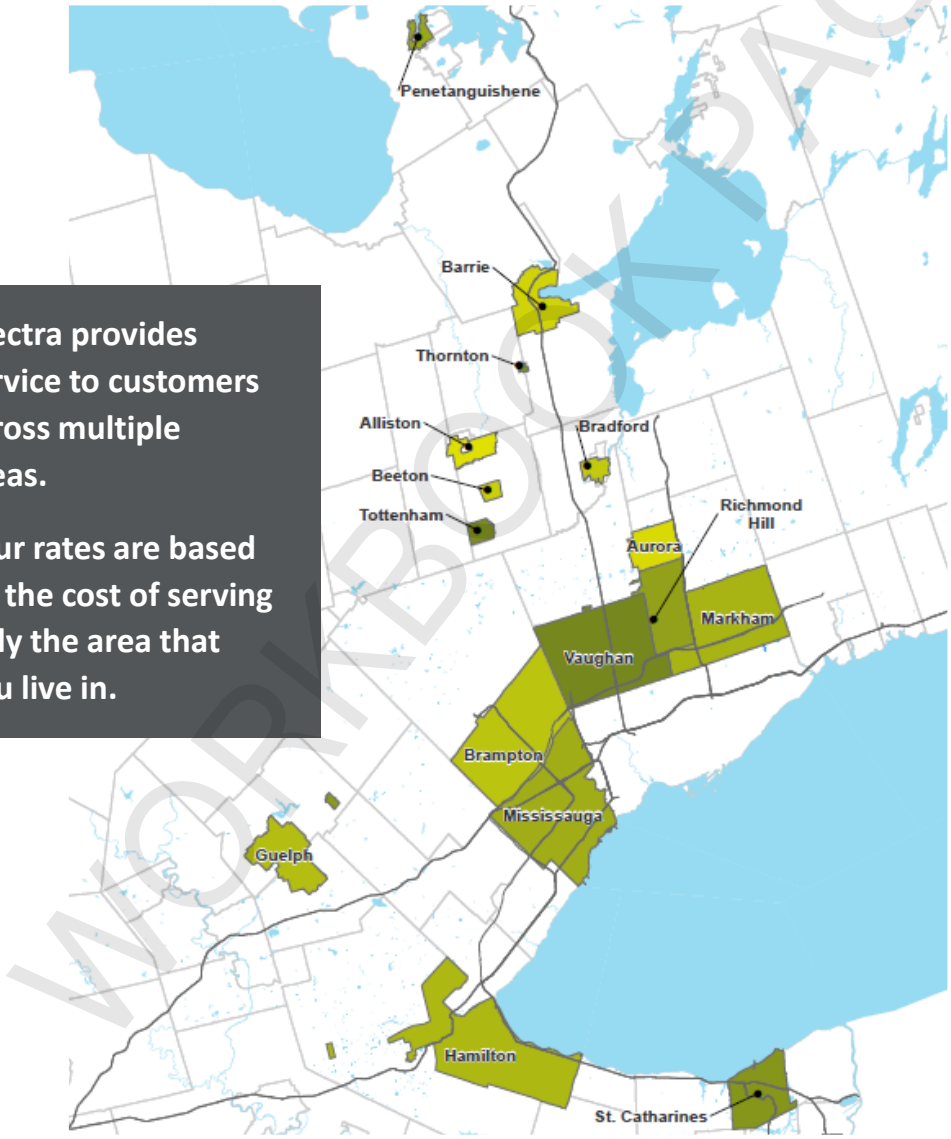
Residential

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Alectra provides service to customers across multiple areas.

Your rates are based on the cost of serving only the area that you live in.



WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

Residential

What is Alectra's role in Ontario's electricity system?

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: distributing electricity to customers through our distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of primary underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

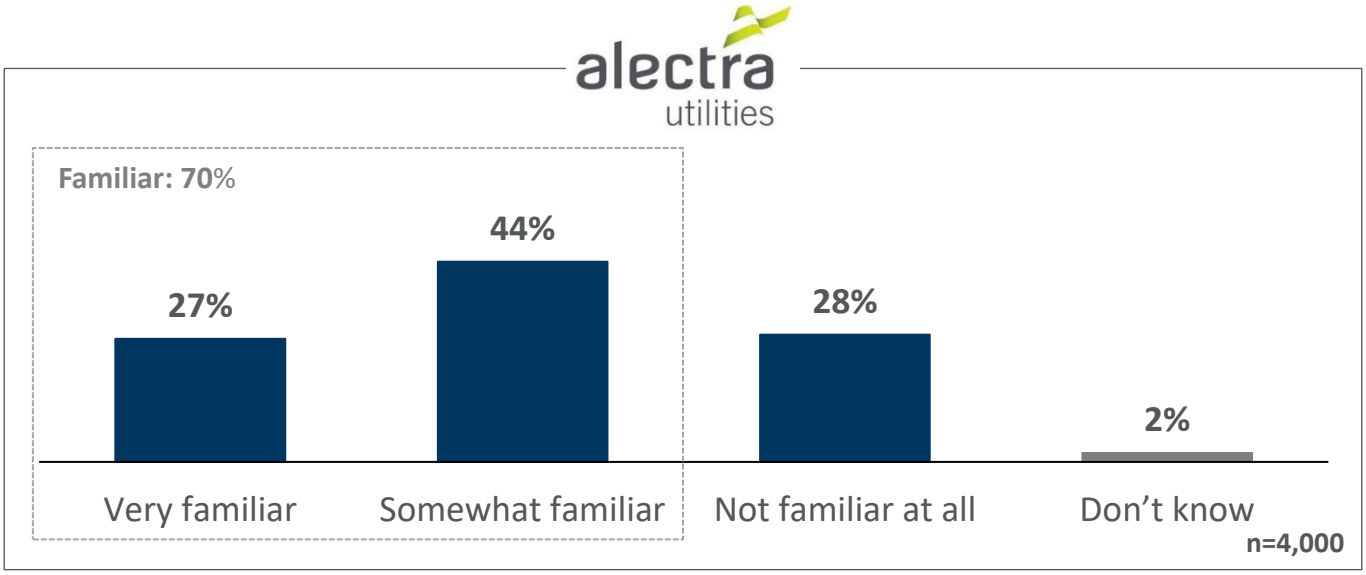
WORKBOOK PAGE

Online Workbook

Familiarity with Ontario's Electricity Distribution System

Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	27%	37%	29%	14%	25%	24%
Somewhat familiar	44%	38%	44%	47%	47%	43%
Not familiar at all	28%	23%	26%	38%	26%	30%
Don't know	2%	2%	1%	1%	2%	2%
Familiar (Very + Somewhat Familiar)	**70%**	**75%**	**73%**	**61%**	**72%**	**67%**

Online Workbook

Familiarity with Ontario's Electricity Distribution System

Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	27%	23%	26%	27%	30%
Somewhat familiar	44%	44%	44%	42%	44%
Not familiar at all	28%	31%	28%	28%	24%
Don't know	2%	2%	2%	2%	1%
Familiar (Very + Somewhat Familiar)	**70%**	**67%**	**70%**	**70%**	**74%**

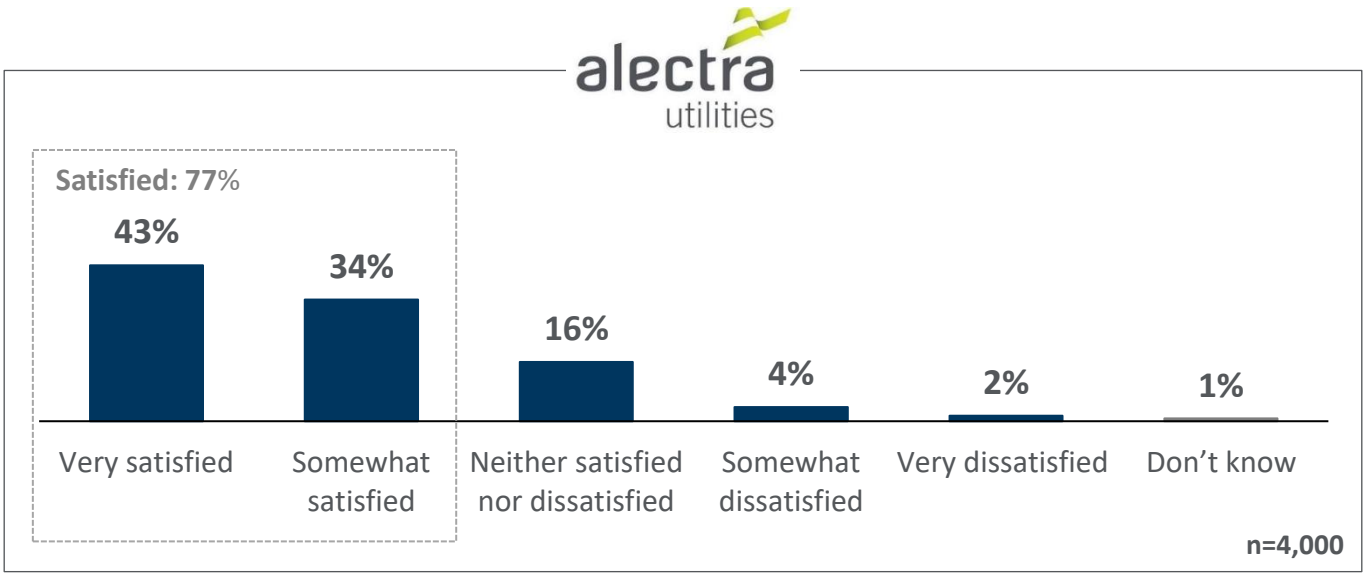
	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	27%	35%	25%	27%	23%
Somewhat familiar	44%	36%	46%	46%	43%
Not familiar at all	28%	27%	27%	26%	31%
Don't know	2%	3%	2%	1%	3%
Familiar (Very + Somewhat Familiar)	**70%**	**71%**	**71%**	**73%**	**66%**

Online Workbook

Satisfaction with Services from Alectra Utilities

Residential

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very satisfied	43%	49%	45%	35%	43%	41%
Somewhat satisfied	34%	31%	34%	39%	34%	35%
Neither satisfied nor dissatisfied	16%	13%	16%	19%	16%	18%
Somewhat dissatisfied	4%	4%	4%	3%	4%	4%
Very dissatisfied	2%	1%	1%	2%	2%	1%
Don't know	1%	1%	1%	1%	1%	<1%
Satisfied (Very + Somewhat)	**77%**	**80%**	**78%**	**74%**	**77%**	**76%**

Online Workbook

Satisfaction with Services from Alectra Utilities

Residential

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?

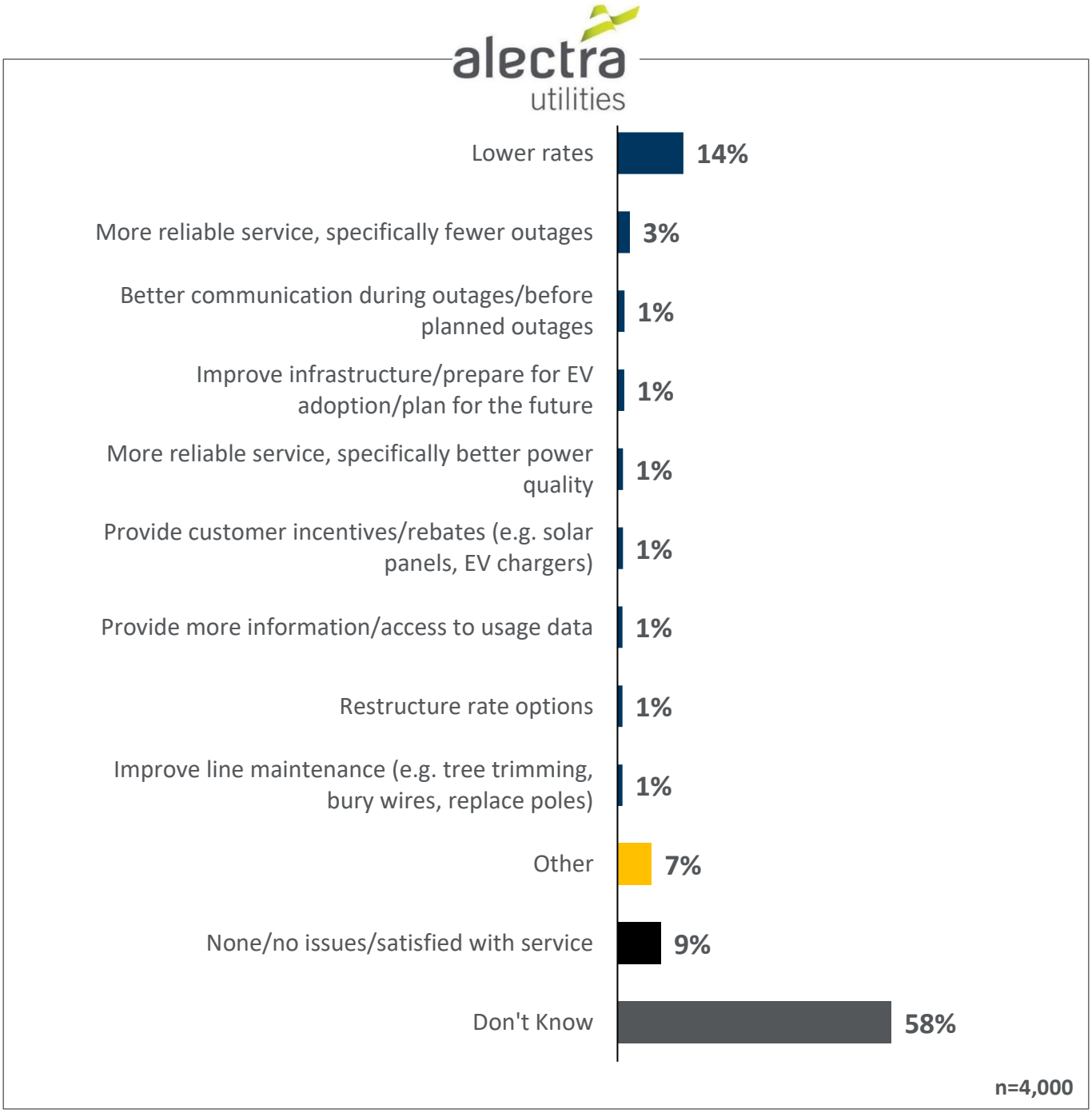
	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very satisfied	43%	45%	45%	42%	41%
Somewhat satisfied	34%	35%	32%	35%	34%
Neither satisfied nor dissatisfied	16%	15%	17%	17%	17%
Somewhat dissatisfied	4%	3%	3%	4%	5%
Very dissatisfied	2%	1%	2%	1%	2%
Don't know	1%	1%	1%	1%	1%
Satisfied (Very + Somewhat Satisfied)	**77%**	**80%**	**77%**	**77%**	**75%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very satisfied	43%	51%	48%	44%	36%
Somewhat satisfied	34%	28%	33%	35%	36%
Neither satisfied nor dissatisfied	16%	13%	14%	16%	21%
Somewhat dissatisfied	4%	5%	4%	3%	4%
Very dissatisfied	2%	2%	1%	2%	1%
Don't know	1%	1%	1%	1%	1%
Satisfied (Very + Somewhat Satisfied)	**77%**	**79%**	**80%**	**79%**	**72%**

Online Workbook
Areas for Improvement

Residential

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to you? [OPEN]



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NOTE: Refused (<1%) not shown.

Online Workbook
Areas for Improvement

Residential

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to you? [OPEN]

Sample Verbatims
Lower rates
"Lower rates by taking some of the fees away."
"Do everything possible to keep the cost of electricity down. Utility bills are becoming more difficult to manage."
More reliable service, specifically fewer outages
"We have had the power go down a few times in the past year, more than it used to. Most of the time it comes back up within hours."
"We experience enough power outages in our neighbourhood that I am certain there are infrastructure problems…the service needs to improve."
Better communication during outages/before planned outages
"Improve outage notification including ETA for resolution."
Improve infrastructure/prepare for EV adoption/plan for the future
"I believe that our neighbourhood infrastructure is a bit older and needs updating to support the growing demand for car chargers and heat pumps."
More reliable service, specifically better power quality
"Reduce the number of micro-outages that take a toll on electronics and major appliances. These occur too frequently!"
Provide customer service incentives/rebates (e.g. solar panels, EV chargers)
"I like the incentive programs for energy efficient items in the home. More of these types of initiatives would be nice."
Provide more information/access to usage data
"I would like to see a better break down on where my energy is spent, ways I can save on my bill (not generally but specific to my usage). It is hard to know why my bill fluctuates so much."
Restructure rate options
"Have better rate options for people that work from home."

Online Workbook
Areas for Improvement

Residential

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to you? [OPEN]

Sample Verbatims (cont.)
Improve line maintenance (e.g. tree trimming, bury wires, replace poles)
"Replacing overhead wires so less outages. Very old pole in my backyard."
Other
"Better billing notification. Just a monthly email can get lost. Perhaps an app or automatic billing."
"Greater transparency on the delivery charge determination."
"Use more renewable and sustainable sources of electric power - wind and solar."
"Proactively provide meaningful energy/cost saving advice and tips to us the consumer, that we can apply to our day-to-day living, especially for the winter months so we can control what results in our billing amounts during this period."

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

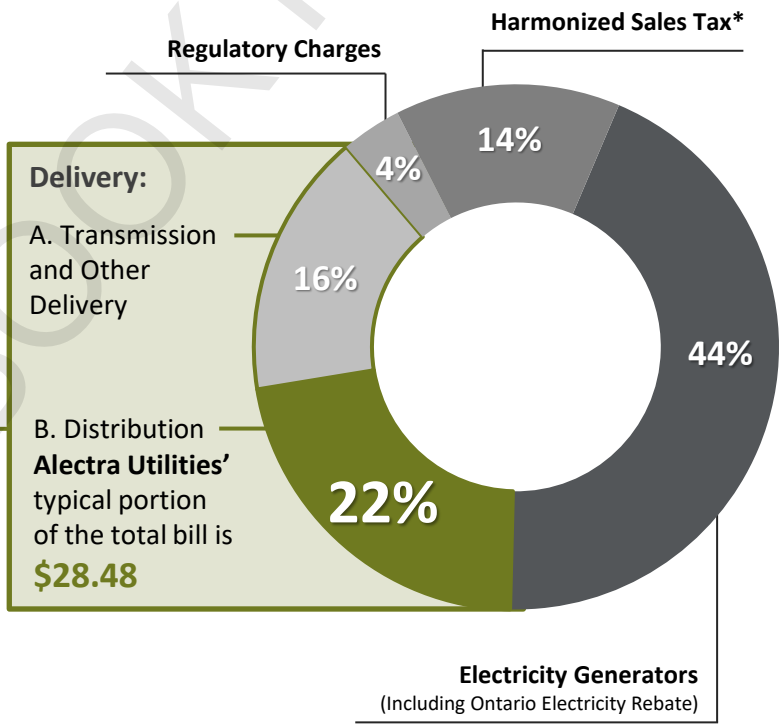
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	49.65
Regulatory Charges	4.83
Total Electricity Charges	**$137.99**
HST	17.94
Ontario Electricity Rebate	($26.63)
Total Amount	**$129.29**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
ERZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

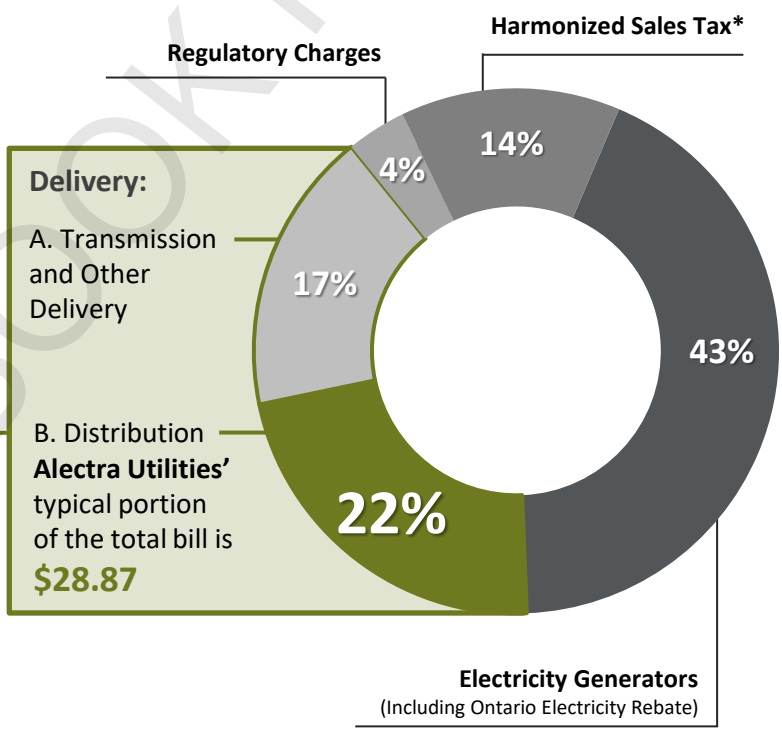
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	51.80
Regulatory Charges	4.83
Total Electricity Charges	**$140.14**
HST	18.22
Ontario Electricity Rebate	($27.05)
Total Amount	**$131.31**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 25% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

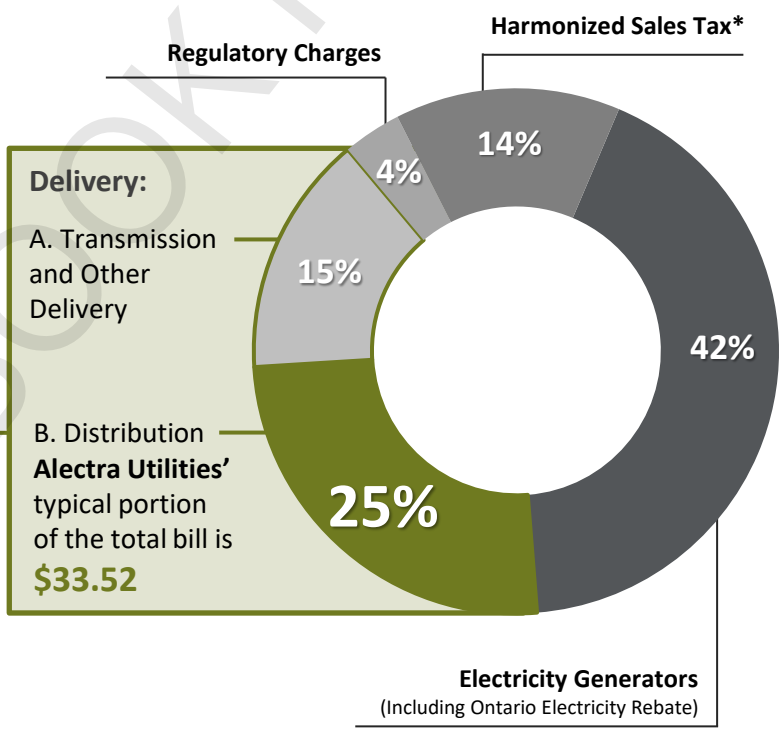
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	53.27
Regulatory Charges	4.79
Total Electricity Charges	**$141.57**
HST	18.40
Ontario Electricity Rebate	($27.32)
Total Amount	**$132.66**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
HRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

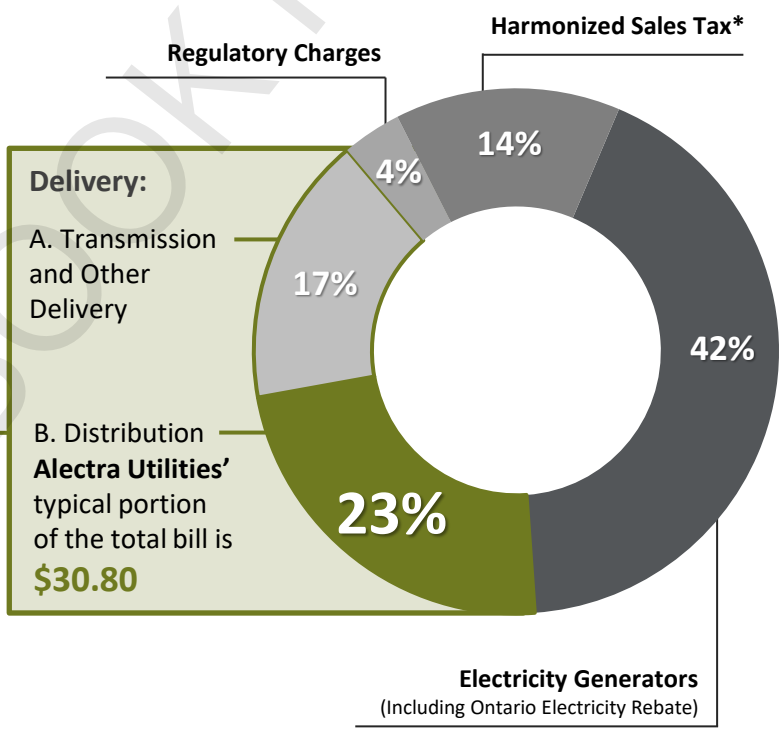
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	52.91
Regulatory Charges	4.84
Total Electricity Charges	**$141.26**
HST	18.36
Ontario Electricity Rebate	($27.26)
Total Amount	**$132.36**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
PRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 25% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

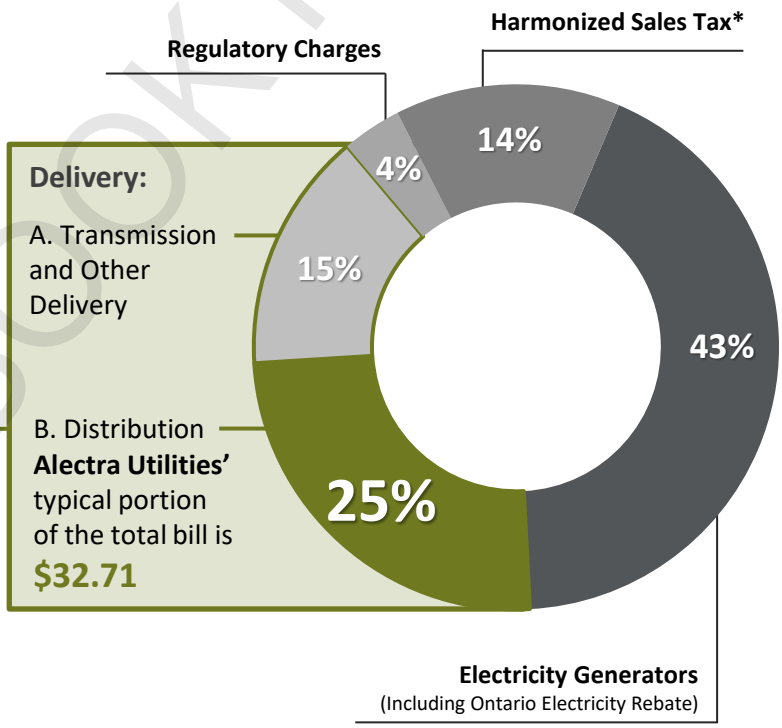
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	52.26
Regulatory Charges	4.84
Total Electricity Charges	**$140.61**
HST	18.28
Ontario Electricity Rebate	($27.14)
Total Amount	**$131.71**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

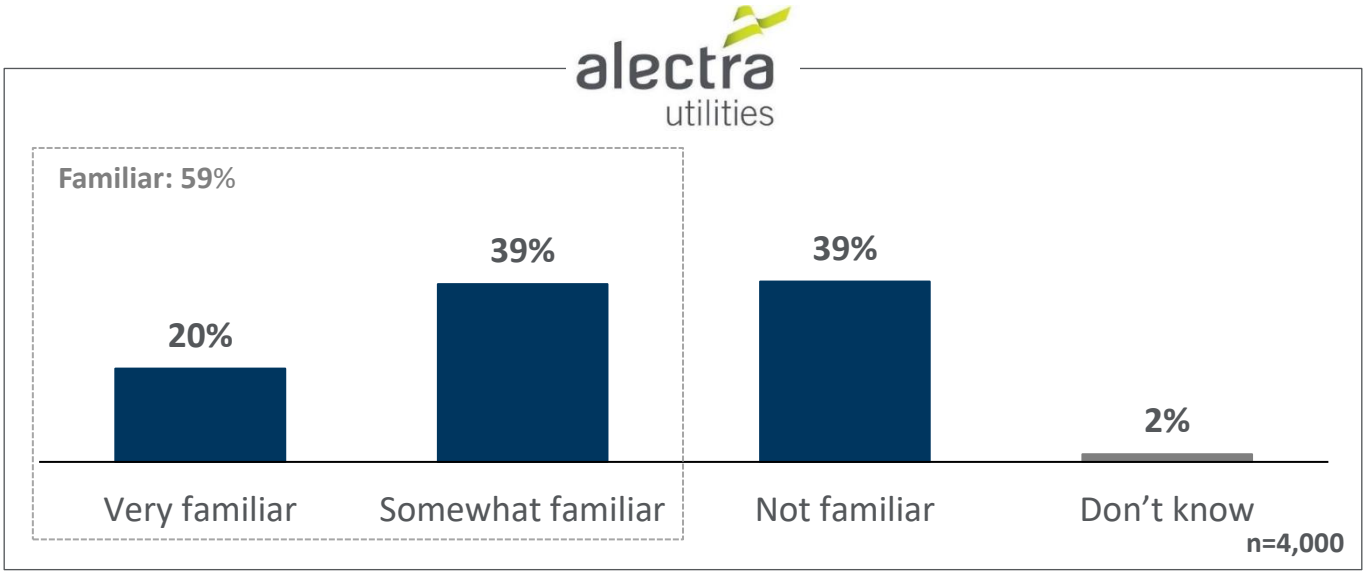
NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Online Workbook

Familiarity with Electricity Bill

Residential

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	20%	28%	20%	14%	19%	18%
Somewhat familiar	39%	37%	36%	31%	38%	43%
Not familiar	39%	33%	43%	54%	42%	37%
Don't know	2%	2%	1%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**59%**	**65%**	**56%**	**45%**	**57%**	**61%**

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Online Workbook

Familiarity with Electricity Bill

Residential

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	20%	18%	20%	20%	23%
Somewhat familiar	39%	37%	38%	42%	38%
Not familiar	39%	42%	41%	37%	38%
Don't know	2%	2%	1%	2%	1%
Familiar (Very + Somewhat Familiar)	**59%**	**55%**	**58%**	**62%**	**61%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	20%	26%	19%	20%	19%
Somewhat familiar	39%	40%	38%	38%	39%
Not familiar	39%	33%	41%	40%	39%
Don't know	2%	2%	2%	1%	2%
Familiar (Very + Somewhat Familiar)	**59%**	**66%**	**57%**	**58%**	**58%**

Alectra Utilities Customer Survey

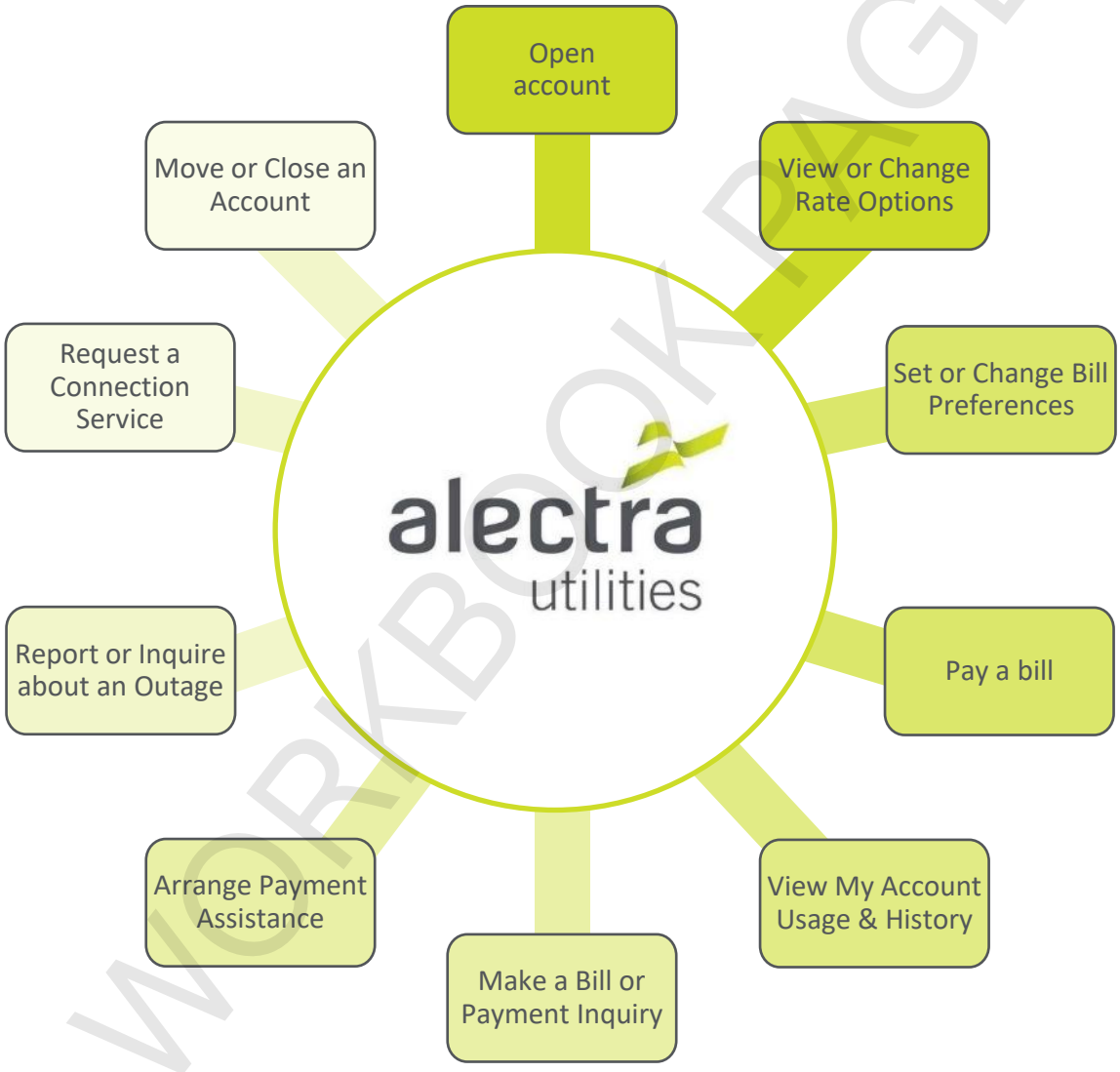
Residential

Planning for the Future: Customer Outcomes

Customer Service Experience

There are many ways that customers interact with Alectra. The diagram below is based on previous customer feedback and intended to help you recall various ways you may have interacted with Alectra – across Web, Phone, Email, Social media, and In-Person experiences.

Please review and then answer the questions below to help Alectra ensure they have fully captured customer needs.



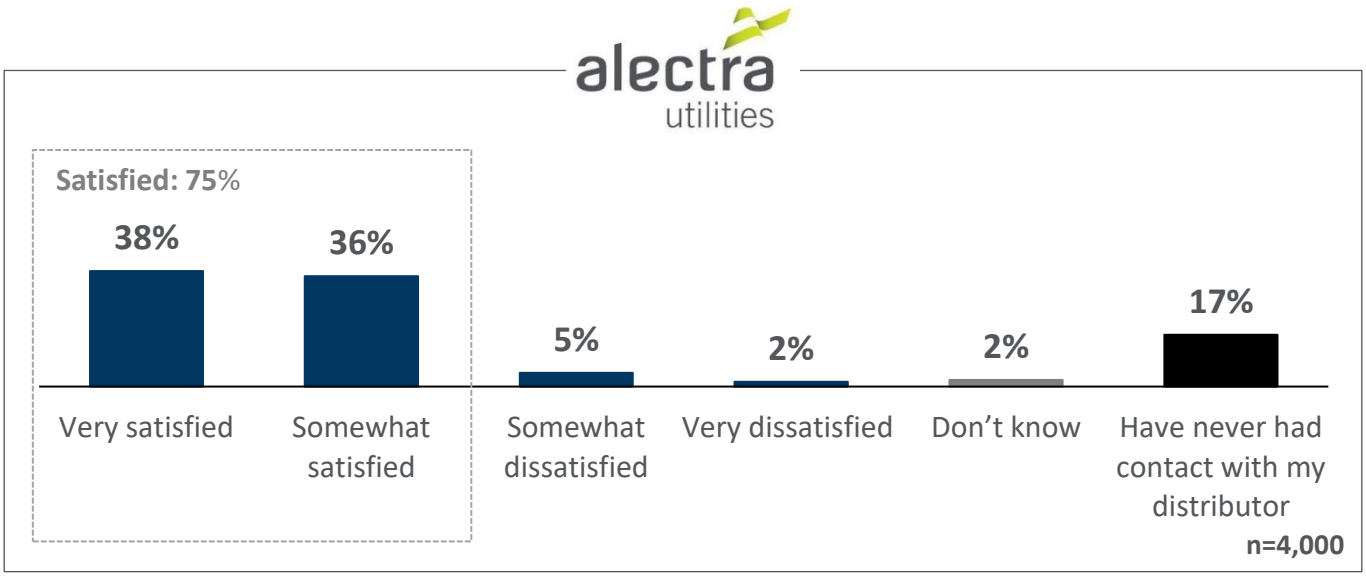
WORKBOOK PAGE

Online Workbook

Satisfaction with Customer Service Experience

Residential

Q Thinking about all the interactions you may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very satisfied	38%	44%	37%	38%	42%	34%
Somewhat satisfied	36%	33%	35%	29%	36%	40%
Somewhat dissatisfied	5%	4%	5%	7%	4%	5%
Very dissatisfied	2%	2%	2%	1%	1%	1%
Don't know	2%	2%	2%	3%	2%	2%
Have never had contact with my distributor	17%	16%	19%	22%	15%	18%
Satisfied (Very + Somewhat Satisfied)	**75%**	**77%**	**72%**	**67%**	**78%**	**74%**

Online Workbook

Satisfaction with Customer Service Experience

Residential

Q Thinking about all the interactions you may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?

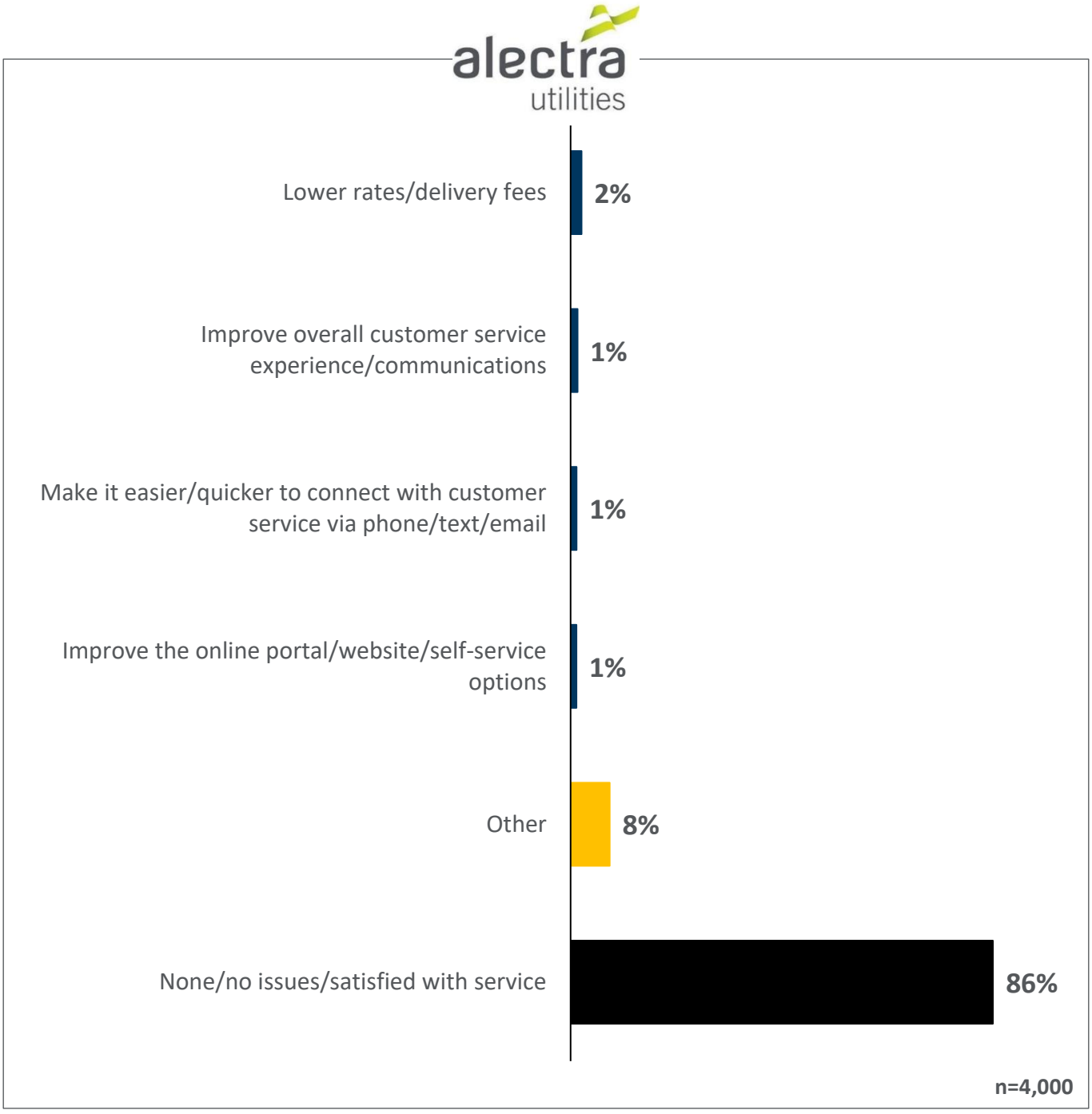
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very satisfied	38%	40%	38%	37%	37%
Somewhat satisfied	36%	36%	35%	38%	38%
Somewhat dissatisfied	5%	4%	5%	5%	5%
Very dissatisfied	2%	1%	1%	1%	2%
Don't know	2%	3%	2%	2%	2%
Have never had contact with my distributor	17%	16%	19%	17%	17%
Satisfied (Very + Somewhat Satisfied)	**75%**	**76%**	**73%**	**75%**	**75%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very satisfied	38%	44%	43%	38%	32%
Somewhat satisfied	36%	33%	34%	38%	37%
Somewhat dissatisfied	5%	5%	4%	4%	5%
Very dissatisfied	2%	3%	1%	2%	1%
Don't know	2%	3%	2%	2%	3%
Have never had contact with my distributor	17%	12%	17%	16%	21%
Satisfied (Very + Somewhat Satisfied)	**75%**	**77%**	**77%**	**76%**	**69%**

Online Workbook
Meeting Customers' Needs

Residential

Q Thinking about all the interactions you may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?



Online Workbook
Meeting Customers' Needs

Residential

Q Thinking about all the interactions you may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Sample Verbatims
Lower rates/delivery fees
"Looking into the possibility of lowering the rate charges…taking out membership fee on registration."
Improve overall customer service experience/communications
"Enhanced Communication Channels: Providing more accessible and diverse communication channels can facilitate better interaction between customers and Alectra Utilities. This could include options such as live chat support, a dedicated mobile app, or improved social media responsiveness."
Make it easier/quicker to connect with customer service via phone/text/email
"I don't use social media. Access via telephone (landline) is very important. There have been issues in the past of your phone system sends you in circles just to get rid of you! On occasions, there does not seem to be a person to talk to or directed to when your computer menu doesn't list what information/who you are looking for."
Improve the online portal/website/self-service options
"Website login is a bit confusing with the tabs for account login and email login. Also, the login button is one of the smaller buttons on the page, while other less used buttons are bigger and use the same color scheme. Please update your login page."
Other
"I would like to be able to feed electricity into the system from a technology such as solar panels and be paid for it. Is that the responsibility of Alectra or the provincial government?"
"Not sure whether my account is in the best rate options."
"I'm not sure Alectra's Board Meetings are open to the public? Perhaps inviting [the] public to be allowed to sit in and gain a better view/understanding of the utility's agenda [and] concerns would be helpful."

Alectra Utilities Customer Survey

Residential

Planning for the Future: Electricity 101

How are electricity distribution rates set?

The electricity industry in Ontario is regulated by the Ontario Energy Board (OEB). The OEB sets electricity rates in Ontario.

- Electricity distributors are funded by the distribution rates paid by their customers. Periodically, distributors are required to file rate applications with the OEB to justify the amount of funding they need to safely and reliably distribute electricity to their customers.
- The OEB requires Alectra to consider customers' needs, outcomes and preferences as Alectra develops its' business and distribution system plan, including spending and investment decisions.
- Customers like you will have at least three opportunities to provide input into Alectra's long term planning process:

How customer input guides Alectra's planning process:

1 — Customers Identify Needs, Preferences and Priorities
Customers provide initial input to Alectra's planners through this survey on your needs and priorities.

2 — Use Customer Feedback to Guide the Draft Plan
Alectra's planners will consider views from this survey as they develop their initial plans.

3 — Customers Provide Feedback on the Draft Plan
Customers provide feedback on how the draft plan could better meet their needs and preferences.

4 — Use Customer Feedback to Finalize the Plan
Alectra's planners will re-examine the draft plan and make changes based off of feedback provided by customers in Step 3.

5 — Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

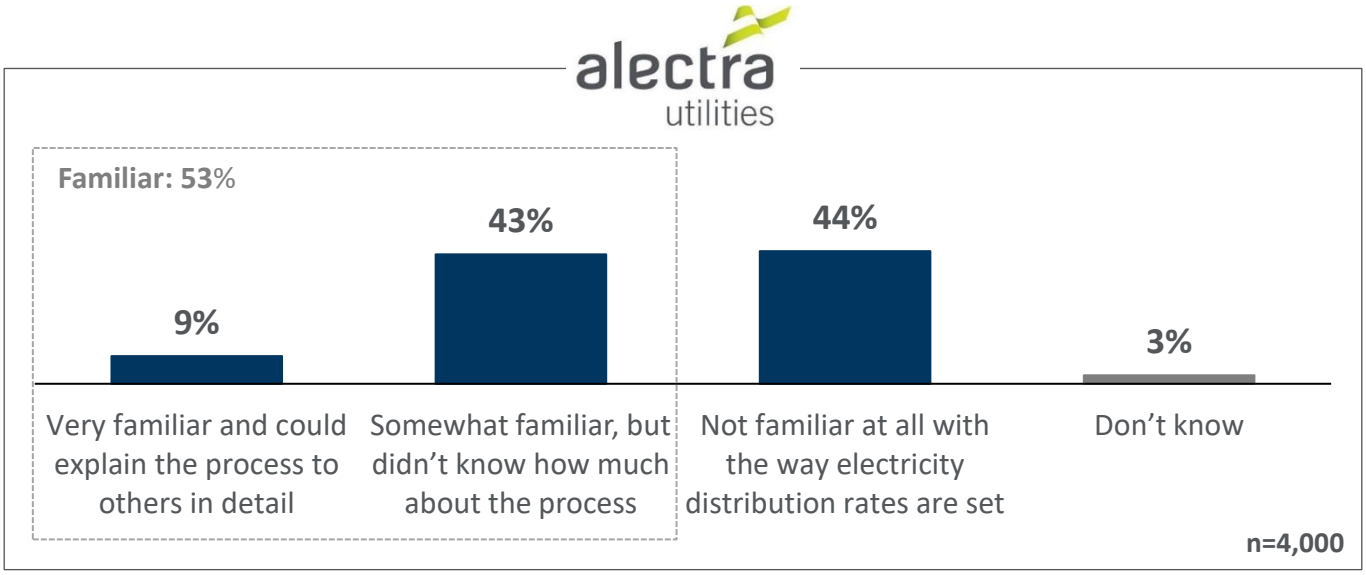
WORKBOOK PAGE

Online Workbook

Familiarity with Electricity Distribution Rates

Residential

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	9%	16%	8%	6%	8%	8%
Somewhat familiar	43%	43%	44%	38%	43%	45%
Not familiar at all	44%	37%	45%	54%	47%	45%
Don't know	3%	4%	3%	3%	2%	2%
Familiar (Very + Somewhat Familiar)	**53%**	**59%**	**52%**	**44%**	**51%**	**53%**

Online Workbook

Familiarity with Electricity Distribution Rates

Residential

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?

	Overall	Consumption Quartiles: Low	Medium-Low	Medium-High	High
Very familiar	9%	9%	9%	9%	11%
Somewhat familiar	43%	40%	44%	45%	44%
Not familiar at all	44%	48%	45%	43%	42%
Don't know	3%	3%	3%	2%	3%
Familiar (Very + Somewhat Familiar)	**53%**	**49%**	**52%**	**55%**	**55%**

	Overall	LEAP/OESP Qualification: Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very familiar	9%	15%	9%	9%	8%
Somewhat familiar	43%	41%	41%	45%	44%
Not familiar at all	44%	39%	47%	45%	45%
Don't know	3%	5%	2%	2%	4%
Familiar (Very + Somewhat Familiar)	**53%**	**56%**	**51%**	**54%**	**51%**

Alectra Utilities Customer Survey

Residential

Planning for the Future: Customer Outcomes

What are the goals you want Alectra Utilities to focus on?

Now let's talk about outcomes. Alectra Utilities talks to customers to better understand how it should set spending priorities with the money customers pay for service.

In recent conversations with customers, a number of possible goals were identified as potential priorities for Alectra Utilities. Below you will find a list of these potential priorities.

WORKBOOK PAGE

Online Workbook
Priorities

Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

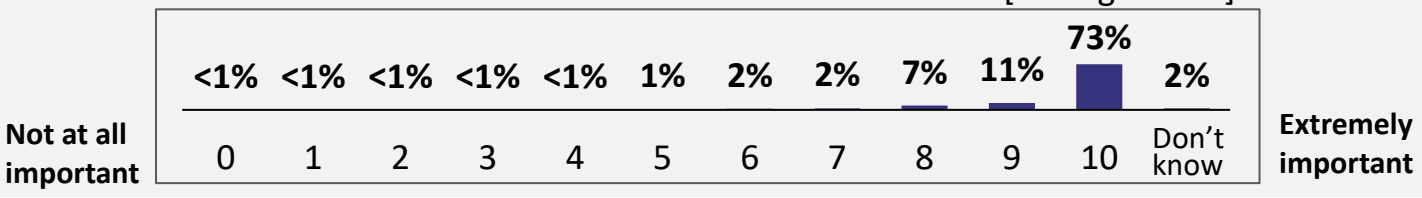
Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Provide reliable electrical service.	***Provide reliable electrical service.***
Deliver reasonable electricity distribution prices.	***Deliver reasonable electricity distribution prices.***
Protect the safety of customers and employees.	***Protect the safety of customers and employees.***
Consistently meet customer service expectations.	***Consistently meet customer service expectations.***
Help customers adopt new technology.	***Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.***
Help customers manage their power consumption.	***Help customers better manage their electricity consumption.***
Minimize impact on the environment.	***Minimize impact on the environment.***
Expand the grid to enable adoption of new tech.	***Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.***

Online Workbook
Priorities

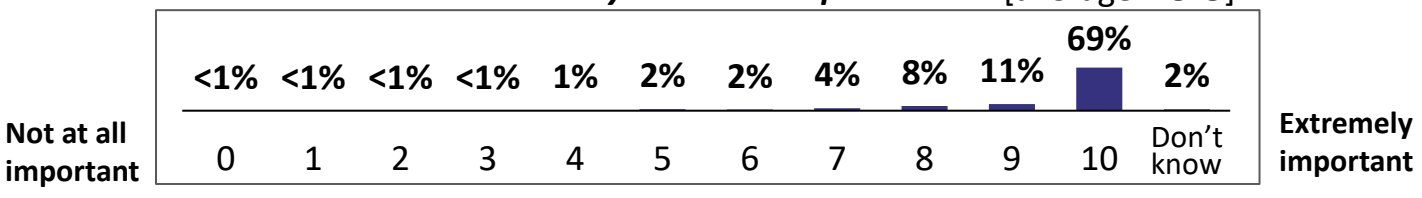
Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

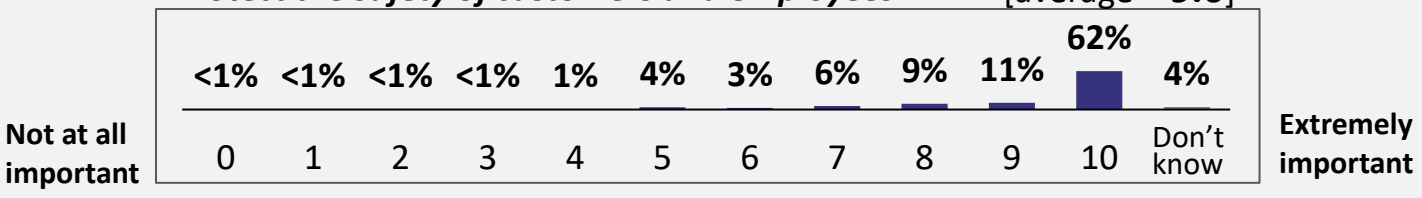
Provide reliable electrical service [average = **9.4**]



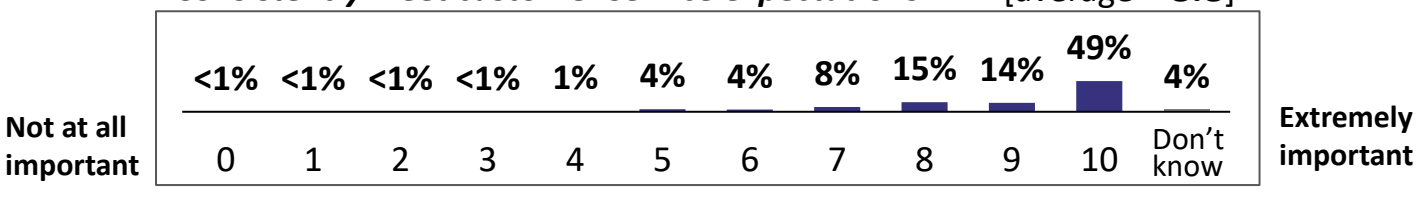
Deliver reasonable electricity distribution prices [average = **9.3**]



Protect the safety of customers and employees [average = **9.0**]



Consistently meet customer service expectations [average = **8.8**]



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

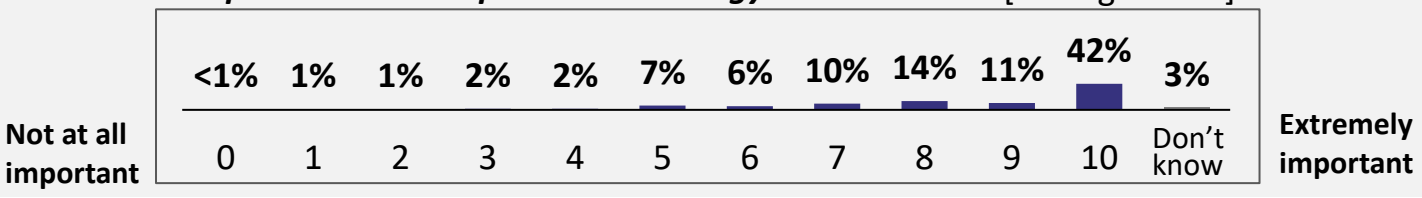
INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

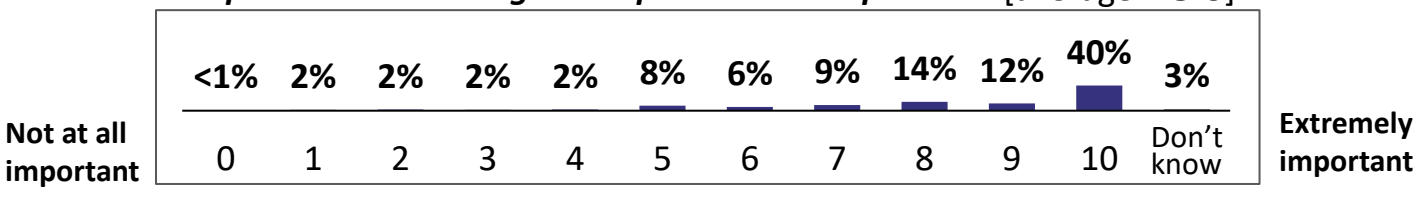
Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

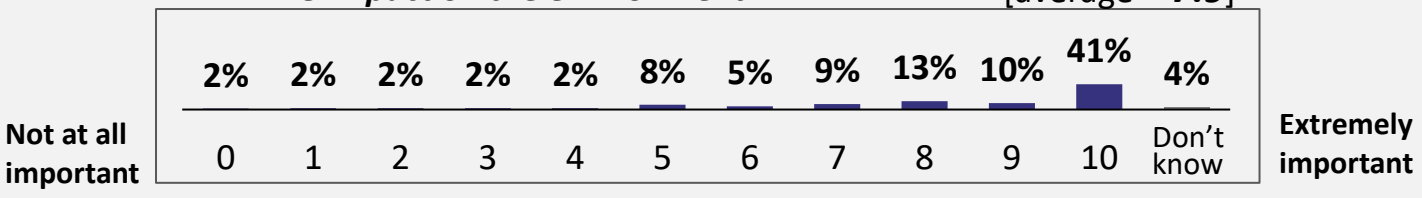
Help customers adopt new technology [average = **8.1**]



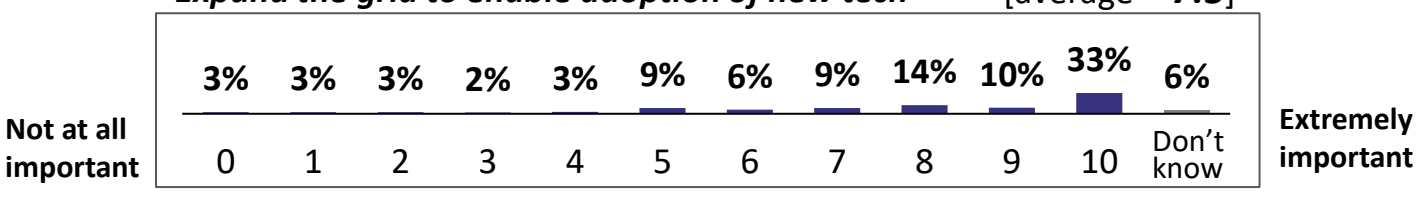
Help customers manage their power consumption [average = **8.0**]



Minimize impact on the environment [average = **7.9**]



Expand the grid to enable adoption of new tech [average = **7.5**]



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

Residential

Q How important are each of these to you?

Average Score	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Provide reliable electrical service	9.4	9.3	9.5	9.5	9.5	9.4
Deliver reasonable electricity distribution prices	9.3	9.2	9.4	9.2	9.3	9.3
Protect the safety of customers and employees	9.0	9.1	9.1	8.9	9.0	9.0
Consistently meet customer service expectations	8.8	8.9	8.8	8.7	8.8	8.7
Help customers adopt new technology	8.1	8.4	8.2	7.9	8.0	8.1
Help customers manage their power consumption	8.0	8.5	8.0	8.0	7.9	7.9
Minimize impact on the environment	7.9	8.2	7.8	8.1	8.0	7.7
Expand the grid to enable adoption of new tech	7.5	7.9	7.5	7.6	7.1	7.5

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

Residential

Q How important are each of these to you?

Average Score	Overall	Consumption Quartiles: Low	Medium -Low	Medium -High	High
Provide reliable electrical service	9.4	9.4	9.5	9.5	9.4
Deliver reasonable electricity distribution prices	9.3	9.3	9.3	9.3	9.2
Protect the safety of customers and employees	9.0	9.0	9.0	9.1	9.0
Consistently meet customer service expectations	8.8	8.7	8.9	8.8	8.7
Help customers adopt new technology	8.1	8.1	8.2	8.2	8.2
Help customers manage their power consumption	8.0	8.0	8.0	8.1	8.0
Minimize impact on the environment	7.9	8.0	8.0	7.8	7.8
Expand the grid to enable adoption of new tech	7.5	7.2	7.5	7.5	7.6

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

Residential

Q How important are each of these to you?

Average Score	Overall	Qualified	LEAP/OESP Qualification <$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Provide reliable electrical service	9.4	9.3	9.4	9.5	9.5
Deliver reasonable electricity distribution prices	9.3	9.0	9.2	9.3	9.4
Protect the safety of customers and employees	9.0	9.0	9.1	8.9	9.1
Consistently meet customer service expectations	8.8	8.8	8.7	8.7	8.9
Help customers adopt new technology	8.1	8.4	8.3	8.0	8.1
Help customers manage their power consumption	8.0	8.3	8.2	7.8	8.1
Minimize impact on the environment	7.9	8.3	8.2	7.7	7.8
Expand the grid to enable adoption of new tech	7.5	7.4	7.4	7.6	7.3

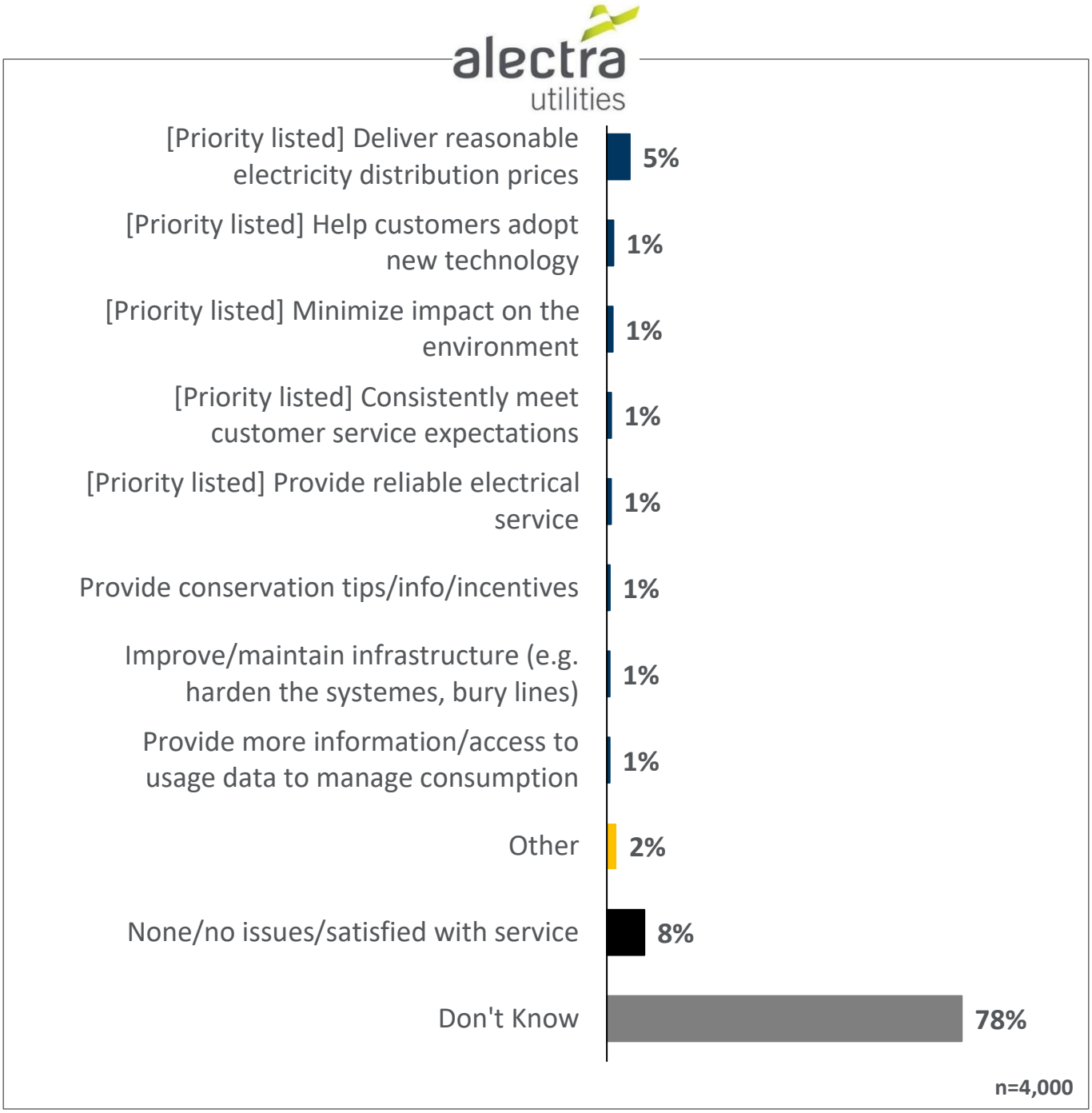
NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Other Priorities

Residential

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]



INNOVATIVE RESEARCH GROUP

NOTE: Refused (<1%) not shown.

Online Workbook
Other Priorities

Residential

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]

Sample Verbatims
[Priority listed] Deliver reasonable electricity distribution prices
"Alectra should maintain or even reduce rates for some customers based on consumption needs."
[Priority listed] Help customers adopt new technology
"Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their capital and maintenance costs."
[Priority listed] Minimize impact on the environment
"Minimize impact on the aesthetics and environment of the community you distribute in (i.e. reduction of wires/poles/equipment in municipal right of ways)."
[Priority listed] Consistently meet customer service expectations (e.g. live agents, responsiveness, web portal)
"Need better customer service for the customer entering and exiting Alectra."
[Priority listed] Provide reliable electrical service
"Ensuring system is sufficiently robust in the face of a changing climate."
Provide conservation tips/info/incentives
"Educate customers on how to save energy or avail cost-effective ways to save energy."
Improve/maintain infrastructure (e.g. harden the systems, bury lines)
"Bury above ground distribution to reduce loss of power and also time/delivery interruptions due to storms."
Provide more information/access to usage data to manage consumption
"Find more suitable ways for consumers to handle tiered systems that don't require guess work and usage restrictions. More dynamic and optimized."
Other
"Alectra Utilities to further focus on minimizing the distribution losses with the use of new conducting materials and technologies."
"If safety is a concern, the streetlights on my street are not as bright as they should be. I know they can be brighter. When they were being installed, they were 90% brighter. Now [I] need high beams to drive up the street."

Alectra Utilities Customer Survey

Residential

Planning for the Future: Customer Outcomes

Setting Priorities

Sometimes Alectra has to choose between goals with a very similar level of importance. To help Alectra prioritize in such cases, please review the below list again and think about what matters most to you.

WORKBOOK PAGE

Online Workbook

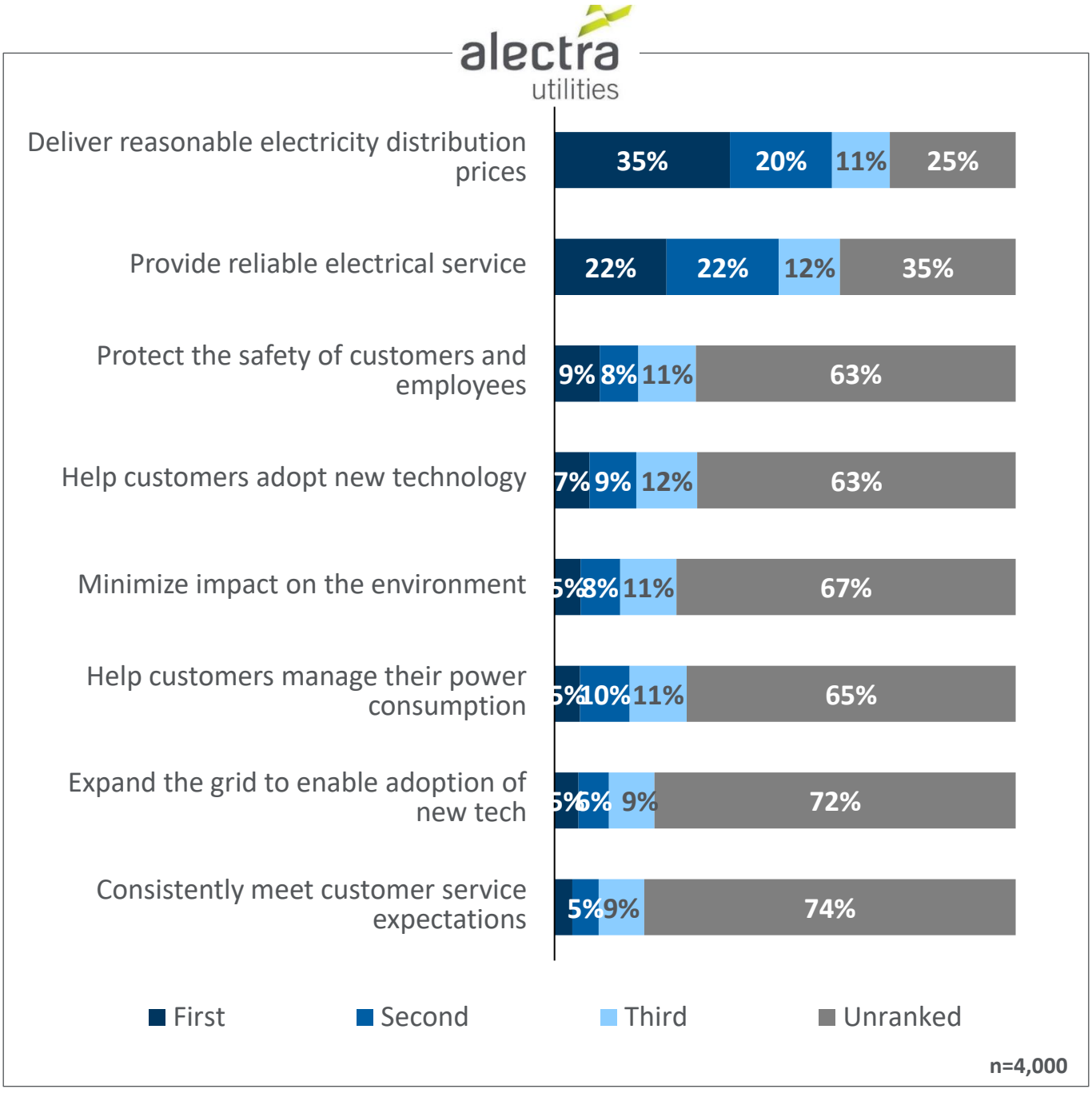
Top 3 Priorities

Residential

Q

Please drag and drop your top 3 priorities, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text. Don't know (9%) not shown.

Online Workbook
Top 3 Priorities

Residential

Q

Please drag and drop your top 3 priorities, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

First Priority (%)	Rate Zone					
	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Deliver reasonable electricity distribution prices	35%	35%	35%	27%	38%	34%
Provide reliable electrical service	22%	15%	23%	24%	22%	25%
Protect the safety of customers and employees	9%	8%	9%	9%	10%	9%
Help customers adopt new technology	7%	10%	8%	5%	5%	7%
Minimize impact on the environment	5%	4%	4%	13%	7%	4%
Help customers manage their power consumption	5%	8%	6%	3%	4%	4%
Expand the grid to enable adoption of new tech	5%	5%	5%	7%	5%	4%
Consistently meet customer service expectations	4%	5%	2%	6%	2%	4%

INNOVATIVE RESEARCH GROUP

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.

Online Workbook

Top 3 Priorities

Residential

Q

Please drag and drop your top 3 priorities, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

First Priority (%)	Consumption Quartiles				
	Overall	**Low**	**Medium -Low**	**Medium -High**	**High**
Deliver reasonable electricity distribution prices	35%	32%	36%	33%	38%
Provide reliable electrical service	22%	23%	23%	23%	20%
Protect the safety of customers and employees	9%	9%	9%	8%	10%
Help customers adopt new technology	7%	7%	6%	8%	7%
Minimize impact on the environment	5%	7%	4%	5%	4%
Help customers manage their power consumption	5%	4%	5%	6%	4%
Expand the grid to enable adoption of new tech	5%	4%	5%	5%	5%
Consistently meet customer service expectations	4%	4%	3%	3%	3%

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.

Online Workbook

Top 3 Priorities

Residential

Q

Please drag and drop your top 3 priorities, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

		LEAP/OESP Qualification			
First Priority (%)	**Overall**	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Deliver reasonable electricity distribution prices	35%	30%	34%	34%	38%
Provide reliable electrical service	22%	13%	20%	26%	22%
Protect the safety of customers and employees	9%	10%	9%	9%	9%
Help customers adopt new technology	7%	8%	7%	7%	7%
Minimize impact on the environment	5%	5%	8%	5%	3%
Help customers manage their power consumption	5%	7%	5%	4%	5%
Expand the grid to enable adoption of new tech	5%	4%	4%	6%	4%
Consistently meet customer service expectations	4%	4%	3%	4%	3%

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.

Alectra Utilities Customer Survey

Planning for the Future: Customer Outcomes

Residential

Reliability Experience and Priorities

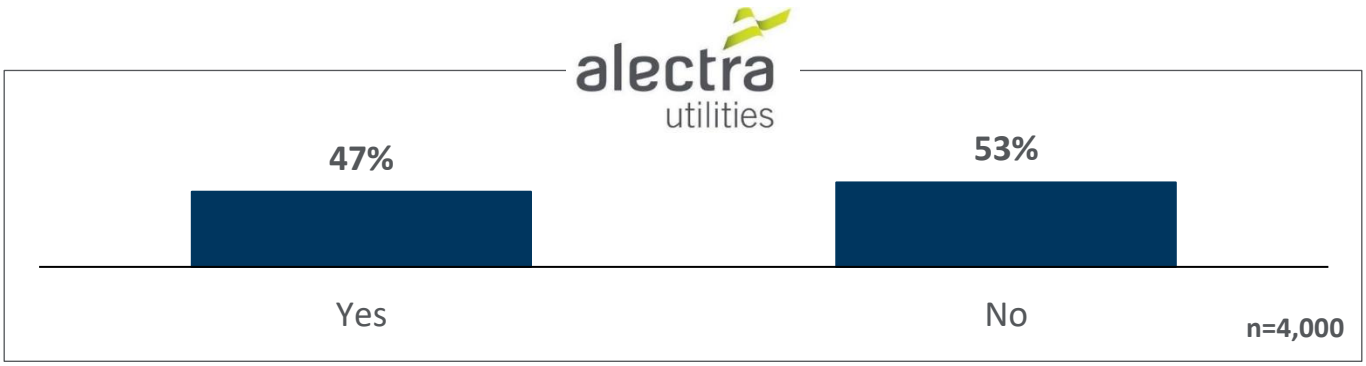
Now let's focus a little deeper on the reliability of your electrical service.

WORKBOOK PAGE

Online Workbook
Power Outages

Residential

Q Have you experienced any power outages that lasted longer than a minute over the past 12 months?



Rate Zone

	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Yes	47%	36%	43%	43%	51%	52%
No	53%	64%	57%	57%	49%	48%

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Yes	47%	43%	47%	47%	51%
No	53%	57%	53%	53%	49%

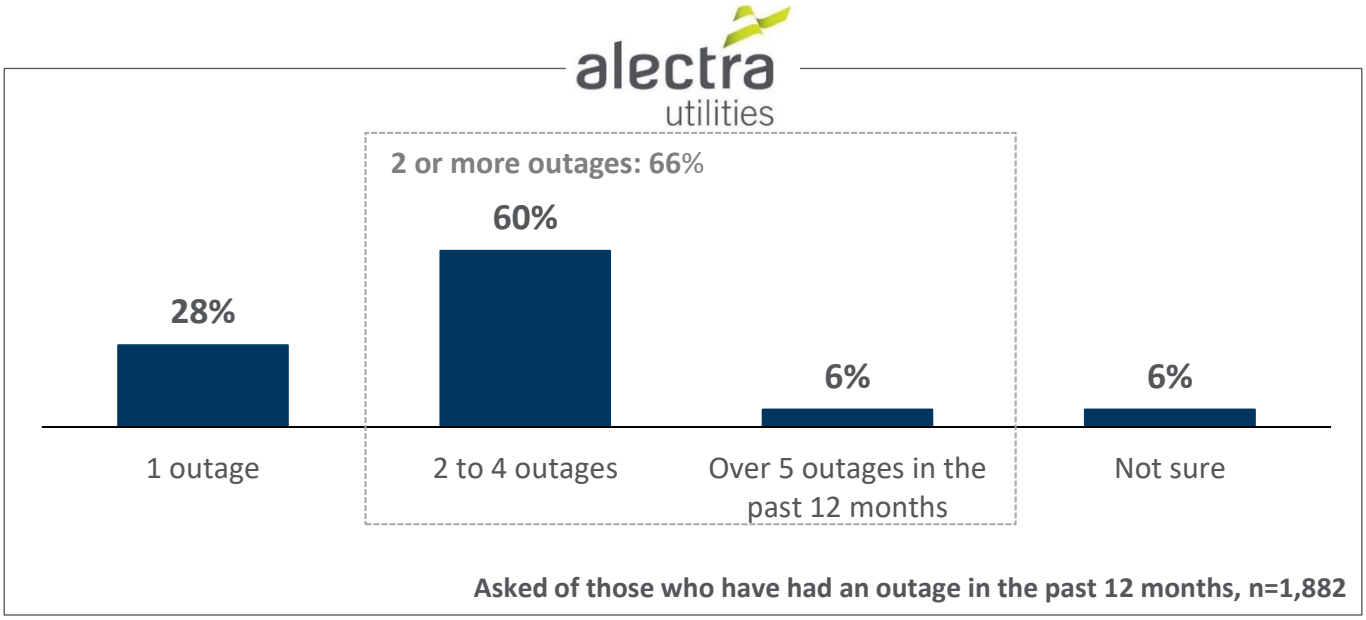
LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Yes	47%	42%	46%	48%	50%
No	53%	58%	54%	52%	50%

Online Workbook
Power Outages

Residential

Q Approximately how many outages did your household experience?



Asked of those who have had an outage in the past 12 months, n=1,882

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
1 outage	28%	28%	28%	31%	29%	27%
2 to 4 outages	60%	59%	59%	56%	61%	61%
Over 5 outages in the past 12 months	6%	6%	6%	9%	6%	5%
Not sure	6%	6%	7%	4%	4%	7%
2 or more outages	**66%**	**65%**	**65%**	**65%**	**67%**	**67%**

Online Workbook
Power Outages

Residential

Q Approximately how many outages did your household experience?

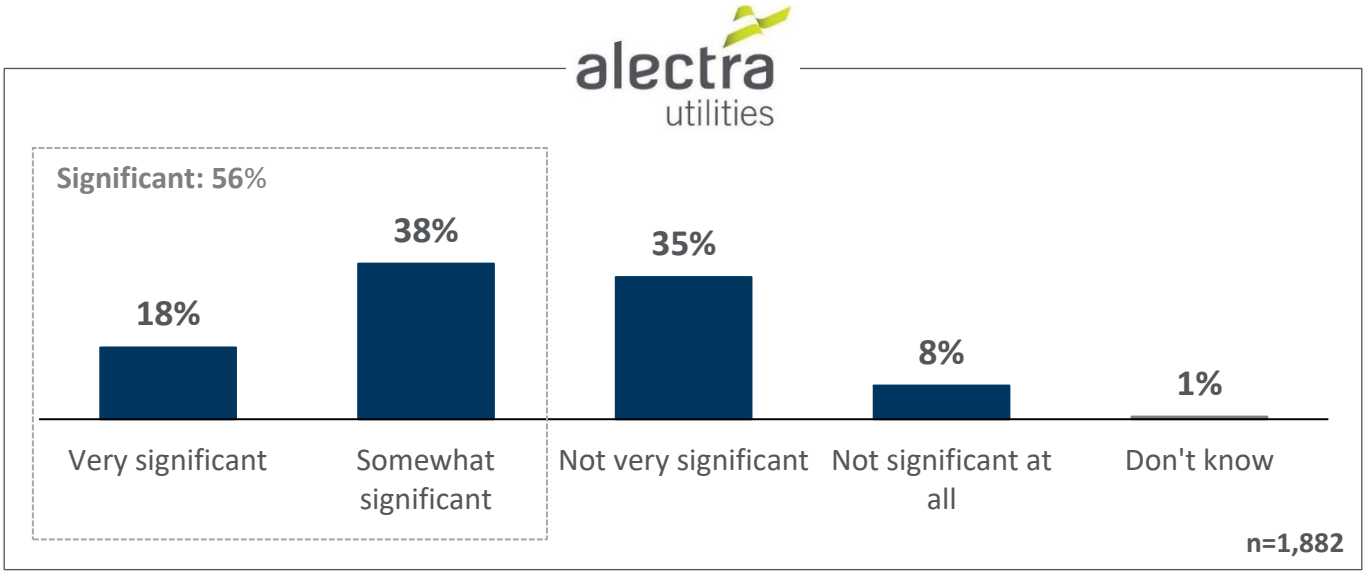
	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
1 outage	28%	30%	31%	26%	25%
2 to 4 outages	60%	59%	58%	60%	63%
Over 5 outages in the past 12 months	6%	5%	5%	7%	6%
Not sure	6%	6%	6%	7%	5%
2 or more outages	**66%**	**64%**	**63%**	**67%**	**70%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
1 outage	28%	28%	30%	29%	26%
2 to 4 outages	60%	59%	61%	62%	57%
Over 5 outages in the past 12 months	6%	5%	5%	6%	7%
Not sure	6%	8%	4%	4%	10%
2 or more outages	**66%**	**64%**	**66%**	**67%**	**65%**

Online Workbook
Power Outages

Residential

Q How significant were these outages to your home?



	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Very significant	18%	21%	19%	6%	14%	20%
Somewhat significant	38%	38%	40%	40%	40%	37%
Not very significant	35%	33%	32%	40%	37%	35%
Not significant at all	8%	6%	9%	15%	9%	8%
Don't know	1%	1%	1%	0%	<1%	1%
Significant (Very + Somewhat Significant)	**56%**	**59%**	**59%**	**46%**	**54%**	**57%**

Online Workbook
Power Outages

Residential

Q How significant were these outages to your home?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very significant	18%	16%	17%	17%	21%
Somewhat significant	38%	39%	39%	40%	35%
Not very significant	35%	36%	34%	35%	35%
Not significant at all	8%	9%	9%	8%	8%
Don't know	1%	1%	1%	<1%	1%
Significant (Very + Somewhat Significant)	**56%**	**55%**	**56%**	**57%**	**57%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very significant	18%	26%	15%	16%	19%
Somewhat significant	38%	39%	40%	36%	41%
Not very significant	35%	29%	37%	38%	32%
Not significant at all	8%	5%	8%	10%	7%
Don't know	1%	1%	<1%	<1%	1%
Significant (Very + Somewhat Significant)	**56%**	**65%**	**54%**	**51%**	**61%**

Alectra Utilities Customer Survey

Planning for the Future: Customer Outcomes

Residential

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

Reliability Priorities

When it comes to reliability, there are different outcomes Alectra can focus on.

- Alectra can focus on the number of outages or the length of outages.
- Alectra can focus on day-to-day reliability or preparedness for extreme weather events.
- Alectra can focus on power quality or communicating with customers during outages.

Different priorities require a different mix of investments.

WORKBOOK PAGE

Online Workbook
Outcomes

Residential

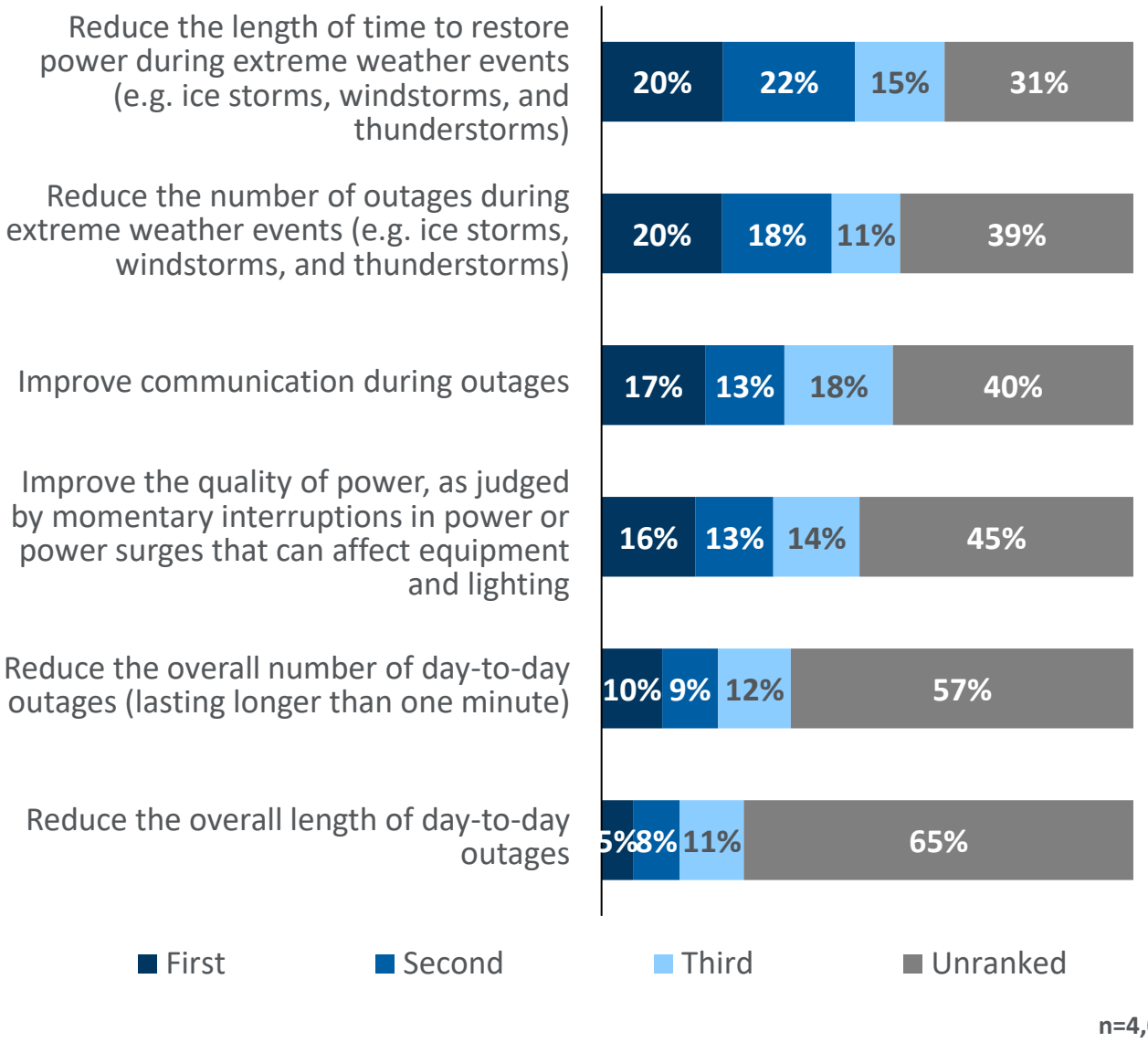
Q

Thinking about your own personal needs at home, please look at the following outcomes and rank the three that matter most to you.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

alectra utilities



n=4,000

NOTE: Don't know (12%) not shown.

Online Workbook
Outcomes

Residential

Q

Thinking about your own personal needs at home, please look at the following outcomes and rank the three that matter most to you.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

		Rate Zone				
First Priority (%)	**Overall**	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	16%	20%	19%	20%	23%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	20%	19%	18%	18%	22%
Improve communication during outages	17%	20%	16%	14%	20%	15%
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	16%	14%	18%	18%	16%	15%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	10%	9%	12%	15%	9%	9%
Reduce the overall length of day-to-day outages	5%	6%	5%	5%	6%	5%

Online Workbook
Outcomes

Residential

Q

Thinking about your own personal needs at home, please look at the following outcomes and rank the three that matter most to you.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

	Consumption Quartiles				
First Priority (%)	**Overall**	**Low**	**Medium -Low**	**Medium -High**	**High**
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	21%	20%	20%	20%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	20%	19%	20%	21%
Improve communication during outages	17%	16%	17%	18%	18%
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	16%	15%	16%	16%	15%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	10%	9%	11%	11%	9%
Reduce the overall length of day-to-day outages	5%	6%	5%	5%	5%

Online Workbook
Outcomes

Residential

Q

Thinking about your own personal needs at home, please look at the following outcomes and rank the three that matter most to you.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

		LEAP/OESP Qualification			
First Priority (%)	**Overall**	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	19%	19%	22%	19%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	20%	18%	17%	21%	22%
Improve communication during outages	17%	15%	20%	17%	16%
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	16%	15%	16%	16%	16%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	10%	7%	9%	12%	9%
Reduce the overall length of day-to-day outages	5%	6%	5%	5%	5%

Alectra Utilities Customer Survey

Residential

Planning for the Future: Preferences

Making Choices

Now that you've had a chance to think about your experience with Alectra and priorities for the future, we'd like to present you with some specific choices Alectra's planners will need to make as they develop their plan for future investments and the rates you pay.

While Alectra's accountants and engineers are able to decide for themselves what size transformers they need or what is the most efficient way to do some things, there are some choices they can't make on their own. These choices are trade-offs between customer outcomes – trade-offs such as whether it is more important to keep rates lower or improve reliability.

Grid Maintenance:

Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. Much of the equipment in use today was installed 30, 40 or even 50 years ago, and will need replacement. But there remains some flexibility in timing. **Your views on whether it is more important to keep costs down or to minimize the risk of outages will provide direction to planners.**

What makes this plan different are some key changes that are fundamentally changing the electricity system we know today.

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PROGRAMMED VERSION

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Preferences

Residential

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New Technology:

Technology is changing dramatically. Increasingly, new technologies have allowed us to:

- Generate electricity from wind and solar on a smaller scale in our communities, on our street, even in our homes and businesses.
- Store electricity in batteries in our homes, businesses and vehicles.
- Use new smart devices and artificial intelligence to allow customers of all sizes to control their demands and even feed electricity into the grid.
- Identify and manage potential outage risks and quickly restore power when outages do occur.

Alectra Utilities must invest in the grid to enable the opportunity for customers to add their own new technologies. **These investments are required to manage a 2-way power flow and maintain the safety of a power grid.** It is important to understand how quickly you feel Alectra should proceed with those investments.

Growing Demand for Electricity:

Electricity demand is expected to grow at a faster pace.

- Homes and businesses are shifting from fossil fuels for heating and hot water to electric technologies such as heat pumps.
- People and companies are changing from gas and diesel-fueled vehicles to electric vehicles.
- Transit systems are also shifting from diesel to electric.

Even though our existing electric devices have become more efficient over time, new uses are creating more demand than efficiency and conservation can manage. However, the exact pace of this growth is uncertain. **Your views are needed on whether Alectra should prepare now for this growing demand or wait until specific demands occur.**

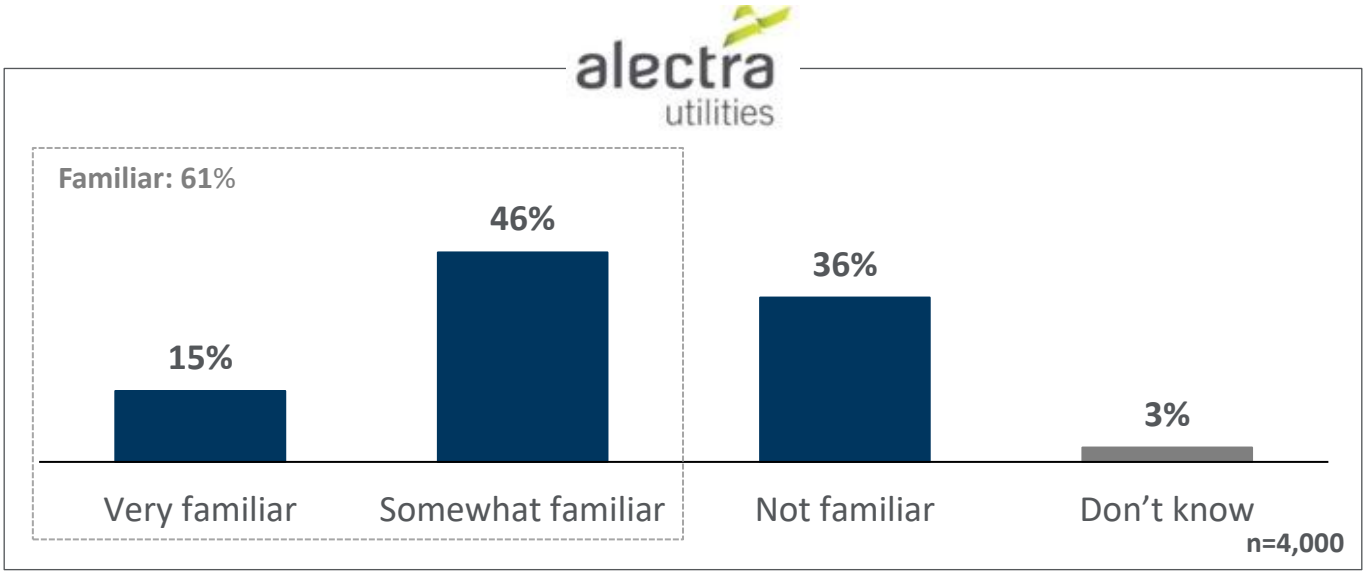
WORKBOOK PAGE

Online Workbook

Familiarity with Impact on the Grid

Residential

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	15%	18%	16%	13%	16%	14%
Somewhat familiar	46%	43%	45%	55%	46%	46%
Not familiar	36%	35%	36%	31%	36%	37%
Don't know	3%	4%	3%	1%	2%	3%
Familiar (Very + Somewhat Familiar)	**61%**	**61%**	**61%**	**67%**	**62%**	**60%**

Online Workbook

Familiarity with Impact on the Grid

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	15%	13%	16%	15%	18%
Somewhat familiar	46%	45%	44%	47%	46%
Not familiar	36%	38%	37%	36%	32%
Don't know	3%	3%	3%	3%	3%
Familiar (Very + Somewhat Familiar)	**61%**	**59%**	**60%**	**61%**	**64%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	15%	17%	13%	18%	12%
Somewhat familiar	46%	41%	45%	46%	47%
Not familiar	36%	35%	40%	34%	36%
Don't know	3%	6%	2%	2%	5%
Familiar (Very + Somewhat Familiar)	**61%**	**59%**	**58%**	**64%**	**59%**

Replacing Deteriorated Equipment

As mentioned earlier, Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. This equipment wears down over time due to use and exposure to weather. Alectra also maintains computer systems, trucks and facilities to support the crews and people working daily to keep the electrical system operating. These assets also need to be renewed when they reach a deteriorated state.

Approximately 44% of outages experienced at Alectra is caused by failed equipment. In some neighbourhoods, the equipment continues to fail repeatedly, and the system needs to be rebuilt. Alectra has increased investments in underground cables over the last five years.

By targeting replacements in the areas of greatest need, Alectra has been able to keep reliability stable. However, an increasing portion of our assets are in need of replacement. Alectra has a choice to make in terms of how much to spend on replacing these assets.

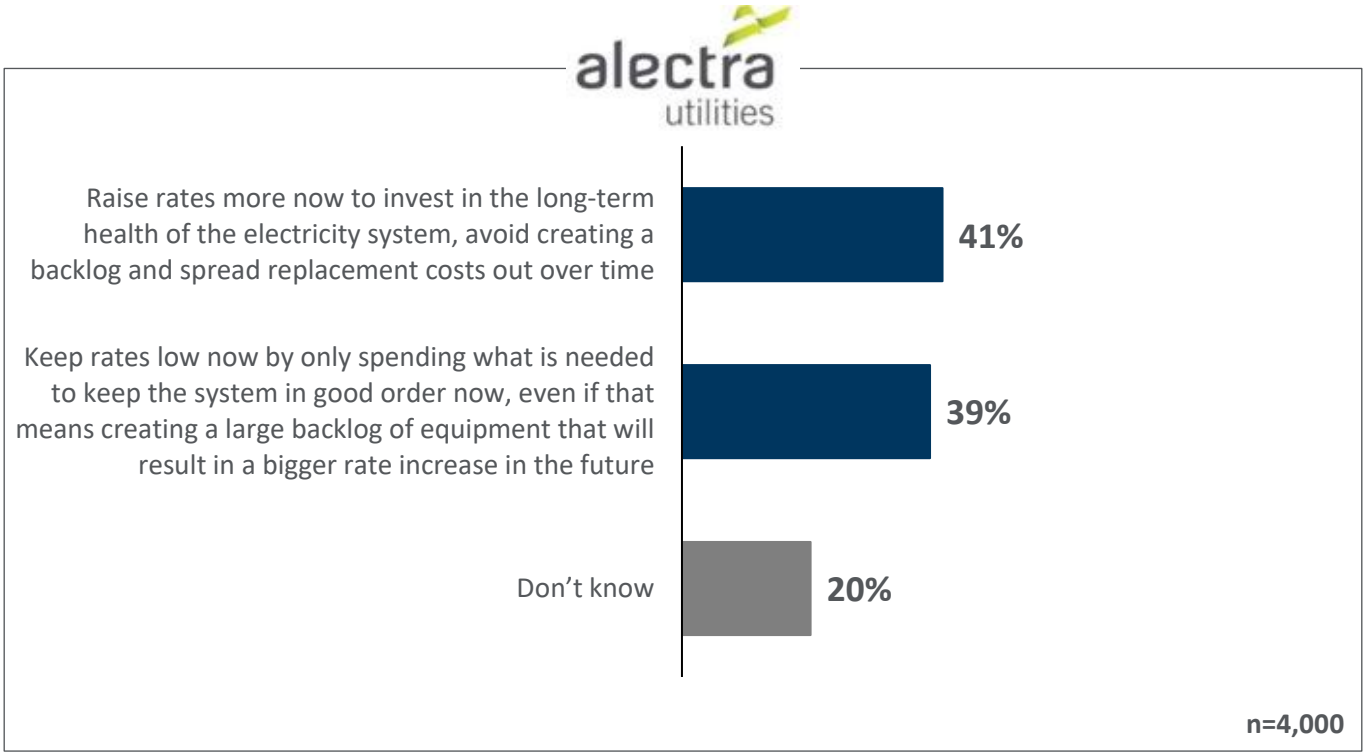
WORKBOOK PDF

Online Workbook

Perception on Deteriorated Assets Spending

Residential

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	41%	34%	42%	49%	45%	40%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	39%	48%	39%	27%	34%	40%
Don't know	20%	19%	20%	24%	21%	20%

Online Workbook
Perception on Deteriorated Assets Spending

Residential

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?

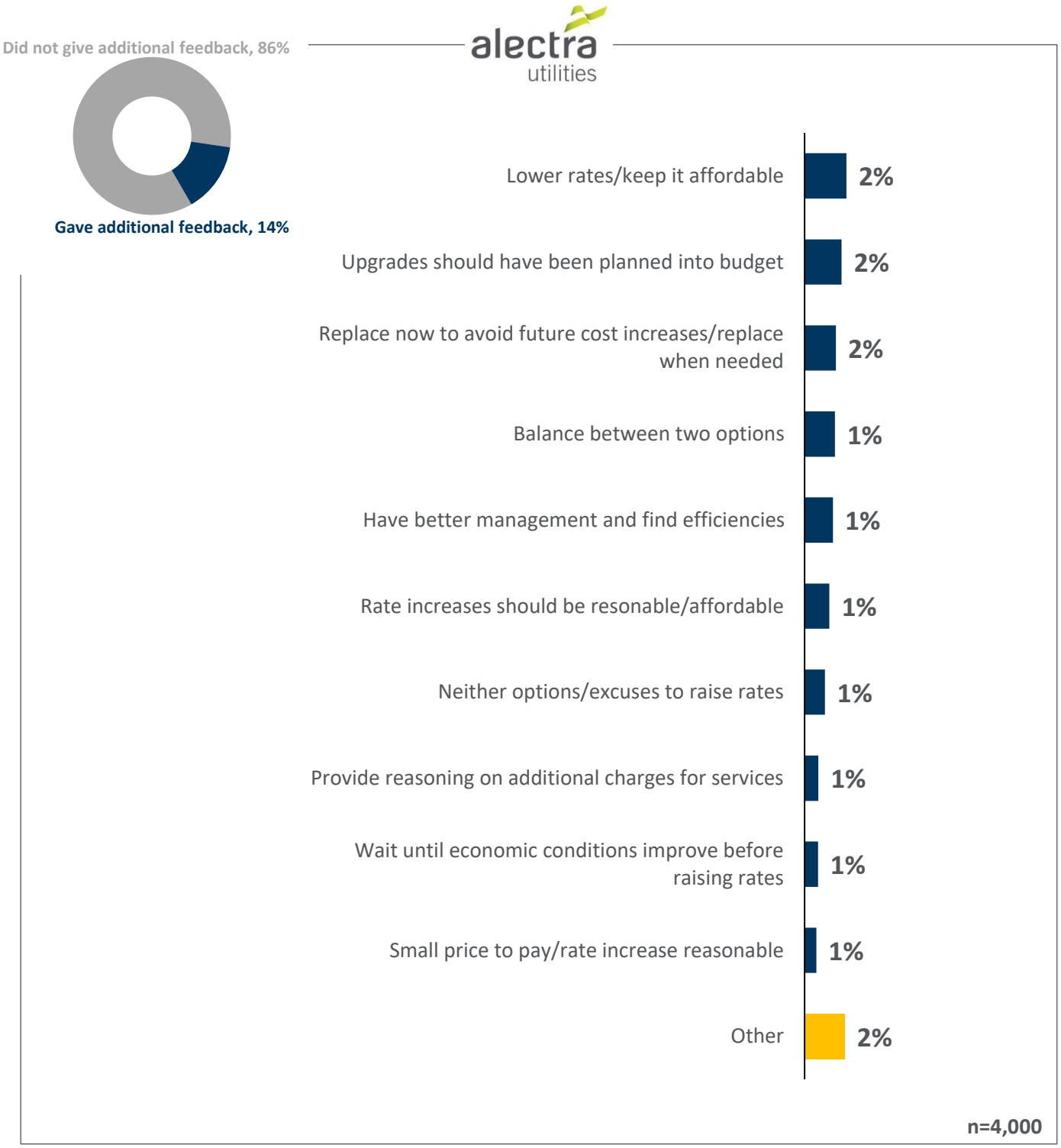
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	41%	43%	40%	40%	40%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	39%	36%	40%	40%	40%
Don't know	20%	21%	20%	20%	20%

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	41%	24%	43%	50%	34%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	39%	53%	37%	35%	39%
Don't know	20%	24%	19%	15%	27%

Online Workbook
Perception on Replacing Deteriorated Equipment

Residential

Q Additional Feedback (Optional)



NOTE: Refused (<1%) not shown.

Online Workbook
Perception on Replacing Deteriorated Equipment

Residential

Q Additional Feedback (Optional)

Sample Verbatims
Lower rates/keep it affordable
"I feel you already charge a lot and most people can't afford it."
Upgrades should have been planned into budget
"When preparing annual budget, the replacement costs should be included so that upgrades are done on an annual basis, thus avoiding a large backlog of equipment. Put a system in place where residents can call in to report deteriorated assets."
Replace now to avoid future cost increases/replace when needed
"We need to invest into our future. Keeping rates lower now is short sighted and backward thinking."
Balance between two options
"I think the answer can be a blend of the two choices you are presenting."
Have better management and find efficiencies
"Become more efficient, less wasteful. Multiple subcontractors not communicating resulting in duplication and incompletion of work."
Rate increases should be reasonable/affordable
"Let's be reasonable with any rate increase, so that it is truly justified and not an excuse to charge more without getting any additional value."
Neither options/excuses to raise rates
"The choices are skewed to influence respondents to reply in the direction that Alectra wants."
Provide reasoning on additional charges for services
"Be transparent and explain any rate changes months in advance."
Wait until economic conditions improve before raising rates
"During the current high-inflation time, it's hard for families to pay higher rates for electricity. If rates have to be increased, they should be incremental."
Small price to pay/rate increase reasonable
"An increase should not be drastic to change customers' way of life. Be reasonable."
Other
"Invest in new technology will provide better ROI in coming years rather than keeping large backlogs."

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

Residential

Dealing with Growth Uncertainty

The first of the new challenges for Alectra Utilities is dealing with uncertainty in electricity demand.
Alectra has a legislated responsibility to ensure it provides enough electricity to provide the peak demand of all customers. The challenge right now with new technologies and changing technology, is forecasting how fast demand will grow.

It takes time, usually years, to build new lines and increase sub-station capacity. Building and expanding power lines need time for design, working with impacted property owners, securing equipment that is in high demand right around the world, and recruiting electrical construction workers.

Growth in previous decades provided reasonably long lead times for utilities to prepare for growth in electricity demand. When there are firm plans to build a new electrified transit system or to build a new condo development, Alectra's planners have the lead time they need to increase major feeder lines, increase sub-station capacity and expand local cables and transformers.

Other types of demand are more fluid. No one knows for sure how many new electric vehicles will need to be charged in Alectra's operating area five years from now. No one knows for sure how many people will switch from natural gas to heat pumps.

- If Alectra builds too quickly, customers will be paying for poles and cables that are not yet needed.
- But if Alectra builds too slowly, local systems may become stretched by new demands.

This could result in equipment failures with the added costs of emergency repairs, limiting EV charging to certain hours of the day, or even rotating electricity outages.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

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Today roughly 48% of Alectra customers live on a street with at least one EV. Only 4% of those have multiple EVs on one street, but that can quickly change. Alectra is making their best efforts to be as accurate as possible in projecting growing demand. But they need your guidance on a value choice they must make.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

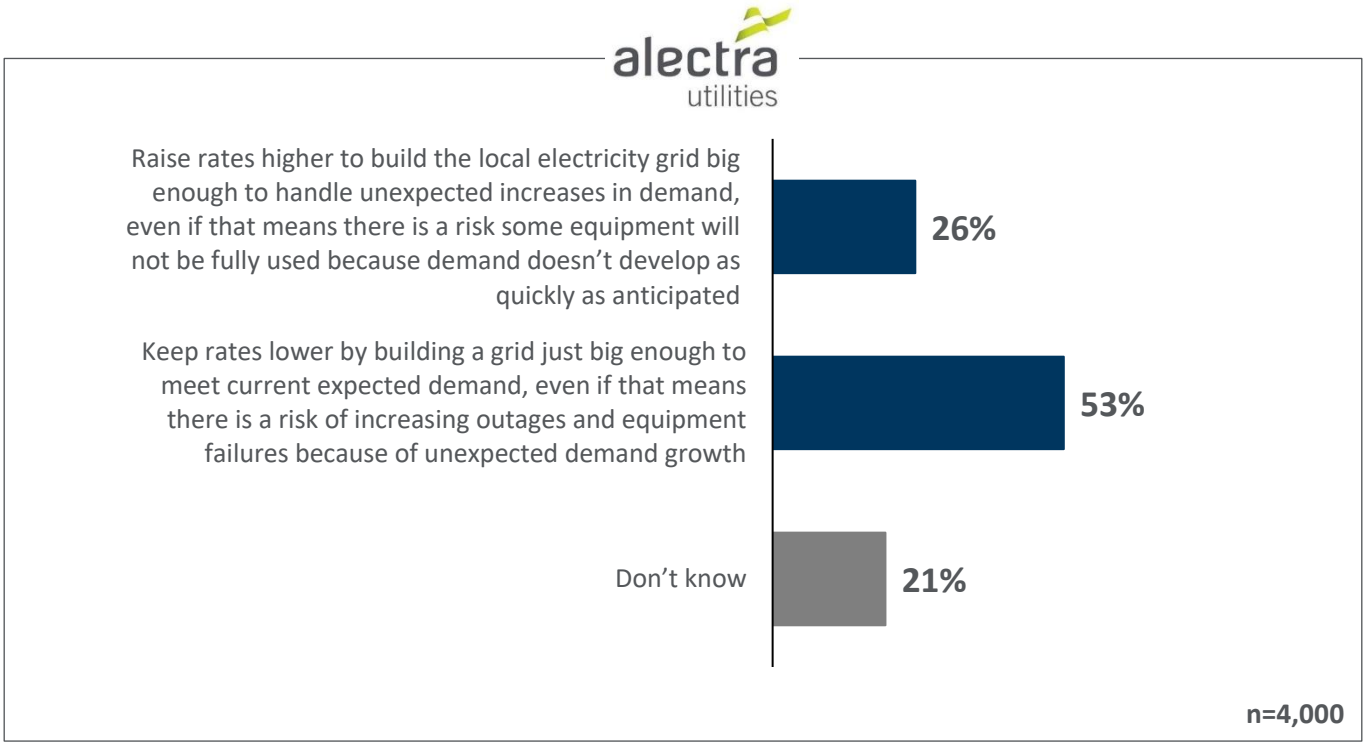
WORKBOOK PAGE

Online Workbook

Perception on Uncertain Growth Projections

Residential

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated.	26%	23%	26%	32%	29%	25%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth.	53%	59%	54%	47%	49%	54%
Don't know	21%	18%	20%	22%	22%	21%

Online Workbook
Perception on Uncertain Growth Projections

Residential

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated	26%	25%	26%	26%	27%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth	53%	52%	54%	54%	53%
Don't know	21%	22%	20%	20%	19%

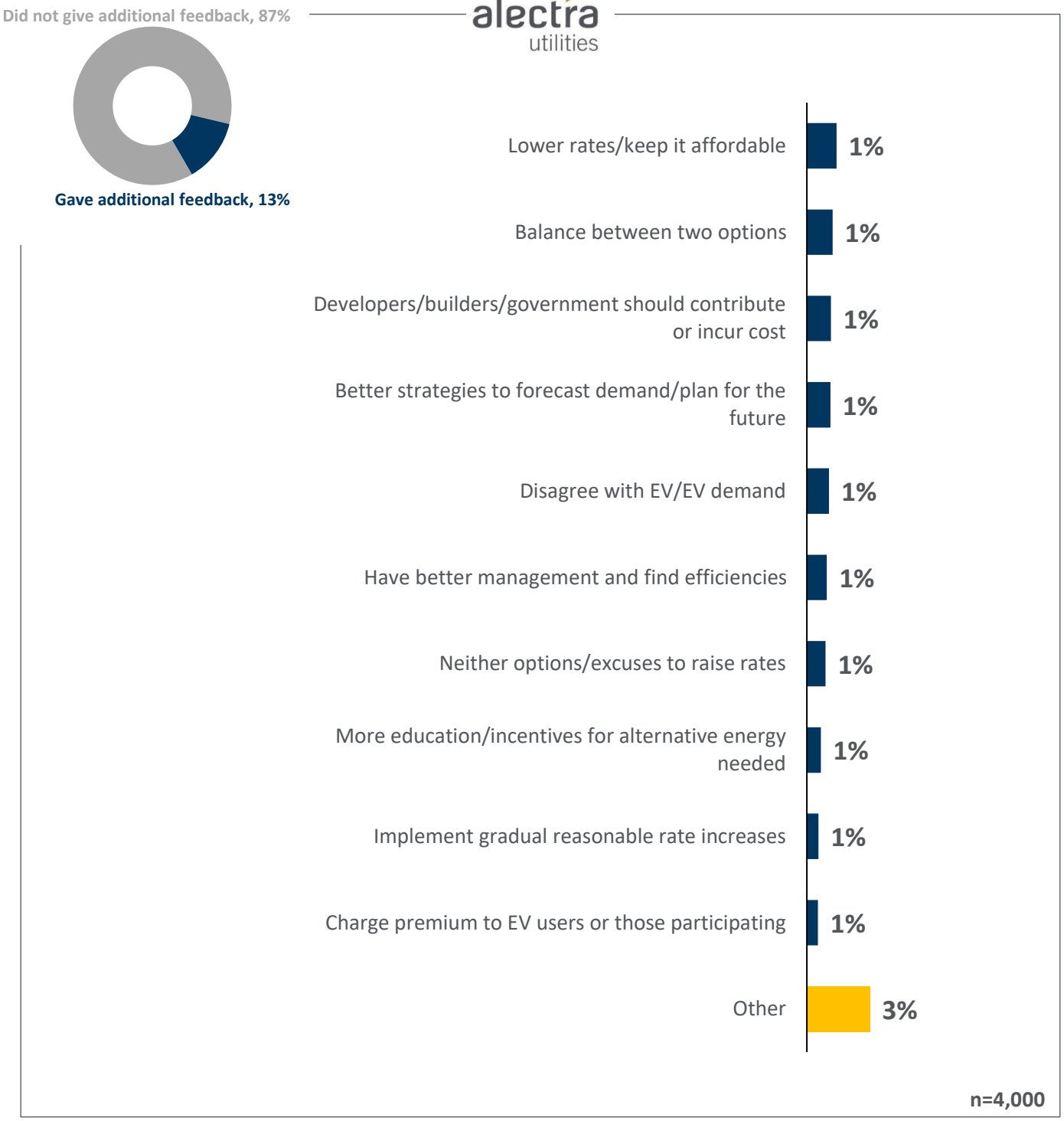
		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated	26%	18%	25%	34%	19%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth	53%	58%	54%	52%	53%
Don't know	21%	24%	21%	15%	28%

Online Workbook

Perception on Dealing with Growth Uncertainty

Residential

Q Additional Feedback (Optional)



NOTE: Refused (<1%) not shown.

Online Workbook

Perception on Dealing with Growth Uncertainty

Residential

Q Additional Feedback (Optional)

Sample Verbatims
Lower rates/keep it affordable
"Why do you keep asking about raising rates? Lower the rates."
Balance between two options
"A balance in the middle of the two above options."
Developers/builders/government should contribute or incur cost
"Federal/provincial government should fund the additional cost to maintain the infrastructure. They take out money in so many ways that we are out of money."
Better strategies to forecast demand/plan for the future
"Demand should be somewhat forecastible and some buffer for reasonable growth should be planned."
Disagree with EV/EV demand
"I don't think the demand for electric cars and heat pumps will be accepted by the population as expected. These solutions are not practical or effective at current capability for the Canadian climate."
Have better management and find efficiencies
"Get rid of profit. No one should be profiting from a necessity."
Neither options/excuses to raise rates
"It seems as though the selections are limited. It forces you to pick the first one. We don't want higher rates all of a sudden, but we don't want outage/equipment failures."
More education/incentives for alternative energy needed
"Allowing customers to generate their own electricity, either for their own use or for sale to the grid, should mitigate the size of rate increases."
Implement gradual reasonable rate increases
"Build the grid big enough to handle increases in demand but don't raise rates too high in one jump, stagger rate increases to help people who are struggling."
Charge premium to EV users or those participating
"Make the people who are switching to heat pumps and EVs pay!"
Other
"Not easy to answer as there are too many variables to consider for an end user."

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

Residential

Using New Technology to enable Customer Choice

Another major change facing utilities is new equipment and technologies that change how customers participate in the system.

The old electricity system was built big enough to manage peak demand and required very little active management on a day-to-day basis. That is fundamentally changing. Customers are gaining far more control over their energy needs:

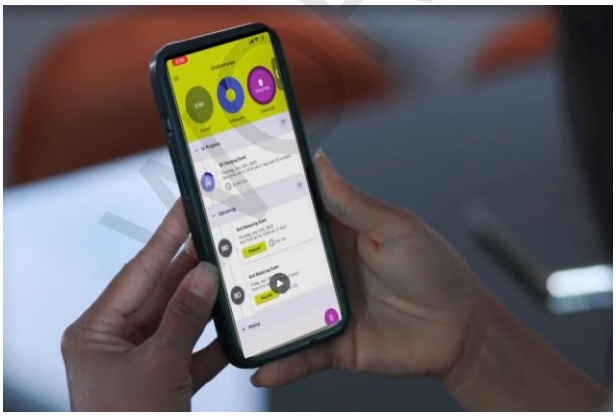
- Customers can now store their own electricity with batteries in their cars and homes.
- Customers can now generate their own electricity with small scale wind and solar.
- Customers now have electrical devices that can be remotely monitored and managed to identify inefficient appliances and to turn devices down or off to manage peak loads.

Not everyone is ready or able to employ these devices and technologies today, but the whole system can benefit from those that do.

In Ontario, electricity peaks on hot summer days when air conditioner use spikes. But now, you don't have to rely on Niagara Falls for that electricity, it can come from the neighbours on your street.

When the grid is modernized, you can sell stored energy to the grid, lower your thermostat or EV charge when demand is high, shift to your own solar generation, and more, all in return for financial rewards.

If you choose to enroll in a program that allows the electricity grid control room to turn down your air conditioner for a few minutes every hour, you can help to avoid building new transmission towers and generating stations just to serve the few hours in the year when demand spikes.



Alectra is already piloting these activities today.

To make these choices available to all customers will require investments in computers, software and smart devices throughout the grid. Alectra's planners need your direction on how fast to move towards this new, two-way flowing, distribution grid.

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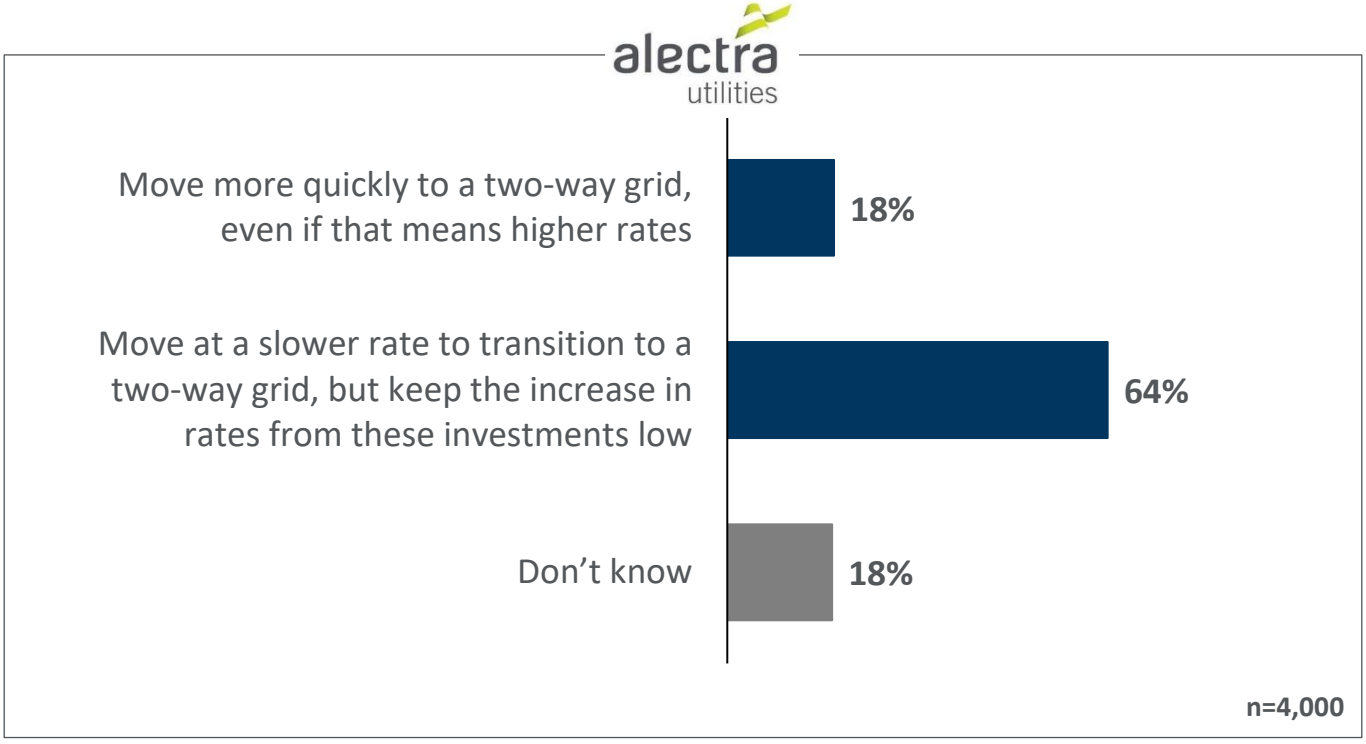
WORKBOOK PAGE

Online Workbook

Perception on Transition to Customer-Engaged Grid

Residential

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Move more quickly to a two-way grid, even if that means higher rates	18%	16%	18%	27%	18%	18%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	64%	66%	66%	59%	63%	64%
Don't know	18%	19%	16%	15%	18%	18%

Online Workbook

Perception on Transition to Customer-Engaged Grid

Residential

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?

	Overall	Consumption Quartiles: Low	Medium-Low	Medium-High	High
Move more quickly to a two-way grid, even if that means higher rates	18%	17%	17%	19%	20%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	64%	63%	65%	65%	64%
Don't know	18%	20%	18%	16%	16%

	Overall	LEAP/OESP Qualification: Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Move more quickly to a two-way grid, even if that means higher rates	18%	15%	16%	24%	11%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	64%	60%	66%	64%	65%
Don't know	18%	25%	18%	12%	24%

Online Workbook
Perception on Using New Technology

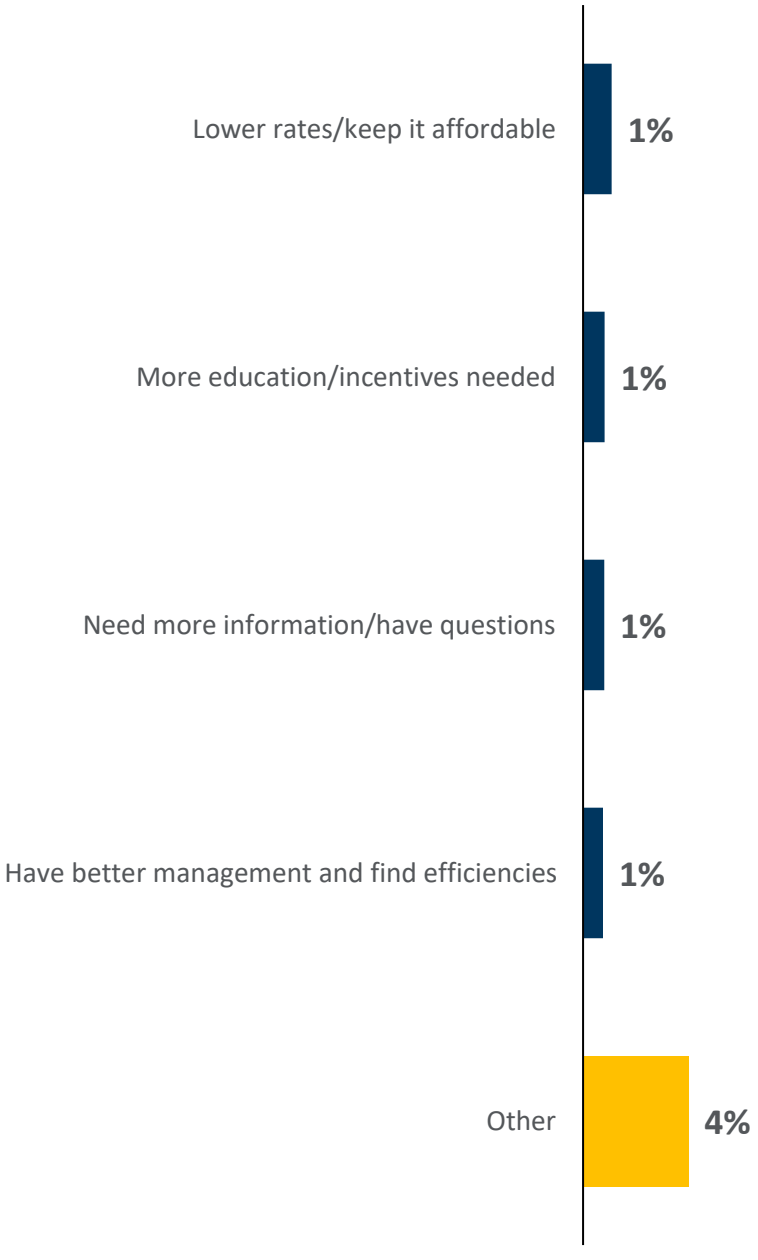
Residential

Q Additional Feedback (Optional)

Did not give additional feedback, 93%

Gave additional feedback, 7%

alectra utilities



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Online Workbook
Perception on Using New Technology

Q Additional Feedback (Optional)

Sample Verbatims
Lower rates/keep it affordable
"If they raise rates any more people won't be able to afford to eat. Something is wrong that electricity is so expensive in Canada. Hopefully, a solution can be found."
More education/incentives needed
"Promote incentives for end users to conserve and generate electricity."
Need more information/have questions
"I would need to know what the cost difference would be. A higher rate of 5 dollars is different than a higher rate of 20+ dollars. More information is needed to accurately answer this question."
Have better management and find efficiencies
"Once again, every choice has to do with increasing our rates. Look at your own expenses and budgets to do things properly. We small businesses can't keep funding your projects that are just not managed efficiently and properly."
Other
"Consumers should be conscious about the consumption. Use smart devices and/or manually switch off unused appliances to control consumption."
"Sounds like a great idea, but it will be decades before customers will have excess power available to sell back to the grid."

Grid Modernization

The last page talked about the impacts of new technology on how you interact with the grid. This page will talk about the impacts of new technology behind the scenes, changes that may not be obvious to customers, but will impact the reliability and quality of the service you receive.

In the grid of the last 100 years, once equipment such as cables, transformers or switches were installed, there was no means of monitoring or controlling that equipment. If the lights went out, a crew jumped in a truck and drove the line until they saw the break or broken piece of equipment, then they would manually open and close switches.

Today we can restore power faster using remote-controlled switches and sensors which tell the control room if an outage has occurred. This allows operators to remotely re-route electricity and restore power. **Remote-controlled switches can be automated** so all switching can take place in real-time, so customers like you will have their power restored even faster.

In circuits where automated devices have already been added, Alectra has identified improvement in reliability. While it is expected that Alectra generate savings from the more productive deployment of maintenance and repair crews and from avoided equipment failures, these savings are not sufficient to offset the added costs.

This change cannot happen overnight. It will take time. There is limited availability of new equipment and the crews to install them. The question is whether to place more emphasis on keeping rate increases low or placing more emphasis on moving quickly to modernize the grid.

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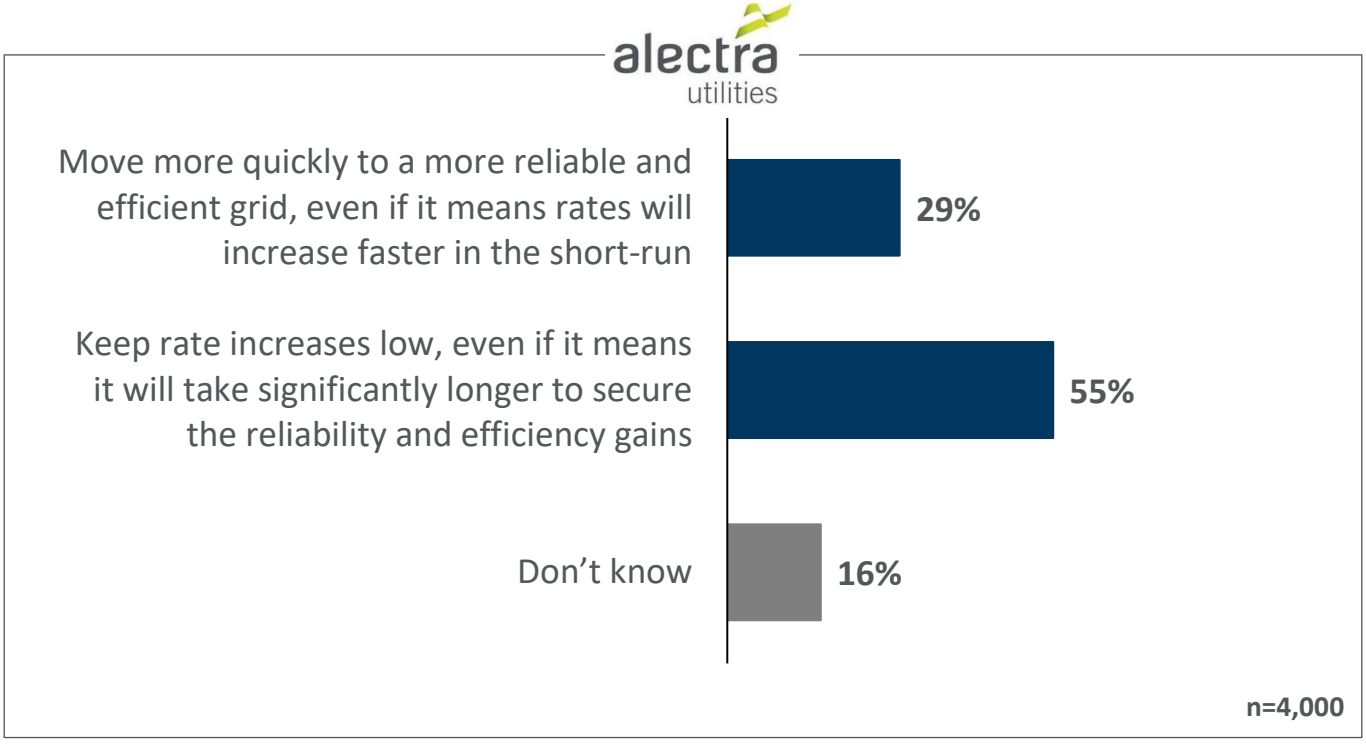
Online Workbook

Perception on Investing In Grid Modernization

Residential

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	29%	25%	30%	35%	30%	29%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	55%	61%	55%	49%	53%	54%
Don't know	16%	14%	15%	16%	17%	17%

Online Workbook

Perception on Investing In Grid Modernization

Residential

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?

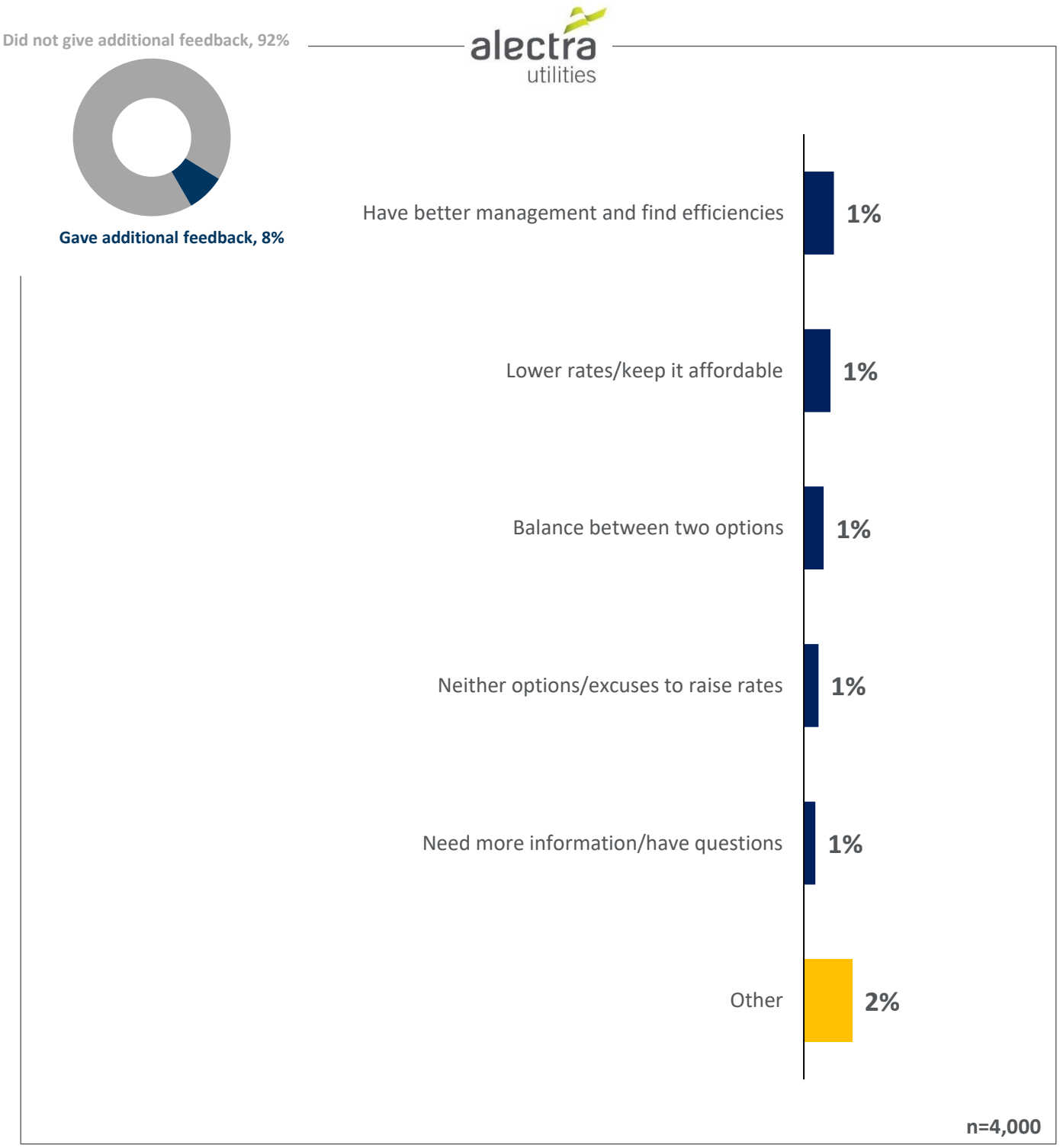
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	29%	28%	29%	30%	29%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	55%	54%	56%	55%	56%
Don't know	16%	18%	15%	15%	15%

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	29%	19%	28%	38%	21%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	55%	61%	56%	52%	57%
Don't know	16%	20%	15%	11%	22%

Online Workbook
Perception on Grid Modernization

Residential

Q Additional Feedback (Optional)



NOTE: Refused (<1%) not shown.

Online Workbook
Perception on Grid Modernization

Q Additional Feedback (Optional)

Sample Verbatims
Have better management and find efficiencies
"Ensure efficiency in your application of any improvements in order to minimize the effect on customers."
Lower rates/keep it affordable
"In time of high inflation, with bills so expensive, I believe priority would be lower bills."
Balance between two options
"Balance is the key, not one end or another. Affordability and system efficiency need to be considered simultaneously."
Neither options/excuses to raise rates
"These questions are formed in a way that you want us to say to hike up the prices. There are other options as solutions. These questions are disappointing."
Need more information/have questions
"This is a difficult question to answer. You suggest that there is a limit to the speed of modernization, but it is not clear whether you could speed it up with more money."
Other
"Once again increased rates will mean more struggles for consumers. Our government should be funding all these new measures."

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

Residential

Grid Resilience

Most electricity customers have noticed their property insurance rates increasing faster than inflation for a number of years now as a result of the damage created by storms and extreme weather events on homes and business. Alectra is experiencing similar impacts from ice storms, micro-bursts, extreme heat and other extreme weather. Sometimes with events such as micro-bursts, the damage is limited. But often the damage is widespread and impacts tens of thousands of Alectra customers for extended periods of time.

In addition to modernizing the grid, which enables power to be restored after a power outage occurs, **Alectra can increase its system's resilience**. Increasing resilience reduces the chances that extreme weather events would result in power outages. This is typically done by upgrading key equipment in the system to withstand storms better.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

Residential

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Here are examples of Grid Resilience projects:

- **The major North-South overhead feeder lines that are most exposed to wind can be reinforced** to increase their ability to withstand storm events.
- **Alectra can speed up the replacement of overhead lines** in customers' backyards. These lines are more exposed to falling branches and trees, they often take longer to repair because of restricted access, and fallen lines can pose greater safety risks should they occur in customers' backyards.
- **Alectra can increase the budget for identifying and removing hazardous trees** to allow for more frequent monitoring and tree removal. This is not something that can be automated. There are approximately 18,000 km (11,000 miles) of overhead circuit power lines in Alectra's system.

Alectra would like to understand your views when it comes to raising rates to improve resilience to extreme weather.

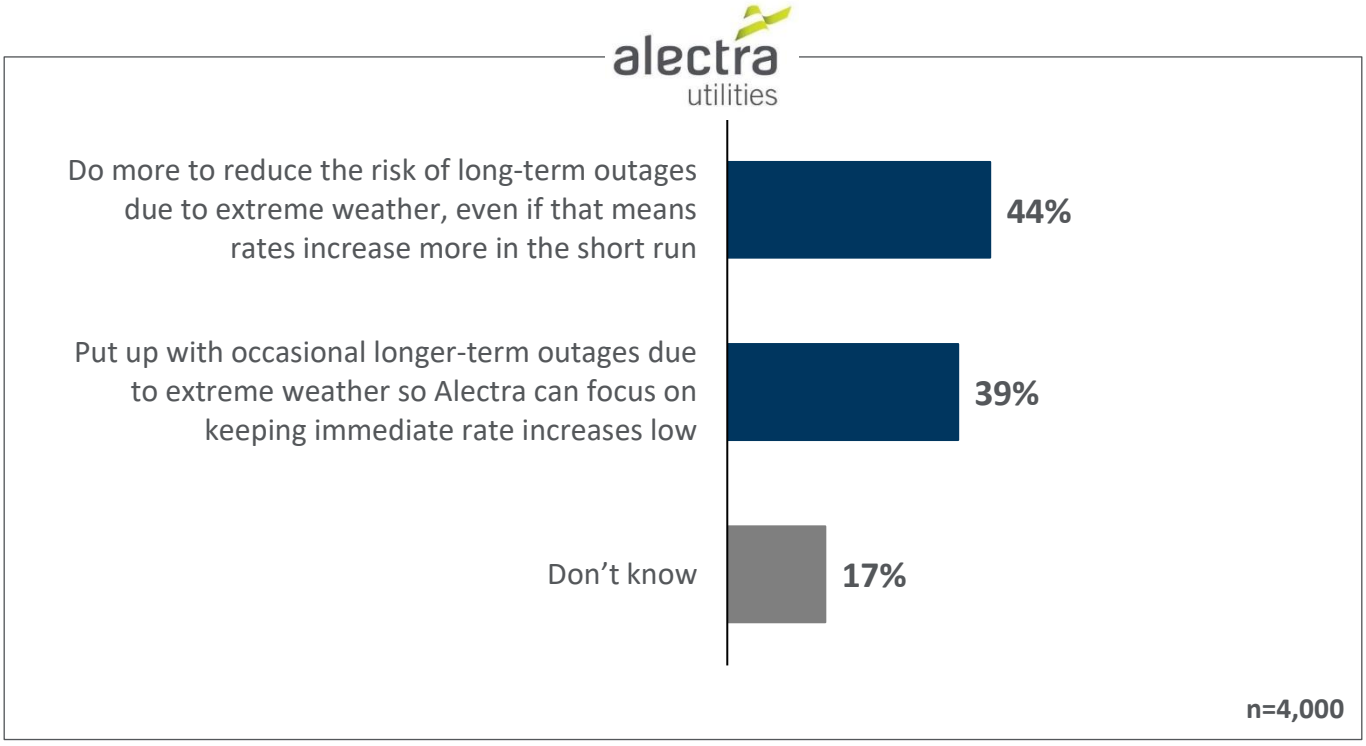
WORKBOOK PAGE

Online Workbook

Perception on Approach to Grid Resilience

Residential

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?



	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	44%	43%	43%	47%	44%	45%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	39%	38%	41%	37%	39%	38%
Don't know	17%	18%	16%	16%	16%	16%

Online Workbook

Perception on Approach to Grid Resilience

Residential

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?

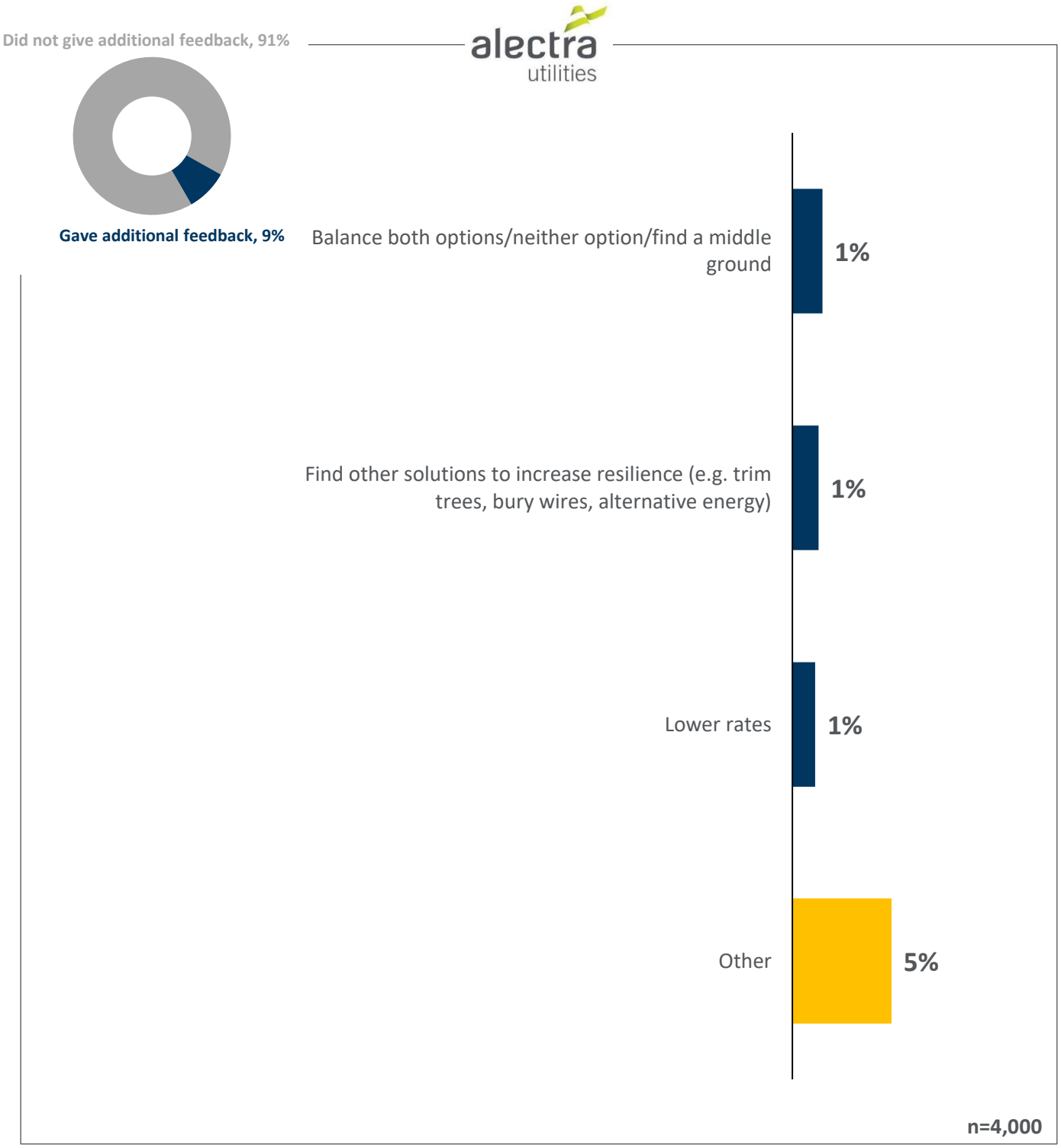
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	44%	44%	46%	46%	42%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	39%	39%	38%	38%	41%
Don't know	17%	18%	16%	16%	17%

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	44%	40%	44%	49%	40%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	39%	38%	40%	40%	36%
Don't know	17%	22%	16%	11%	23%

Online Workbook
Perception on Approach to Grid Resilience

Residential

Q Additional Feedback (Optional)



NOTE: Refused (<1%) not shown.

Online Workbook
Perception on Approach to Grid Resilience

Q Additional Feedback (Optional)

Sample Verbatims
Balance both options/neither option/find a middle ground
"Again, the focus on this survey seems to be a choice between two negative outcomes. Poor system, low rates. Better system, higher rates. Somewhere between these two choices is the optimum solution. Identify most significant pain points, alleviate them whilst minimizing rate increases. Plan for the future."
Find other solutions to increase resilience (e.g. trim trees, bury wires, alternative energy)
"Use green energy, improving capacity for households to sustain by themselves. Sell the excess of energy to the grid, and thus increasing reliability and keeping rates low."
Lower rates
"Rates are already way too high. Eliminate some of the absurd overhead charges and put that towards ongoing maintenance."
Other
"In view of the current economic situation, it is hard to say as one [has] to cope with increases in food prices, rents, etc."
"Again, this is a short-term cost that should result in longer term savings. The key is communicating this widely to ratepayers without sounding as defensive as you are right now."

Alectra Utilities Customer Survey
Planning for the Future

Residential

Summing It Up

Once your views on the questions in this survey are collected:

- **Alectra will develop a more detailed plan** that identifies the specific investments and costs to deliver particular benefits.
- **Alectra will ask for your feedback on those investment options** in Phase 2 of this customer consultation.

But before the planners start developing those options, **Alectra would like to hear how you feel about this general approach.**

The plan includes some basic table stakes for electrical utilities including:

- A systematic review of Alectra's costs conducted mostly by experts working for the OEB and customer groups, but open to anyone in the public who is interested. The plan must deliver value to customers and demonstrate how Alectra seeks to control costs and related rate increases of proposed investments.
- A program to replace deteriorating equipment that gives priority to areas currently at the greatest risk of outages while addressing the backlog of deteriorated assets.

It also includes initiatives to deal with developments that are changing the electricity system as we have known it.

- Alectra is implementing new technologies that allow customers more control including generating their own electricity, storing their own electricity, identifying opportunities for efficiencies and providing financial incentives to customers willing to help the grid manage periods of peak demand.
- Alectra is also using new technology to modernize the grid, using remote-controlled sensors and switches to identify outages in real time to re-route electricity and restore power more quickly.
- When it comes to the growing number of unusual weather events, new technology can only do so much. Alectra is upgrading key equipment to "harden" the system in order to reduce the severity of outages caused by unusual weather.
- Finally, Alectra is managing the uncertainty in demand for electricity by identifying critical investments to meet unexpected surges in demand.

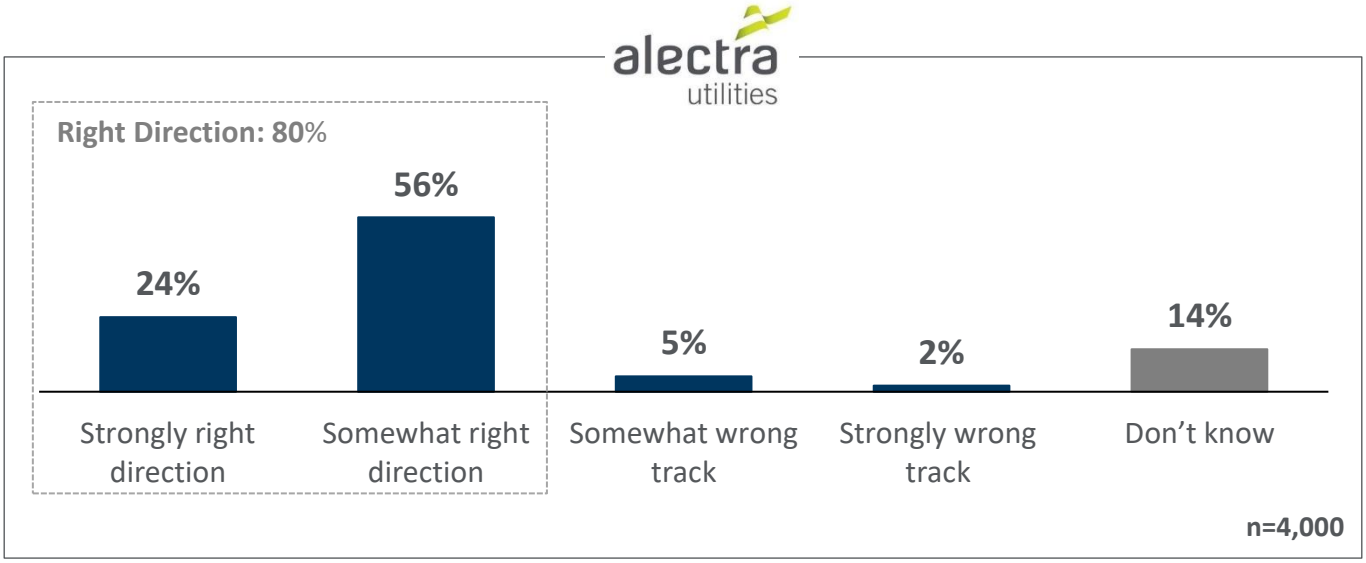
PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK PAGE

Online Workbook
Approach to Future Investments

Residential

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Strongly right direction	24%	27%	26%	20%	25%	21%
Somewhat right direction	56%	55%	53%	61%	55%	57%
Somewhat wrong track	5%	5%	5%	3%	5%	5%
Strongly wrong track	2%	2%	2%	2%	2%	2%
Don't know	14%	12%	14%	14%	13%	14%
Right Direction (Strongly + Somewhat Right Direction)	**80%**	**82%**	**79%**	**81%**	**80%**	**79%**

Online Workbook
Approach to Future Investments

Residential

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?

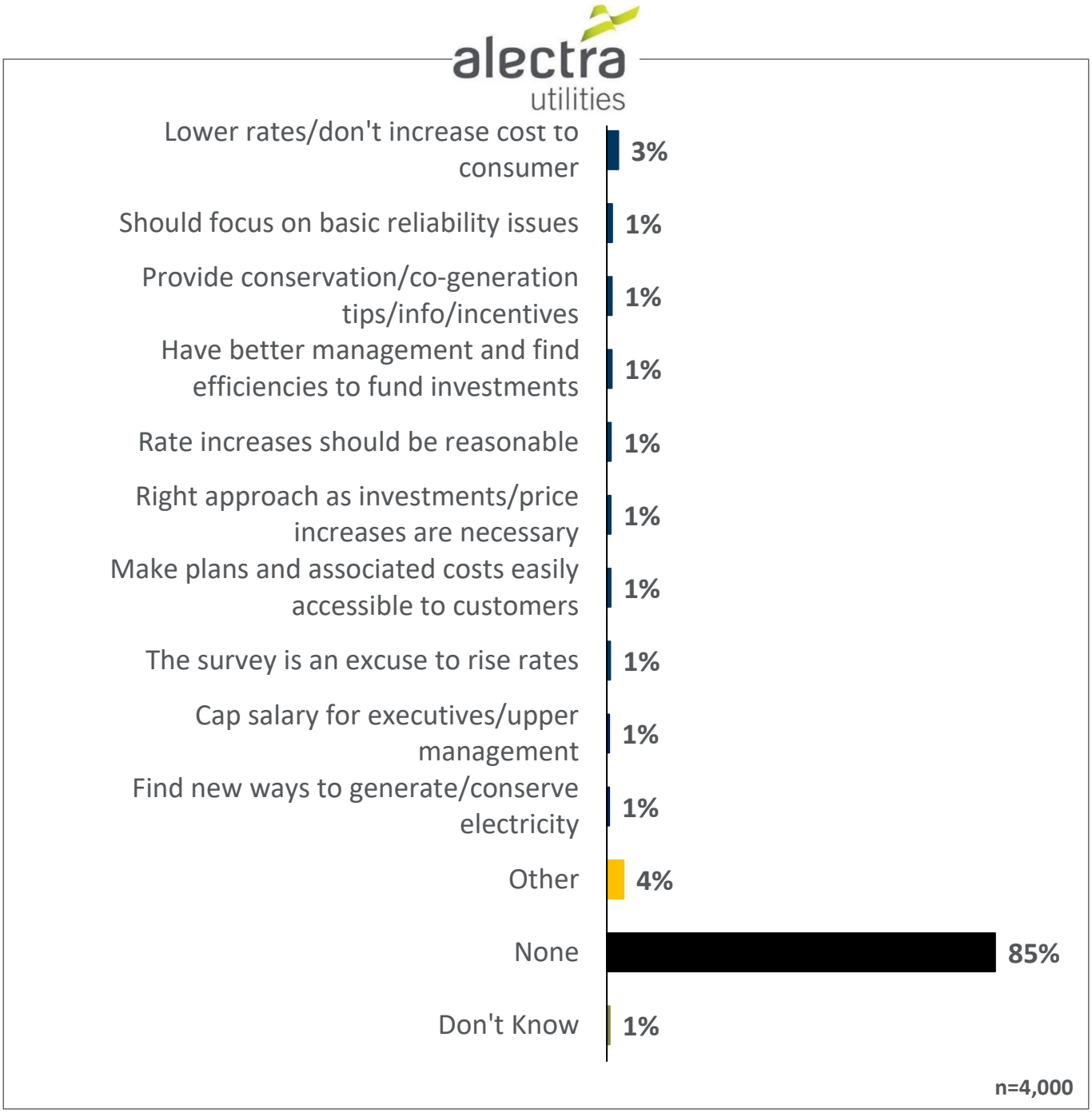
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly right direction	24%	24%	23%	23%	25%
Somewhat right direction	56%	55%	56%	57%	55%
Somewhat wrong track	5%	4%	5%	5%	5%
Strongly wrong track	2%	2%	1%	2%	3%
Don't know	14%	15%	15%	13%	12%
Right Direction (Strongly + Somewhat Right Direction)	**80%**	**79%**	**79%**	**80%**	**80%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly right direction	24%	26%	26%	27%	17%
Somewhat right direction	56%	51%	56%	57%	55%
Somewhat wrong track	5%	4%	4%	5%	6%
Strongly wrong track	2%	3%	2%	2%	2%
Don't know	14%	16%	12%	10%	19%
Right Direction (Strongly + Somewhat Right Direction)	**80%**	**77%**	**82%**	**84%**	**72%**

Online Workbook
Approach to Future Investments

Residential

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above?[OPEN]



INNOVATIVE RESEARCH GROUP

NOTE: Refused (<1%) not shown.

Online Workbook
Approach to Future Investments

Residential

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above?[OPEN]

Sample Verbatims
Lower rates/don't increase cost to consumer
"Customers can barely afford their hydro bills now. No more increases."
Should focus on basic reliability issues
"Identify strengths or weaknesses of present system. Urgent repairs, good management, smart future moves."
Provide conservation/co-generation tips/info/incentives
"Help homeowners understand how they can be a part of the program. You have to support solar, battery back up and so on."
Rate increases should be reasonable
"No need to rush, develop at low pace to avoid any impact on the rate increase. Increase in the rate should be moderate."
Have better management and find efficiencies to fund investments
"I hope your approach will detail the efforts within your company to improve efficiencies and service."
Right approach as investments/price increases are necessary
"The approach is good and keep asking ratepayers for their suggestions and comments on how they are coping with change. Upgrades are necessary but I want to know how the money is spent. Accountability is key."
Make plans and associated costs easily accessible to customers
"Alectra should move forward always informing the public on all aspects of that move."
The survey is an excuse to rise rates
"This entire survey has been hinting that there is definitely going to be a price increase."

Online Workbook
Approach to Future Investments

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above?[OPEN]

Sample Verbatims (cont.)
Find new ways to generate/conserve electricity
"More needs to be done in making electricity more resilient and eco-friendly. Alectra needs to lobby energy wasters in the local community. For example, office buildings have their lights on all the time, light pollution and wasting electricity needs to be minimized and Alectra needs to take more of a role [to do] this."
Cap salary for executives/ upper management
"Not the approach but the focus on costs. It seems to me that all of the groups involved have an abundance of high-paid, (over paid) top management and directors. Reduction in this area could go a long way to reducing the cost of improving resources and equipment."
Other
"Without knowing what other services in and out of Canada are doing who knows how well you stack up. Need a benchmark."
"I am not interested in subsidizing individual consumer initiatives, including inefficient solar panels and battery capture all of which consume precious earth materials. Centralize with big nuclear and deliver affordable and reliable power."

Online Workbook

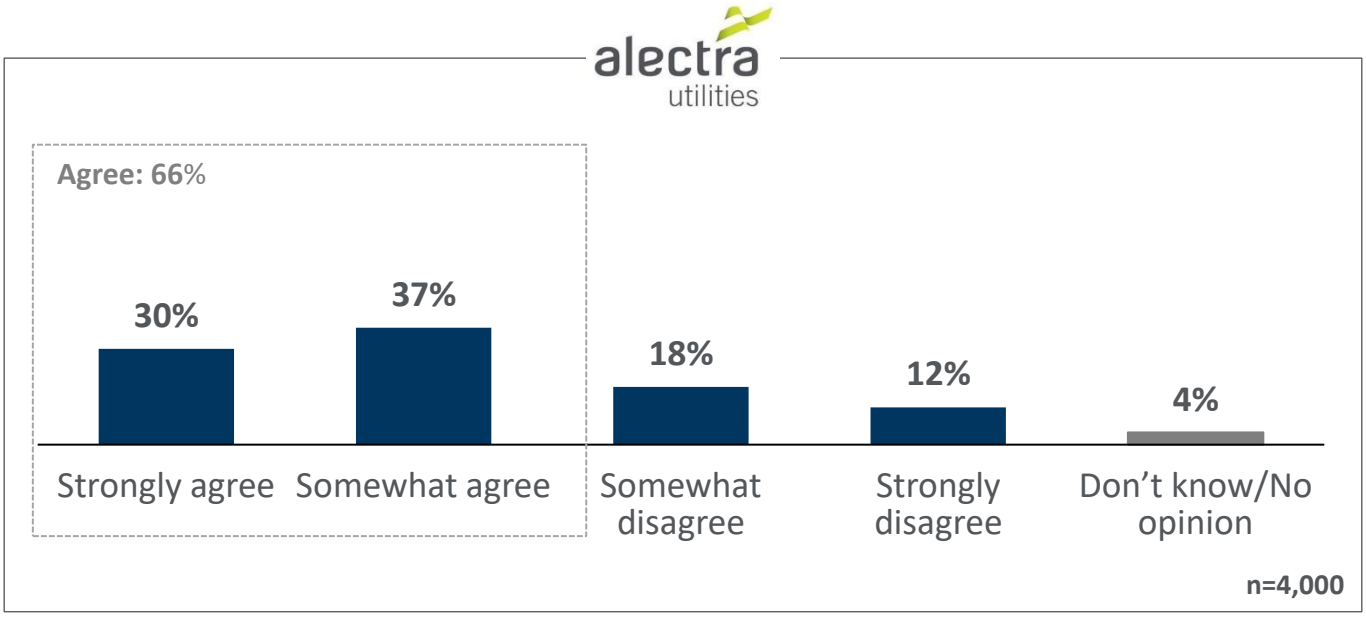
Impact of Electricity Bill on Finances

Residential

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Strongly agree	30%	45%	28%	23%	27%	27%
Somewhat agree	37%	31%	37%	34%	36%	39%
Somewhat disagree	18%	14%	18%	19%	20%	18%
Strongly disagree	12%	7%	13%	21%	13%	11%
Don't know/No opinion	4%	3%	3%	3%	4%	4%
Agree (Strongly + Somewhat Agree)	**66%**	**76%**	**65%**	**57%**	**63%**	**66%**

Online Workbook

Impact of Electricity Bill on Finances

Residential

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities

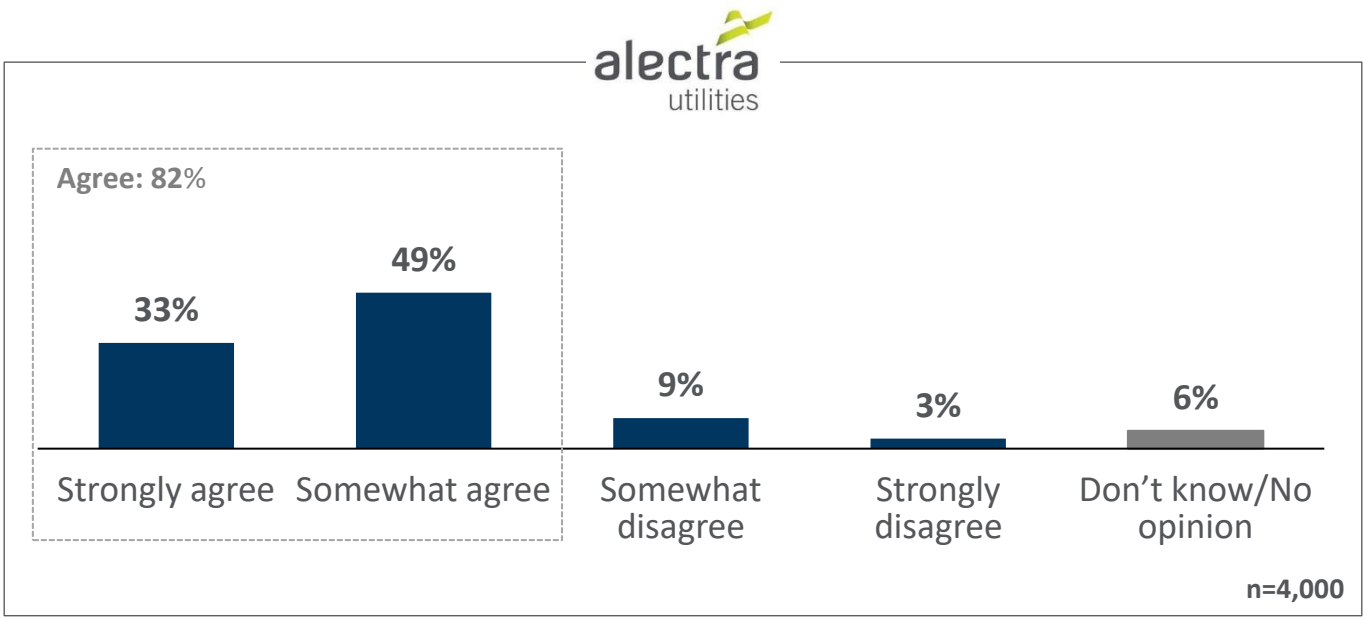
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	30%	26%	28%	32%	35%
Somewhat agree	37%	35%	37%	39%	36%
Somewhat disagree	18%	22%	17%	16%	16%
Strongly disagree	12%	13%	13%	10%	10%
Don't know/No opinion	4%	4%	4%	3%	4%
Agree (Strongly + Somewhat Agree)	**66%**	**61%**	**65%**	**70%**	**70%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly agree	30%	46%	33%	24%	30%
Somewhat agree	37%	35%	37%	35%	40%
Somewhat disagree	18%	10%	18%	21%	17%
Strongly disagree	12%	3%	9%	18%	8%
Don't know/No opinion	4%	5%	3%	3%	6%
Agree (Strongly + Somewhat Agree)	**66%**	**81%**	**70%**	**58%**	**69%**

Online Workbook
Electricity System in Ontario

Residential

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Strongly agree	33%	43%	33%	30%	31%	30%
Somewhat agree	49%	42%	49%	51%	49%	51%
Somewhat disagree	9%	8%	9%	10%	10%	10%
Strongly disagree	3%	2%	2%	4%	4%	3%
Don't know/No opinion	6%	5%	6%	5%	6%	5%
Agree (Strongly + Somewhat Agree)	**82%**	**85%**	**83%**	**81%**	**80%**	**81%**

Online Workbook
Electricity System in Ontario

Residential

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	33%	33%	32%	34%	33%
Somewhat agree	49%	48%	49%	50%	48%
Somewhat disagree	9%	10%	9%	10%	10%
Strongly disagree	3%	3%	3%	2%	4%
Don't know/No opinion	6%	6%	7%	5%	5%
Agree (Strongly + Somewhat Agree)	**82%**	**81%**	**81%**	**84%**	**81%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly agree	33%	39%	36%	33%	28%
Somewhat agree	49%	44%	48%	49%	51%
Somewhat disagree	9%	8%	9%	10%	10%
Strongly disagree	3%	2%	3%	4%	3%
Don't know/No opinion	6%	7%	4%	4%	8%
Agree (Strongly + Somewhat Agree)	**82%**	**83%**	**84%**	**82%**	**78%**

Alectra Utilities Customer Survey

Residential

Planning for the Future: Final Thoughts

Feedback on Alectra's survey

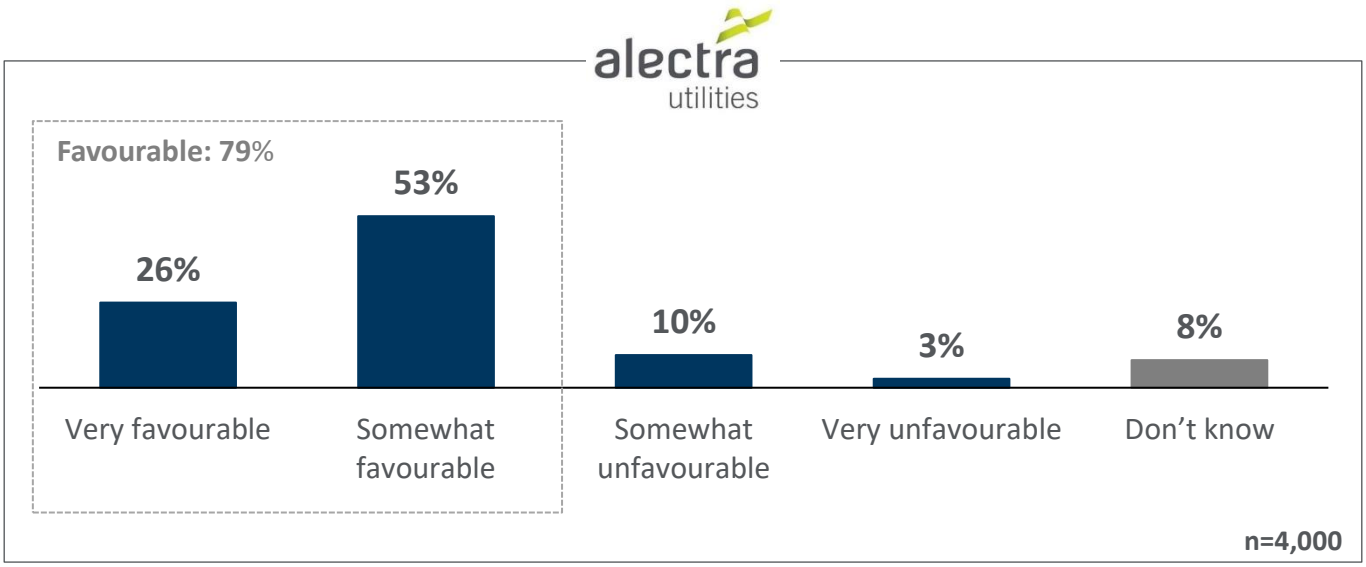
These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

WORKBOOK PAGE

Online Workbook
Impression of Survey

Residential

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very favourable	26%	32%	27%	17%	25%	25%
Somewhat favourable	53%	49%	52%	58%	53%	54%
Somewhat unfavourable	10%	9%	11%	13%	11%	10%
Very unfavourable	3%	3%	2%	2%	3%	3%
Don't know	8%	7%	8%	9%	9%	10%
Favourable (Very + Somewhat Favourable)	**79%**	**82%**	**79%**	**76%**	**78%**	**78%**

Online Workbook
Impression of Survey

Residential

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?

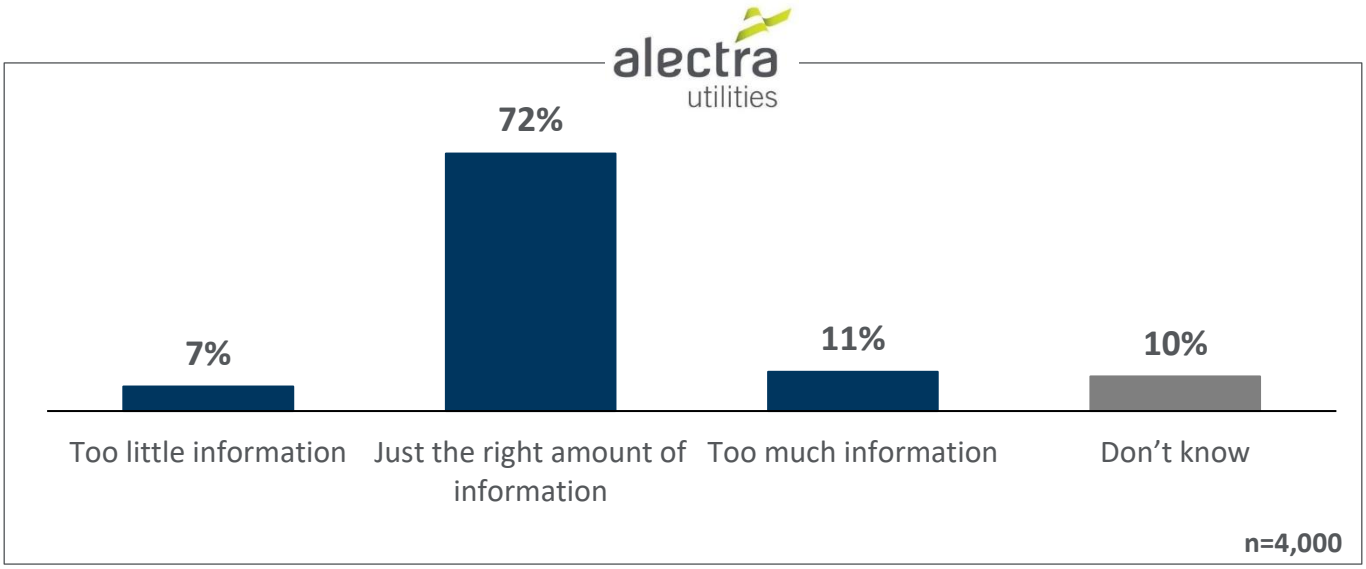
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very favourable	26%	26%	26%	24%	28%
Somewhat favourable	53%	53%	53%	54%	50%
Somewhat unfavourable	10%	10%	9%	10%	10%
Very unfavourable	3%	2%	2%	3%	3%
Don't know	8%	8%	9%	9%	9%
Favourable (Very + Somewhat Favourable)	**79%**	**80%**	**79%**	**78%**	**77%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very favourable	26%	30%	27%	30%	17%
Somewhat favourable	53%	49%	56%	53%	52%
Somewhat unfavourable	10%	7%	9%	9%	14%
Very unfavourable	3%	3%	1%	3%	4%
Don't know	8%	10%	7%	6%	13%
Favourable (Very + Somewhat Favourable)	**79%**	**80%**	**82%**	**83%**	**69%**

Online Workbook
Level of Information

Residential

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Too little information	7%	7%	7%	4%	8%	6%
Just the right amount of information	72%	74%	72%	70%	72%	72%
Too much information	11%	11%	12%	14%	9%	11%
Don't know	10%	8%	9%	11%	10%	10%

Online Workbook
Level of Information

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?

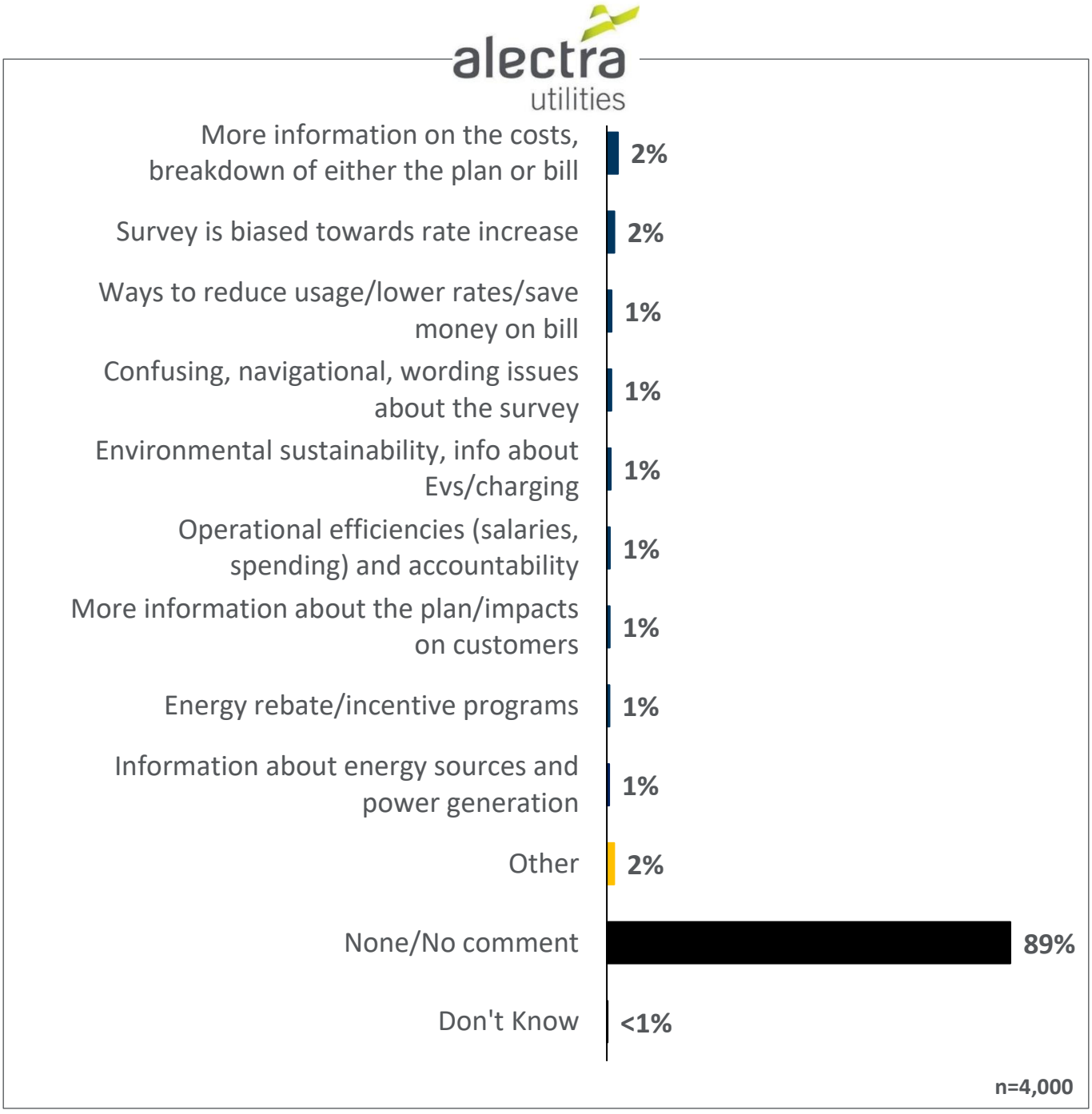
	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Too little information	7%	7%	6%	6%	8%
Just the right amount of information	72%	72%	73%	74%	71%
Too much information	11%	12%	11%	10%	12%
Don't know	10%	10%	11%	10%	8%

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Too little information	7%	10%	6%	6%	8%
Just the right amount of information	72%	69%	75%	77%	65%
Too much information	11%	10%	9%	12%	12%
Don't know	10%	12%	9%	6%	15%

Online Workbook
Final Thoughts

Residential

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]



Online Workbook
Final Thoughts

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
More information on the costs, breakdown of either the plan or bill
"There is a need to be more [transparency] about the future of electricity costs with anticipated improvements needed to meet future demand."
Survey is biased towards rate increase
"The survey seems biased toward assumptions you have made about costs going forward. I see no reason why most of the goals can't be achieved without increased costs."
Ways to reduce usage/lower rates/save money on bill
"About how to lower the cost to the customer."
Confusing, navigational, wording issues about the survey
"The information was shared in a way that facilitated quick reading and understanding, with more detail if needed. However, people with a lower literacy level may have found it overwhelming, which could have impacted their responses."
Environmental sustainability, info about EVs/charging
"Environmental Impact – a brief discussion on the types and extent of environmental impacts when electricity is [delivered] to customers. What are the environmental considerations when it comes to expanding the grid?"
Operational efficiencies (salaries, spending) and accountability
"Reduce pay to your executives to pay for improvements and decrease our cost."
More information about the plan/ impacts on customers
"Additional information on the timing of your plan draft consultations (time and places) and those involved plus timeline on draft submission and your interactions with OEB and then the involved government bodies."

Online Workbook
Final Thoughts

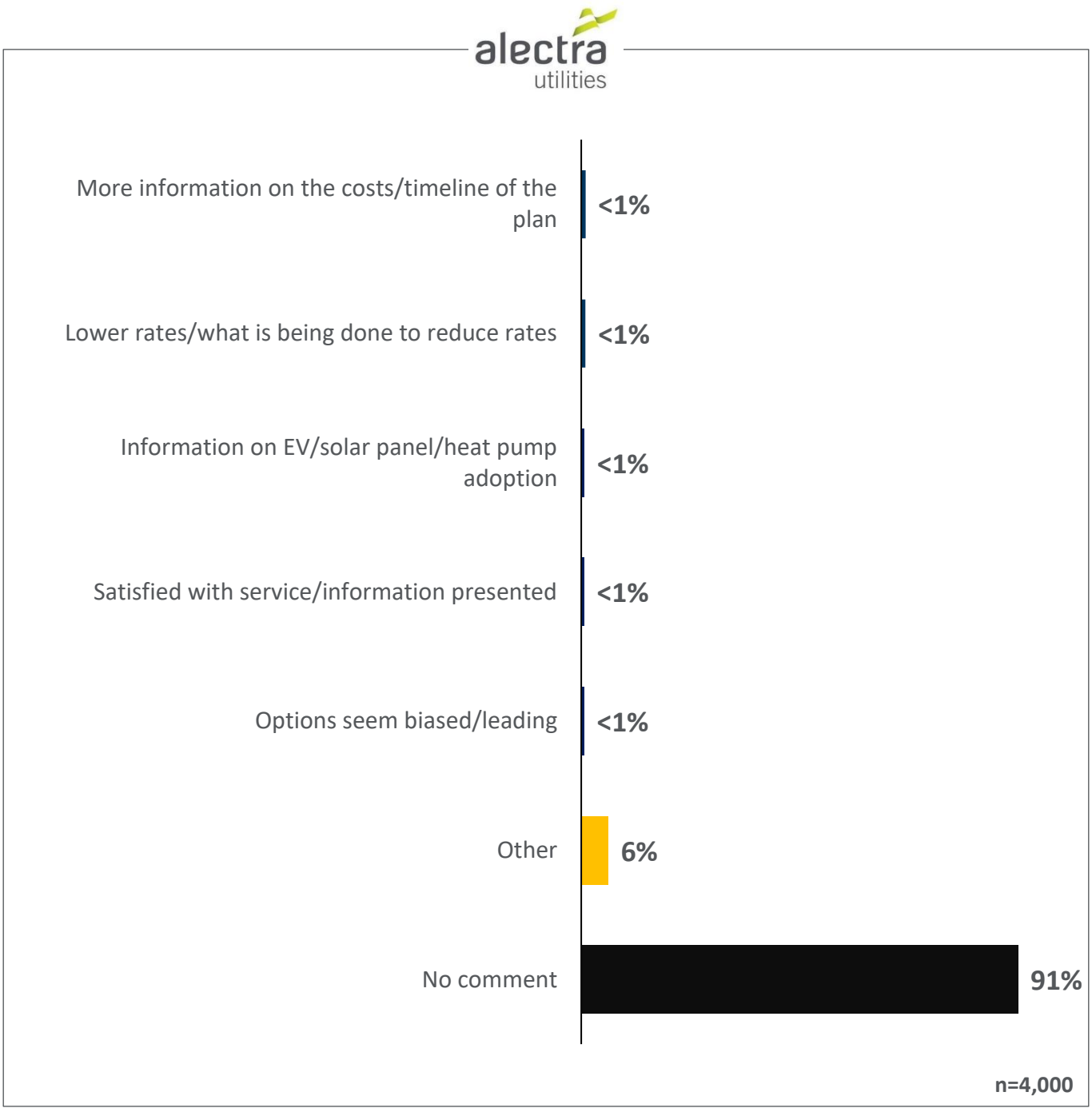
Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims (cont.)
Energy rebate/incentive programs
"Would like to see some focus on programs to help customers finance projects like solar panels or wind turbines for residential use."
Information about energy sources and power generation
"I would like more information on how households can store their own energy and participate in the program to reduce energy consumption to keep bills lower."
Other
"Maybe survey people more frequently to gather more reliable information and to keep people informed."
"Some more detail into how you predict you can use AI to improve planning or other aspects of the system."

Online Workbook
Final Thoughts

Residential

Q Is there anything that you would still like answered? [OPEN]



Online Workbook
Final Thoughts

Q Is there anything that you would still like answered?
[OPEN]

Sample Verbatims
More information on the costs/timeline of plan
"How much will rates go up if all the improvements are implemented [compared to] if none are implemented?"
Lower rates/what is being done to reduce rates
"I'd like to see how you make efforts to reduce the costs."
Information on EV/solar panel/heat pump adoption
"I would like to know more about installing solar panels on my rooftop and whether that helps decrease my Alectra bill."
Satisfied with service/information presented
"I appreciate receiving the survey. I hope you will consider its contents when making decisions."
Options seem biased/leading
"I don't feel like any of the answers I would give would impact decisions… So some of the question suggestions are silly."
Other
"I would definitely like to know the outcome of this survey and appreciate the opportunity to participate in any future surveys."
"I would like to know why the power cables are not being buried to protect them from the weather. Is there a technical reason or is this purely for cost considerations?"
"Would like to know how much electricity is consumed by different household appliances over a month, so one can manage the use."

Alectra Utilities Customer Survey

Planning for the Future: Final Thoughts

Residential

Thank you

Thank you for taking the time to provide feedback.

By completing this survey, you will automatically enter into a draw for **one of ten $250 gift cards.**

If you would like Alectra to share the findings of this survey and let you know how it will be responding to your input, please check the box below and confirm what email address is best used to contact you.

☐ *I would like to learn about the findings of this survey.*

[IF YES]: OE
☐ EMAIL ADDRESS

If you have any additional questions or comments about this survey, please email:
survey@innovativeresearch.ca

WORKBOOK PAGE

INNOVATIVE RESEARCH GROUP

Building Understanding.

Personalized research to connect you and your audiences.

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INNOVATIVE RESEARCH GROUP

Online Workbook Report

Appendix

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
BRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

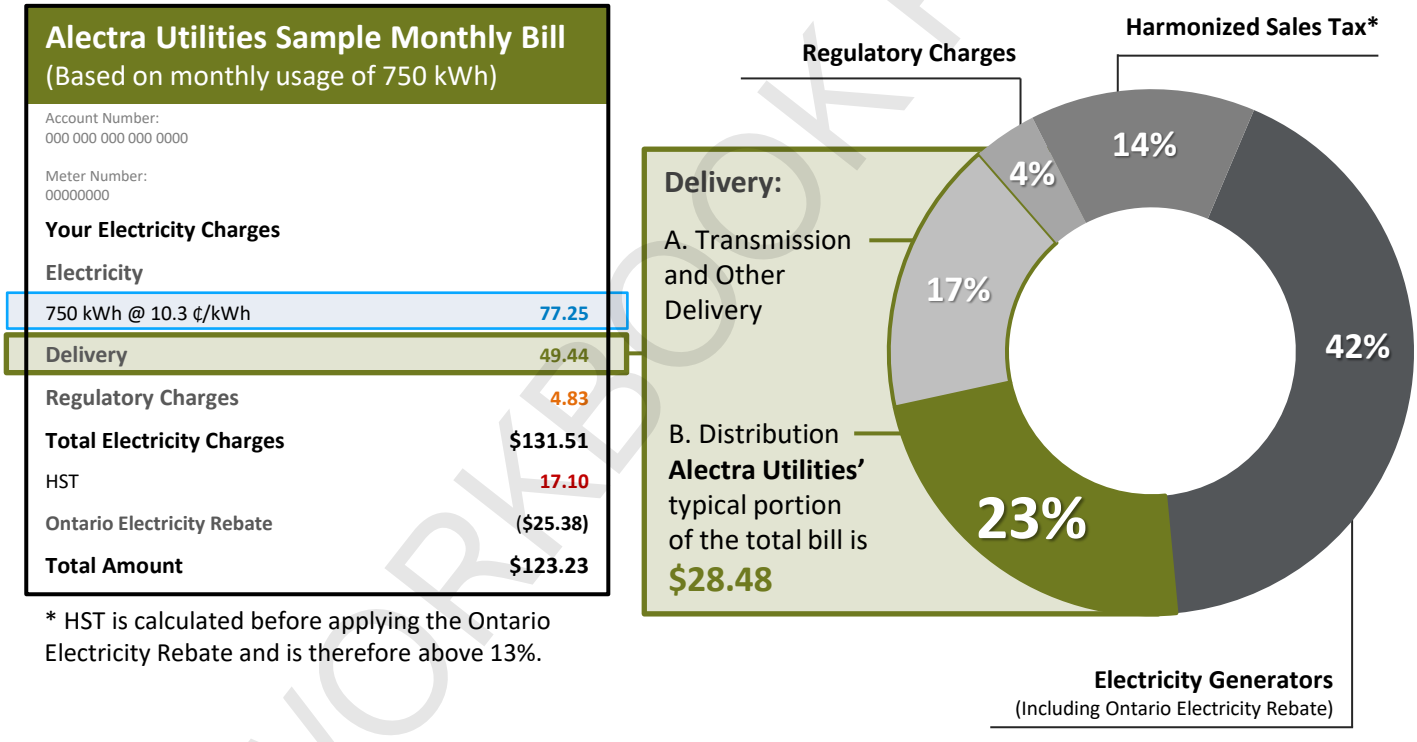
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	49.44
Regulatory Charges	4.83
Total Electricity Charges	**$131.51**
HST	17.10
Ontario Electricity Rebate	($25.38)
Total Amount	**$123.23**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
BRZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 21% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

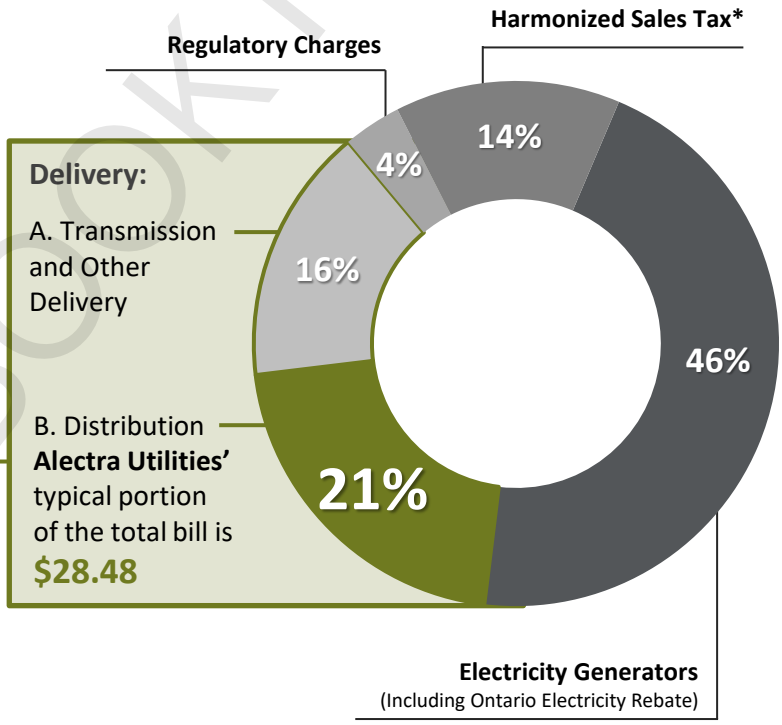
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	49.84
Regulatory Charges	4.83
Total Electricity Charges	**$143.82**
HST	18.70
Ontario Electricity Rebate	**($27.76)**
Total Amount	**$134.76**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
ERZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
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- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

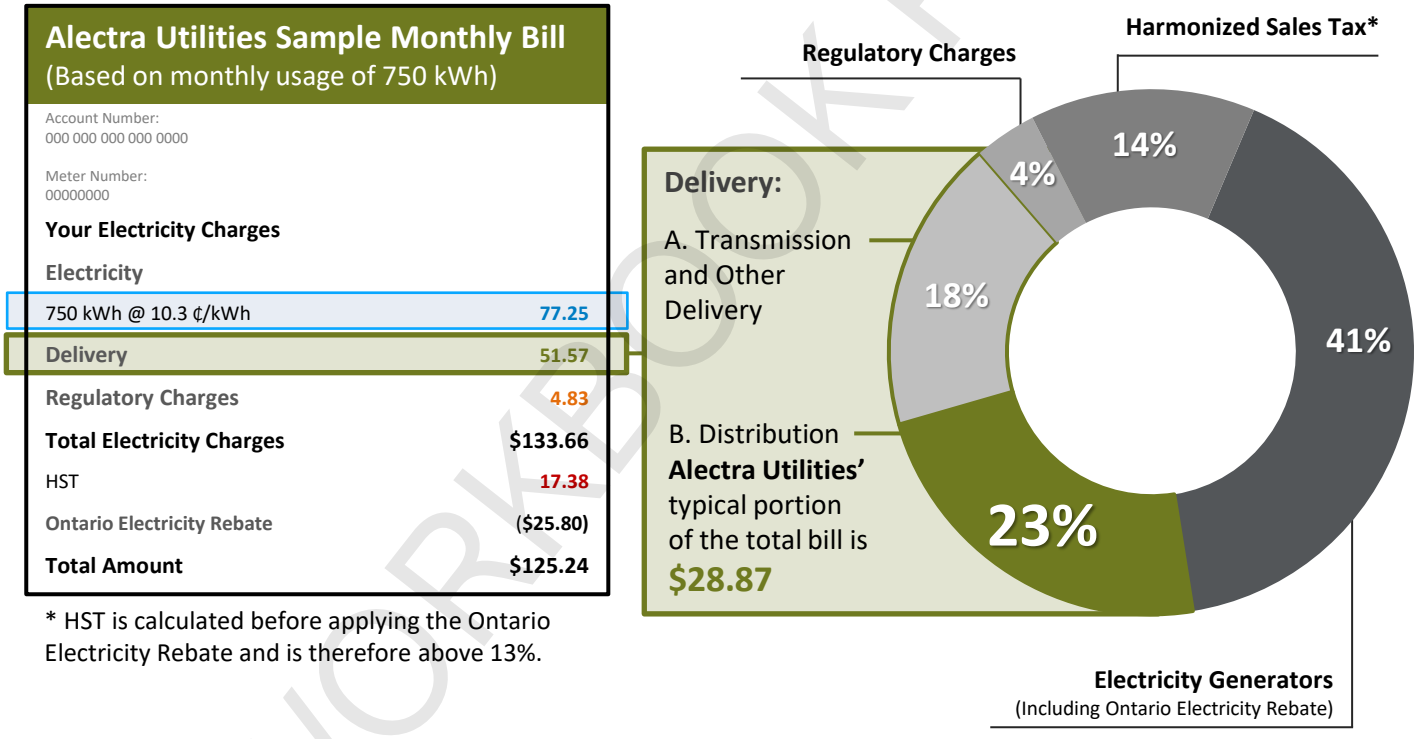
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	51.57
Regulatory Charges	4.83
Total Electricity Charges	**$133.66**
HST	17.38
Ontario Electricity Rebate	($25.80)
Total Amount	**$125.24**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
ERZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
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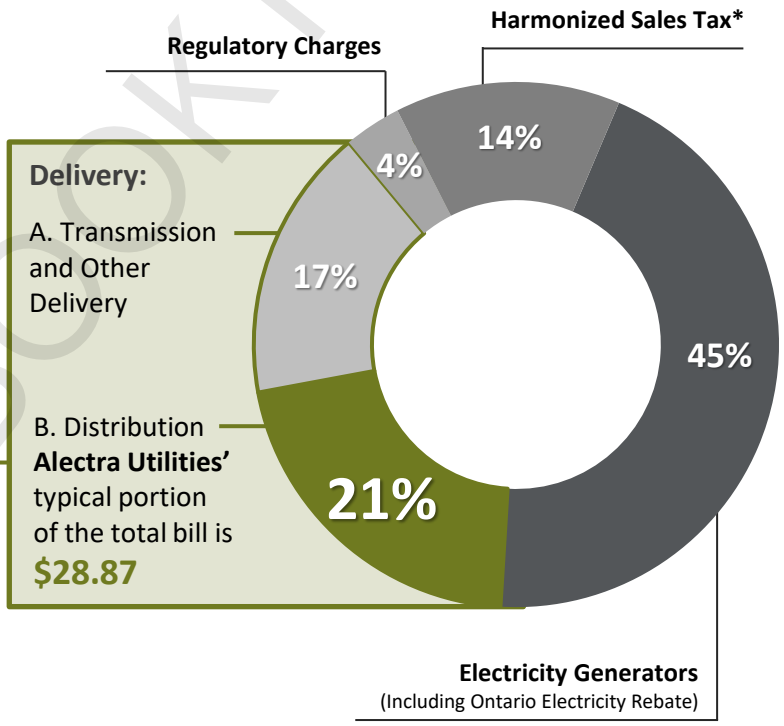
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	52.00
Regulatory Charges	4.83
Total Electricity Charges	**$145.98**
HST	18.98
Ontario Electricity Rebate	($28.17)
Total Amount	**$136.79**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
GRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 26% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

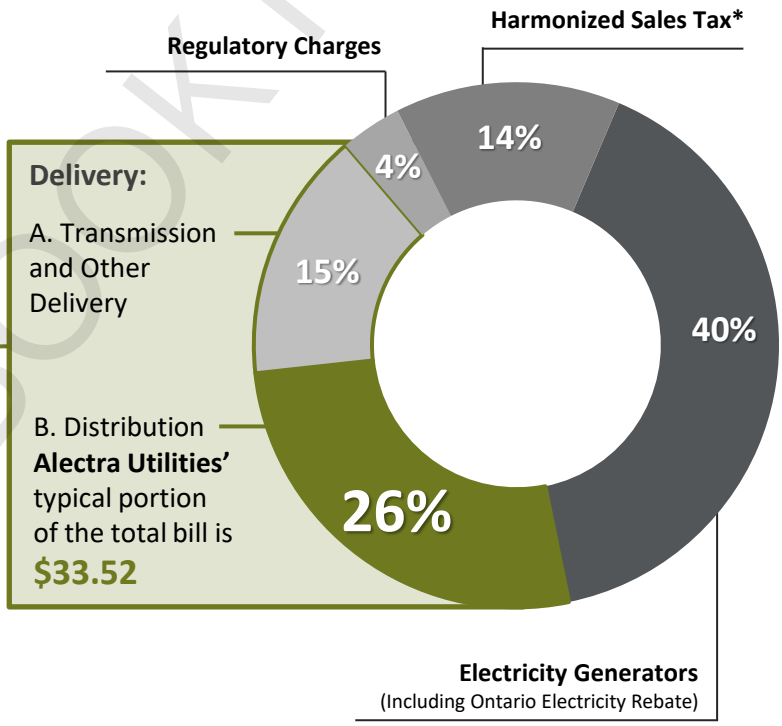
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	53.11
Regulatory Charges	4.79
Total Electricity Charges	**$135.15**
HST	17.57
Ontario Electricity Rebate	($26.08)
Total Amount	**$126.63**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
GRZ ULO

How much of my electricity bill goes to Alectra?

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- Alectra's distribution costs make up about 24% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

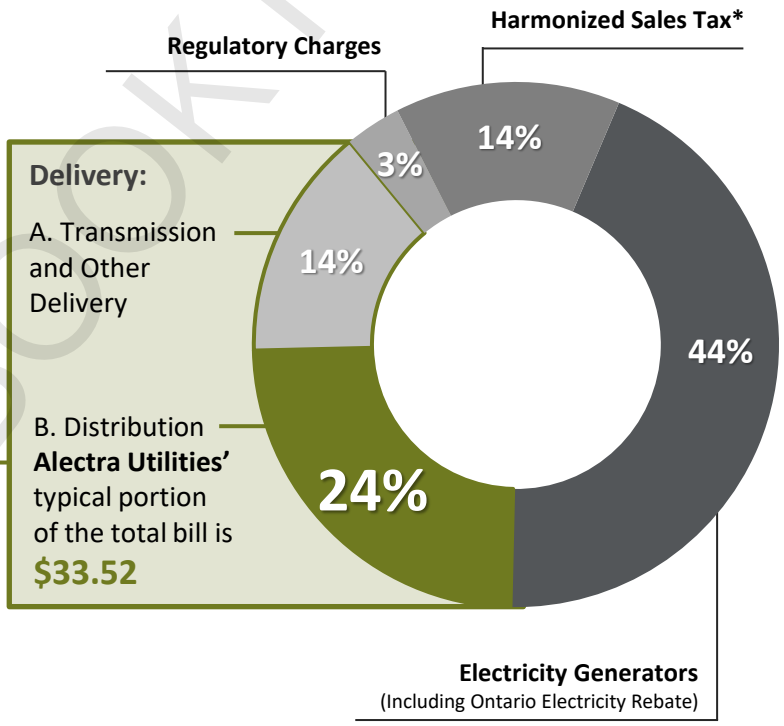
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	53.42
Regulatory Charges	4.79
Total Electricity Charges	**$147.36**
HST	19.16
Ontario Electricity Rebate	($28.44)
Total Amount	**$138.07**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
HRZ TIER

How much of my electricity bill goes to Alectra?

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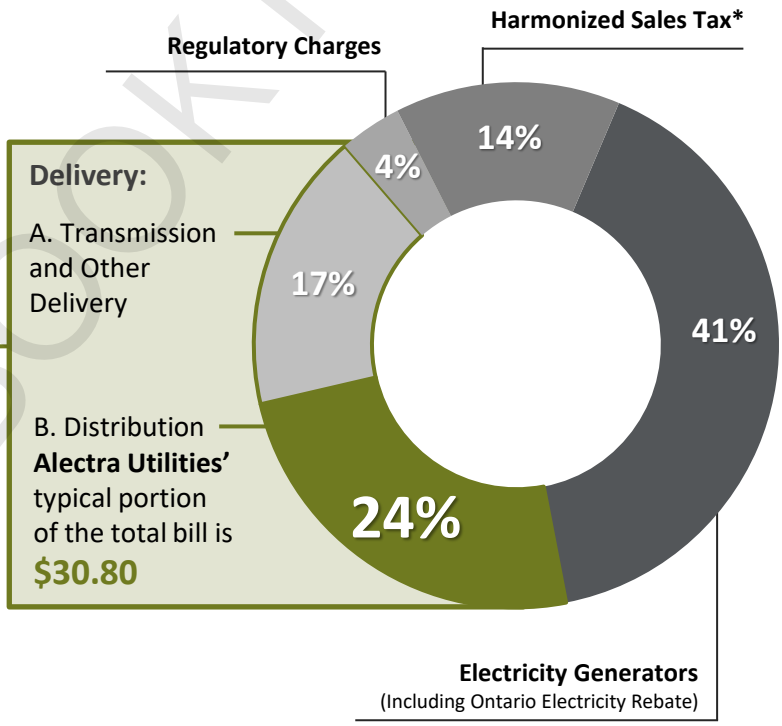
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	52.67
Regulatory Charges	4.84
Total Electricity Charges	**$134.76**
HST	17.52
Ontario Electricity Rebate	($26.01)
Total Amount	**$126.27**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
HRZ ULO

How much of my electricity bill goes to Alectra?

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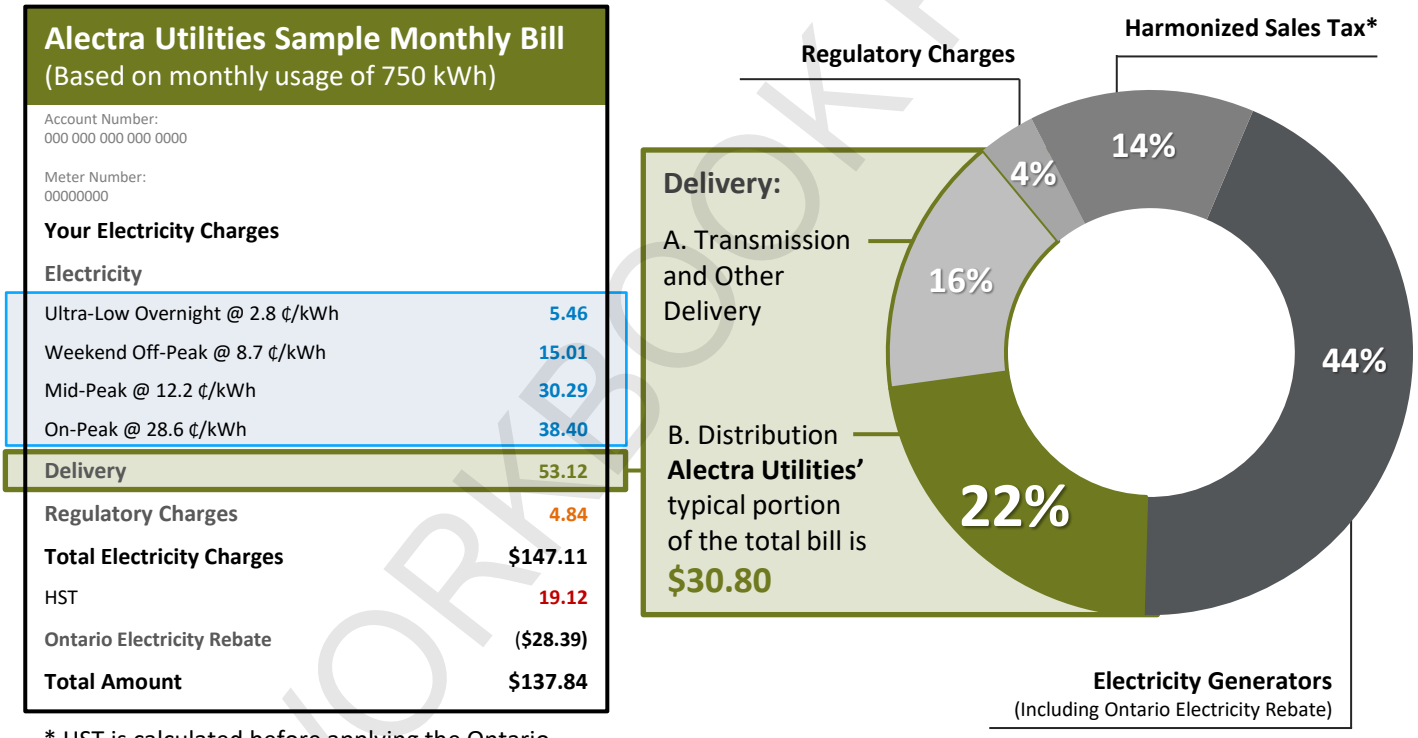
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	53.12
Regulatory Charges	4.84
Total Electricity Charges	**$147.11**
HST	19.12
Ontario Electricity Rebate	**($28.39)**
Total Amount	**$137.84**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
PRZ TIER

How much of my electricity bill goes to Alectra?

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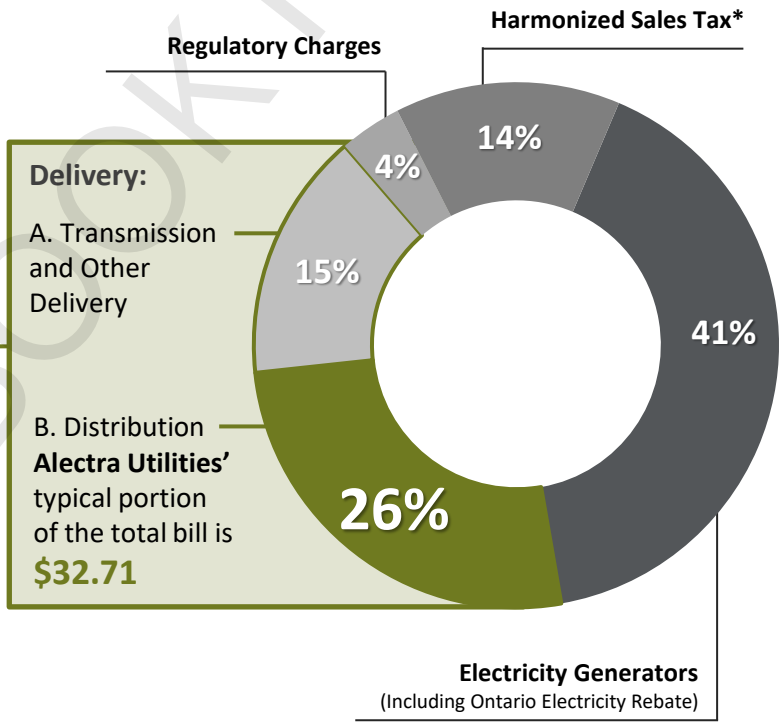
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	52.03
Regulatory Charges	4.84
Total Electricity Charges	**$134.11**
HST	17.43
Ontario Electricity Rebate	($25.88)
Total Amount	**$125.67**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Residential
PRZ ULO

How much of my electricity bill goes to Alectra?

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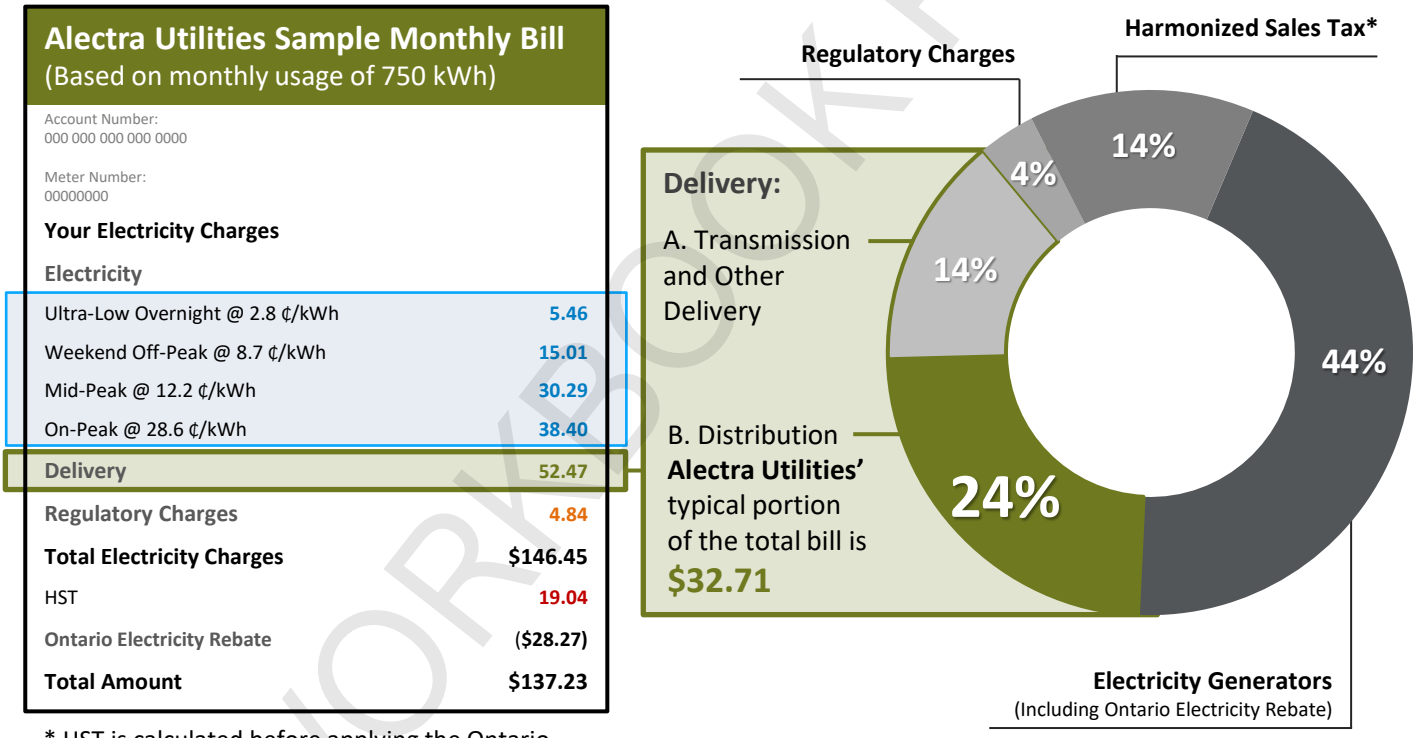
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	52.47
Regulatory Charges	4.84
Total Electricity Charges	**$146.45**
HST	19.04
Ontario Electricity Rebate	**($28.27)**
Total Amount	**$137.23**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

DRAFT

APPENDIX 03

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

GS<50 kW Needs and Preferences Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Online Survey
Survey Design & Methodology

GS<50

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

GS<50 Online Survey Completes

71,701 of all 85,618 (84%) GS<50kW customer accounts provided Alectra with an email address. Removing duplicate email addresses leaves 39,931 unique email addresses.

A representative sample of the GS<50kW customers with an email address on Alectra's file received an email invitation to the **GS<50kW Online Workbook**. The email invitation included a unique survey URL that linked back to their rate class, rate zone, and rate option. Alectra administered all email invitations. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **March 6th and April 28th, 2024**.

A total of **231** (unweighted) customers completed the online workbook.

Incentives

All business customers, including GS<50kW, GS>50kW, and Large Use customers, who completed the survey from March 6th to April 2nd were invited to enter a draw to win one of three prizes. Each prize consisted of a team breakfast or lunch up to a maximum value of $500.

To increase the response rate, INNOVATIVE structured a more direct incentive for customers who filled out the survey from April 3rd to April 28th. Those who completed the survey then received a $50 gift card for a food delivery service.

Online Survey
Survey Design & Methodology

GS<50

Sample Weighting

The GS<50 online survey sample has been weighted proportionately by consumption quartile and rate zone in order to be **representative** of the broader Alectra service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and familiarity with Alectra.

Rate Zone	Consumption Quartiles				
	Total	Low	Medium-Low	Medium-High	High
Hydro One Brampton (BRZ)	35 (23)	8 (5)	9 (6)	12 (6)	6 (7)
Enersource (ERZ)	61 (45)	14 (9)	18 (11)	12 (12)	17 (13)
Guelph Hydro (GRZ)	8 (8)	2 (2)	2 (2)	2 (2)	2 (2)
Horizon (HRZ)	47 (45)	15 (14)	9 (10)	12 (10)	11 (11)
PowerStream (PRZ)	80 (78)	21 (19)	20 (20)	23 (20)	16 (18)
Total	231 (200)	60 (50)	58 (50)	61 (50)	52 (50)

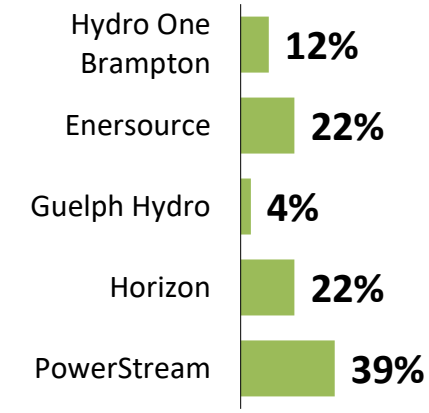
Crosstabulations

- For any weighted segment ≥ 30, results are generalizable and reported in percentages. Readers are reminded that smaller subsamples have a greater margin of error than larger subsamples.
- For any weighted segments ≥ 10 and <30, results are directional. Results are reported in n sizes to remind readers they should use caution in generalising the results. Because the sample size of Hydro One Brampton rate zone among GS<50 customers is limited (n=23), the results by rate zone are presented in n sizes.
- For any weighted segments <10, results are suppressed. Because the sample size of Guelph Hydro rate zone among GS<50 customers is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

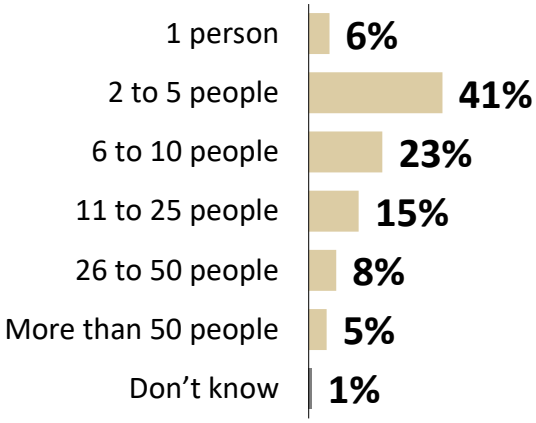
Online Survey
Firmographic Breakdown

GS<50

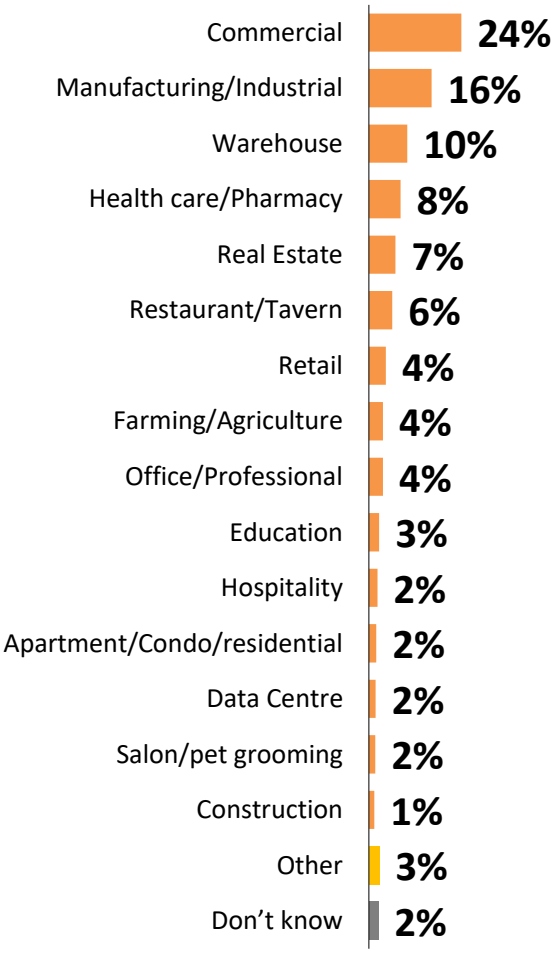
Rate Zone



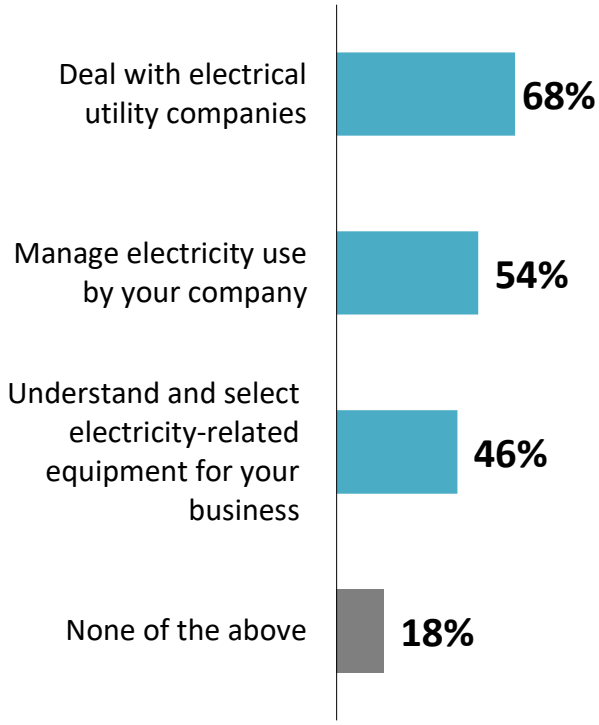
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total percentages in the chart add up to over 100%.

INNOVATIVE RESEARCH GROUP

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

GS<50

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan. This plan will determine the investments in equipment and infrastructure, the services it provides, and the rates you pay.

Your input will focus on three things:

1. **Your experience with Alectra and how they can do better.**
2. **What outcomes matter most to your organization.**
3. **Different energy choices that Alectra planners need to consider.**

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions. If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

PAGE CONTINUES ON NEXT SLIDE

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

GS<50

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

As a company accountable to the provincial energy regulator, **the Ontario Energy Board (OEB),** all views and results will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of organizations like yours.

Your individual responses will be kept confidential. Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future

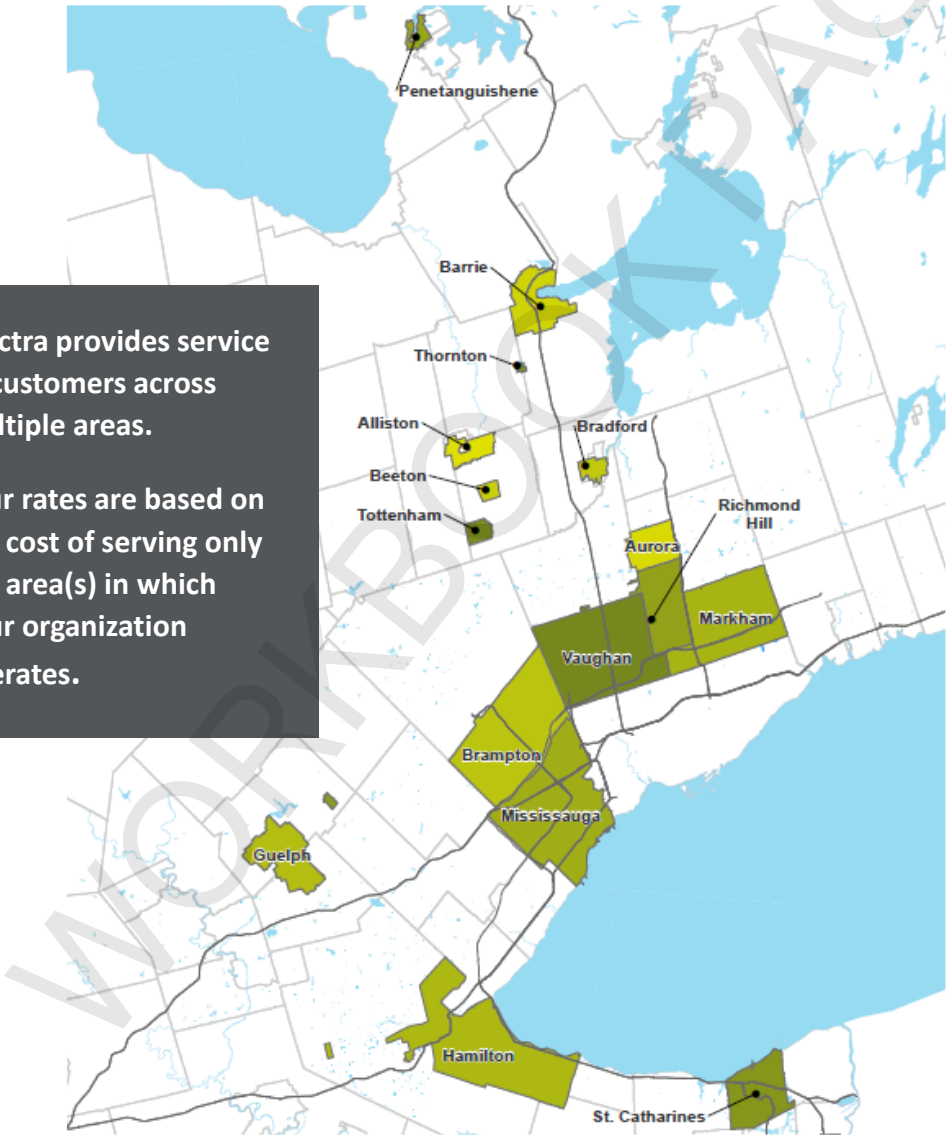
GS<50

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Alectra provides service to customers across multiple areas.

Your rates are based on the cost of serving only the area(s) in which your organization operates.



WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

What is Alectra's role in Ontario's electricity system?

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation
Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission
How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution
How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: distributing electricity to customers through our distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of primary underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

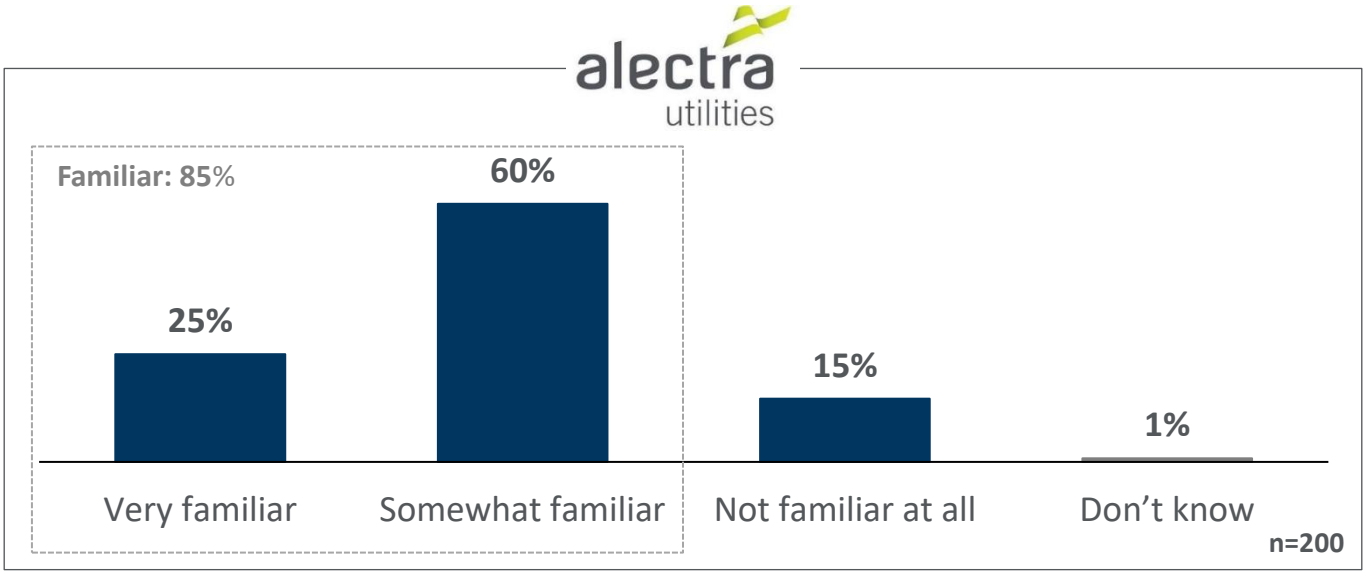
WORKBOOK PAGE

Online Workbook

Familiarity with Ontario's Electricity Distribution System

GS<50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



	Rate Zone				
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Very familiar	25%	9	14	12	15
Somewhat familiar	60%	14	24	26	47
Not familiar at all	15%	1	6	7	15
Don't know	1%	0	1	0	1
Familiar (Very + Somewhat Familiar)	**85%**	**23**	**39**	**38**	**62**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook

Familiarity with Ontario's Electricity Distribution System

GS<50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Very familiar	25%	28%	18%
Somewhat familiar	60%	58%	66%
Not familiar at all	15%	14%	15%
Don't know	1%	1%	1%
Familiar (Very + Somewhat Familiar)	**85%**	**85%**	**84%**

Consumption Quartile

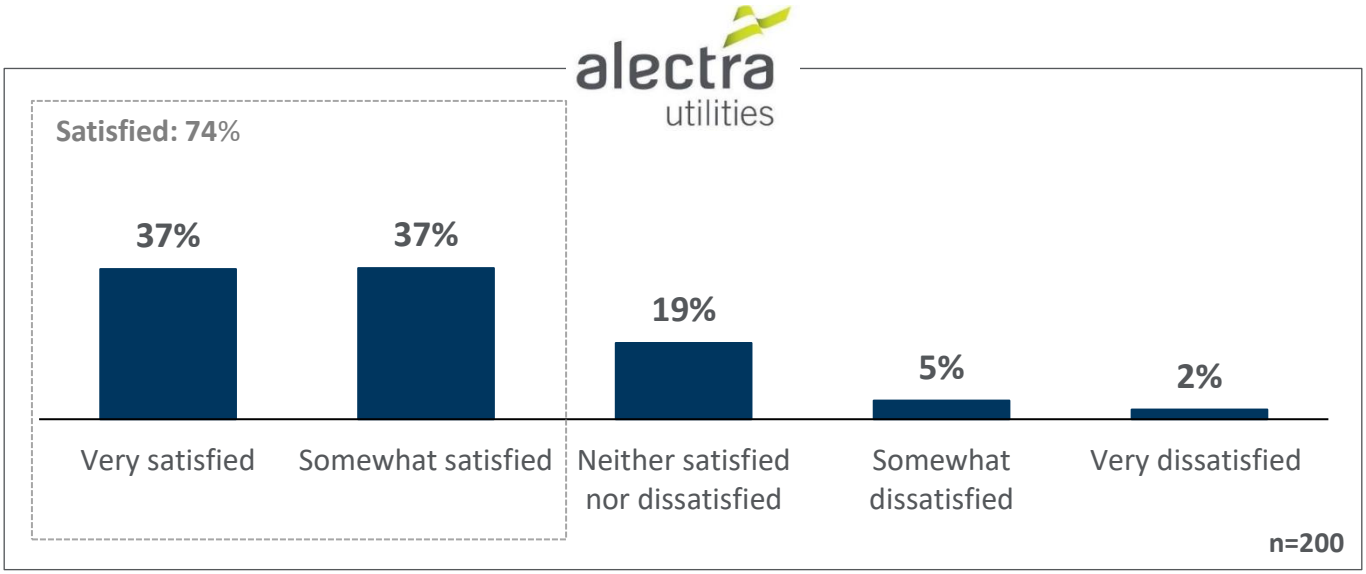
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Very familiar	25%	22%	24%	27%	27%
Somewhat familiar	60%	56%	56%	61%	66%
Not familiar at all	15%	21%	20%	12%	6%
Don't know	1%	2%	0%	0%	1%
Familiar (Very + Somewhat Familiar)	**85%**	**78%**	**80%**	**88%**	**93%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Satisfaction with Services from Alectra Utilities

GS<50

Q Generally, how satisfied or dissatisfied are you with the services your organization receives from Alectra Utilities?



		Rate Zone			
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Very satisfied	37%	9	16	18	27
Somewhat satisfied	37%	7	16	18	30
Neither satisfied nor dissatisfied	19%	5	10	5	17
Somewhat dissatisfied	5%	1	1	3	4
Very dissatisfied	2%	1	2	1	1
Satisfied (Very + Somewhat)	**74%**	**16**	**32**	**36**	**57**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Satisfaction with Services from Alectra Utilities

GS<50

Q Generally, how satisfied or dissatisfied are you with the services your organization receives from Alectra Utilities?

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Very satisfied	37%	39%	33%
Somewhat satisfied	37%	37%	43%
Neither satisfied nor dissatisfied	19%	18%	16%
Somewhat dissatisfied	5%	4%	8%
Very dissatisfied	2%	3%	0%
Satisfied (Very + Somewhat)	**74%**	**76%**	**76%**

Consumption Quartile

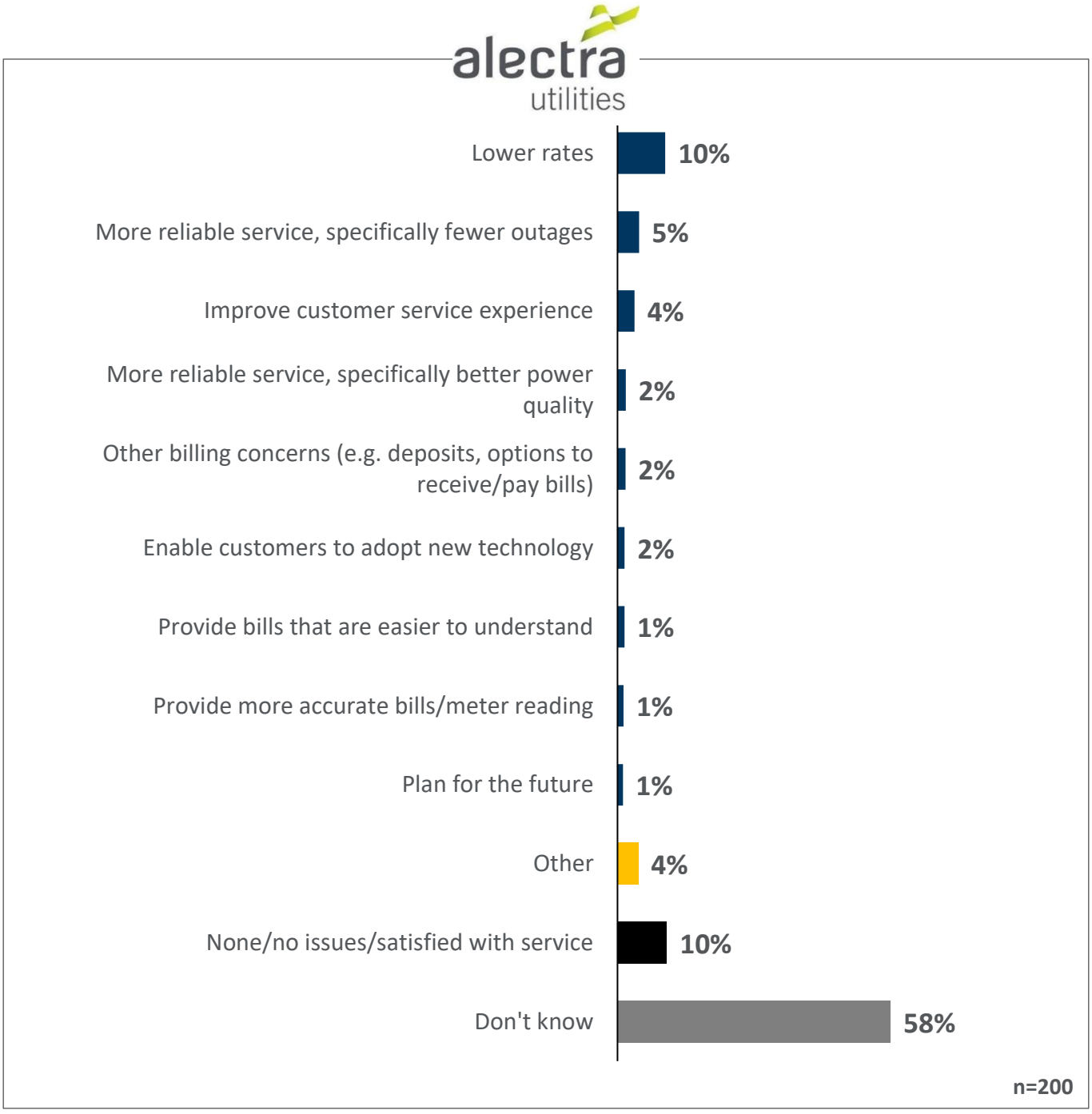
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Very satisfied	37%	27%	43%	42%	35%
Somewhat satisfied	37%	41%	32%	35%	41%
Neither satisfied nor dissatisfied	19%	19%	19%	17%	19%
Somewhat dissatisfied	5%	5%	6%	4%	4%
Very dissatisfied	2%	7%	0%	3%	0%
Satisfied (Very + Somewhat)	**74%**	**69%**	**75%**	**77%**	**76%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Areas for Improvement

GS<50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]



Online Workbook
Areas for Improvement

GS<50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]

Sample Verbatims
Lower rates
"Reduce the rate, if possible."
"Try to reduce our hydro bill charge, thanks!"
More reliable service, specifically fewer outages
"Stop the ongoing outages that occur during regular business hours and off hours as well. It affects our machinery and downtime and re-set of computers when this occurs."
"Unstable power supply because of many times cut-out of power."
Improve customer service experience
"Alectra has several programs for the benefit of its customers, and they are not very well communicated. I think some improvement can be made in this regard."
"Take ownership of presented issues. Treat customers with respect, we are not an inconvenience, we are your purpose."
More reliable service, specifically better power quality
"Not have so many brownouts."
Other billing concerns (e.g. deposits, options to receive/pay bills)
"Extend the "pay by" date. When the bill is mailed out and we receive it, leaves little time to pay a bill..."
Enable customers to adopt new technology
"Make solar/wind generation more accessible for customers to reduce their billing."

Online Workbook
Areas for Improvement

GS<50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]

Sample Verbatims (cont.)
Provide bills that are easier to understand
"The online portal (and possibly Alectra's backend system) had issues, making it difficult for us to sometimes understand charges, refunds, credits, etc. We understand the portal has since changed and we hope this corrects the issues we experienced."
Provide more accurate bills/meter reading
"Improve billing to indicate actual meter readings. Improve invoicing , onsite electricity generation (solar) is not shown on invoice, have no idea how much of a reduction in $ we are receiving."
Plan for the future
"Should install more charging stations for electric car. Or partner with individual business/organizations install the system for a win-win situation."
Other
"Access to a live person when calling head office."
"I have installed systems to communicate power outages or even the shortest momentary power interruption. The frequency of these interruptions have decreased but still exist. They are problematic as they throw my equipment offline or interrupt my consumers PAID washing experience at my car wash."
"Reduce corporate expenses such as fees paid to board directors."

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

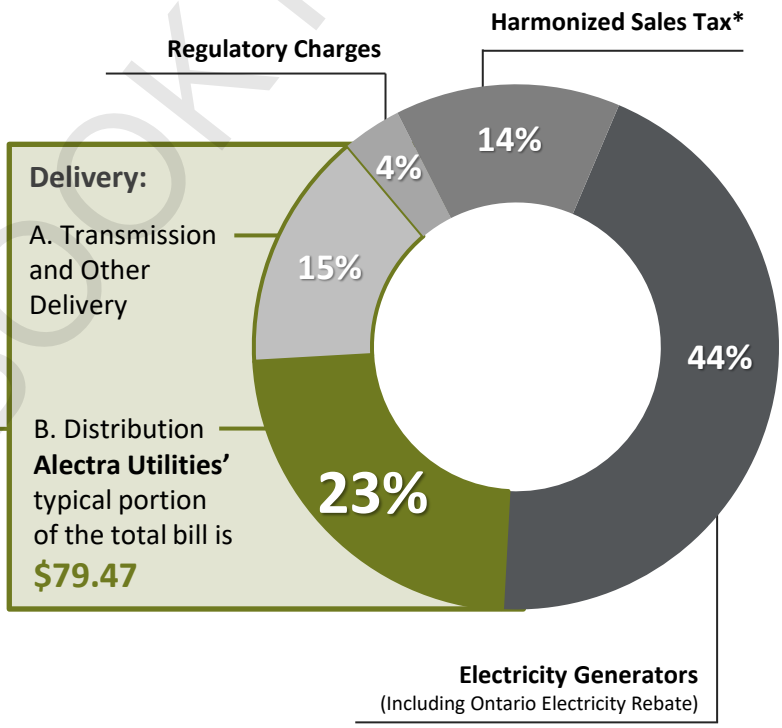
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	130.04
Regulatory Charges	12.45
Total Electricity Charges	**$365.19**
HST	47.47
Ontario Electricity Rebate	**($70.48)**
Total Amount	**$342.18**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low GS<50 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
ERZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 24% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

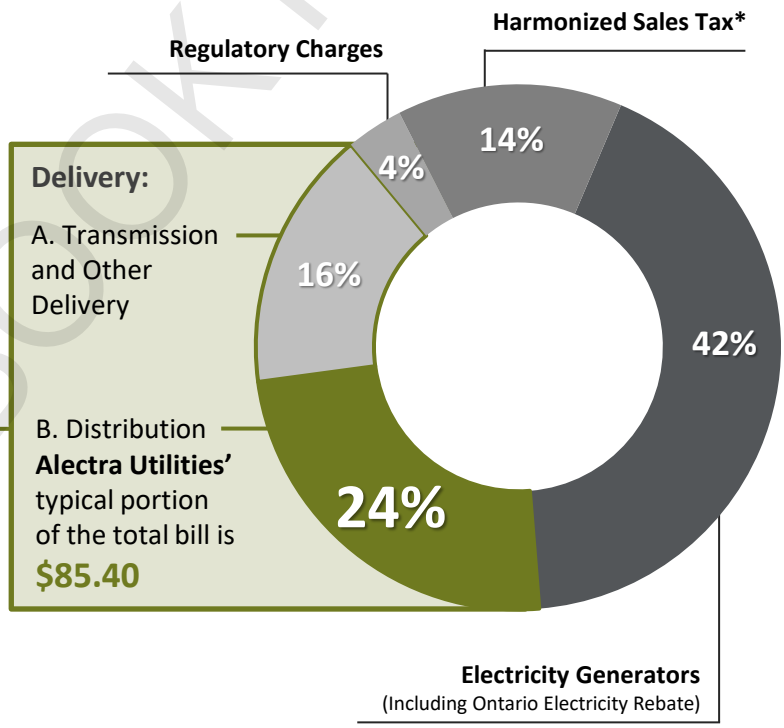
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	142.44
Regulatory Charges	12.47
Total Electricity Charges	**$377.61**
HST	49.09
Ontario Electricity Rebate	**($72.88)**
Total Amount	**$353.82**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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WORKBOOK PAGE

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Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 17% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

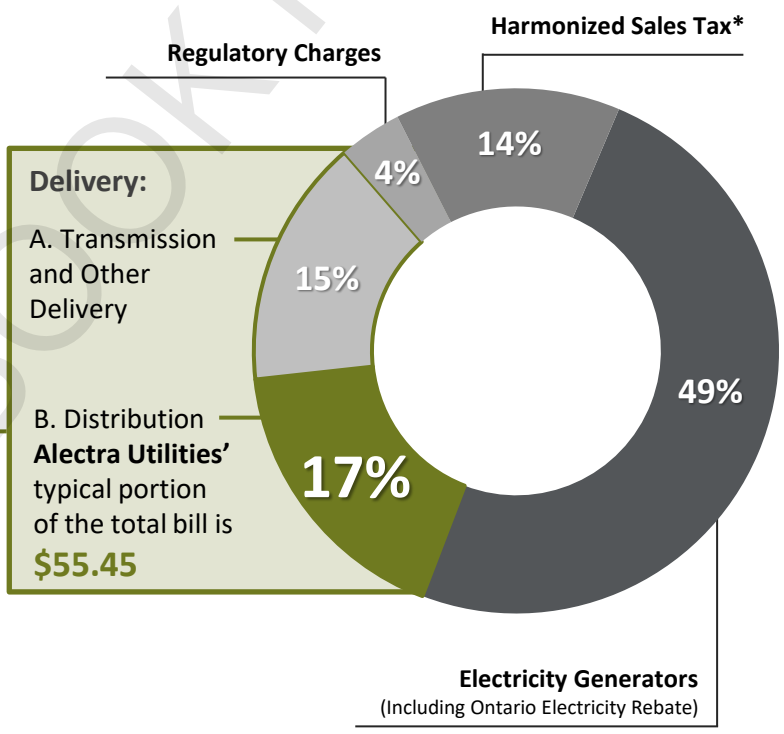
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	104.33
Regulatory Charges	12.36
Total Electricity Charges	$339.39
HST	44.12
Ontario Electricity Rebate	($65.50)
Total Amount	$318.00

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low GS<50 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
HRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

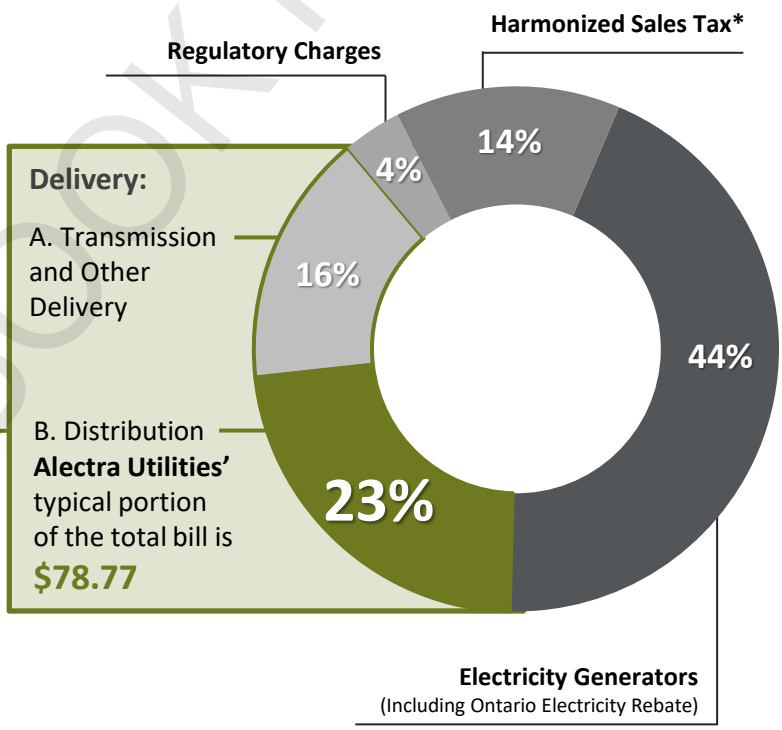
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	132.62
Regulatory Charges	12.50
Total Electricity Charges	**$367.82**
HST	47.82
Ontario Electricity Rebate	**($70.99)**
Total Amount	**$344.64**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low GS<50 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
PRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 24% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

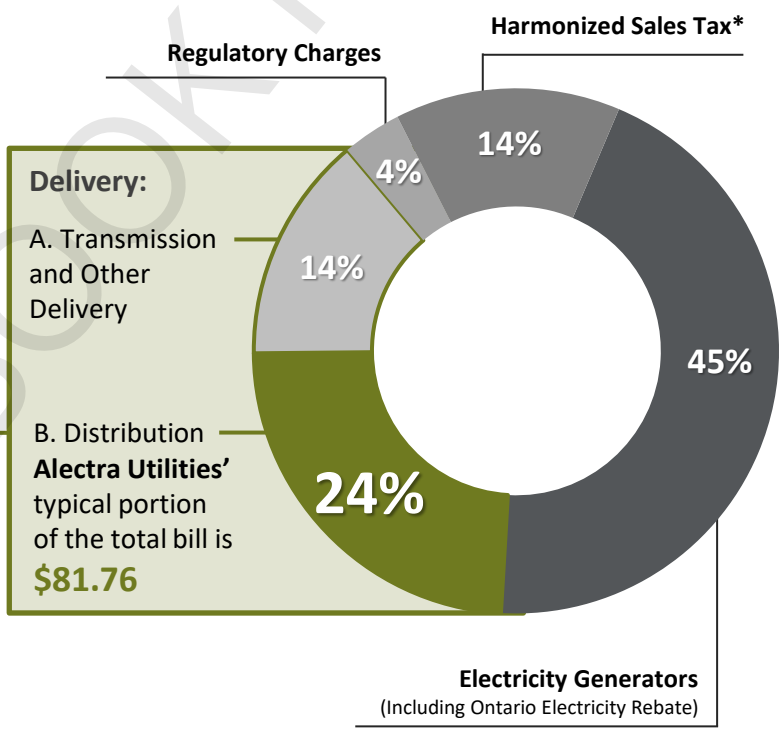
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	129.65
Regulatory Charges	12.49
Total Electricity Charges	**$364.84**
HST	47.43
Ontario Electricity Rebate	**($70.41)**
Total Amount	**$341.85**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

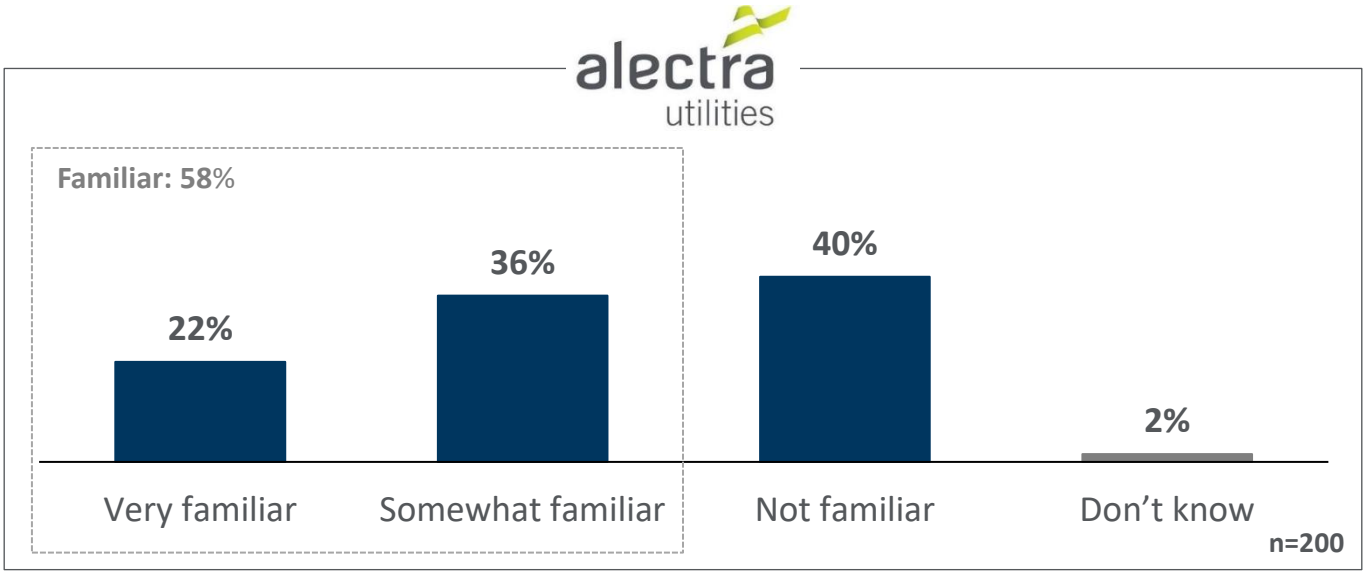
WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low GS<50 customers, please see the appendix.

Online Workbook
Familiarity with Electricity Bill

GS<50

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



	Rate Zone				
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Very familiar	22%	9	11	9	14
Somewhat familiar	36%	7	18	18	27
Not familiar at all	40%	6	16	18	36
Don't know	2%	2	1	0	1
Familiar (Very + Somewhat Familiar)	**58%**	**16**	**29**	**27**	**41**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Familiarity with Electricity Bill

GS<50

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?

		Bill Impact	
	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Very familiar	22%	26%	14%
Somewhat familiar	36%	36%	34%
Not familiar at all	40%	36%	52%
Don't know	2%	3%	0%
Familiar (Very + Somewhat Familiar)	**58%**	**62%**	**48%**

		Consumption Quartile			
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Very familiar	22%	21%	16%	22%	28%
Somewhat familiar	36%	30%	41%	40%	34%
Not familiar at all	40%	48%	39%	36%	38%
Don't know	2%	1%	5%	1%	0%
Familiar (Very + Somewhat Familiar)	**58%**	**51%**	**56%**	**63%**	**62%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

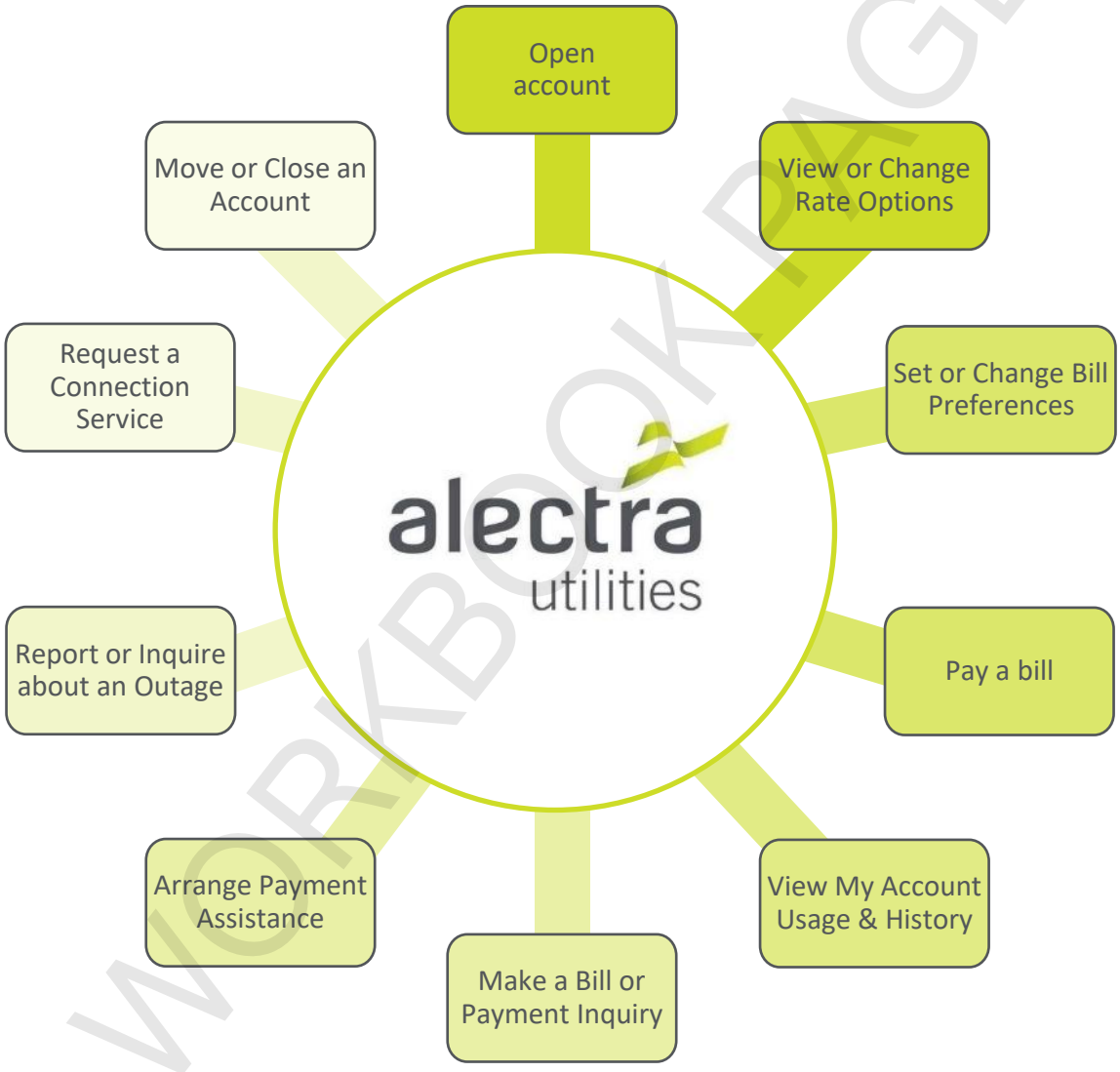
Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

GS<50

Customer Service Experience

There are many ways that customers interact with Alectra. The diagram below is based on previous customer feedback and intended to help you recall various ways you may have interacted with Alectra – across Web, Phone, Email, Social media, and In-Person experiences.

Please review and then answer the questions below to help Alectra ensure they have fully captured customer needs.

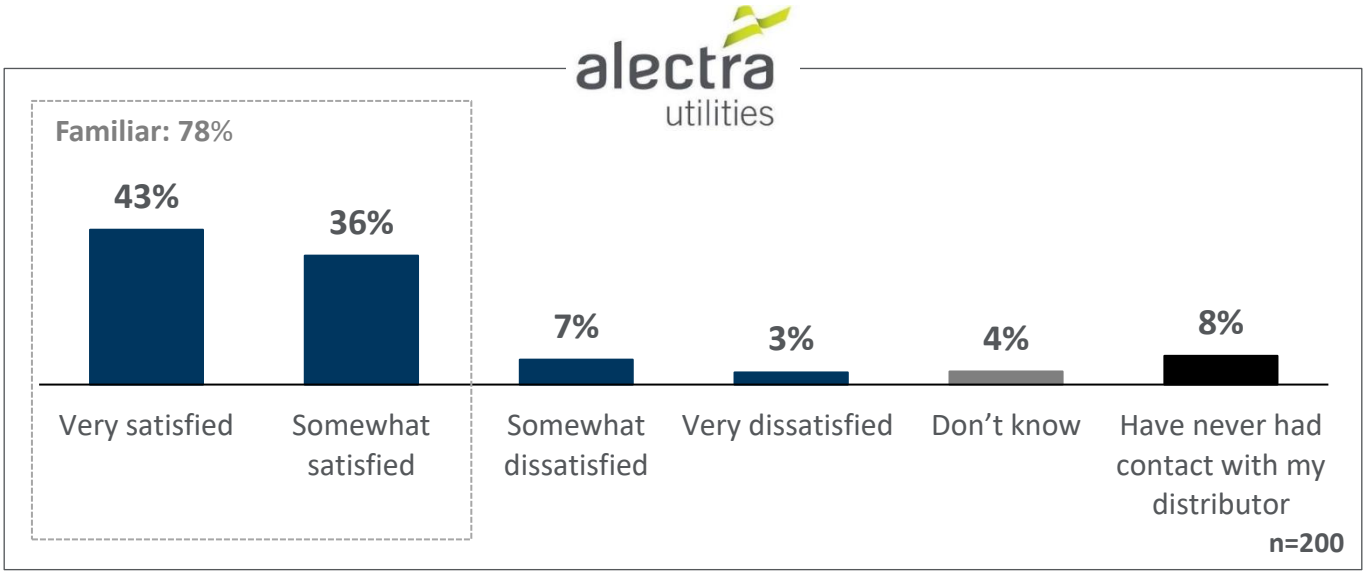


WORKBOOK PAGE

Online Workbook
Satisfaction with Customer Service Experience

GS<50

Q Thinking about all the interactions your organization may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Very satisfied	43%	9	22	17	31
Somewhat satisfied	36%	9	13	20	28
Somewhat dissatisfied	7%	1	4	1	6
Very dissatisfied	3%	0	1	3	2
Don't know	4%	2	1	2	3
Have never had contact with my distributor	8%	1	4	2	9
Satisfied (Very + Somewhat Satisfied)	**78%**	**19**	**35**	**37**	**59**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Satisfaction with Customer Service Experience

GS<50

Q Thinking about all the interactions your organization may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Very satisfied	43%	42%	44%
Somewhat satisfied	36%	34%	40%
Somewhat dissatisfied	7%	7%	6%
Very dissatisfied	3%	5%	0%
Don't know	4%	3%	4%
Have never had contact with my distributor	8%	9%	6%
Satisfied (Very + Somewhat Satisfied)	**78%**	**77%**	**84%**

Consumption Quartile

	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Very satisfied	43%	31%	46%	49%	46%
Somewhat satisfied	36%	41%	34%	30%	37%
Somewhat dissatisfied	7%	11%	3%	10%	3%
Very dissatisfied	3%	5%	2%	3%	4%
Don't know	4%	4%	6%	3%	2%
Have never had contact with my distributor	8%	9%	9%	7%	8%
Satisfied (Very + Somewhat Satisfied)	**78%**	**72%**	**80%**	**79%**	**83%**

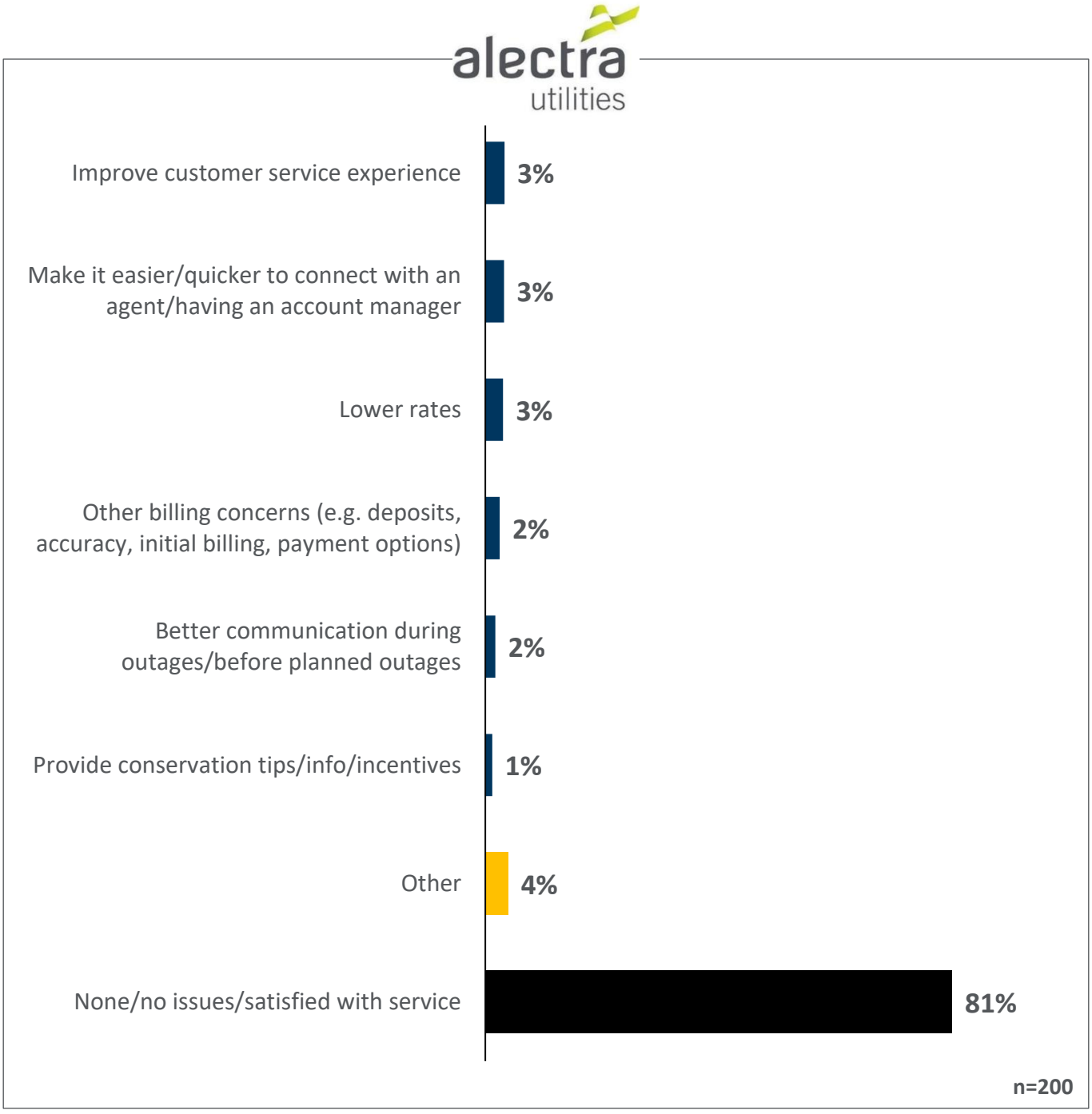
INNOVATIVE RESEARCH GROUP

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Meeting Customers' Needs

GS<50

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?



Online Workbook
Meeting Customers' Needs

GS<50

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Sample Verbatims
Improve customer service experience
"Have knowledgeable customer service staff that are local and cut down waiting times."
"You need a division for business accounts only."
Make it easier/quicker to connect with an agent/having an account manager
"Shorter wait times when calling in."
"Having an 'account manager' to reach out if needed."
Lower rates
"My electricity bill is too high for a startup business, there should be some offset costs for new businesses."
"Alectra is an expensive electricity provider I think Hydro One was a better company and lowest electricity bill. I run a small shop 900 sf. My electric bill is $600. I don't know how? I urged to government and OEB to bring back Hydro One in for save poor Canadians."
Other billing concerns (e.g. deposits, accuracy, initial billing, payment options)
"Yes, paying a bill online via credit cards should be an option for businesses and viewing the bill should be directly via PDF, I always have to convert your bill view to PDF then print it. Also viewing MyAccount usage and history can be more simplified and improved."
Better communication during outages/before planned outages
"For things like power outages, it would be helpful if they can make it easier to view an outage map online and to give an estimated ETA of when power can be restored, which can save many customers from having to call and be on hold to speak to someone about this information."
Provide conservation tips/info/incentives
"Annual reviews of customer accounts to get an average of what that customer may be spending and find cost efficient ways to keep help with and grow their business. With the growing costs of EVERYTHING it's hard for small businesses to stay afloat. We need financial help or at least some way for cost reduction."
Other
"Keep the power on when it rains or is a bit windy…"

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

GS<50

How are electricity distribution rates set?

The electricity industry in Ontario is regulated by the Ontario Energy Board (OEB). The OEB sets electricity rates in Ontario.

- Electricity distributors are funded by the distribution rates paid by their customers. Periodically, distributors are required to file rate applications with the OEB to justify the amount of funding they need to safely and reliably distribute electricity to their customers.
- The OEB requires Alectra to consider customers' needs, outcomes and preferences as Alectra develops its' business and distribution system plan, including spending and investment decisions.
- Customers like you will have at least three opportunities to provide input into Alectra's long term planning process:

How customer input guides Alectra's planning process:

1. **Customers Identify Needs, Preferences and Priorities**
   Customers provide initial input to Alectra's planners through this survey on your needs and priorities.
2. **Use Customer Feedback to Guide the Draft Plan**
   Alectra's planners will consider views from this survey as they develop their initial plans.
3. **Customers Provide Feedback on the Draft Plan**
   Customers provide feedback on how the draft plan could better meet their needs and preferences.
4. **Use Customer Feedback to Finalize the Plan**
   Alectra's planners will re-examine the draft plan and make changes based off of feedback provided by customers in Step 3.
5. **Submit the Plan to the Ontario Energy Board (OEB)**
   Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

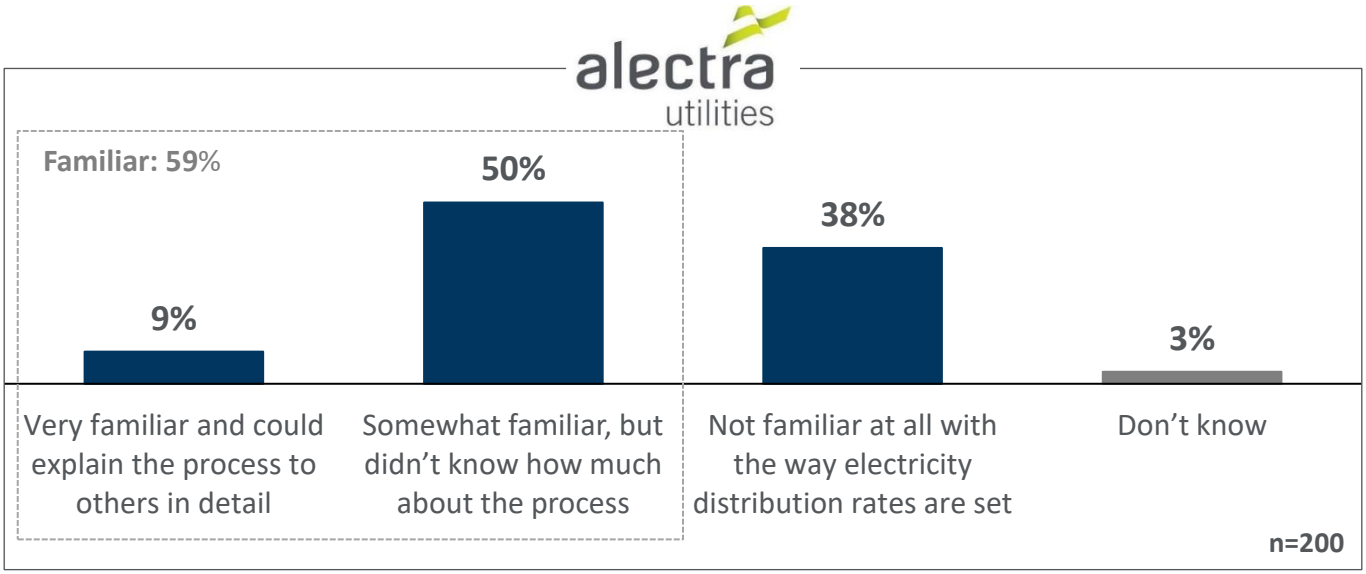
Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Online Workbook
Familiarity with Electricity Distribution Rates

GS<50

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



	Rate Zone				
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Very familiar	9%	2	5	3	7
Somewhat familiar	50%	12	25	25	35
Not familiar at all	38%	9	14	16	33
Don't know	3%	1	1	1	4
Familiar (Very + Somewhat Familiar)	**59%**	**14**	**30**	**28**	**42**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Familiarity with Electricity Distribution Rates

GS<50

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?

		Bill Impact	
	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Very familiar	9%	9%	8%
Somewhat familiar	50%	53%	49%
Not familiar at all	38%	35%	40%
Don't know	3%	2%	3%
Familiar (Very + Somewhat Familiar)	**59%**	**63%**	**58%**

		Consumption Quartile			
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Very familiar	9%	13%	11%	7%	5%
Somewhat familiar	50%	43%	38%	63%	56%
Not familiar at all	38%	38%	45%	28%	39%
Don't know	3%	6%	6%	2%	0%
Familiar (Very + Somewhat Familiar)	**59%**	**56%**	**49%**	**70%**	**61%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

What are the goals you want Alectra Utilities to focus on?

Now let's talk about outcomes. Alectra Utilities talks to customers to better understand how it should set spending priorities with the money customers pay for service.

In recent conversations with customers, a number of possible goals were identified as potential priorities for Alectra Utilities. Below you will find a list of these potential priorities.

WORKBOOK PAGE

Online Workbook
Priorities

GS<50

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

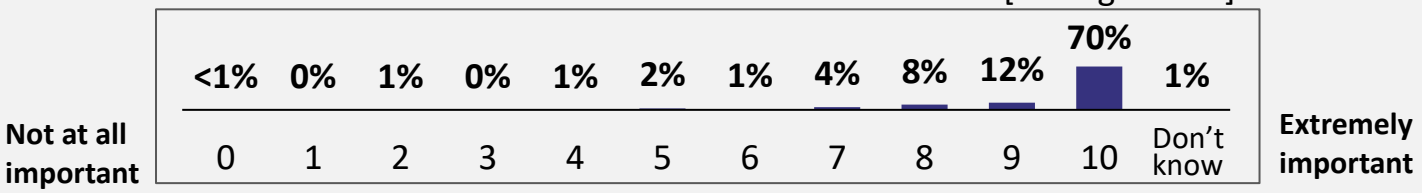
Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Provide reliable electrical service.	***Provide reliable electrical service.***
Deliver reasonable electricity distribution prices.	***Deliver reasonable electricity distribution prices.***
Protect the safety of customers and employees.	***Protect the safety of customers and employees.***
Consistently meet customer service expectations.	***Consistently meet customer service expectations.***
Help customers manage their power consumption.	***Help customers better manage their electricity consumption.***
Help customers adopt new technology.	***Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.***
Minimize impact on the environment.	***Minimize impact on the environment.***
Expand the grid to enable adoption of new tech.	***Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.***

Online Workbook
Priorities

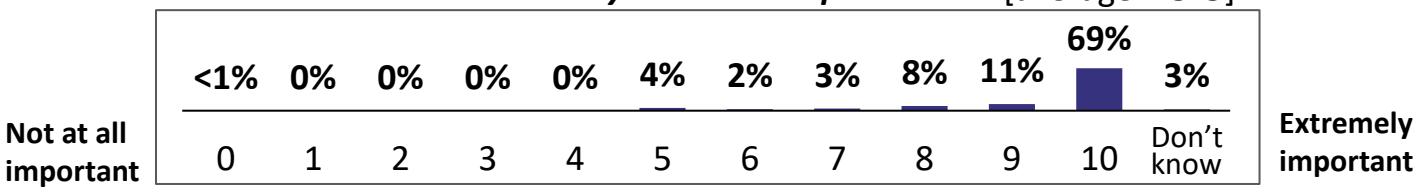
GS<50

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

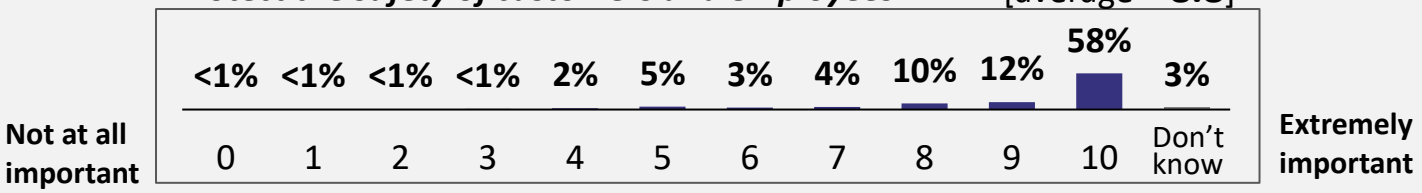
Provide reliable electrical service [average = **9.3**]



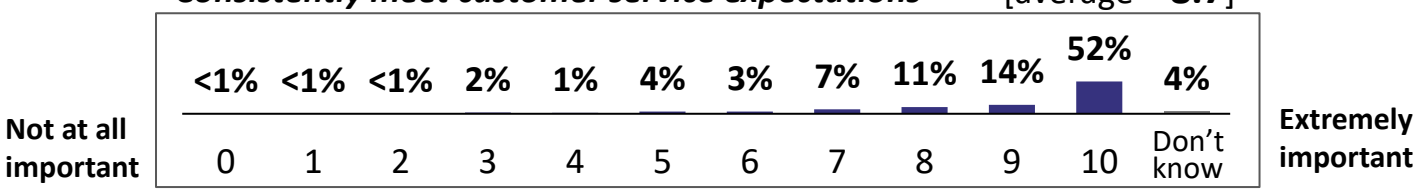
Deliver reasonable electricity distribution prices [average = **9.3**]



Protect the safety of customers and employees [average = **8.8**]



Consistently meet customer service expectations [average = **8.7**]



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

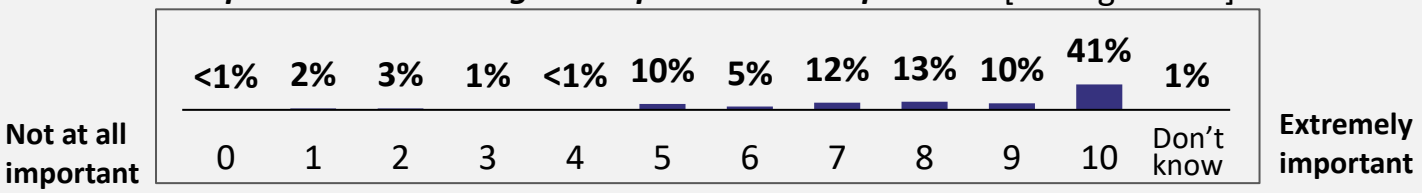
INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

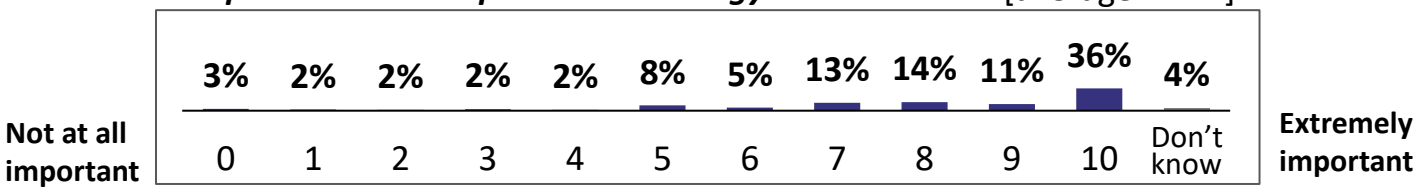
GS<50

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

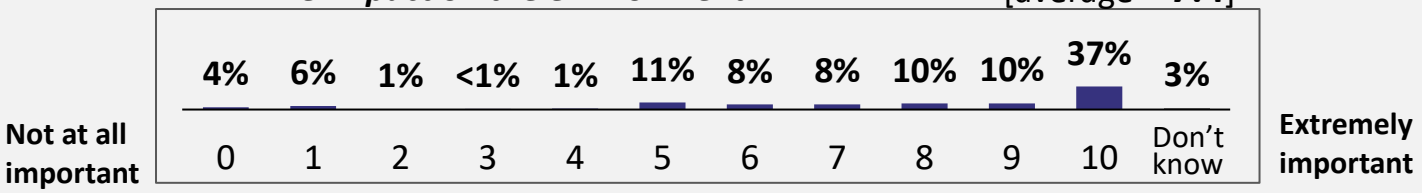
Help customers manage their power consumption [average = **7.9**]



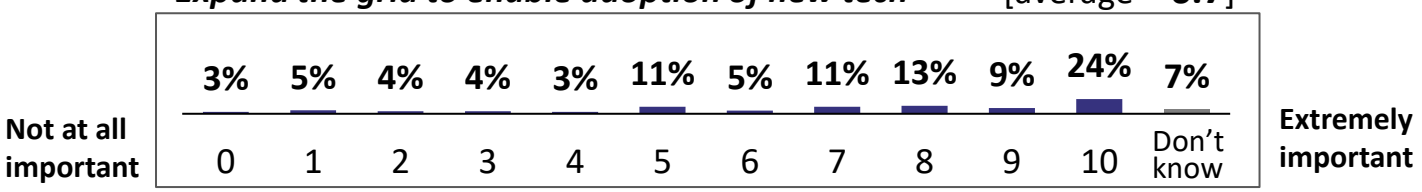
Help customers adopt new technology [average = **7.7**]



Minimize impact on the environment [average = **7.4**]



Expand the grid to enable adoption of new tech [average = **6.7**]



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

GS<50

Q How important are each of these to your organization?

Average Score	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Provide reliable electrical service	9.3	9.0	9.5	9.5	9.2
Deliver reasonable electricity distribution prices	9.3	9.0	9.1	9.5	9.4
Protect the safety of customers and employees	8.8	8.5	8.8	8.7	8.9
Consistently meet customer service expectations	8.7	8.1	8.9	8.6	8.8
Help customers manage their power consumption	7.9	8.0	8.0	8.0	7.9
Help customers adopt new technology	7.7	7.8	8.0	7.8	7.4
Minimize impact on the environment	7.4	7.6	7.7	6.9	7.4
Expand the grid to enable adoption of new tech	6.7	6.6	7.2	6.2	6.7

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means. Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

GS<50

Q How important are each of these to your organization?

Average Score	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Provide reliable electrical service	9.3	9.4	9.3
Deliver reasonable electricity distribution prices	9.3	9.4	9.0
Protect the safety of customers and employees	8.8	8.9	8.6
Consistently meet customer service expectations	8.7	8.8	8.4
Help customers manage their power consumption	7.9	8.1	7.7
Help customers adopt new technology	7.7	7.9	7.4
Minimize impact on the environment	7.4	7.3	7.2
Expand the grid to enable adoption of new tech	6.7	6.6	6.9

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means. Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Priorities

GS<50

Q How important are each of these to your organization?

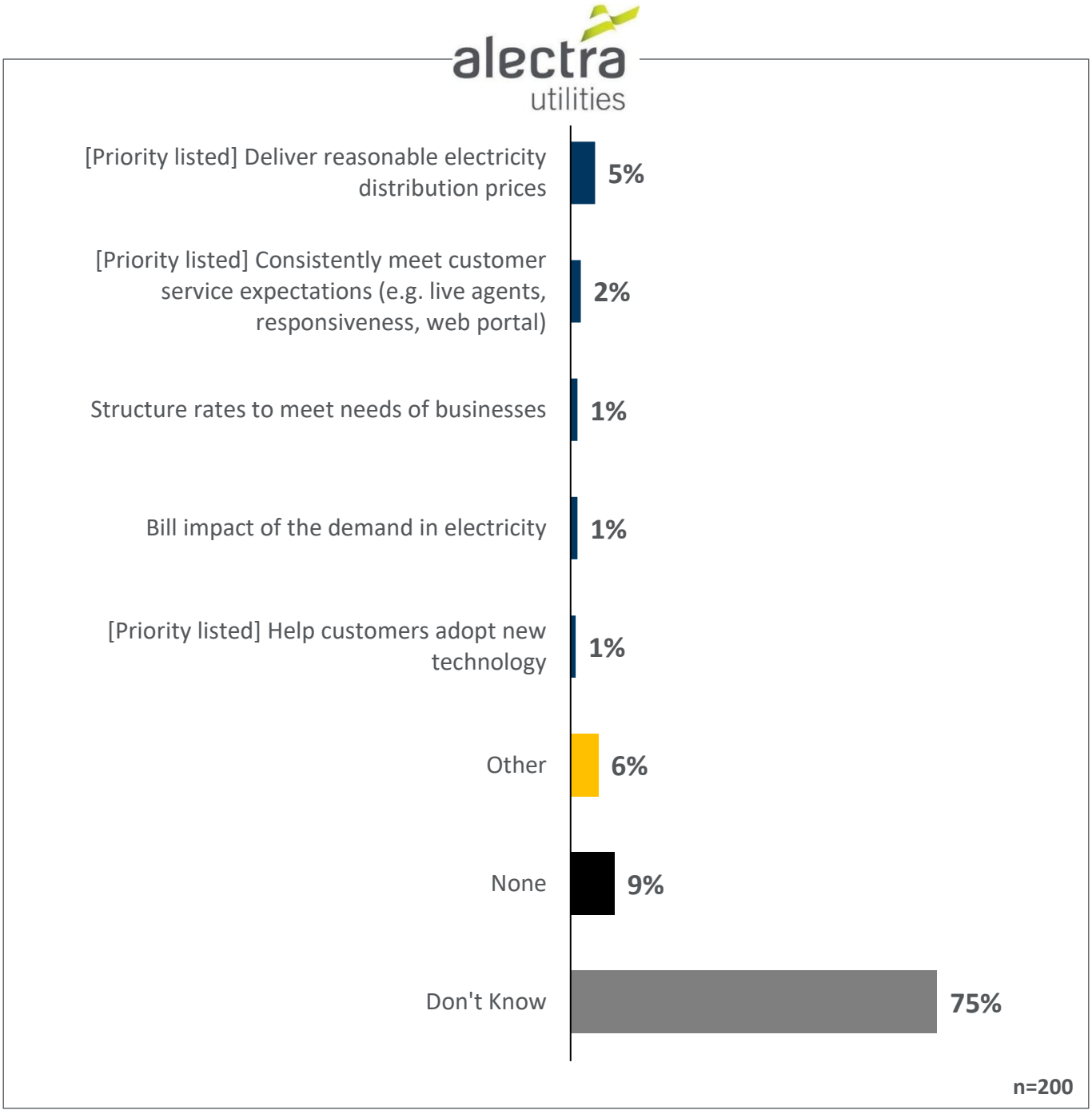
Average Score	Overall	Consumption Quartiles: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Provide reliable electrical service	9.3	9.3	8.9	9.6	9.4
Deliver reasonable electricity distribution prices	9.3	9.6	9.1	9.3	9.1
Protect the safety of customers and employees	8.8	8.5	8.5	8.9	9.3
Consistently meet customer service expectations	8.7	8.8	8.1	8.8	9.1
Help customers manage their power consumption	7.9	7.7	8.1	8.4	7.7
Help customers adopt new technology	7.7	7.4	7.2	8.5	7.8
Minimize impact on the environment	7.4	6.9	7.2	7.9	7.5
Expand the grid to enable adoption of new tech	6.7	6.4	6.8	7.5	6.3

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
"Don't know" not included in calculation of means.

Online Workbook
Other Priorities

GS<50

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]



Online Workbook
Other Priorities

GS<50

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]

Sample Verbatims
[Priority listed] Deliver reasonable electricity distribution prices
"Find ways to reduce price of electricity for businesses."
"Keep pricing low."
[Priority listed] Consistently meet customer service expectations (e.g. live agents, responsiveness, web portal)
"Make sure you have customer service operators available easily."
"Delivery timelines when errors or issues occur."
Structure rates to meet needs of businesses
"The structure of charges needs to be redesigned to meet the needs of the consumer, not the distributor."
"The ability to provide businesses who have normal business hours to go on a special rate since the current system isn't fair."
Question if demand will be higher/lower than predicted
"The big worry is when large scale adoption of electric vehicles happens it may be too fast for both electricity generators and distributors to adapt. The trigger will be when the price per kwh of vehicle batteries drops to the point that EV's are lower cost than ICE [Internal Combustion Engine] vehicles. Then there will be a rapid adoption. Can Alectra handle the surge in AMPs running through the wires as houses and businesses upgrade their panels to add EV charging?"
"Stop trying to make us completely dependent on electricity. Gas will be cheaper than electricity when the globalists make everyone 100% dependent on electricity and jack up the rates sky high."
[Priority listed] Help customers adopt new technology
"Promoting energy-efficient appliances/equipment and offering incentives to replace aging equipment."
Other
"Modernize the distribution infrastructure."
"Improve efficiency in service to pass savings to the customer."
"We need to become for efficient not only in cost but in harvesting and distribution of this powerful resource. I feel we have an aging infrastructure and other organizations are bypassing us in Canada and we need to keep up. Although I also know we are a leading contributor in world nuclear and electricity and are on a good projection for 2035 and beyond…"

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Setting Priorities

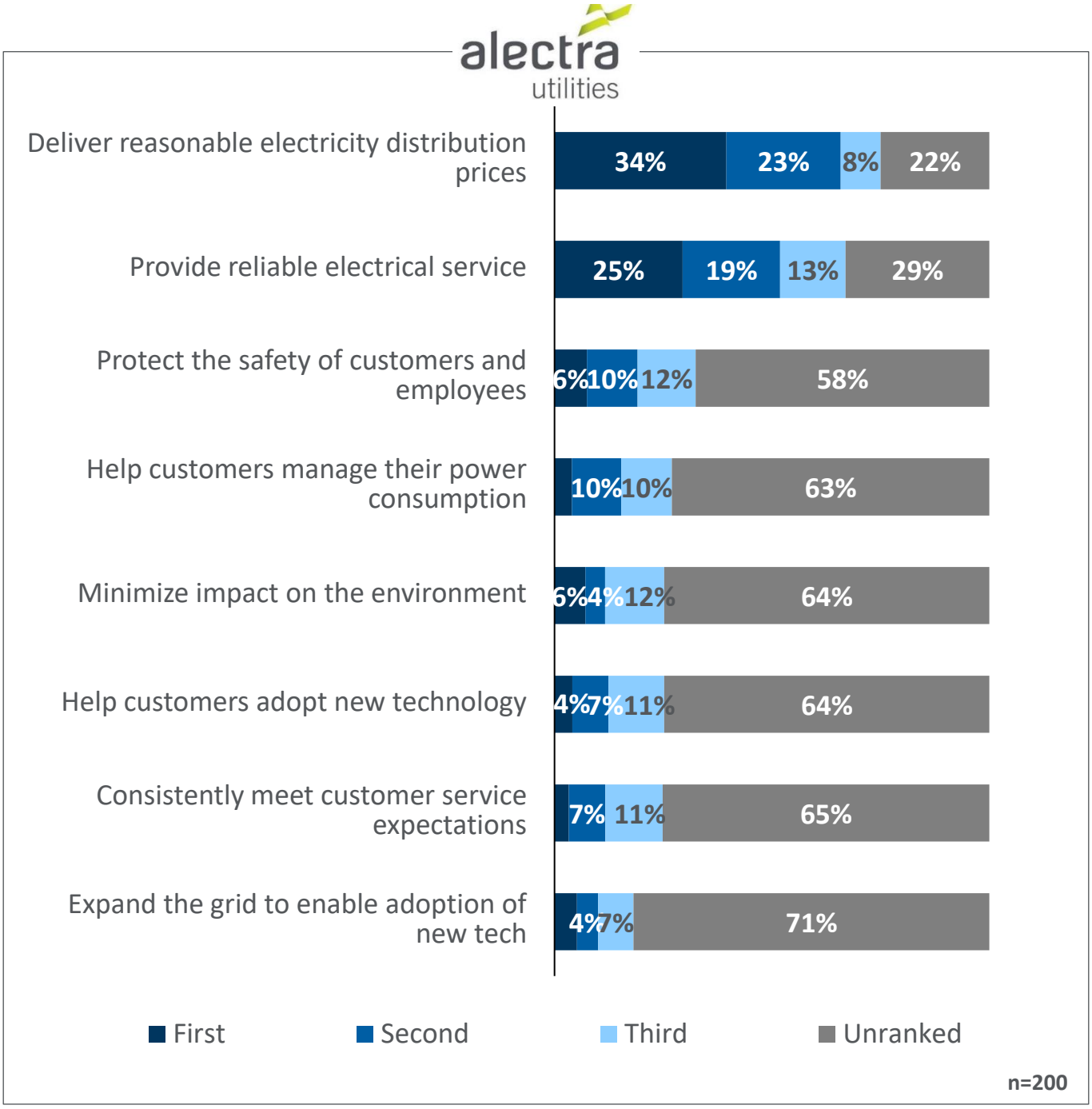
Sometimes Alectra has to choose between goals with a very similar level of importance. To help Alectra prioritize in such cases, please review the below list again and think about what matters most to your organization.

WORKBOOK PAGE

Online Workbook
Top 3 Priorities

GS<50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**



NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text. Don't know (9%) not shown.

Online Workbook
Top 3 Priorities

GS<50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**

First Priority (%)	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Deliver reasonable electricity distribution prices	34%	8	15	16	26
Provide reliable electrical service	25%	7	11	11	17
Protect the safety of customers and employees	6%	0	1	5	6
Help customers manage their power consumption	3%	0	4	1	2
Minimize impact on the environment	6%	1	1	4	7
Help customers adopt new technology	4%	1	1	1	5
Consistently meet customer service expectations	3%	1	2	1	2
Expand the grid to enable adoption of new tech	4%	0	2	3	3

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text. Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Top 3 Priorities

GS<50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**

First Priority (%)	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Deliver reasonable electricity distribution prices	34%	39%	26%
Provide reliable electrical service	25%	25%	31%
Protect the safety of customers and employees	6%	5%	9%
Help customers manage their power consumption	3%	3%	5%
Minimize impact on the environment	6%	4%	12%
Help customers adopt new technology	4%	3%	5%
Consistently meet customer service expectations	3%	2%	2%
Expand the grid to enable adoption of new tech	4%	3%	6%

NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.
Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Top 3 Priorities

GS<50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**

First Priority (%)	Overall	Consumption Quartile: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Deliver reasonable electricity distribution prices	34%	31%	23%	36%	46%
Provide reliable electrical service	25%	24%	29%	20%	28%
Protect the safety of customers and employees	6%	4%	12%	4%	6%
Help customers manage their power consumption	3%	3%	3%	5%	3%
Minimize impact on the environment	6%	6%	10%	3%	6%
Help customers adopt new technology	4%	7%	0%	7%	0%
Consistently meet customer service expectations	3%	3%	0%	5%	4%
Expand the grid to enable adoption of new tech	4%	4%	6%	5%	3%

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NOTE: Priority labels have been shortened for brevity. See slide 33 for full label text.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Reliability Experience and Priorities

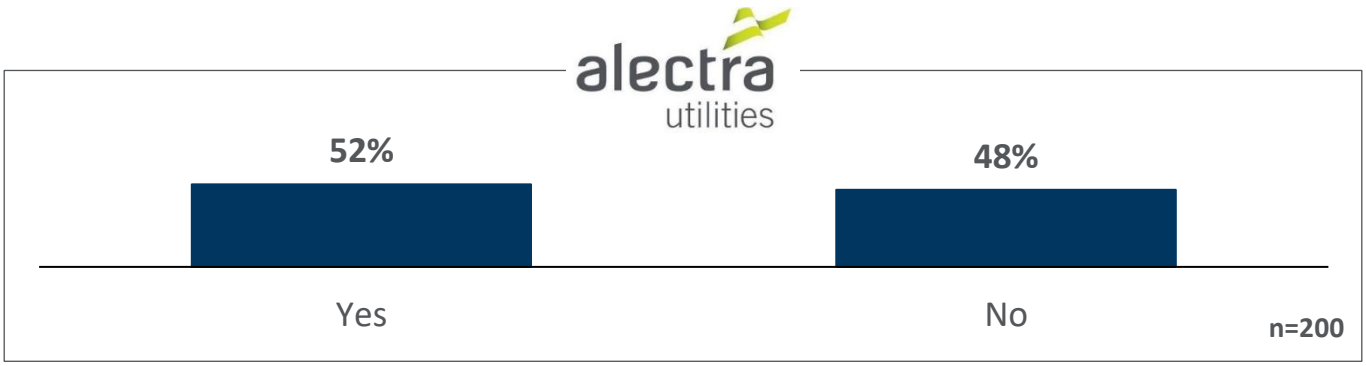
Now let's focus a little deeper on the reliability of your electrical service.

WORKBOOK PAGE

Online Workbook
Power Outages

GS<50

Q Have you experienced any power outages that lasted longer than a minute over the past 12 months?



Rate Zone

	Overall	BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Yes	52%	12	21	24	42
No	48%	12	24	20	36

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Yes	52%	50%	61%
No	48%	50%	39%

Consumption Quartile

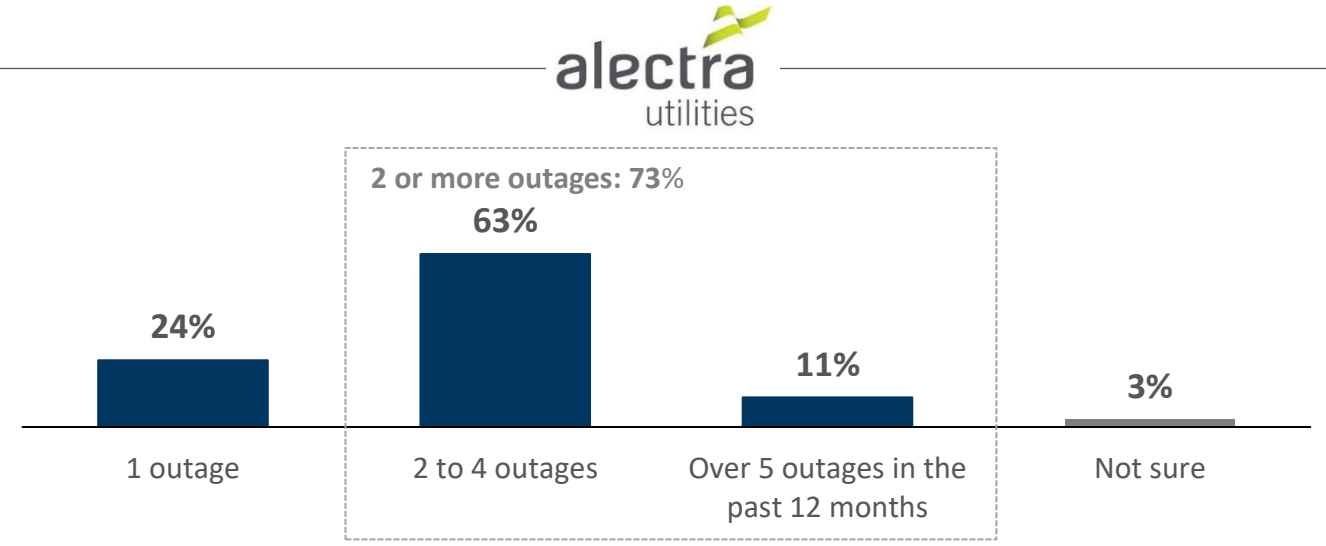
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Yes	52%	58%	40%	57%	51%
No	48%	42%	60%	43%	49%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables. Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Power Outages

GS<50

Q Approximately how many outages did your organization experience?



Asked of those who have had an outage in the past 12 months, n=103

		Rate Zone			
	Overall	**BRZ (n=12)**	**ERZ (n=21)**	**HRZ (n=24)**	**PRZ (n=42)**
1 outage	24%	4	7	5	7
2 to 4 outages	63%	7	12	18	27
Over 5 outages in the past 12 months	11%	1	1	1	7
Not sure	3%	0	1	1	1
2 or more outages	**73%**	**8**	**13**	**29**	**34**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Power Outages

GS<50

Q Approximately how many outages did your organization experience?

	Overall	Bill Impact: Higher Impact (n=64)	Bill Impact: Lower Impact (n=35)
1 outage	24%	24%	23%
2 to 4 outages	63%	63%	64%
Over 5 outages in the past 12 months	11%	10%	13%
Not sure	3%	3%	0%
2 or more outages	**73%**	**73%**	**77%**

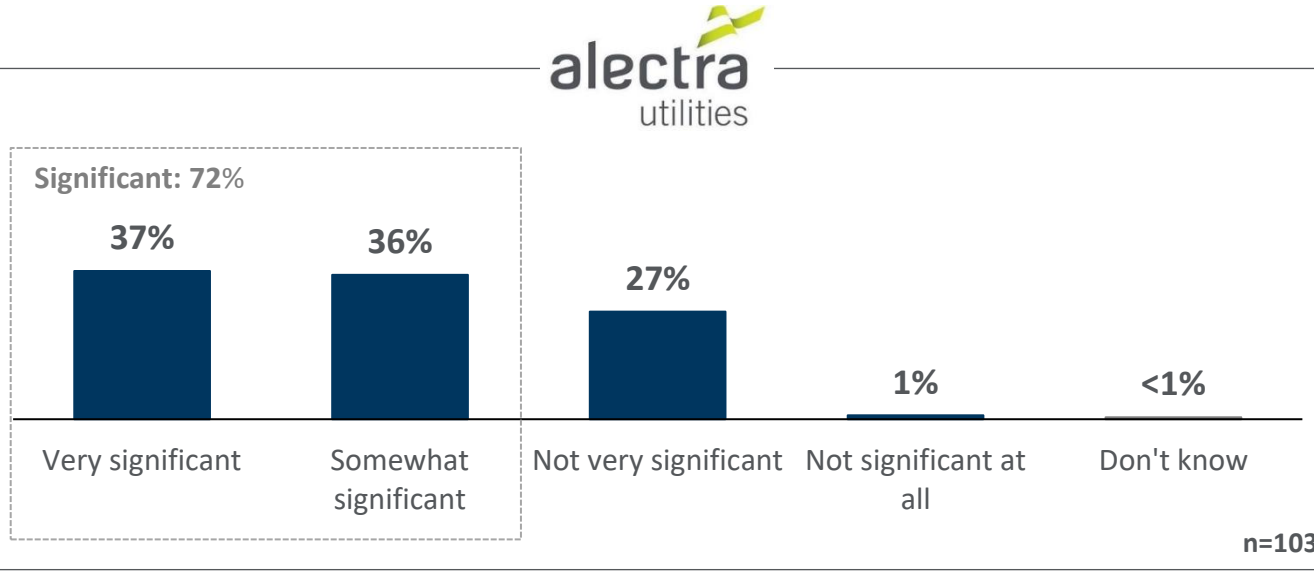
	Overall	Consumption Quartile: Low (n=29)	Medium Low (n=20)	Medium High (n=29)	High (n=26)
1 outage	24%	32%	20%	16%	28%
2 to 4 outages	63%	53%	70%	71%	58%
Over 5 outages in the past 12 months	11%	9%	10%	13%	11%
Not sure	3%	6%	0%	0%	3%
2 or more outages	**73%**	**62%**	**80%**	**84%**	**69%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Power Outages

GS<50

Q How significant were these outages to your organization?



	Overall	Rate Zone: BRZ (n=12)	ERZ (n=21)	HRZ (n=24)	PRZ (n=42)
Very significant	37%	3	9	9	16
Somewhat significant	36%	5	9	7	14
Not very significant	27%	3	3	8	12
Not significant at all	1%	0	0	1	0
Don't know	0%	0	0	0	0
Significant (Very + Somewhat Significant)	**72%**	**8**	**18**	**15**	**30**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Power Outages

GS<50

Q How significant were these outages to your organization?

	Overall	Bill Impact: Higher Impact (n=64)	Bill Impact: Lower Impact (n=35)
Very significant	37%	42%	26%
Somewhat significant	36%	36%	38%
Not very significant	27%	20%	36%
Not significant at all	1%	2%	0%
Don't know	0%	1%	0%
Significant (Very + Somewhat Significant)	**72%**	**78%**	**64%**

	Overall	Consumption Quartile: Low (n=29)	Medium Low (n=20)	Medium High (n=29)	High (n=26)
Very significant	37%	40%	30%	37%	37%
Somewhat significant	36%	34%	40%	41%	27%
Not very significant	27%	23%	30%	19%	36%
Not significant at all	1%	3%	0%	0%	0%
Don't know	0%	0%	0%	2%	0%
Significant (Very + Somewhat Significant)	**72%**	**74%**	**70%**	**79%**	**64%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Momentary Outages

GS<50

Q Have you experienced any momentary outages or interruptions (voltage surges or sags) of less than a minute in the past 12 months?

Rate Zone

	Overall	BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Yes	59%	11	25	27	50
No	41%	12	20	18	29

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Yes	59%	56%	68%
No	41%	44%	32%

Consumption Quartile

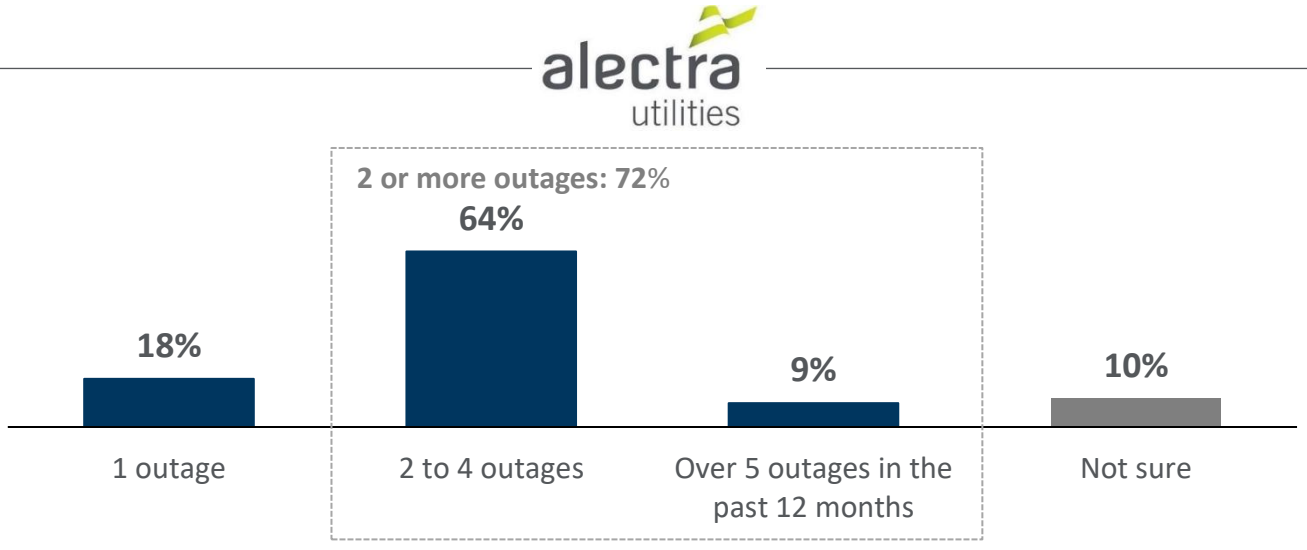
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Yes	59%	59%	58%	56%	61%
No	41%	41%	42%	44%	39%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables. Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Momentary Outages

GS<50

Q Approximately how many momentary outages and/or power quality issues did your facility experience?



Asked of those who have experienced momentary interruptions in the past 12 months, n=117

		Rate Zone			
	Overall	**BRZ (n=11)**	**ERZ (n=25)**	**HRZ (n=27)**	**PRZ (n=50)**
1 outage	18%	2	4	7	8
2 or 4 outages	64%	9	17	14	31
Over 5 outages in the past 12 months	9%	1	1	2	6
Not sure	10%	0	3	5	5
2 or more outages	**72%**	**10**	**18**	**15**	**37**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Momentary Outages

GS<50

Q Approximately how many momentary outages and/or power quality issues did your facility experience?

		Bill Impact	
	Overall	Higher Impact (n=72)	Lower Impact (n=39)
1 outage	18%	18%	15%
2 to 4 outages	64%	61%	69%
Over 5 outages in the past 12 months	9%	8%	12%
Not sure	10%	13%	4%
2 or more outages	**72%**	**69%**	**81%**

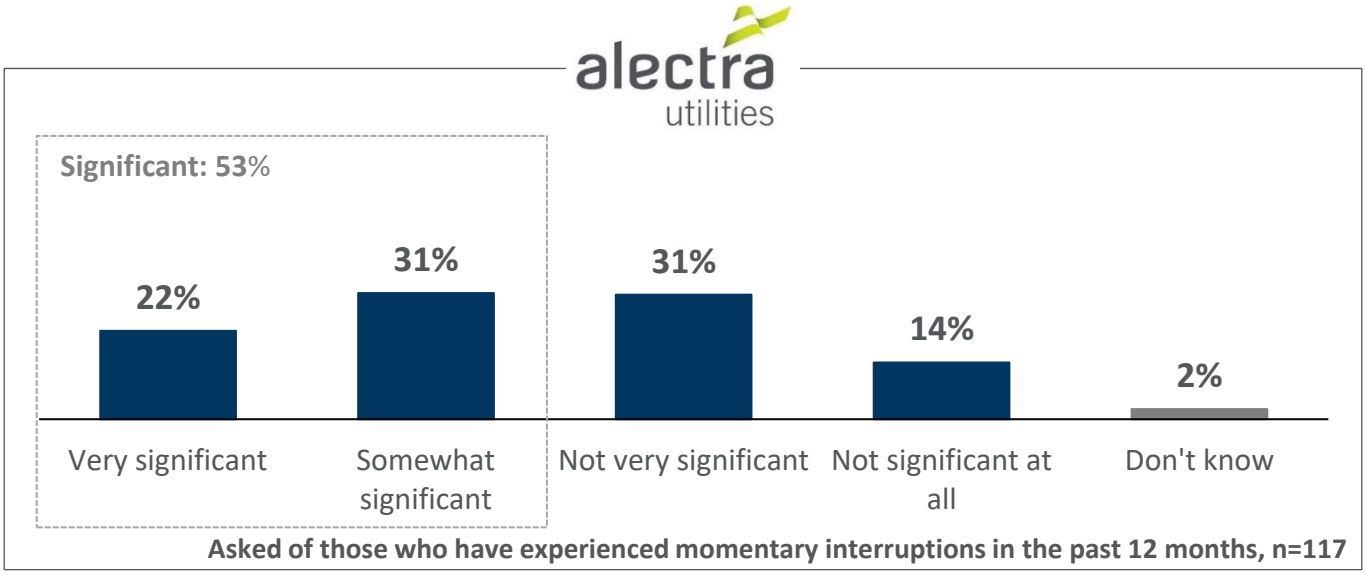
		Consumption Quartile			
	Overall	Low (n=29)	Medium Low (n=29)	Medium High (n=28)	High (n=31)
1 outage	18%	25%	12%	7%	26%
2 to 4 outages	64%	51%	73%	78%	53%
Over 5 outages in the past 12 months	9%	8%	4%	9%	13%
Not sure	10%	16%	12%	6%	8%
2 or more outages	**72%**	**59%**	**77%**	**88%**	**66%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Momentary Outages

GS<50

Q How significant were these momentary disruptions to your business?



Asked of those who have experienced momentary interruptions in the past 12 months, n=117

	Overall	Rate Zone BRZ (n=11)	ERZ (n=25)	HRZ (n=27)	PRZ (n=50)
Very significant	22%	4	6	5	11
Somewhat significant	31%	3	8	7	19
Not very significant	31%	4	6	9	15
Not significant at all	14%	0	4	5	5
Don't know	2%	1	1	1	0
Significant (Very + Somewhat Significant)	**53%**	**7**	**14**	**12**	**30**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Momentary Outages

GS<50

Q How significant were these momentary disruptions to your business?

	Overall	Bill Impact: Higher Impact (n=72)	Bill Impact: Lower Impact (n=39)
Very significant	22%	28%	12%
Somewhat significant	31%	30%	34%
Not very significant	31%	24%	40%
Not significant at all	14%	15%	12%
Don't know	2%	2%	2%
Significant (Very + Somewhat Significant)	**53%**	**58%**	**46%**

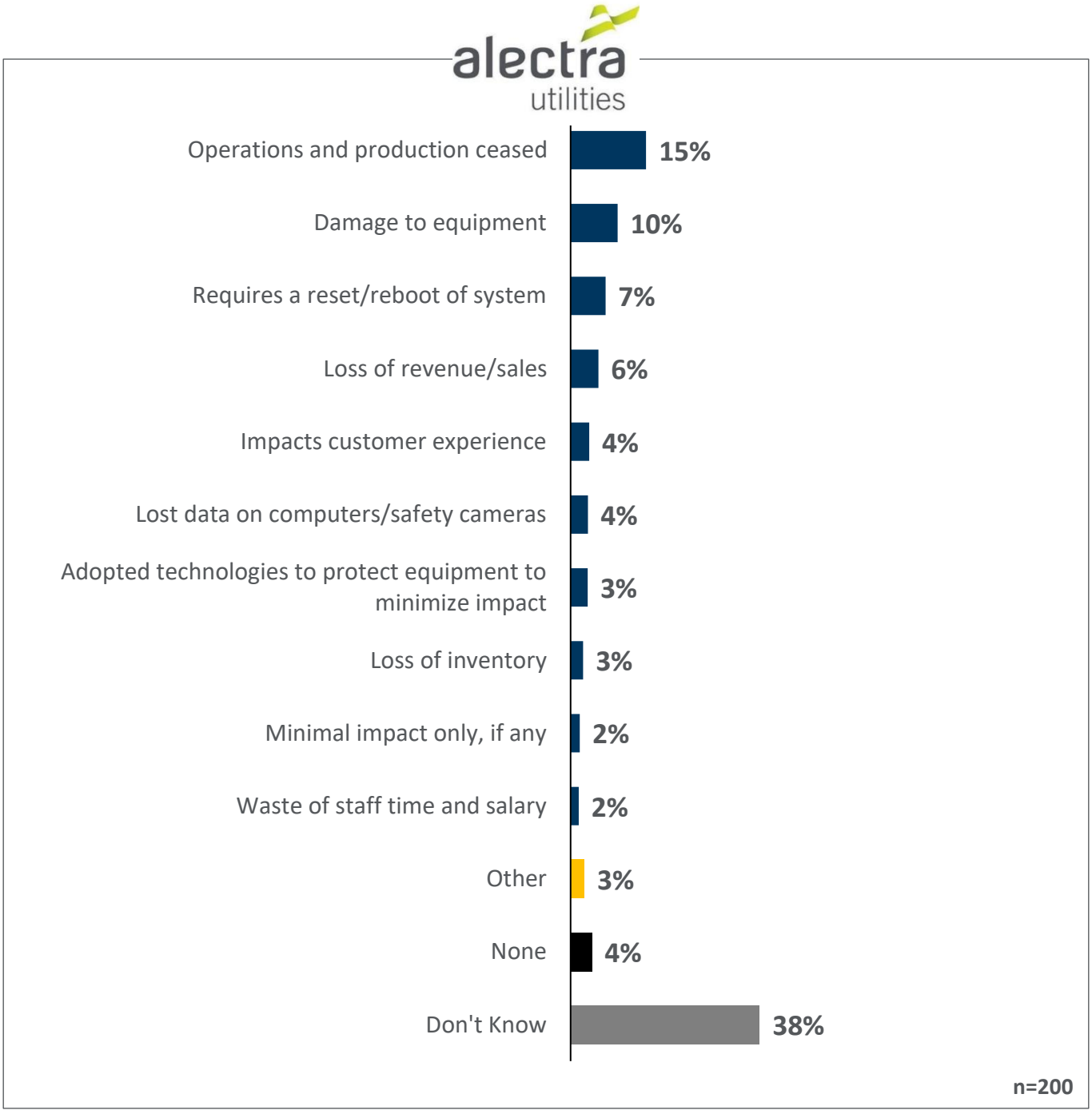
	Overall	Consumption Quartile: Low (n=29)	Medium Low (n=29)	Medium High (n=28)	High (n=31)
Very significant	22%	27%	16%	17%	26%
Somewhat significant	31%	23%	32%	37%	32%
Not very significant	31%	32%	26%	39%	26%
Not significant at all	14%	13%	21%	7%	15%
Don't know	2%	6%	4%	0%	0%
Significant (Very + Somewhat Significant)	**53%**	**50%**	**48%**	**54%**	**59%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Impact of Momentary Disruptions

GS<50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]



Online Workbook
Impact of Momentary Disruptions

GS<50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]

Sample Verbatims
Operations and production ceased
"Loss of production for our manufacturing business - i.e. machines can't work, sales staff cannot access their computer workstations / teams / software to do their jobs…"
"If we are running tests with our equipment, this can be significantly disruptive. We have some test that take 48 hours to run and if the power goes out, we have to start all over again. These test are conducted just before our instrumentation is ready to ship and causes unexpected delays for us and our customers."
"We have to close due to no lights. This is a critical issue that costs us money, customers and wasted time."
Damage to equipment
"Computers are not often protected from power surges which damages or renders the equipment unusable."
"Cost of $14,000.00 to replace LED outdoor lighting."
Requires a reset/reboot of system
"Resetting of computers. Possible data loss. Time it takes for everyone to reboot computers and get back to work. Phone calls not getting through, due to use of IP phone."
"…We are paralyzed without electricity. UPS can save [customer] data, but we grind to a halt. Restarting chairs and equipment can take over 20 minutes."
Loss of revenue/sales
"Can't check out clients or conduct any sales, our products are all frozen so the frozen goods are at risk of spoilage…"
Impacts customer experience
"Customers were stranded on upper floors of building, no heat, no electricity, no elevator."
Lost data on computers/safety cameras
"Lost data we were importing."
Adopt technologies to protect equipment and minimize impact
"…The issues have been getting worse due to weather and I've installed over the last 5 years UPS's over all major pieces of equipment to protect against brownouts and power spikes."

Online Workbook
Impact of Momentary Disruptions

GS<50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]

Sample Verbatims (cont.)
Loss of inventory
"We had to return vaccines in the fridge to the public health department…"
Minimal impact only, if any
"Devices lost power and had to wait for the systems to come back online once the internet started back up. Total wait time was not more than 5 minutes per incident."
Waste of staff time and salary
"We had to send all the employee's home for the day."
Other
"The power outages interrupt our thermostat, causing a no heat or no air conditioning issue. We haven't lost any sensitive inventory yet but we monitor it carefully. We're in an older facility so we put up with inconveniences like power outages."

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

Reliability Priorities

When it comes to reliability, there are different outcomes Alectra can focus on.

- Alectra can focus on the number of outages or the length of outages.
- Alectra can focus on day-to-day reliability or preparedness for extreme weather events.
- Alectra can focus on power quality or communicating with customers during outages.

Different priorities require a different mix of investments.

WORKBOOK PAGE

Online Workbook
Outcomes

GS<50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

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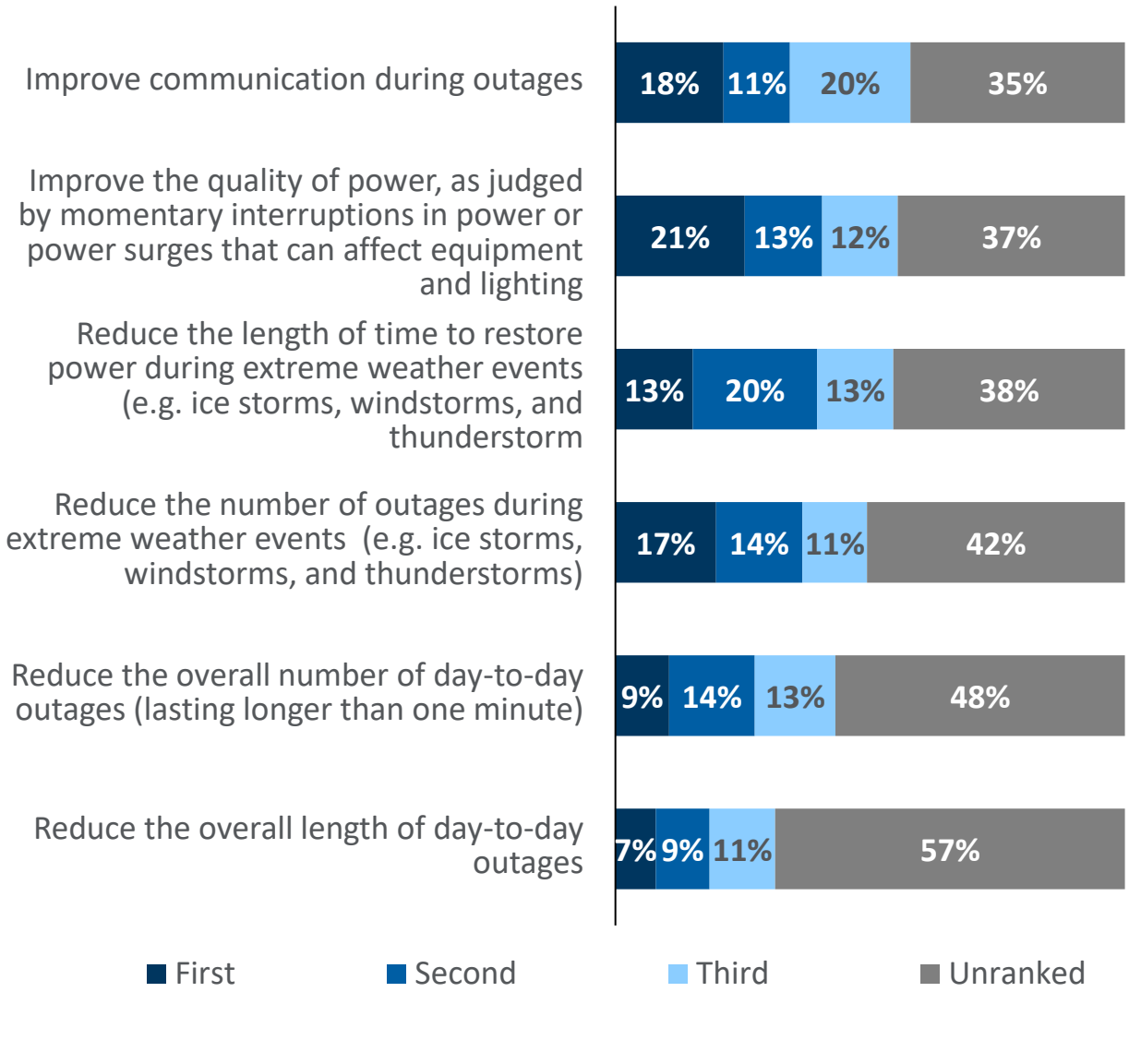


n=200

NOTE: Don't know (16%) not shown.

Online Workbook
Outcomes

GS<50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

First Priority (%)	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Improve communication during outages	18%	2	9	10	14
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	21%	7	7	11	15
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	13%	3	4	5	11
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	17%	4	4	6	15
Reduce the overall number of day-to-day outages (lasting longer than one minute)	11%	0	7	5	6
Reduce the overall length of day-to-day outages	7%	1	4	4	5

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Outcomes

GS<50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

		Bill Impact	
First Priority (%)	**Overall**	**Higher Impact (n=128)**	**Lower Impact (n=58)**
Improve communication during outages	18%	17%	19%
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	21%	22%	24%
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	13%	13%	14%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	17%	15%	15%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	11%	7%	13%
Reduce the overall length of day-to-day outages	7%	7%	7%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Outcomes

GS<50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

		Consumption Quartile			
First Priority (%)	**Overall**	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Improve communication during outages	18%	14%	24%	17%	16%
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	21%	23%	15%	18%	30%
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	13%	10%	10%	11%	20%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	17%	17%	12%	20%	17%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	11%	6%	11%	14%	4%
Reduce the overall length of day-to-day outages	7%	8%	7%	5%	6%

Alectra Utilities Customer Survey
Planning for the Future: Preferences

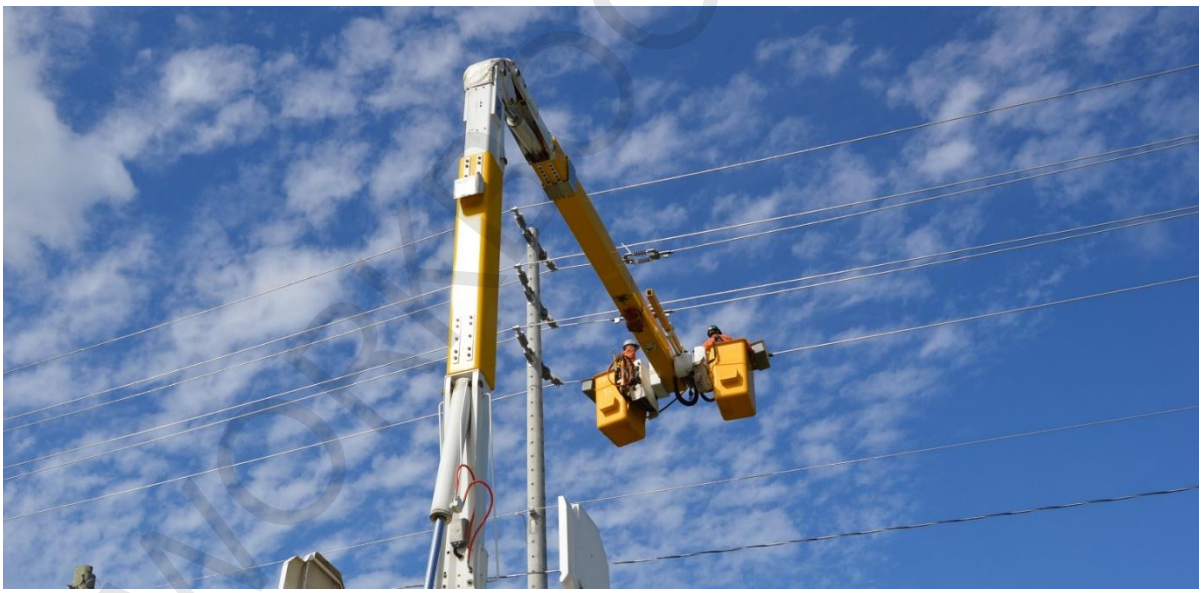
Making Choices

Now that you've had a chance to think about your experience with Alectra and priorities for the future, we'd like to present you with some specific choices Alectra's planners will need to make as they develop their plan for future investments and the rates you pay.

While Alectra's accountants and engineers are able to decide for themselves what size transformers they need or what is the most efficient way to do some things, there are some choices they can't make on their own. These choices are trade-offs between customer outcomes – trade-offs such as whether it is more important to keep rates lower or improve reliability.

Grid Maintenance:

Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. Much of the equipment in use today was installed 30, 40 or even 50 years ago, and will need replacement. But there remains some flexibility in timing. **Your views on whether it is more important to keep costs down or to minimize the risk of outages will provide direction to planners.**



What makes this plan different are some key changes that are fundamentally changing the electricity system we know today.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREI
PROGRAMMED VERSION

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Preferences

GS<50

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

New Technology:

Technology is changing dramatically. Increasingly, new technologies have allowed us to:

- Generate electricity from wind and solar on a smaller scale in our communities, on our street, even in our homes and businesses.
- Store electricity in batteries in our homes, businesses and vehicles.
- Use new smart devices and artificial intelligence to allow customers of all sizes to control their demands and even feed electricity into the grid.
- Identify and manage potential outage risks and quickly restore power when outages do occur.

Alectra Utilities must invest in the grid to enable the opportunity for customers to add their own new technologies. **These investments are required to manage a 2-way power flow and maintain the safety of a power grid.** It is important to understand how quickly you feel Alectra should proceed with those investments.

Growing Demand for Electricity:

Electricity demand is expected to grow at a faster pace.

- Homes and businesses are shifting from fossil fuels for heating and hot water to electric technologies such as heat pumps.
- People and companies are changing from gas and diesel-fueled vehicles to electric vehicles.
- Transit systems are also shifting from diesel to electric.

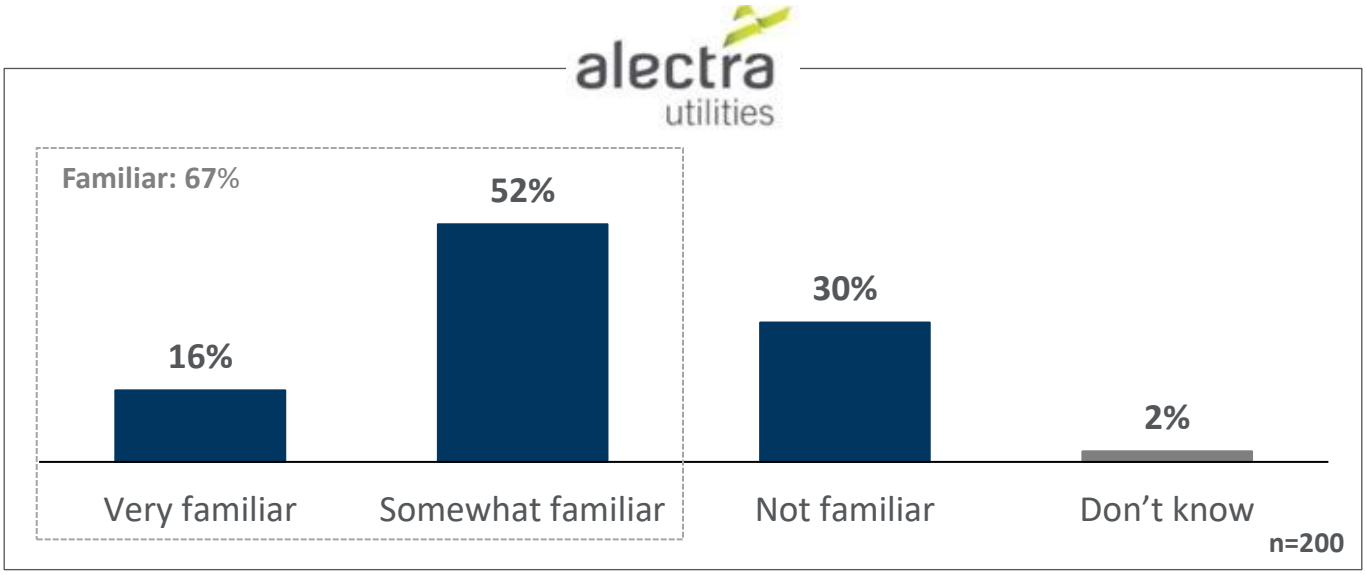
Even though our existing electric devices have become more efficient over time, new uses are creating more demand than efficiency and conservation can manage. However, the exact pace of this growth is uncertain. **Your views are needed on whether Alectra should prepare now for this growing demand or wait until specific demands occur.**

WORKBOOK PAGE

Online Workbook
Familiarity with Impact on the Grid

GS<50

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?



	Rate Zone				
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Very familiar	16%	3	9	5	12
Somewhat familiar	52%	15	22	27	37
Not familiar	30%	4	14	13	28
Don't know	2%	2	1	0	2
Familiar (Very + Somewhat Familiar)	**67%**	**18**	**31**	**32**	**49**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Familiarity with Impact on the Grid

GS<50

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?

		Bill Impact	
	Overall	**Higher Impact (n=128)**	**Lower Impact (n=58)**
Very familiar	16%	13%	23%
Somewhat familiar	52%	53%	52%
Not familiar	30%	32%	25%
Don't know	2%	2%	0%
Familiar (Very + Somewhat Familiar)	**67%**	**66%**	**75%**

		Consumption Quartile			
	Overall	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Very familiar	16%	15%	16%	16%	16%
Somewhat familiar	52%	45%	49%	45%	68%
Not familiar	30%	37%	30%	39%	15%
Don't know	2%	3%	5%	0%	1%
Familiar (Very + Somewhat Familiar)	**67%**	**60%**	**65%**	**61%**	**83%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Replacing Deteriorated Equipment

As mentioned earlier, Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. This equipment wears down over time due to use and exposure to weather. Alectra also maintains computer systems, trucks and facilities to support the crews and people working daily to keep the electrical system operating. These assets also need to be renewed when they reach a deteriorated state.

Approximately 44% of outages experienced at Alectra is caused by failed equipment. In some neighbourhoods, the equipment continues to fail repeatedly, and the system needs to be rebuilt. Alectra has increased investments in underground cables over the last five years.

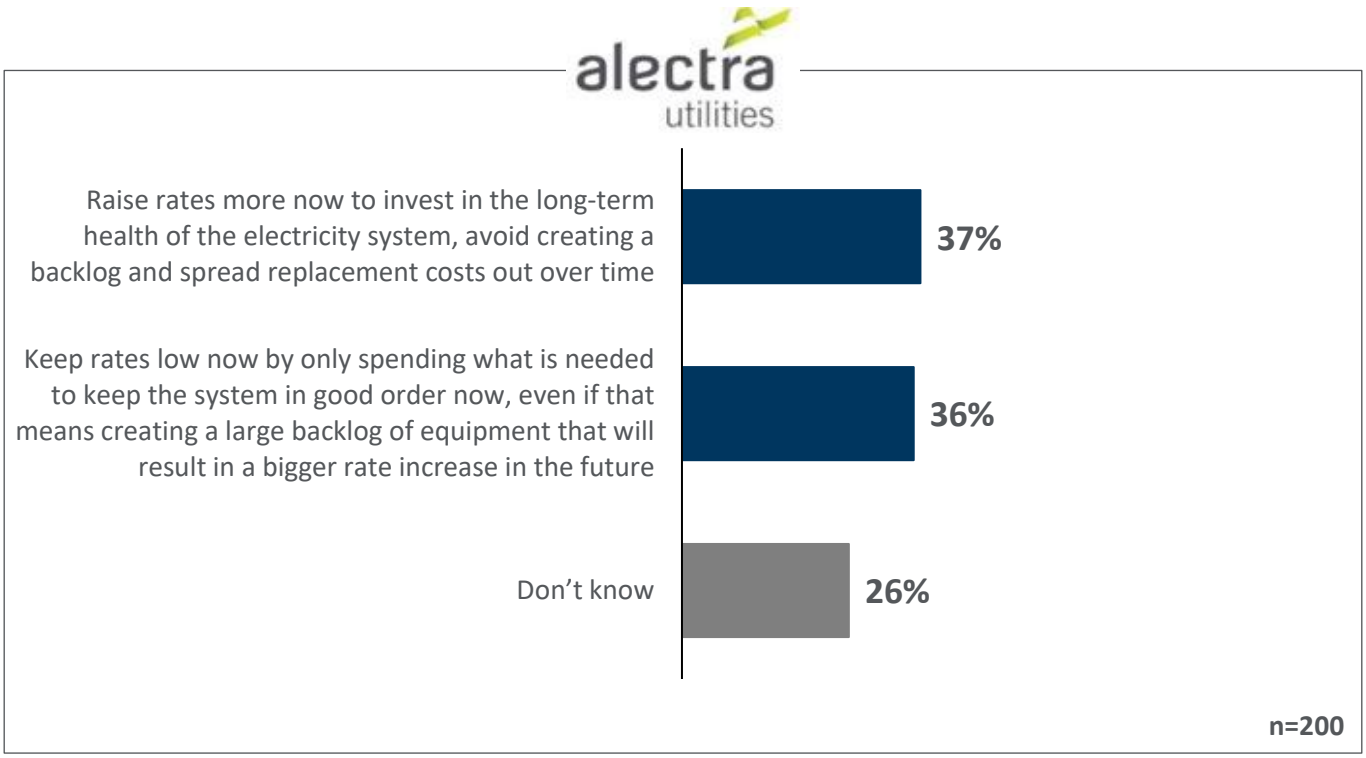
By targeting replacements in the areas of greatest need, Alectra has been able to keep reliability stable. However, an increasing portion of our assets are in need of replacement. Alectra has a choice to make in terms of how much to spend on replacing these assets.

WORKBOOK

Online Workbook
Perception on Deteriorated Assets Spending

GS<50

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?



	Rate Zone				
	Overall	**BRZ (n=23)**	**ERZ (n=45)**	**HRZ (n=45)**	**PRZ (n=78)**
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	37%	4	21	21	25
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	36%	12	16	11	31
Don't know	26%	7	8	13	22

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Deteriorated Assets Spending

GS<50

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?

	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	37%	32%	55%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	36%	42%	25%
Don't know	26%	26%	20%

	Overall	Consumption Quartile: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	37%	24%	44%	38%	44%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	36%	48%	34%	33%	31%
Don't know	26%	28%	22%	29%	25%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Perception on Deteriorated Assets Spending

GS<50

Q Additional Feedback (Optional)

Did not give additional feedback, 82%

Gave additional feedback, 18%

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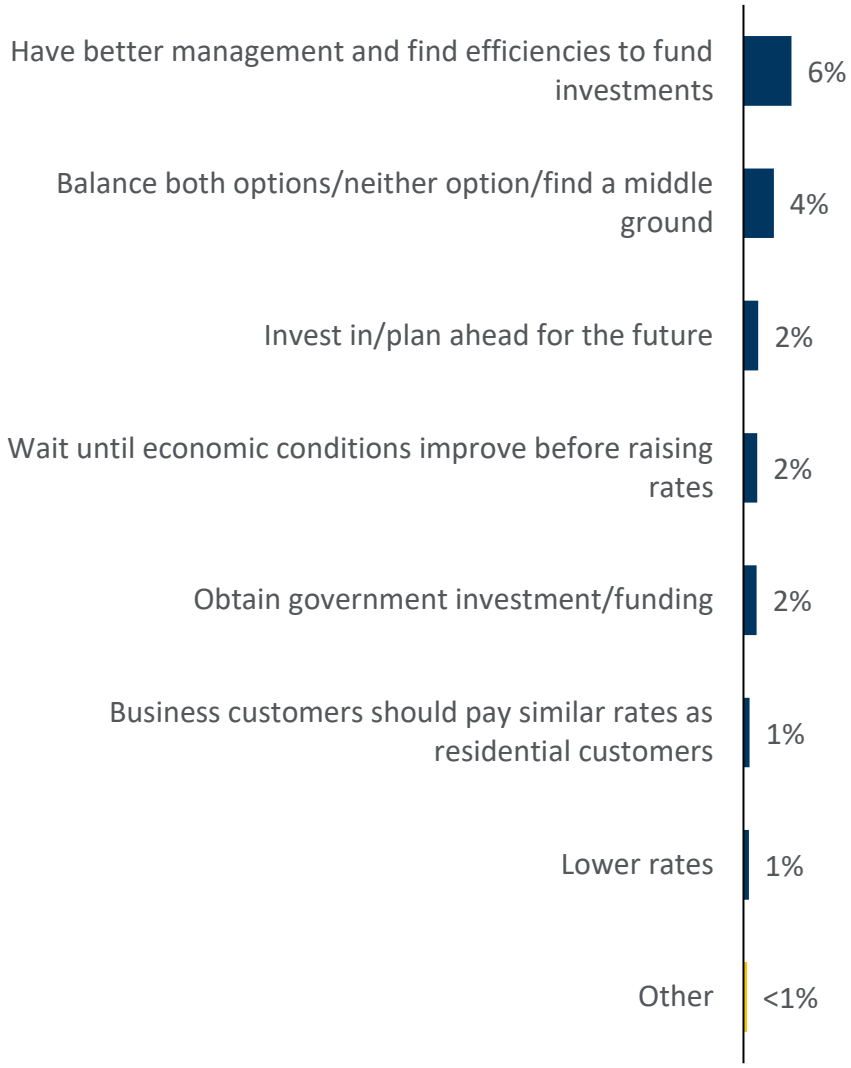


n=200

INNOVATIVE RESEARCH GROUP

Online Workbook
Perception on Deteriorated Assets Spending

GS<50

Q Additional Feedback (Optional)

Sample Verbatims
Have better management and find efficiencies to fund investments
"Instead of raising rates, cut your expenses and use those funds to upgrade equipment. Stop performing at our expense."
"Find alternative ways to utilize deteriorated assets and bring value to Alectra. Reduce corporate wastages in terms of high salary and benefits for executives and apply other savings techniques, which will eventually reduce the cost of electricity to the consumers."
"I don't think we can afford any more rate increases. Everything is far too expensive. Be more efficient in how you spend the money you have. More money is not always the answer."
Balance both options/neither option/find a middle ground
"Create the plan to combine first and second option."
"Again, no matter the choice the end user is going to be paying more. Options are pay now or pay later, that is not really a choice."
"There needs to be a balance. Replacing equipment. Better management of staff time. Improvement in work ethic to get the job done. Less standing around…"
Invest in/plan ahead for the future
"Proactive is the better way - start replacing the old equipment."
"If the basics are not in place when mass adoption of EV's begins then it will be really difficult to do it all then. This event could happen this decade. Which means the planning horizon is 5 to 10 years to build capacity to carry the volume of electrons needed. Thankfully much charging happens at night. But we need to invest now to avoid rolling brown outs."
Wait until economic conditions improve before raising rates
"Wait until the economy is fixed, inflation is low and taxes are reduced."
"Canadians are struggling with the way things are right now and not sure if more increases will be detrimental."

Online Workbook
Perception on Deteriorated Assets Spending

GS<50

Q Additional Feedback (Optional)

Sample Verbatims (cont.)
Obtain government investment/funding
"Get Federal and Provincial help to pay for upgrades - do not pass onto customers."
Business customers should pay similar rates as residential customers
"…Why are businesses being charged significantly more than residential for services? Fees should be better and more fairly distributed."
Lower rates
"Rates are high enough and the delivery charge makes me fume!"
Other
"…When an area becomes in need for equipment replacement then [local] residents, and businesses pay their fair share."

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Dealing with Growth Uncertainty

The first of the new challenges for Alectra Utilities is dealing with uncertainty in electricity demand.
Alectra has a legislated responsibility to ensure it provides enough electricity to provide the peak demand of all customers. The challenge right now with new technologies and changing technology, is forecasting how fast demand will grow.

It takes time, usually years, to build new lines and increase sub-station capacity. Building and expanding power lines need time for design, working with impacted property owners, securing equipment that is in high demand right around the world, and recruiting electrical construction workers.

Growth in previous decades provided reasonably long lead times for utilities to prepare for growth in electricity demand. When there are firm plans to build a new electrified transit system or to build a new condo development, Alectra's planners have the lead time they need to increase major feeder lines, increase sub-station capacity and expand local cables and transformers.

Other types of demand are more fluid. No one knows for sure how many new electric vehicles will need to be charged in Alectra's operating area five years from now. No one knows for sure how many people will switch from natural gas to heat pumps.

- If Alectra builds too quickly, customers will be paying for poles and cables that are not yet needed.
- But if Alectra builds too slowly, local systems may become stretched by new demands.

This could result in equipment failures with the added costs of emergency repairs, limiting EV charging to certain hours of the day, or even rotating electricity outages.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

Today roughly 48% of Alectra customers live on a street with at least one EV. Only 4% of those have multiple EVs on one street, but that can quickly change. Alectra is making their best efforts to be as accurate as possible in projecting growing demand. But they need your guidance on a value choice they must make.

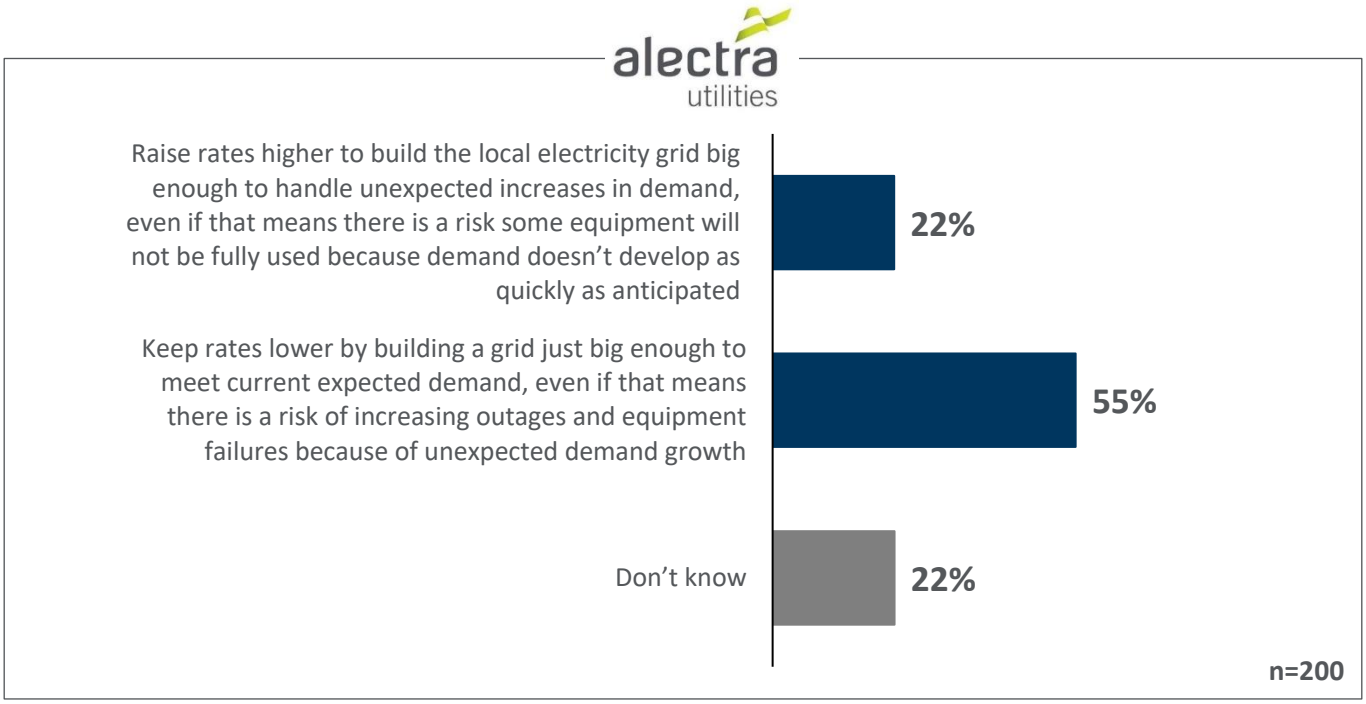
PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK PAGE

Online Workbook
Perception on Uncertain Growth Projections

GS<50

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated.	22%	4	9	13	16
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth.	55%	14	28	27	38
Don't know	22%	5	8	5	24

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Uncertain Growth Projections

GS<50

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated	22%	16%	34%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth	55%	65%	39%
Don't know	22%	19%	27%

Consumption Quartile

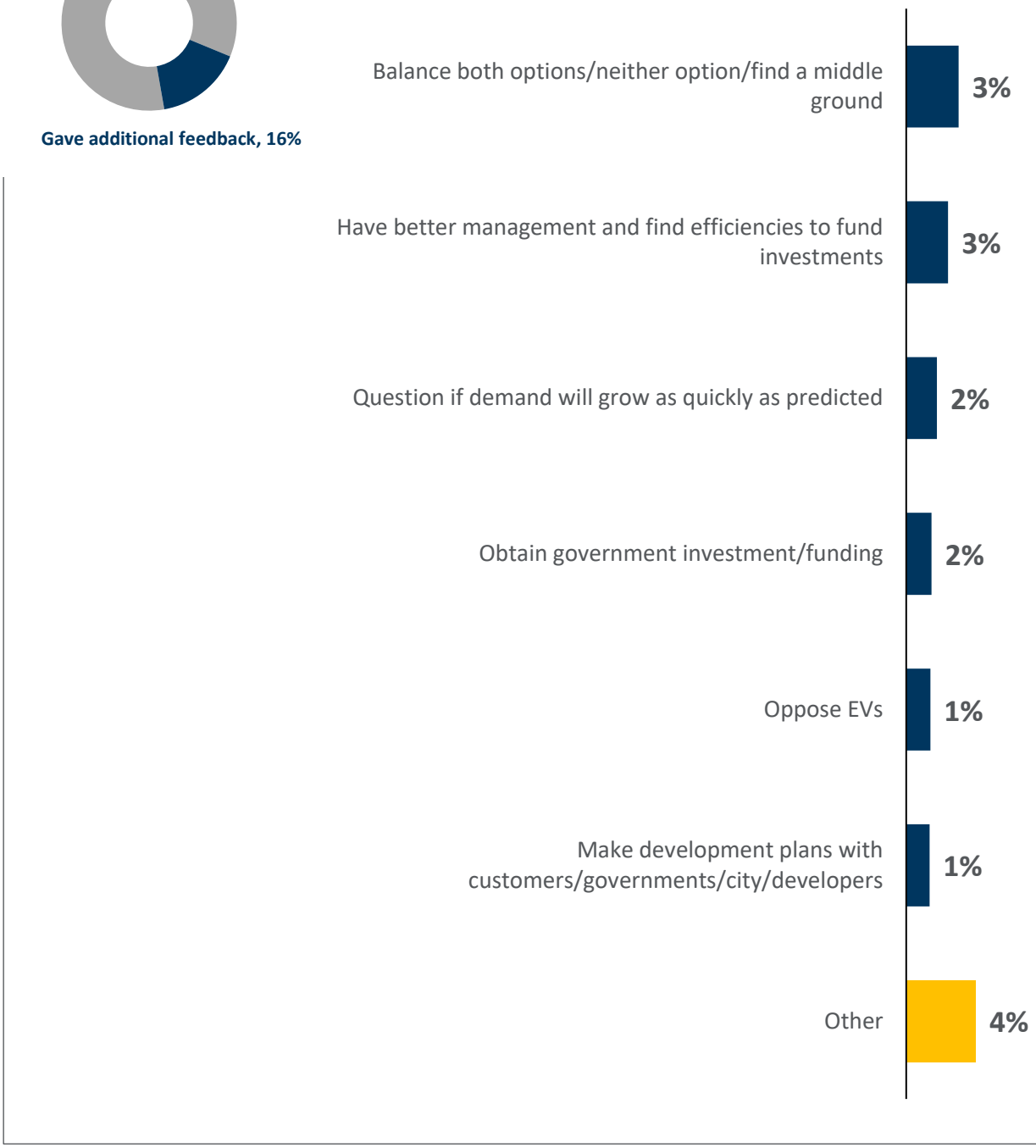
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated	22%	16%	25%	22%	26%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth	55%	59%	57%	51%	55%
Don't know	22%	25%	18%	27%	20%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Perception on Uncertain Growth Projections

GS<50

Q Additional Feedback (Optional)



Online Workbook
Perception on Uncertain Growth Projections

GS<50

Q Additional Feedback (Optional)

Sample Verbatims
Balance both options/neither option/find a middle ground
"Again, these options are misleading. You can moderate growth better than this. We run a business. We know how to ramp things up without gouging our customers. […]"
"Both choices are insufficient. Look for cost savings within your organization, like all businesses have had to do, in order to manage your growth needs."
Have better management and find efficiencies to fund investments
"Again, raising rates should not be an option. Far too expensive as it is. Manage what you have better."
"Don't raise rates. Pay your upper management less."
Question if demand will grow as quickly as predicted
"Demand may not grow exponentially, unless mandated by [government] policies that force electric cars etc. on everyone. The infrastructure is not ready..."
"We should not invest in an uncertain future as public opinion is split on using heat pumps and electric vehicles."
Obtain government investment/funding
"There needs to be a buffer. Like I said, possible government help needed."
"This is already happening- the federal government should be using their carbon tax collection to help with building the electric growth requirements to providers like Alectra. If they want people to use electric cars, buses, machines etc. Then they should help fund the infrastructure. Not ask the users to pay again to build the system."

Online Workbook
Perception on Uncertain Growth Projections

GS<50

Q Additional Feedback (Optional)

Sample Verbatims (cont.)
Oppose EVs
"I do not support EV's."
"EV's are not going to be the best choice in coming 10 yrs."
Make development plans with customers/governments/city/developers
"I think that there should be steps and timelines established to determine when upgrades are required. Working in conjunction with municipal authorities responsible for authorizing development forward planning should be doable based on approved future developments in the works."
Other
"Levy the builders of communities the costs for all upgrades to accommodate that area including high rise condominiums and office towers. The builders are creating the problem and they should be levied the cost to install at time of construction. Electricity services are not free and should not be distributed to established properties for the growth."
"Make grid big but use less lines for now, thinking about the future adjustments."
"This is a difficult question but my answer is not necessarily keeping rates low without an increase, but rather justification and clear communication for rate increases. Focus on the education of it, rather than the date it will increase."

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Using New Technology to enable Customer Choice

Another major change facing utilities is new equipment and technologies that change how customers participate in the system.

The old electricity system was built big enough to manage peak demand and required very little active management on a day-to-day basis. That is fundamentally changing. Customers are gaining far more control over their energy needs:

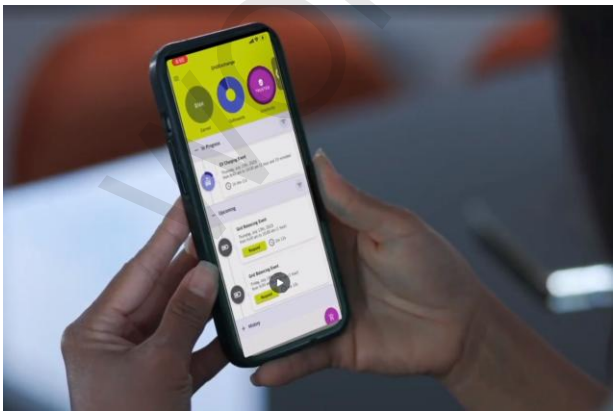
- Customers can now store their own electricity with batteries in their cars and homes.
- Customers can now generate their own electricity with small scale wind and solar.
- Customers now have electrical devices that can be remotely monitored and managed to identify inefficient appliances and to turn devices down or off to manage peak loads.

Not everyone is ready or able to employ these devices and technologies today, but the whole system can benefit from those that do.

In Ontario, electricity peaks on hot summer days when air conditioner use spikes. But now, you don't have to rely on Niagara Falls for that electricity, it can come from the neighbours on your street.

When the grid is modernized, your organization can sell stored energy to the grid, lower your thermostat or EV charge when demand is high, shift to your own solar generation, and more, all in return for financial rewards.

If you choose to enroll in a program that allows the electricity grid control room to turn down your air conditioner for a few minutes every hour, you can help to avoid building new transmission towers and generating stations just to serve the few hours in the year when demand spikes.



Alectra is already piloting these activities today.

To make these choices available to all customers will require investments in computers, software and smart devices throughout the grid. Alectra's planners need your direction on how fast to move towards this new, two-way flowing, distribution grid.

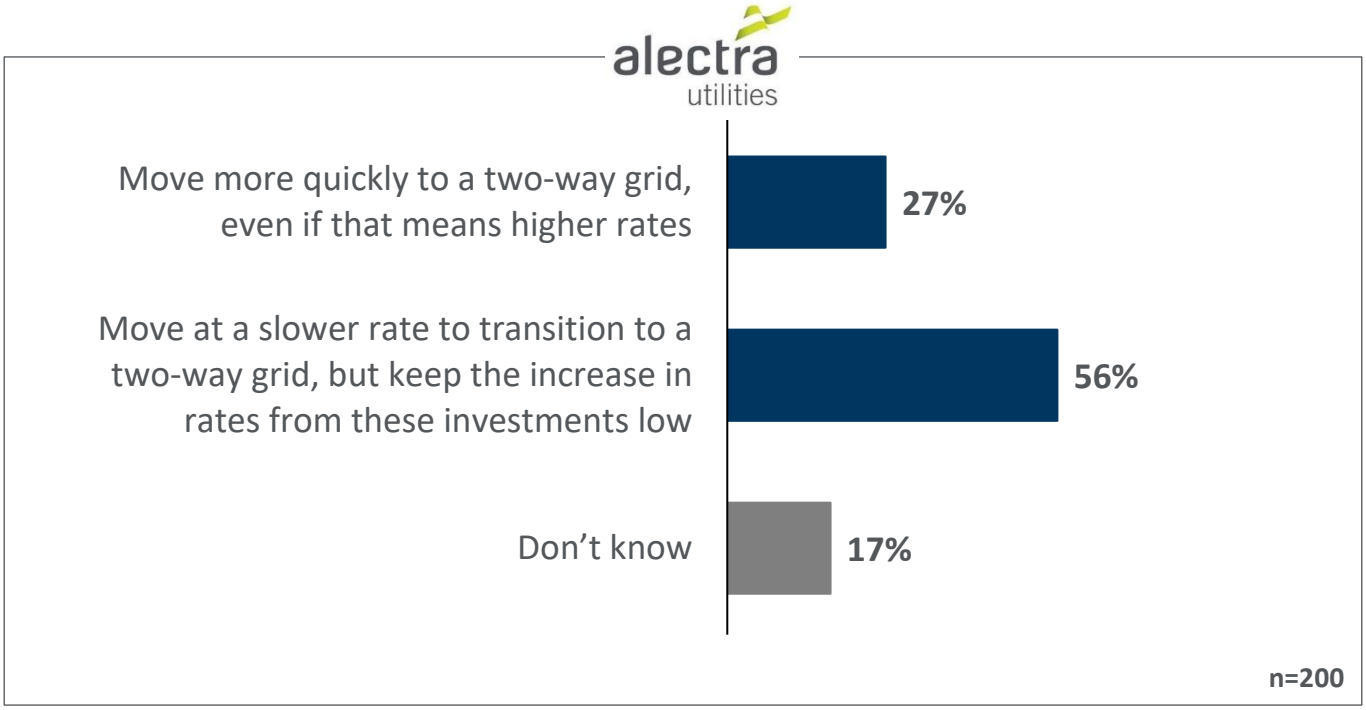
WORKBOOK PAGE

Online Workbook

Perception on Transition to Customer-Engaged Grid

GS<50

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Move more quickly to a two-way grid, even if that means higher rates	27%	6	8	13	23
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	56%	14	28	25	39
Don't know	17%	3	8	7	17

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook

Perception on Transition to Customer-Engaged Grid

GS<50

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?

	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Move more quickly to a two-way grid, even if that means higher rates	27%	20%	46%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	56%	64%	41%
Don't know	17%	15%	12%

	Overall	Consumption Quartile: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Move more quickly to a two-way grid, even if that means higher rates	27%	20%	28%	29%	31%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	56%	64%	48%	57%	55%
Don't know	17%	16%	25%	15%	14%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook

Perception on Transition to Customer-Engaged Grid

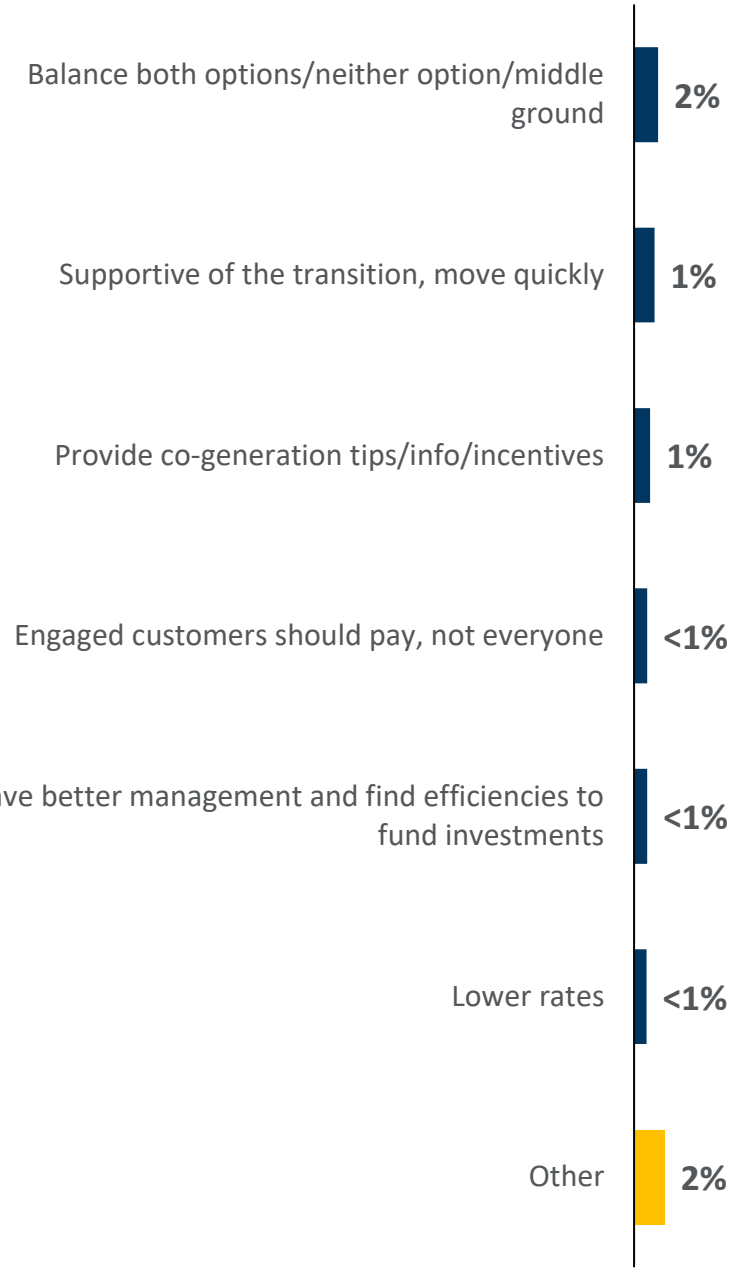
GS<50

Q Additional Feedback (Optional)

Did not give additional feedback, 91%

Gave additional feedback, 9%

alectra utilities



n=200

Online Workbook

Perception on Transition to Customer-Engaged Grid

GS<50

Q Additional Feedback (Optional)

Sample Verbatims
Balance both options/neither option/find a middle ground
"All should be done at fast rate without RATE INCREASES…"
"Balance of rate and transition is required."
"No more higher rates... obviously more quickly to a two-way grid... but use what you have."
Supportive of transition/move quickly
"This is an excellent approach where the one who use the system more pay more, the one who store energy get reward, I am for the two-way grid approach, the sooner the better."
Provide co-generation tips/info/incentives
"Local power supply should offer a quick way to offset increased demand and incentives can be increased or decreased to influence installation. The cost of incentives likely would be less than the investment to enlarge the distribution network."
Engaged customers should pay, not everyone
"Every customer should not bear the burden for something they are not participating in."
Have better management and find efficiencies to fund investments
"Once again every choice has to do with increasing our rates. Look at your own expenses and budgets to do things properly. We small businesses can't keep funding your projects that are just not managed efficiently and properly."
Lower rates
"Again. Adding gadgets is a cost."
Other
"Place demand meters on all homes, office, condominium buildings etc. High usage during peak hours pay more. Demand meters can solve some of this. Use redesigned hydro meters, which measure electricity in a finer manner. Have the meter manufactures do better on increments of use."
"Move slower, otherwise customers will be looking for alternative ways."

Grid Modernization

The last page talked about the impacts of new technology on how you interact with the grid. This page will talk about the impacts of new technology behind the scenes, changes that may not be obvious to customers, but will impact the reliability and quality of the service you receive.

In the grid of the last 100 years, once equipment such as cables, transformers or switches were installed, there was no means of monitoring or controlling that equipment. If the lights went out, a crew jumped in a truck and drove the line until they saw the break or broken piece of equipment, then they would manually open and close switches.

Today we can restore power faster using remote-controlled switches and sensors which tell the control room if an outage has occurred. This allows operators to remotely re-route electricity and restore power. **Remote-controlled switches can be automated** so all switching can take place in real-time, so businesses like yours will have their power restored even faster.

In circuits where automated devices have already been added, Alectra has identified improvement in reliability. While it is expected that Alectra generate savings from the more productive deployment of maintenance and repair crews and from avoided equipment failures, these savings are not sufficient to offset the added costs.

This change cannot happen overnight. It will take time. There is limited availability of new equipment and the crews to install them. The question is whether to place more emphasis on keeping rate increases low or placing more emphasis on moving quickly to modernize the grid.

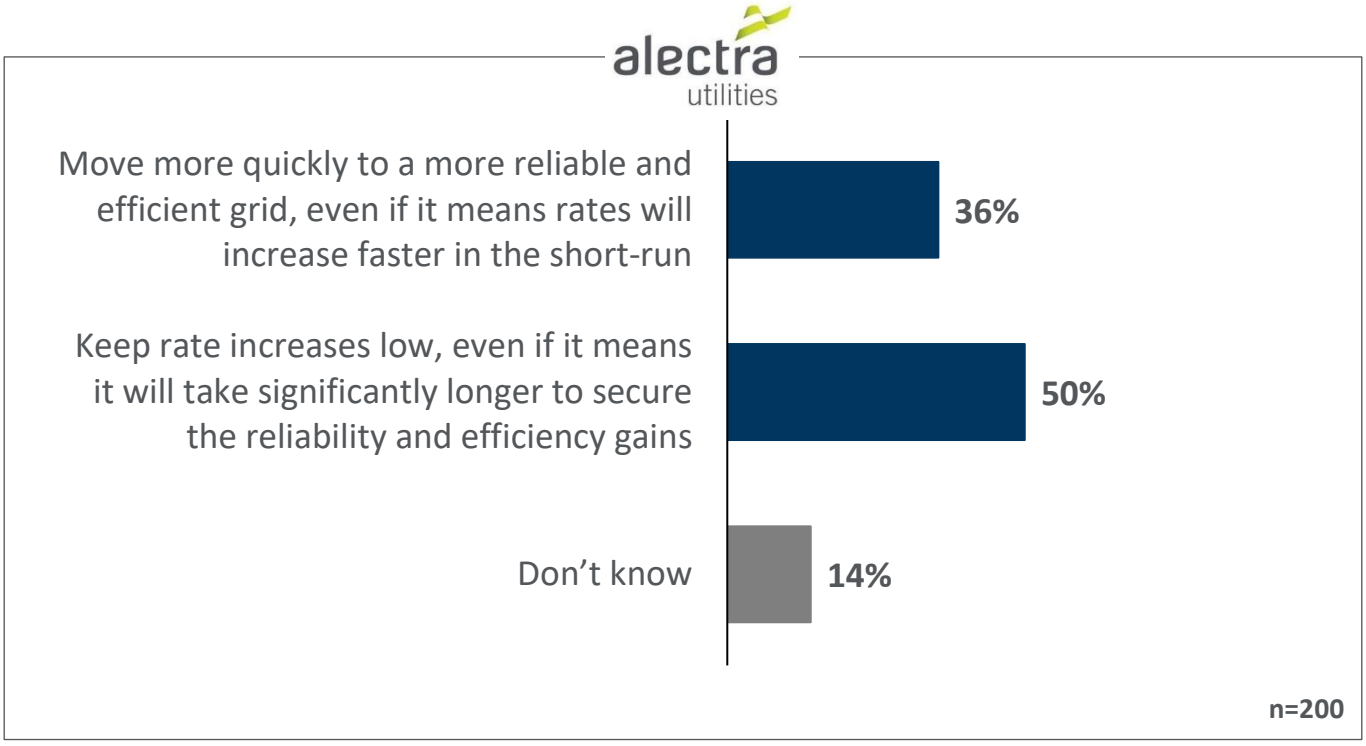
PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKING DRAFT

Online Workbook
Perception on Investing In Grid Modernization

GS<50

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	36%	6	13	16	31
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	50%	14	24	24	35
Don't know	14%	3	8	5	13

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Investing In Grid Modernization

GS<50

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?

	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	36%	29%	56%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	50%	58%	35%
Don't know	14%	14%	9%

	Overall	Consumption Quartile: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	36%	26%	35%	43%	38%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	50%	61%	45%	41%	54%
Don't know	14%	13%	20%	16%	8%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

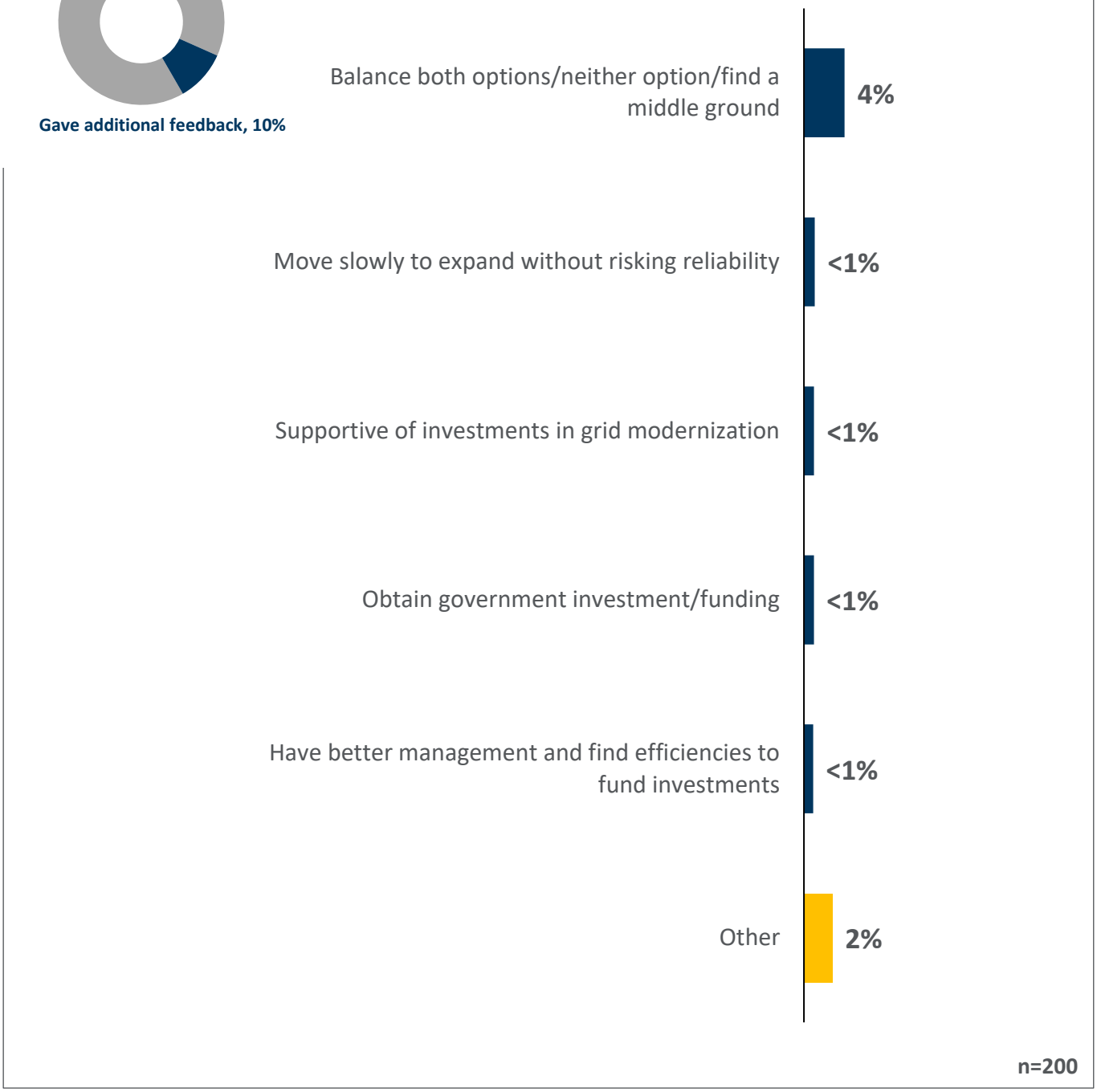
Online Workbook
Perception on Investing In Grid Modernization

GS<50

Q Additional Feedback (Optional)

Did not give additional feedback, 90%

Gave additional feedback, 10%



NOTE: Refused (1%) not shown.

Online Workbook
Perception on Investing In Grid Modernization

GS<50

Q Additional Feedback (Optional)

Sample Verbatims
Balance both options/neither option/find a middle ground
"Balance of both."
"I think you should consider - not asking the customer to continually pay for your improvements. Why is your strategy focused on either 1) keeping the status quo, 2) charging more to improve your system, or 3) make your operation more efficient and get with the modern times. Efficiency is always cheaper in the long run."
Move slowly to expand without risking reliability
"Slow and steady expansion to meet future demands. DO NOT WANT FAILURES LIKE: Gas plant in Oakville or the Ontario gov't solar/wind projects."
Supportive of investments in grid modernization
"For a positive move, we must take charge and move forward."
Obtain government investment/funding
"Ask for Federal and Provincial money to upgrade the grid."
Have better management and find efficiencies to fund investments
"Once again try to figure out how to be efficient without increasing our rates. We all have to modify and absorb our own costs to make things better to gain more customers in the future. Use your own money from us to fix and make things more efficient. Look at your profits."
Other
"Charge the contractors an escalation fee to add new services for their high profit buildings they are putting up. e.g. Condominiums, office towers, housing communities. Provide electrical reduced rate for country properties, and town."
"Modernization will lower the rates in the future. It all depends if Alectra would be willing to lower the rates or keep the rates high afterwards."

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Grid Resilience

Most electricity customers have noticed their property insurance rates increasing faster than inflation for a number of years now as a result of the damage created by storms and extreme weather events on homes and business. Alectra is experiencing similar impacts from ice storms, micro-bursts, extreme heat and other extreme weather. Sometimes with events such as micro-bursts, the damage is limited. But often the damage is widespread and impacts tens of thousands of Alectra customers for extended periods of time.

In addition to modernizing the grid, which enables power to be restored after a power outage occurs, **Alectra can increase its system's resilience**. Increasing resilience reduces the chances that extreme weather events would result in power outages. This is typically done by upgrading key equipment in the system to withstand storms better.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

GS<50

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Here are examples of Grid Resilience projects:

- **The major North-South overhead feeder lines that are most exposed to wind can be reinforced** to increase their ability to withstand storm events.
- **Alectra can speed up the replacement of overhead lines** in customers' backyards. These lines are more exposed to falling branches and trees, they often take longer to repair because of restricted access, and fallen lines can pose greater safety risks should they occur in customers' backyards.
- **Alectra can increase the budget for identifying and removing hazardous trees** to allow for more frequent monitoring and tree removal. This is not something that can be automated. There are approximately 18,000 km (11,000 miles) of overhead circuit power lines in Alectra's system.

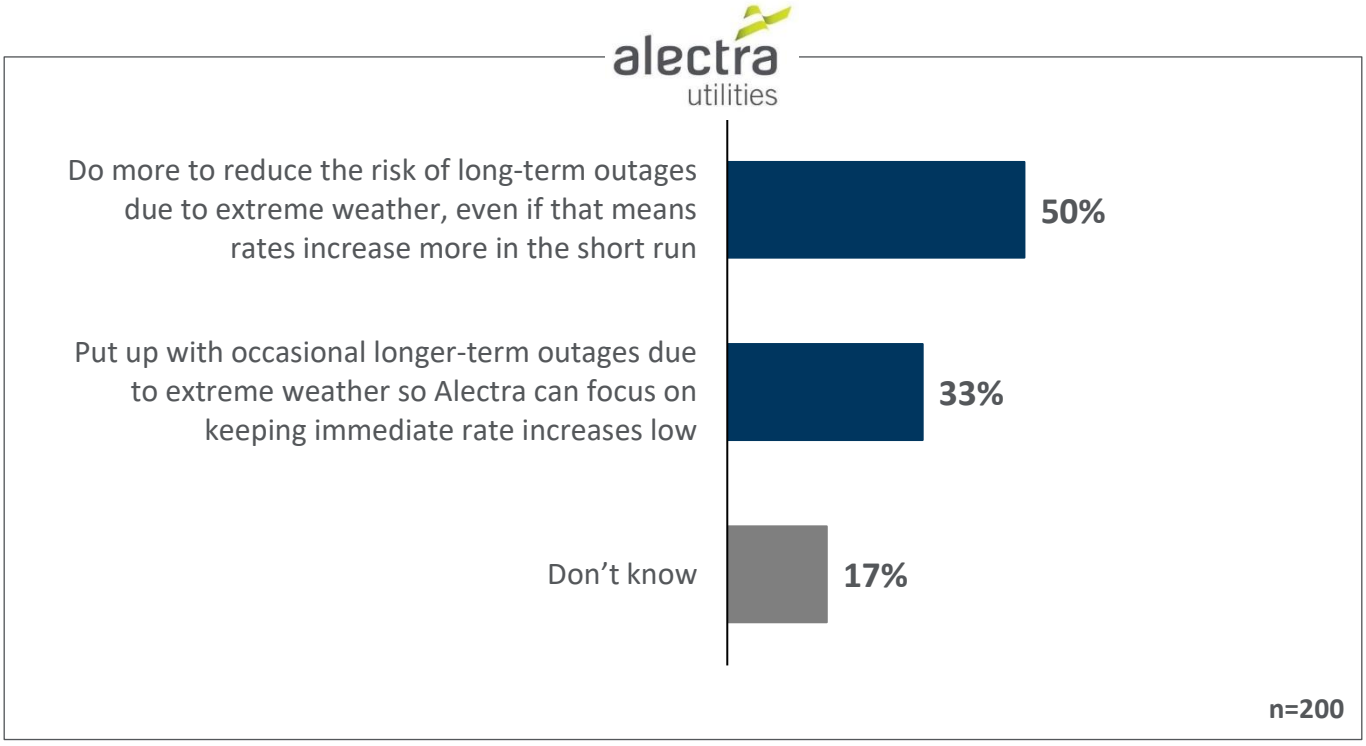
Alectra would like to understand your views when it comes to raising rates to improve resilience to extreme weather.

WORKBOOK PAGE

Online Workbook
Perception on Approach to Grid Resilience

GS<50

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	50%	11	21	22	41
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	33%	9	15	16	24
Don't know	17%	4	10	6	14

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Approach to Grid Resilience

GS<50

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?

	Overall	Bill Impact: Higher Impact (n=128)	Bill Impact: Lower Impact (n=58)
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	50%	46%	68%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	33%	38%	22%
Don't know	17%	16%	10%

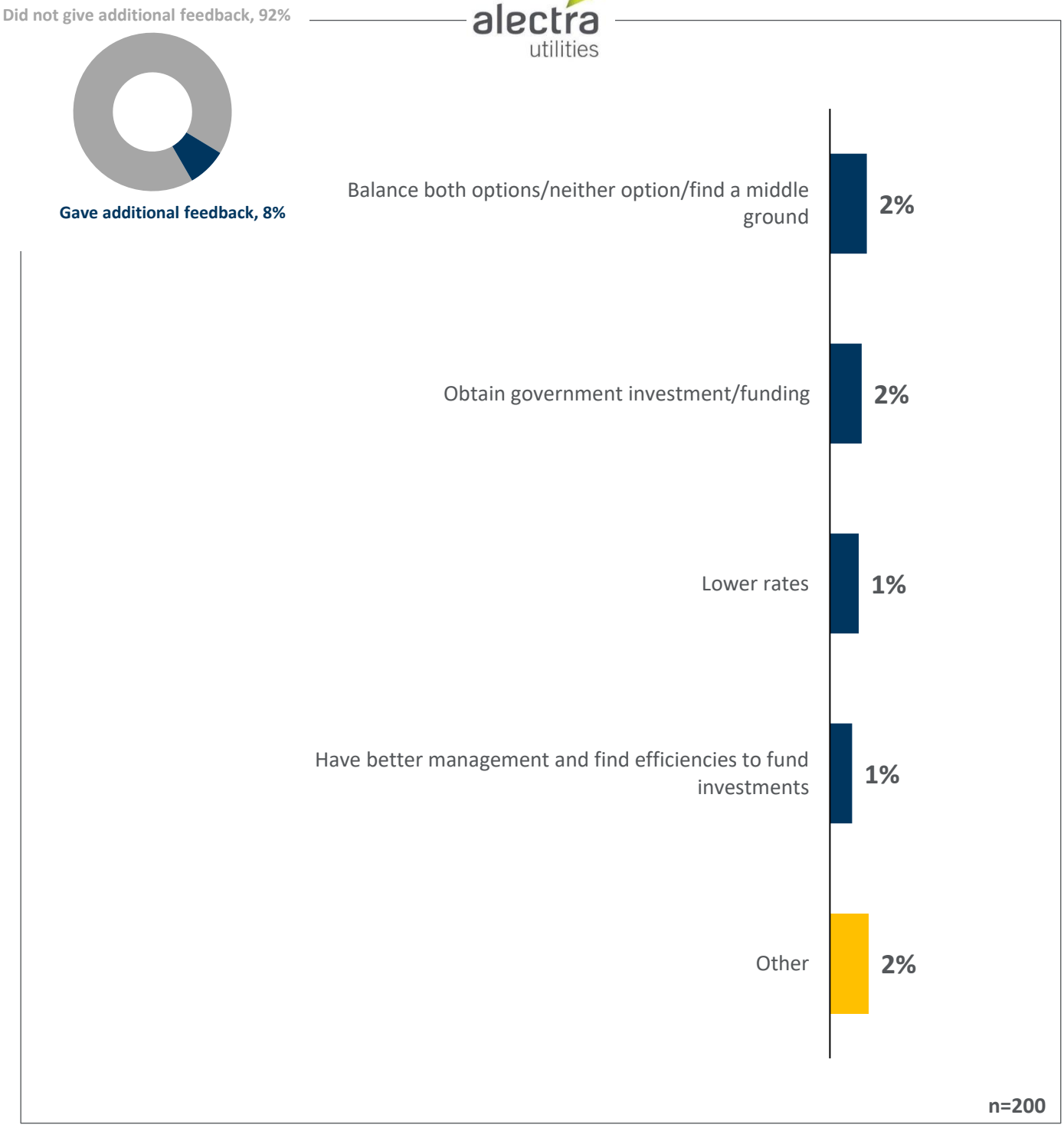
	Overall	Consumption Quartile: Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	50%	46%	46%	55%	54%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	33%	39%	35%	30%	28%
Don't know	17%	15%	19%	15%	18%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Perception on Approach to Grid Resilience

GS<50

Q Additional Feedback (Optional)



Online Workbook
Perception on Approach to Grid Resilience

GS<50

Q Additional Feedback (Optional)

Sample Verbatims
Balance both options/neither option/find a middle ground
"Do more but charge a decent amount rather then over charging customers just to keep extra money for things that don't even happen."
Obtain government investment/funding
"Get Federal and Provincial money to upgrade and improve resilience."
Lower rates
"I am opposed to increasing the rates."
Have better management and find efficiencies to fund investments
"No increase in rates. Decrease your waste, wages and expenses."
Other
"We cannot keep high risk to the public at the expense of low rates. Let us spend money to fix it."
"Keep the branches cut or trimmed (or entire trees if in danger) in order to minimize these issues."

Alectra Utilities Customer Survey
Planning for the Future

GS<50

Summing It Up

Once your views on the questions in this survey are collected:

- **Alectra will develop a more detailed plan** that identifies the specific investments and costs to deliver particular benefits.
- **Alectra will ask for your feedback on those investment options** in Phase 2 of this customer consultation.

But before the planners start developing those options, **Alectra would like to hear how you feel about this general approach.**

The plan includes some basic table stakes for electrical utilities including:

- A systematic review of Alectra's costs conducted mostly by experts working for the OEB and customer groups, but open to anyone in the public who is interested. The plan must deliver value to customers and demonstrate how Alectra seeks to control costs and related rate increases of proposed investments.
- A program to replace deteriorating equipment that gives priority to areas currently at the greatest risk of outages while addressing the backlog of deteriorated assets.

It also includes initiatives to deal with developments that are changing the electricity system as we have known it.

- Alectra is implementing new technologies that allow customers more control including generating their own electricity, storing their own electricity, identifying opportunities for efficiencies and providing financial incentives to customers willing to help the grid manage periods of peak demand.
- Alectra is also using new technology to modernize the grid, using remote-controlled sensors and switches to identify outages in real time to re-route electricity and restore power more quickly.
- When it comes to the growing number of unusual weather events, new technology can only do so much. Alectra is upgrading key equipment to "harden" the system in order to reduce the severity of outages caused by unusual weather.
- Finally, Alectra is managing the uncertainty in demand for electricity by identifying critical investments to meet unexpected surges in demand.

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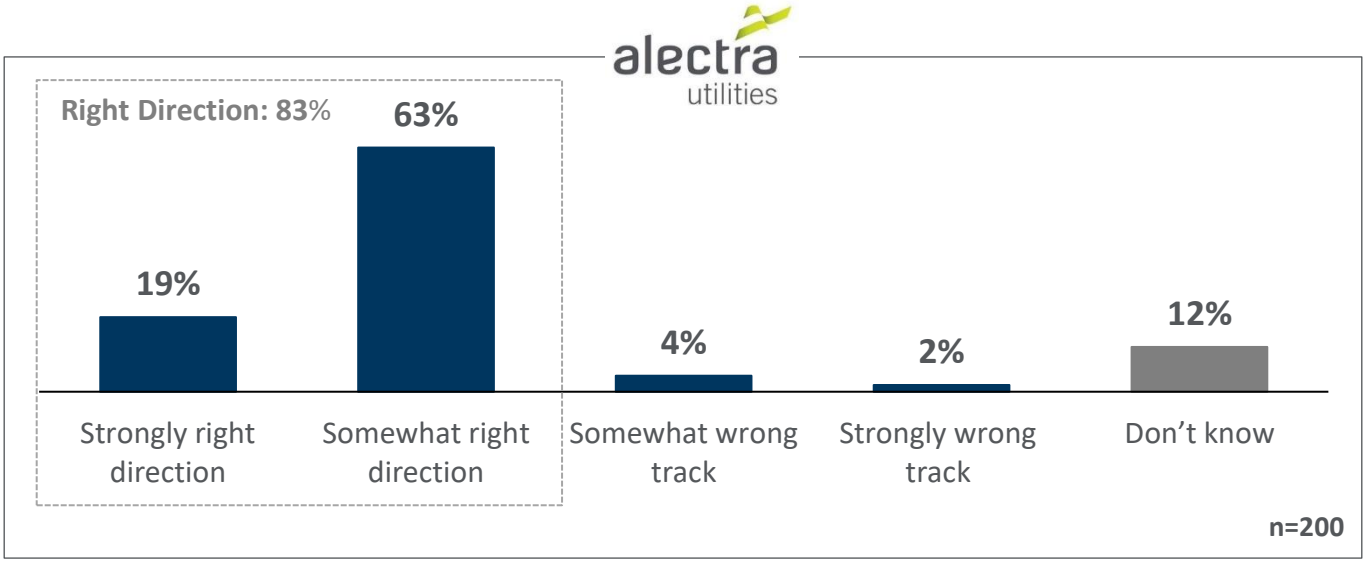
WORKBOOK PAGE

Online Workbook
Approach to Future Investments

GS<50

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Strongly right direction	19%	1	12	10	13
Somewhat right direction	63%	14	28	28	52
Somewhat wrong track	4%	3	2	1	3
Strongly wrong track	2%	0	0	2	1
Don't know	12%	5	4	5	10
Right Direction (Strongly + Somewhat Right Direction)	**83%**	**15**	**40**	**37**	**65**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Approach to Future Investments

GS<50

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?

		Bill Impact	
	Overall	**Higher Impact (n=128)**	**Lower Impact (n=58)**
Strongly right direction	19%	18%	22%
Somewhat right direction	63%	67%	63%
Somewhat wrong track	4%	4%	4%
Strongly wrong track	2%	3%	0%
Don't know	12%	8%	10%
Right Direction (Strongly + Somewhat Right Direction)	**83%**	**85%**	**85%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Approach to Future Investments

GS<50

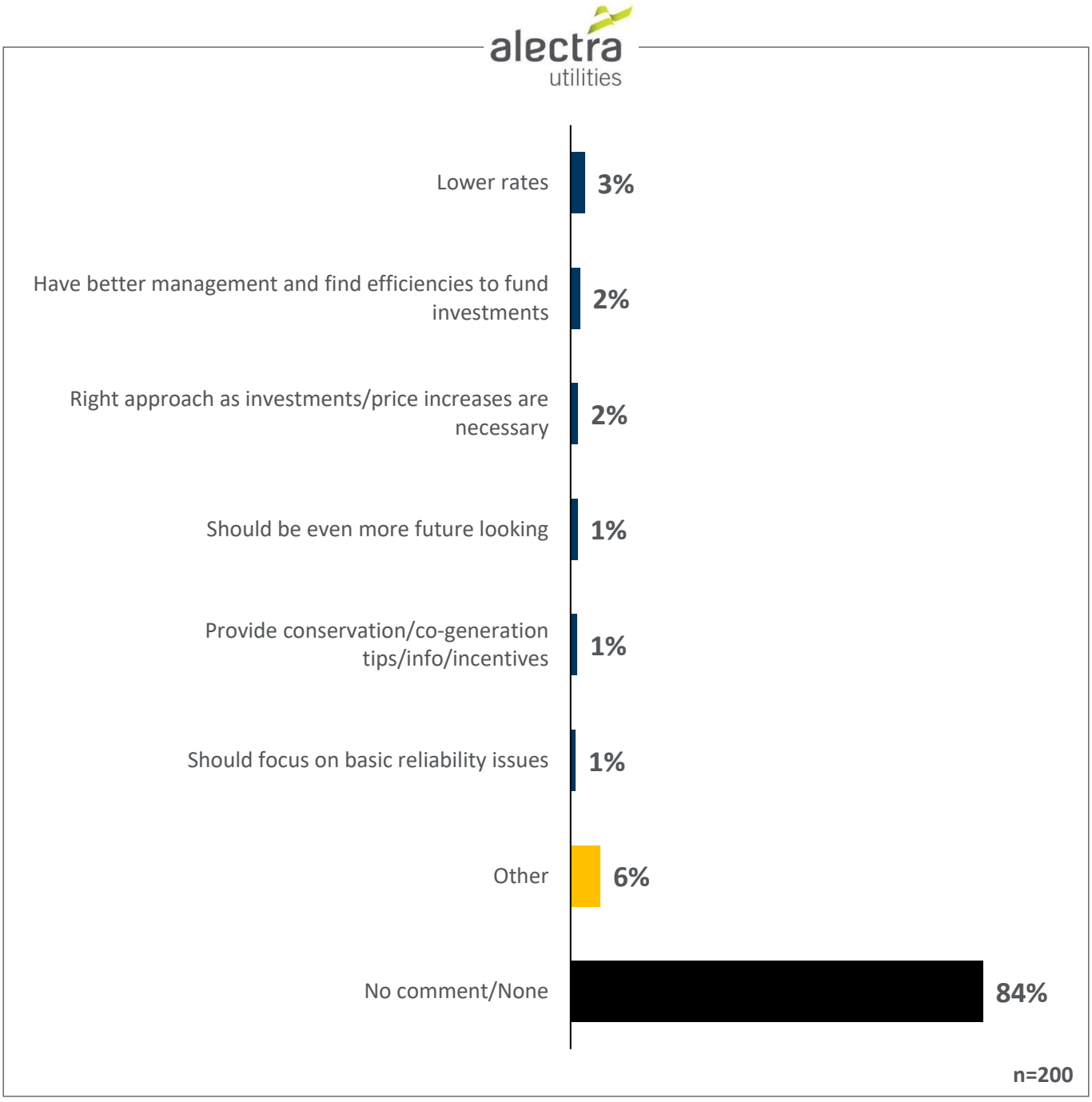
Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?

		Consumption Quartile			
	Overall	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Strongly right direction	19%	17%	25%	16%	19%
Somewhat right direction	63%	62%	53%	65%	73%
Somewhat wrong track	4%	1%	5%	8%	2%
Strongly wrong track	2%	0%	4%	3%	0%
Don't know	12%	19%	13%	8%	6%
Right Direction (Strongly + Somewhat Right Direction)	**83%**	**79%**	**78%**	**81%**	**92%**

Online Workbook
Approach to Future Investments

GS<50

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above? [OPEN]



Online Workbook
Approach to Future Investments

GS<50

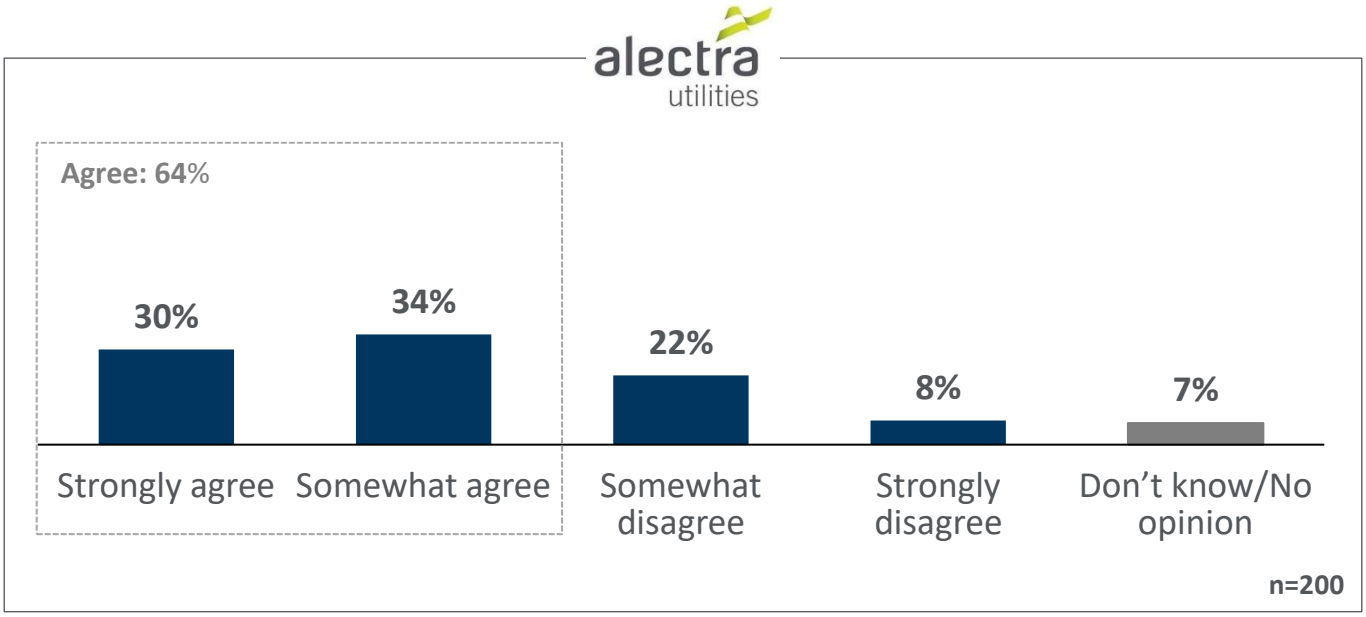
Q Additional Feedback (Optional)

Sample Verbatims
Lower rates
"[…] No more higher rates. Improve what needs to be improved.."
"Reduce rates for businesses, as some businesses will go out of business as utilities are too expensive. Easier for some businesses to work from home. If everyone works from home, no businesses will be viable, therefore less money for Alectra."
Have better management and find efficiencies to fund investments
"Greater efficiency, flatter organization."
Right approach as investments/price increases are necessary
"Definitely on the right track, but the two-way grid stuff is not particularly worthwhile for the majority of customers, especially commercial ones. The overall impact seems dubious at best compared to the necessary investments."
Should be even more future looking
"Concentrate on providing infrastructure for new technologies like EV cars first."
Provide conservation/co-generation tips/info/incentives
"Does Alectra offer any programs or grants for reducing energy, or doing upgrades in our home to reduce that demand and energy, such as installing the solar panels? Is more investment being done with wind and solar energy, as opposed to just power lines and cables?"
Should focus on basic reliability issues
"Start by identifying the oldest transmission section and create a plan for replacement."
Other
"Look for better, cheaper, faster ways to modernize operations at scale."
"It's nice to provide direction to its customers and involve them in decision-making."

Online Workbook
Impact of Electricity Bill on Finances

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Strongly agree	30%	8	17	17	17
Somewhat agree	34%	11	14	17	23
Somewhat disagree	22%	4	6	7	23
Strongly disagree	8%	0	4	2	9
Don't know /No opinion	7%	1	4	2	7
Agree (Strongly + Somewhat Agree)	**64%**	**18**	**30**	**34**	**40**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Impact of Electricity Bill on Finances

GS<50

Q

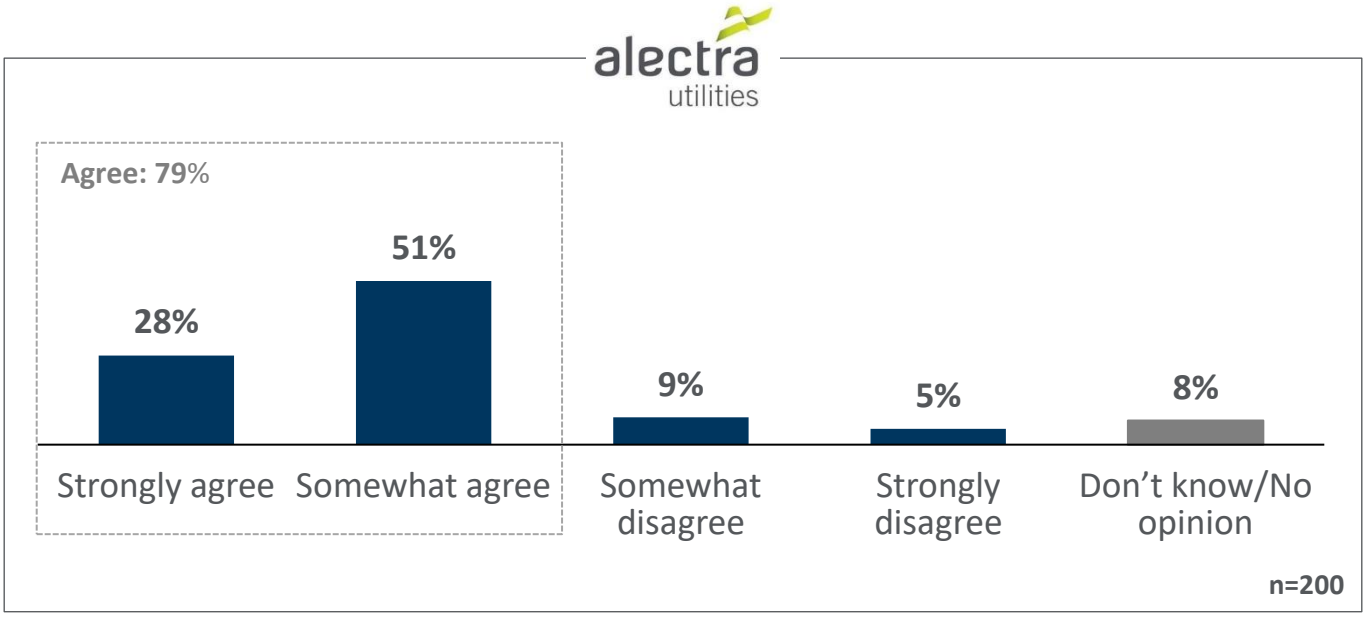
Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.

		Consumption Quartile			
	Overall	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Strongly agree	30%	32%	20%	33%	34%
Somewhat agree	34%	33%	33%	36%	36%
Somewhat disagree	22%	19%	33%	17%	17%
Strongly disagree	8%	5%	7%	9%	10%
Don't know /No opinion	7%	11%	7%	5%	3%
Agree (Strongly + Somewhat Agree)	**64%**	**64%**	**53%**	**69%**	**70%**

Online Workbook
Electricity System in Ontario

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Strongly agree	28%	8	14	9	23
Somewhat agree	51%	10	20	29	37
Somewhat disagree	9%	3	6	5	3
Strongly disagree	5%	0	2	1	7
Don't know /No opinion	8%	2	3	1	8
Agree (Strongly + Somewhat Agree)	**79%**	**19**	**34**	**38**	**61**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Electricity System in Ontario

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

		Bill Impact	
	Overall	**Higher Impact (n=128)**	**Lower Impact (n=58)**
Strongly agree	28%	32%	22%
Somewhat agree	51%	53%	53%
Somewhat disagree	9%	9%	9%
Strongly disagree	5%	4%	7%
Don't know /No opinion	8%	2%	9%
Agree (Strongly + Somewhat Agree)	**79%**	**86%**	**75%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Electricity System in Ontario

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

		Consumption Quartile			
	Overall	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Strongly agree	28%	25%	29%	26%	32%
Somewhat agree	51%	50%	55%	52%	47%
Somewhat disagree	9%	15%	3%	7%	10%
Strongly disagree	5%	4%	4%	9%	2%
Don't know /No opinion	8%	6%	9%	6%	9%
Agree (Strongly + Somewhat Agree)	**79%**	**75%**	**84%**	**79%**	**79%**

Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Feedback on Alectra's survey

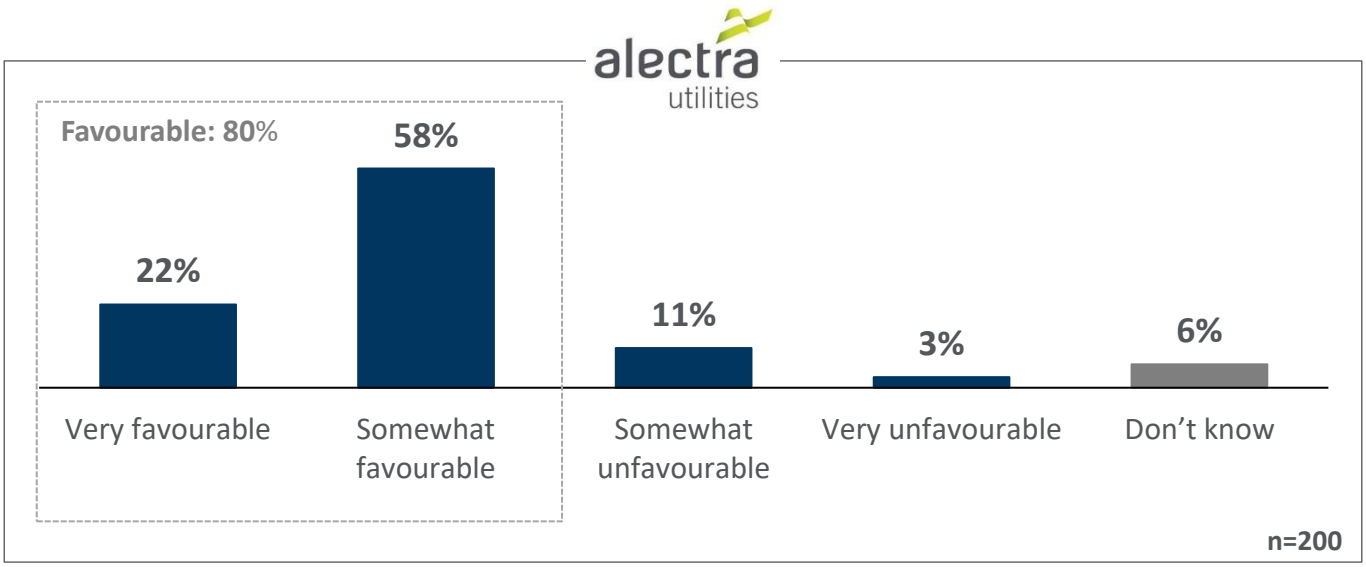
These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

WORKBOOK PAGE

Online Workbook
Impression of Survey

GS<50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



	Overall	Rate Zone BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Very favourable	22%	4	12	9	16
Somewhat favourable	58%	16	26	27	44
Somewhat unfavourable	11%	1	4	7	8
Very unfavourable	3%	1	0	2	3
Don't know	6%	1	3	0	8
Favourable (Very + Somewhat Favourable)	**80%**	**21**	**38**	**36**	**60**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Impression of Survey

GS<50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?

		Bill Impact	
	Overall	**Higher Impact (n=128)**	**Lower Impact (n=58)**
Very favourable	22%	22%	21%
Somewhat favourable	58%	59%	63%
Somewhat unfavourable	11%	11%	8%
Very unfavourable	3%	2%	3%
Don't know	6%	6%	5%
Favourable (Very + Somewhat Favourable)	**80%**	**82%**	**85%**

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Impression of Survey

GS<50

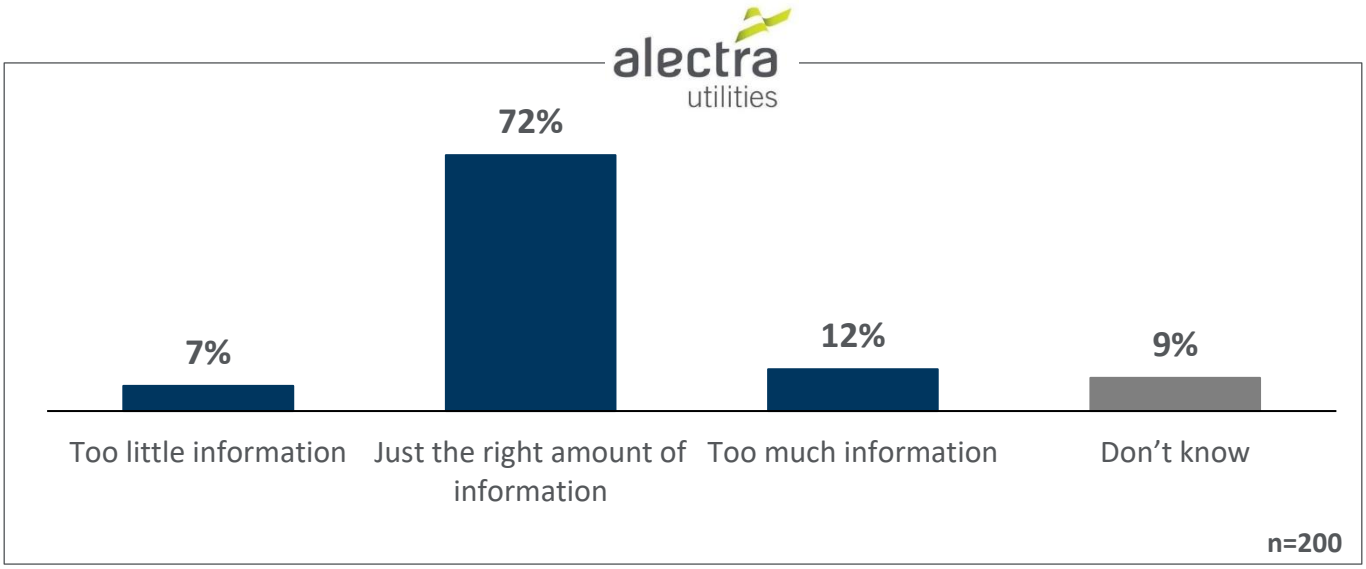
Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?

		Consumption Quartile			
	Overall	**Low (n=50)**	**Medium Low (n=50)**	**Medium High (n=50)**	**High (n=50)**
Very favourable	22%	19%	32%	17%	21%
Somewhat favourable	58%	54%	50%	68%	61%
Somewhat unfavourable	11%	13%	8%	9%	12%
Very unfavourable	3%	6%	2%	4%	0%
Don't know	6%	8%	8%	3%	6%
Favourable (Very + Somewhat Favourable)	**80%**	**73%**	**82%**	**85%**	**82%**

Online Workbook
Level of Information

GS<50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



	Overall	Rate Zone: BRZ (n=23)	ERZ (n=45)	HRZ (n=45)	PRZ (n=78)
Too little information	7%	2	4	3	6
Just the right amount of information	72%	15	33	32	57
Too much information	12%	2	6	7	7
Don't know	9%	4	1	4	10

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=8), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Level of Information

GS<50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?

Bill Impact

	Overall	Higher Impact (n=128)	Lower Impact (n=58)
Too little information	7%	7%	6%
Just the right amount of information	72%	71%	79%
Too much information	12%	11%	13%
Don't know	9%	11%	3%

Consumption Quartile

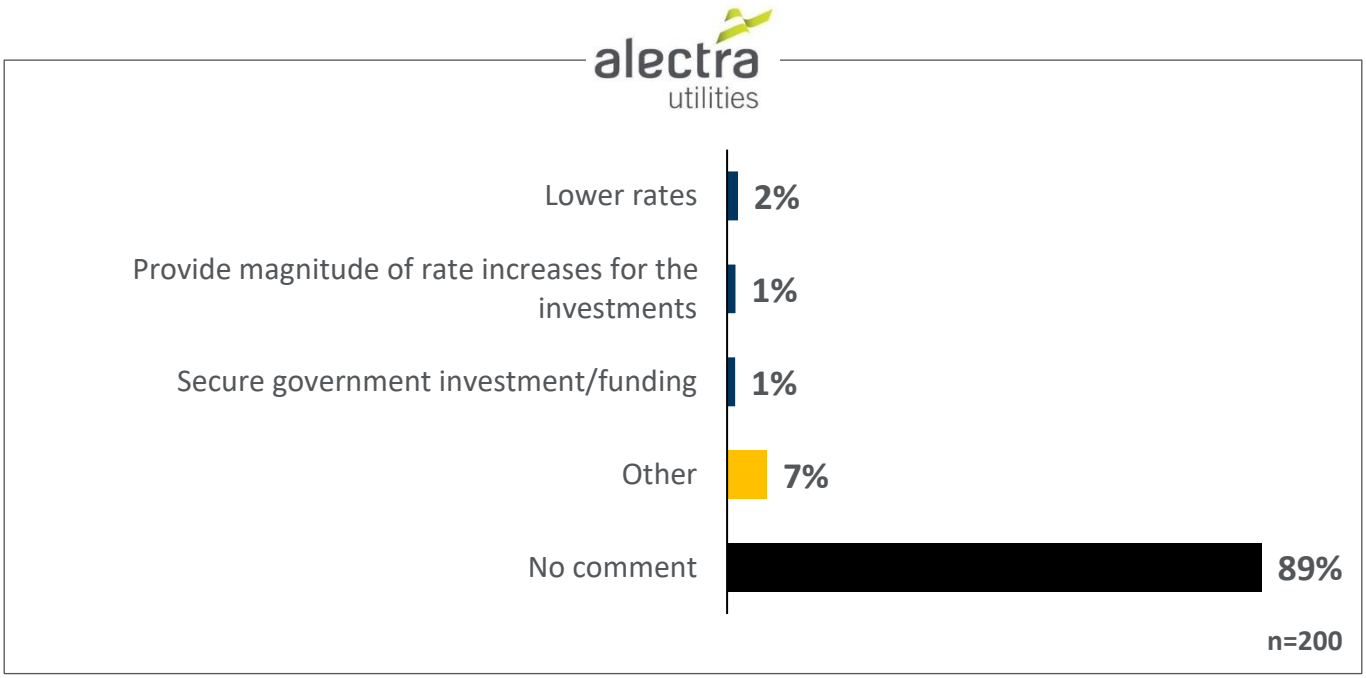
	Overall	Low (n=50)	Medium Low (n=50)	Medium High (n=50)	High (n=50)
Too little information	7%	9%	7%	11%	1%
Just the right amount of information	72%	63%	67%	74%	84%
Too much information	12%	14%	20%	6%	7%
Don't know	9%	14%	7%	9%	8%

NOTE: Due to limited sample, results of those who say they don't know or no opinion on whether the bill has an impact on them financially (n=14) are not shown.

Online Workbook
Final Thoughts

GS<50

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

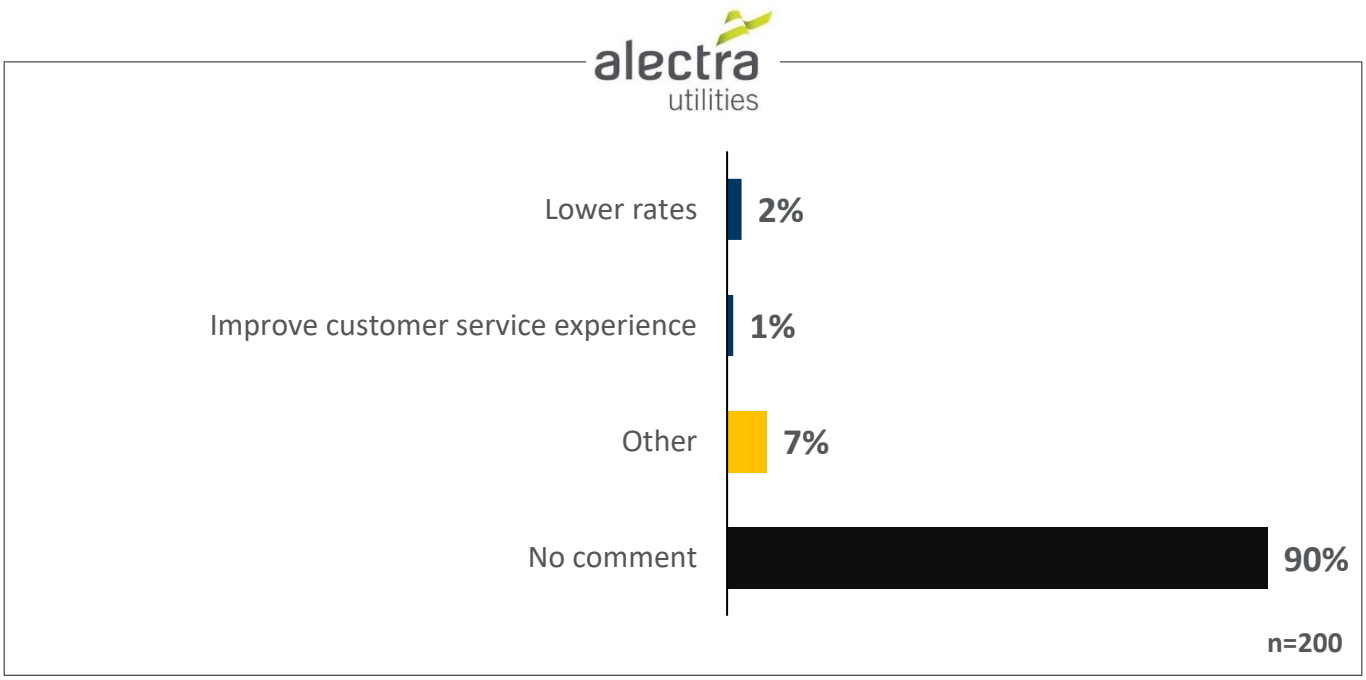


Sample Verbatims
Lower rates
"…consumers only care about rates – lower rates."
Provide magnitude of rate increases for the investments
"The questions that go to rates don't convey any sense of order of magnitude - e.g. would picking the more expensive rate option increase rates by 1% or 10%?"
Secure government investment/funding
"Efforts to have the Federal and Provincial governments grant more funding for improvements."
Other
"Partner with businesses to utilize the space for generation of renewable energy and reduce the generation cost."
"…Perhaps easier to relate information such as current situation that could consist of capacity vs. current consumption, current costs in graphic form at current consumption, other metrics such as outages, duration and significances thereof. Follow this with time period growth in demand and sources of such growth and relate this back…"

Online Workbook
Final Thoughts

GS<50

Q Is there anything that you would still like answered? [OPEN]



Sample Verbatims
Lower rates
"Electricity rates for small business are just too high mainly because of the overhead of delivery. There should be some kind of offset credit for small businesses to get started and established."
Improve customer service experience
"Administration of customer accounts is fine until something goes wrong and then it is definitely NOT fine."
Other
"You mention there are ways we can generate and store our own electricity for use and for sale back into the system. I would like to see those options, given the direction it appears our bills are about to take from your survey."
"When will you make or finalize a decision for all of this? It's best to not wait too late until demand is there…"
"How is Alectra watching the rate of EV adoption within its service area?"

Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Thank you

Thank you for taking the time to provide feedback.

By completing this survey, you will automatically enter into a draw for one of three team breakfasts or lunches, **each valued up to $500.**

If you would like Alectra to share the findings of this survey and let you know how it will be responding to your input, please check the box below and confirm what email address is best used to contact you.

☐ *I would like to learn about the findings of this survey.*

[IF YES]: OE
☐ EMAIL ADDRESS

If you have any additional questions or comments about this survey, please email:
survey@innovativeresearch.ca

WORKBOOK PAGE

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INNOVATIVE RESEARCH GROUP

Online Workbook Report

Appendix

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
BRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

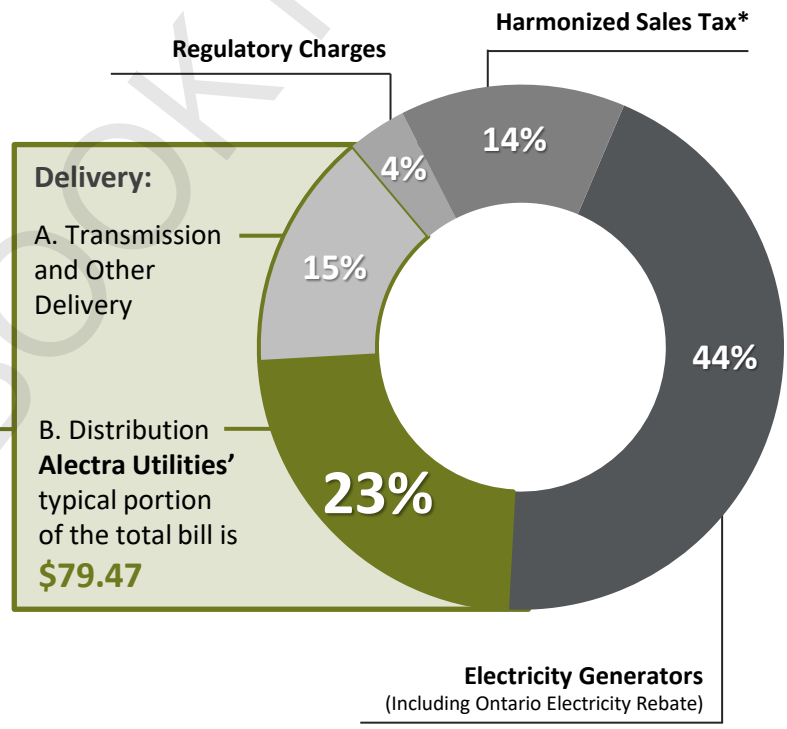
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	109.62
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 18.2 ¢/kWh	69.16
Delivery	130.04
Regulatory Charges	12.45
Total Electricity Charges	$365.19
HST	47.47
Ontario Electricity Rebate	($70.48)
Total Amount	$342.18

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
BRZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

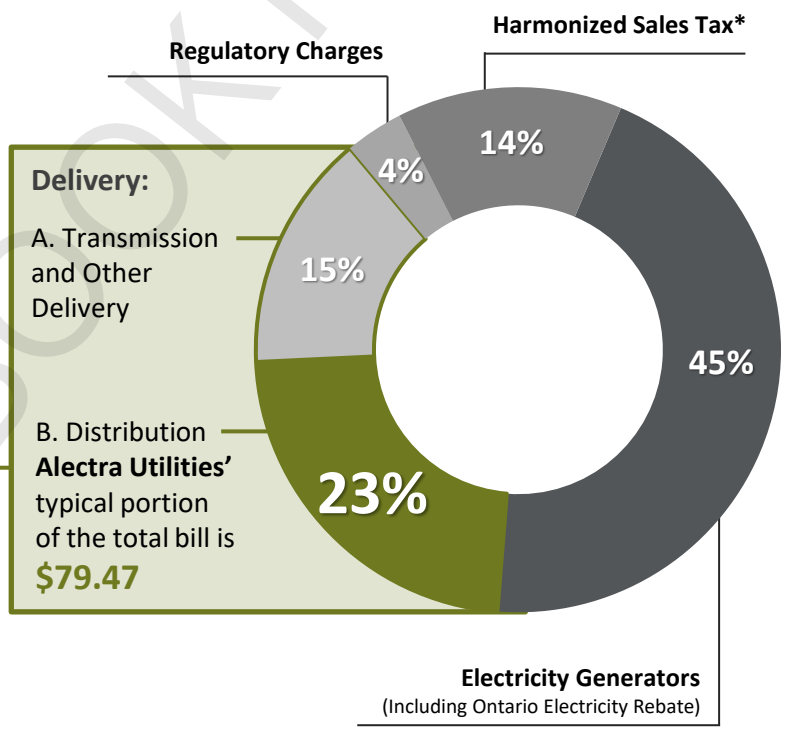
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	16.46
Weekend Off-Peak @ 8.7 ¢/kWh	36.71
Mid-Peak @ 12.2 ¢/kWh	81.74
On-Peak @ 28.6 ¢/kWh	91.52
Delivery	130.16
Regulatory Charges	12.45
Total Electricity Charges	**$369.05**
HST	47.98
Ontario Electricity Rebate	**($71.23)**
Total Amount	**$345.80**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
ERZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

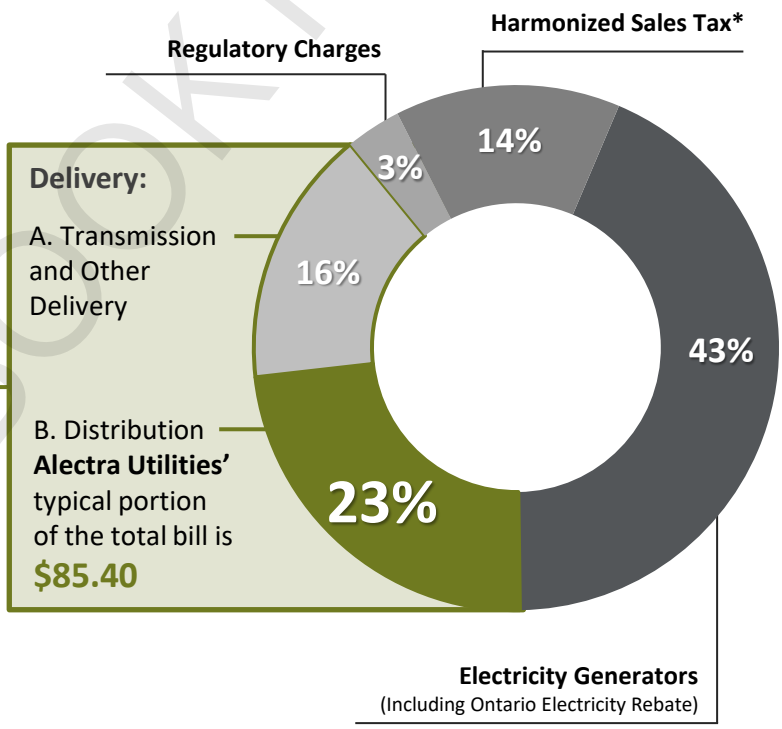
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
1250 kWh @ 12.5 ¢/kWh	156.25
Delivery	143.42
Regulatory Charges	12.47
Total Electricity Charges	**$389.39**
HST	50.62
Ontario Electricity Rebate	($75.15)
Total Amount	**$364.86**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
ERZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 24% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

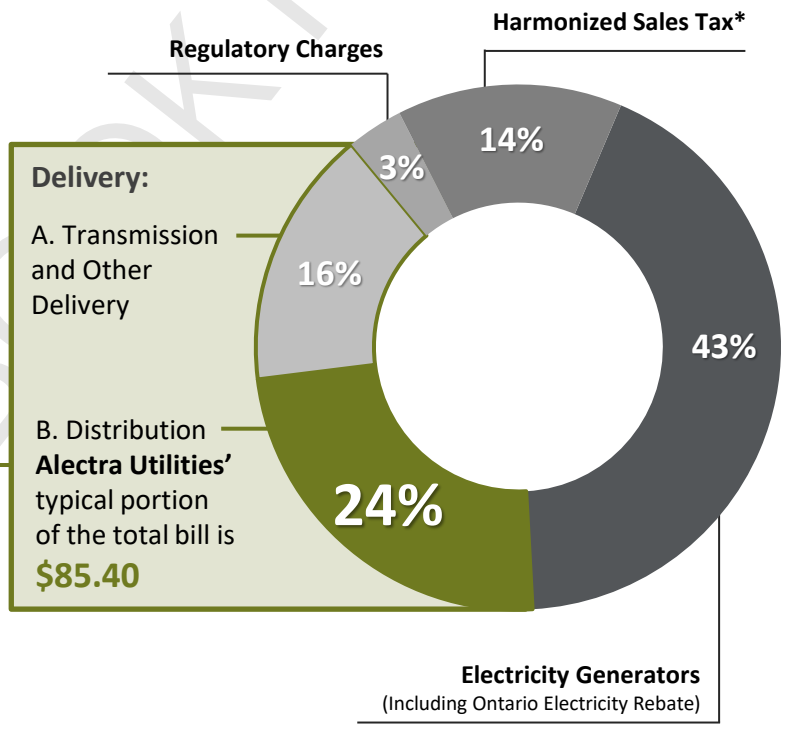
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	16.46
Weekend Off-Peak @ 8.7 ¢/kWh	36.71
Mid-Peak @ 12.2 ¢/kWh	81.74
On-Peak @ 28.6 ¢/kWh	91.52
Delivery	142.57
Regulatory Charges	12.47
Total Electricity Charges	**$381.48**
HST	49.59
Ontario Electricity Rebate	**($73.63)**
Total Amount	**$357.45**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
GRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 17% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

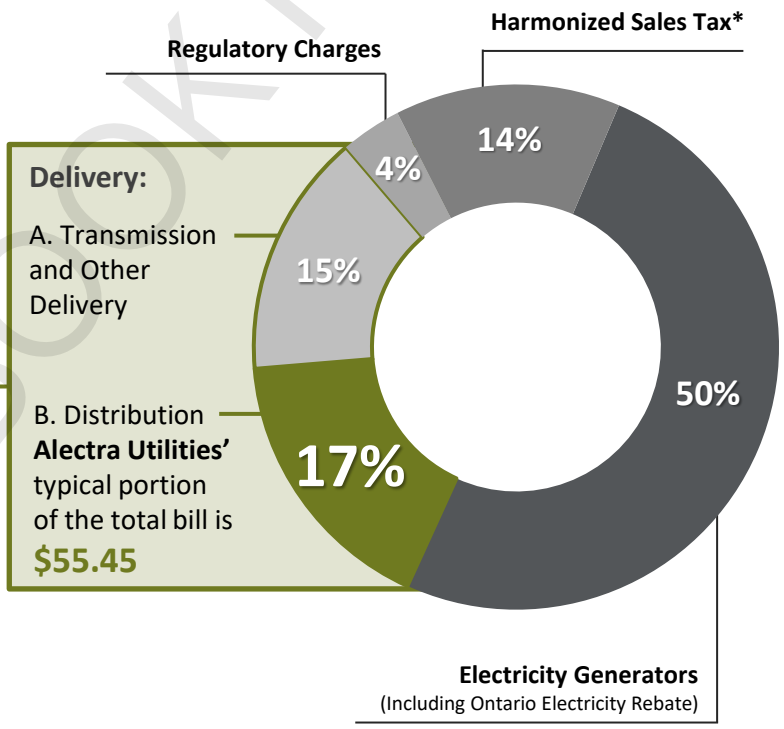
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
1250 kWh @ 12.5 ¢/kWh	156.25
Delivery	105.04
Regulatory Charges	12.36
Total Electricity Charges	**$350.90**
HST	45.62
Ontario Electricity Rebate	($67.72)
Total Amount	**$328.79**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
GRZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 17% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

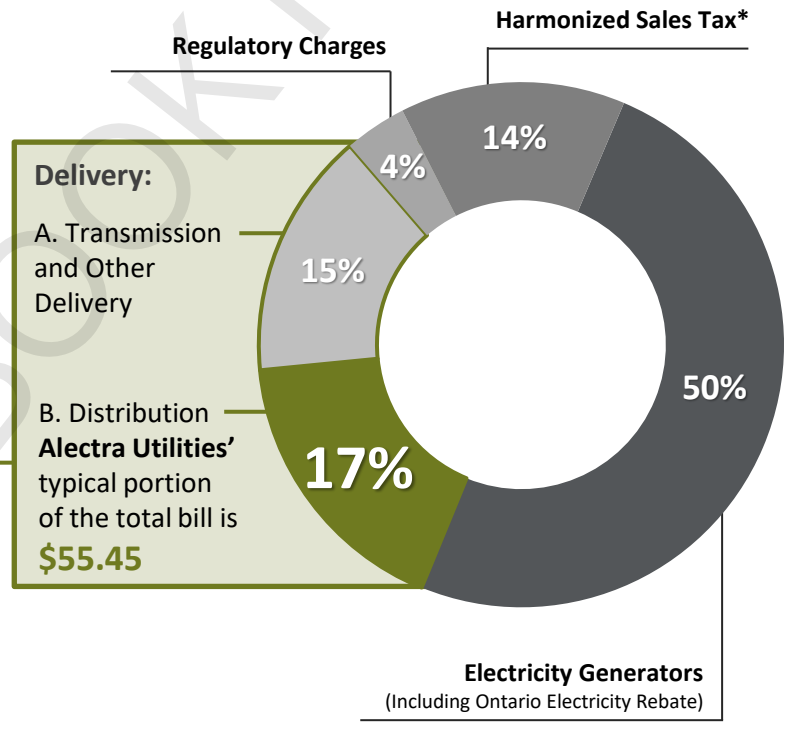
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	16.46
Weekend Off-Peak @ 8.7 ¢/kWh	36.71
Mid-Peak @ 12.2 ¢/kWh	81.74
On-Peak @ 28.6 ¢/kWh	91.52
Delivery	104.43
Regulatory Charges	12.36
Total Electricity Charges	**$343.22**
HST	44.62
Ontario Electricity Rebate	**($66.24)**
Total Amount	**$321.60**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
HRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

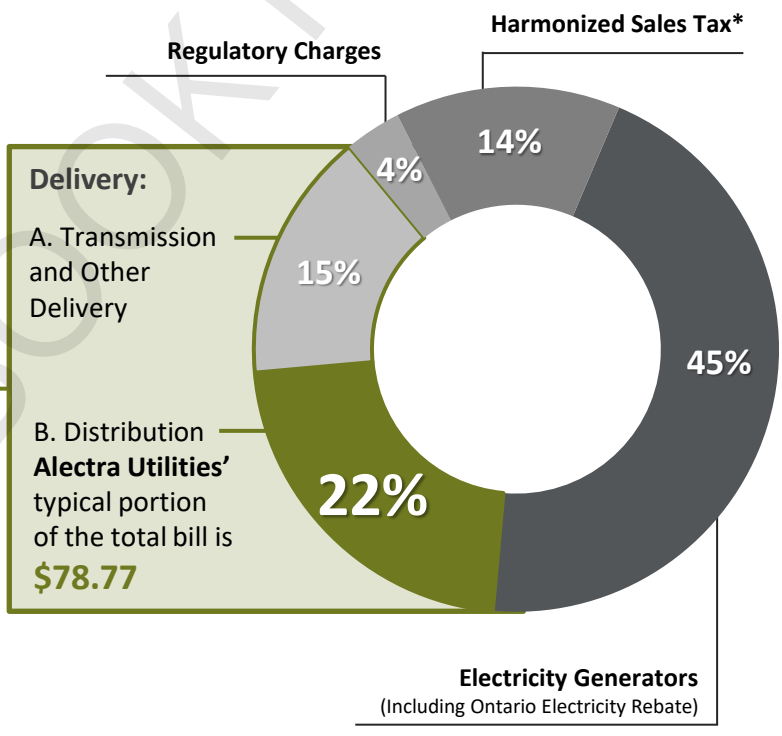
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
1250 kWh @ 12.5 ¢/kWh	156.25
Delivery	133.65
Regulatory Charges	12.50
Total Electricity Charges	**$379.65**
HST	49.35
Ontario Electricity Rebate	($73.27)
Total Amount	**$355.73**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
HRZ ULO

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- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

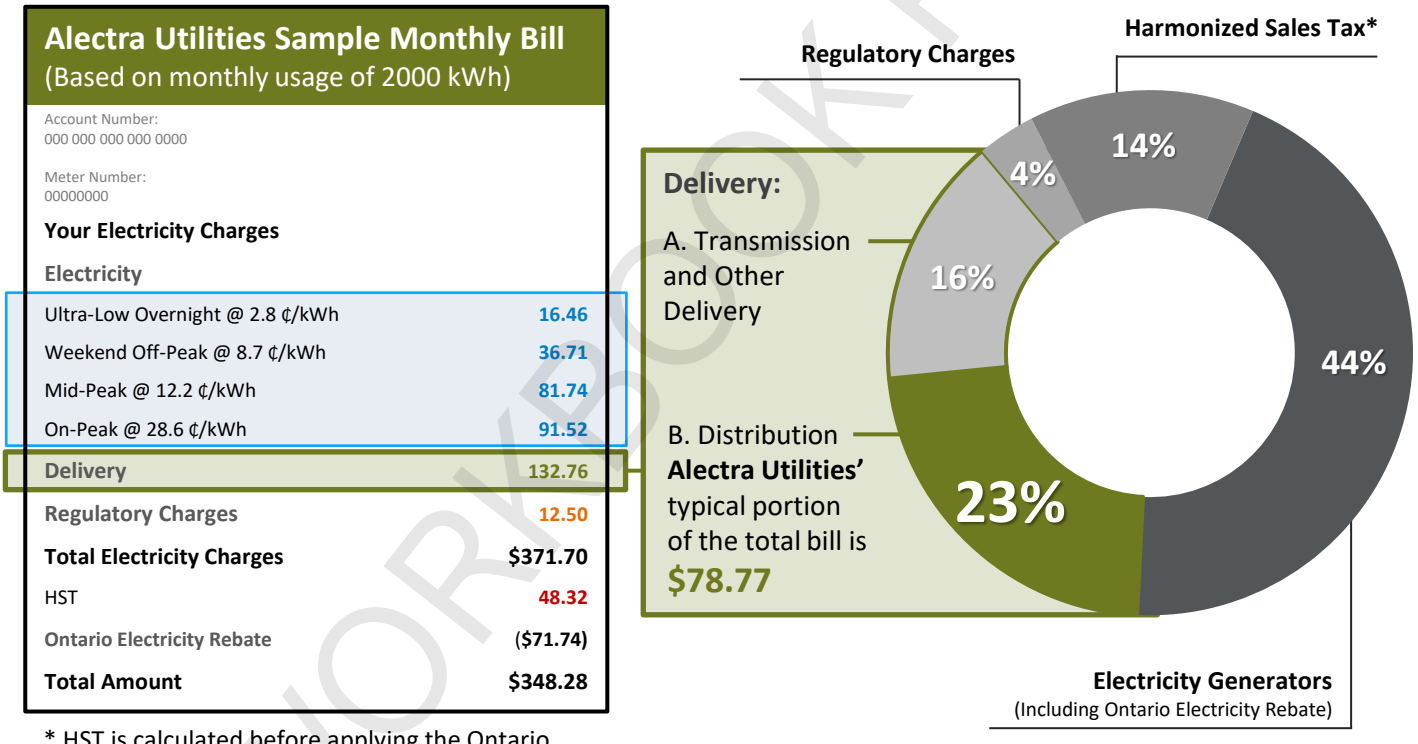
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	16.46
Weekend Off-Peak @ 8.7 ¢/kWh	36.71
Mid-Peak @ 12.2 ¢/kWh	81.74
On-Peak @ 28.6 ¢/kWh	91.52
Delivery	132.76
Regulatory Charges	12.50
Total Electricity Charges	**$371.70**
HST	48.32
Ontario Electricity Rebate	**($71.74)**
Total Amount	**$348.28**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
PRZ TIER

How much of my electricity bill goes to Alectra?

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- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

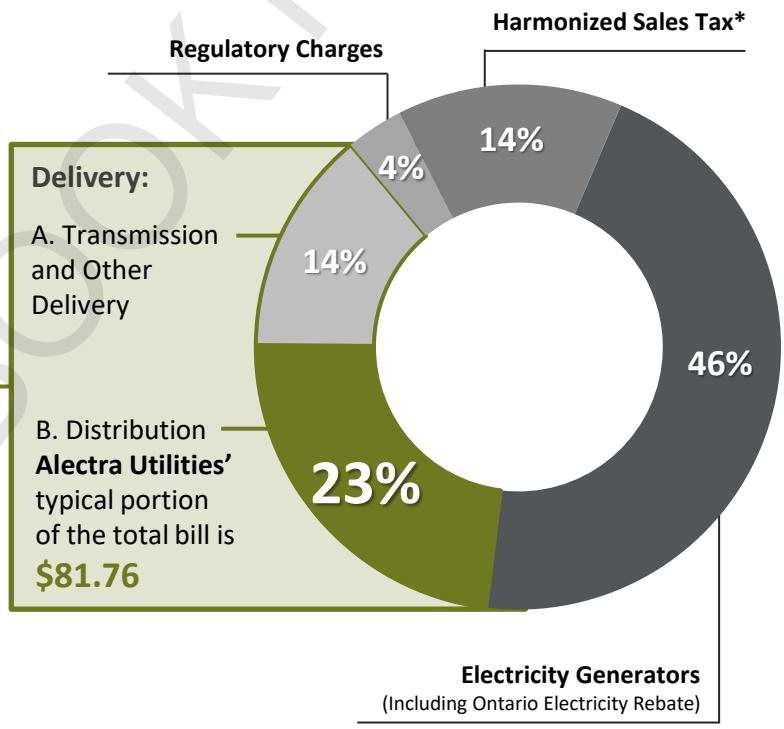
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
1250 kWh @ 12.5 ¢/kWh	156.25
Delivery	130.66
Regulatory Charges	12.49
Total Electricity Charges	$376.65
HST	48.96
Ontario Electricity Rebate	($72.69)
Total Amount	$352.92

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS<50
PRZ ULO

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 24% of the typical GS<50 customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

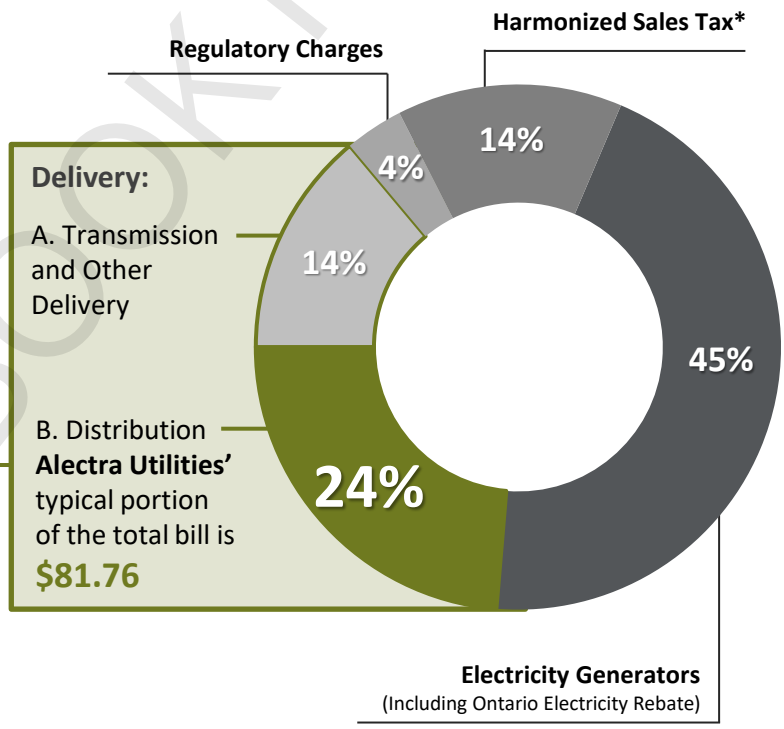
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	16.46
Weekend Off-Peak @ 8.7 ¢/kWh	36.71
Mid-Peak @ 12.2 ¢/kWh	81.74
On-Peak @ 28.6 ¢/kWh	91.52
Delivery	129.79
Regulatory Charges	12.49
Total Electricity Charges	**$368.71**
HST	47.93
Ontario Electricity Rebate	**($71.61)**
Total Amount	**$345.49**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

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APPENDIX 04

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

GS>50 kW Needs and Preferences Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Online Survey
Survey Design & Methodology

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

GS>50 Online Survey Completes

11,401 of all 12,246 (93%) GS>50 customer accounts provided Alectra with an email address. Removing duplicate email addresses leaves 5,625 unique email addresses.

All the GS>50kW customers with email addresses on Alectra's file received an email invitation to the **GS>50kW Online Workbook**. The email invitation included a unique survey URL that linked back to their rate class and rate zone. Alectra administered all email invitations. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **March 6th and April 30th, 2024**.

A total of **122** (unweighted) customers completed the online workbook.

Incentives

All business customers, including GS<50kW, GS>50kW, and Large Use customers, who completed the survey from March 6th to April 2nd were invited to enter a draw to win one of three prizes. Each prize consisted of a team breakfast or lunch up to a maximum value of $500.

To increase the response rate, INNOVATIVE structured a more direct incentive for customers who filled out the survey from April 3rd to April 30th. Those who completed the survey then received a $50 gift card for a food delivery service.

Online Survey
Survey Design & Methodology

Sample Weighting

The GS>50 online survey sample has been weighted proportionately by consumption quartile and rate zone in order to be representative of the broader Alectra service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile and familiarity with Alectra.

Rate Zone	Consumption Quartiles				
	Total	Low	Medium-Low	Medium-High	High
Hydro One Brampton (BRZ)	19 (14)	7 (3)	5 (3)	3 (3)	4 (4)
Enersource (ERZ)	39 (30)	12 (8)	11 (7)	7 (7)	9 (8)
Guelph Hydro (GRZ)	4 (3)	1 (1)	1 (1)	1 (1)	1 (0)
Horizon (HRZ)	21 (16)	6 (4)	5 (4)	5 (4)	5 (3)
PowerStream (PRZ)	39 (37)	10 (10)	9 (9)	11 (9)	9 (9)
Total	122 (100)	36 (25)	31 (25)	27 (25)	28 (25)

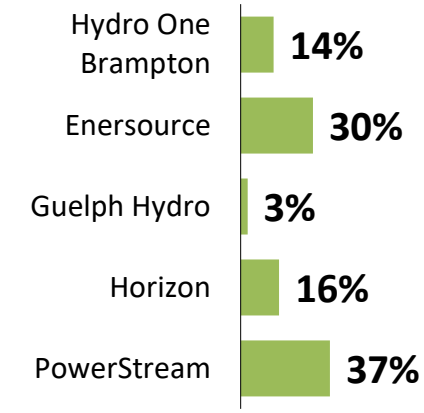
Crosstabulations

- For any weighted segment ≥ 30, results are generalizable and reported in percentages. Readers are reminded that smaller subsamples have a greater margin of error than larger subsamples.
- For any weighted segments ≥ 10 and <30, results are directional. Results are reported in n sizes to remind readers they should use caution in generalising the results. Because the sample sizes of Hydro One Brampton and Horizon rate zones among GS>50 customers are limited (n=14 and n=16 respectively), the results by rate zone are presented in n sizes.
- For any weighted segments <10, results are suppressed. Because the sample size of Guelph Hydro rate zone among GS>50 customers is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

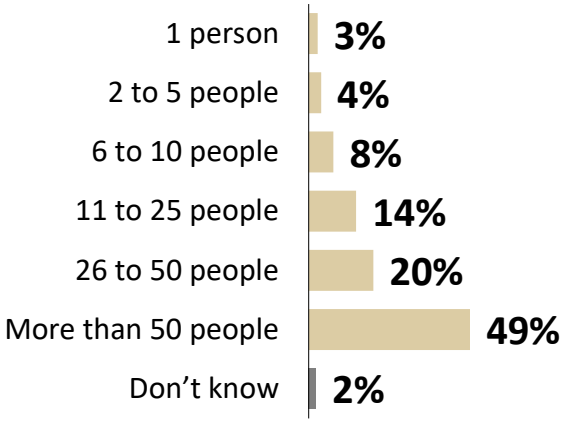
Online Survey
Firmographic Breakdown

GS>50

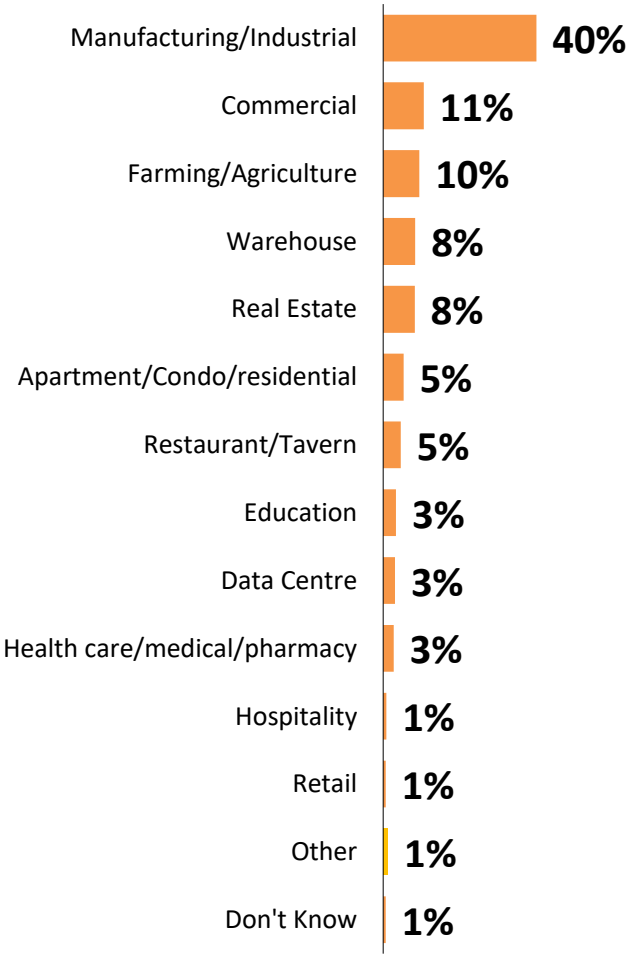
Rate Zone



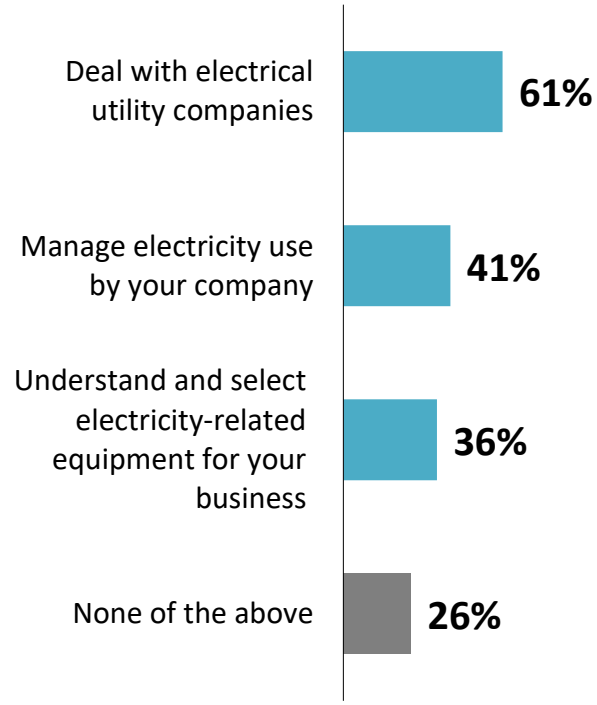
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total percentages in the chart add up to over 100%.

INNOVATIVE RESEARCH GROUP

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

GS>50

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan. This plan will determine the investments in equipment and infrastructure, the services it provides, and the rates you pay.

Your input will focus on three things:

1. **Your experience with Alectra and how they can do better.**
2. **What outcomes matter most to your organization.**
3. **Different energy choices that Alectra planners need to consider.**

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions. If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

PAGE CONTINUES ON NEXT SLIDE

WORKBOOK

Alectra Utilities Customer Survey
Planning for the Future: About this Survey

GS>50

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

As a company accountable to the provincial energy regulator, **the Ontario Energy Board (OEB),** all views and results will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of organizations like yours.

Your individual responses will be kept confidential. Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future

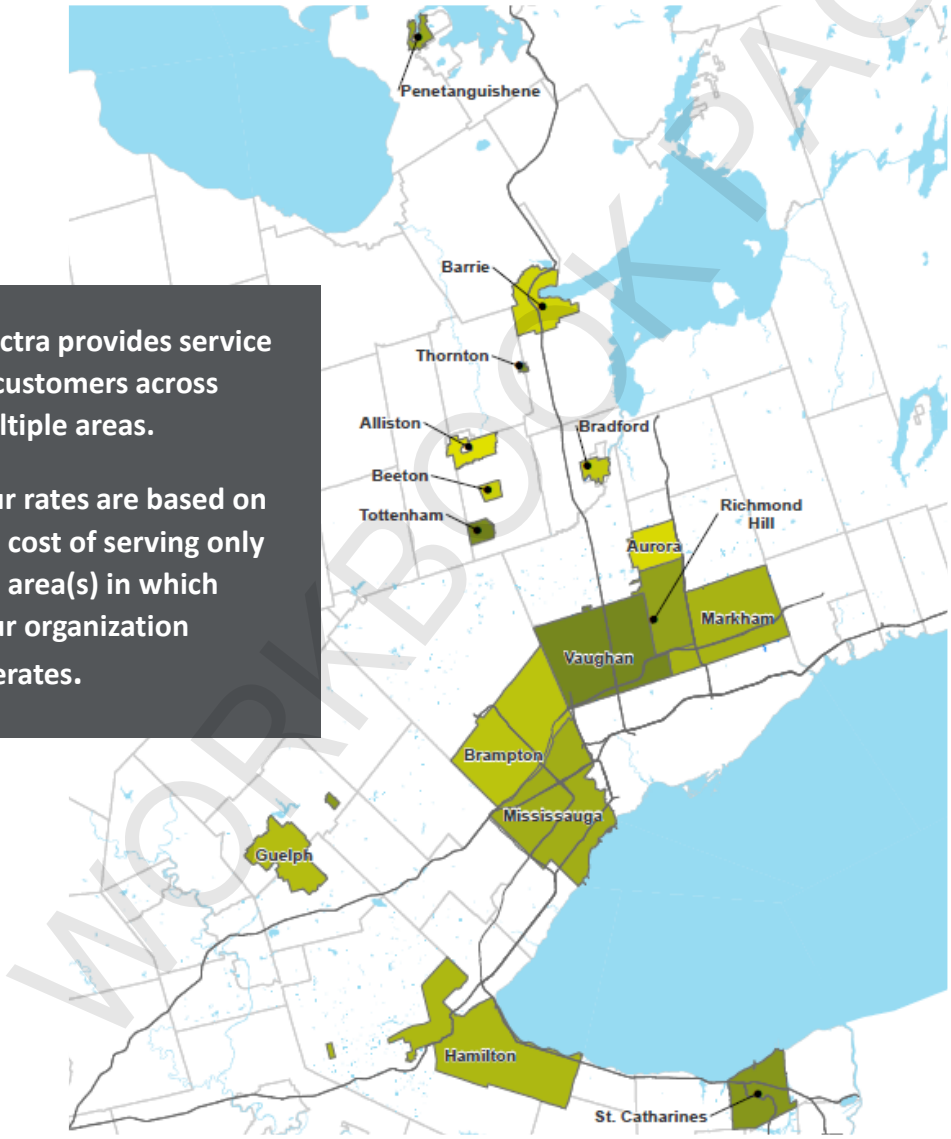
GS>50

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Alectra provides service to customers across multiple areas.

Your rates are based on the cost of serving only the area(s) in which your organization operates.



WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

What is Alectra's role in Ontario's electricity system?

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation
Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission
How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution
How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: distributing electricity to customers through our distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (1100 miles) of primary underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

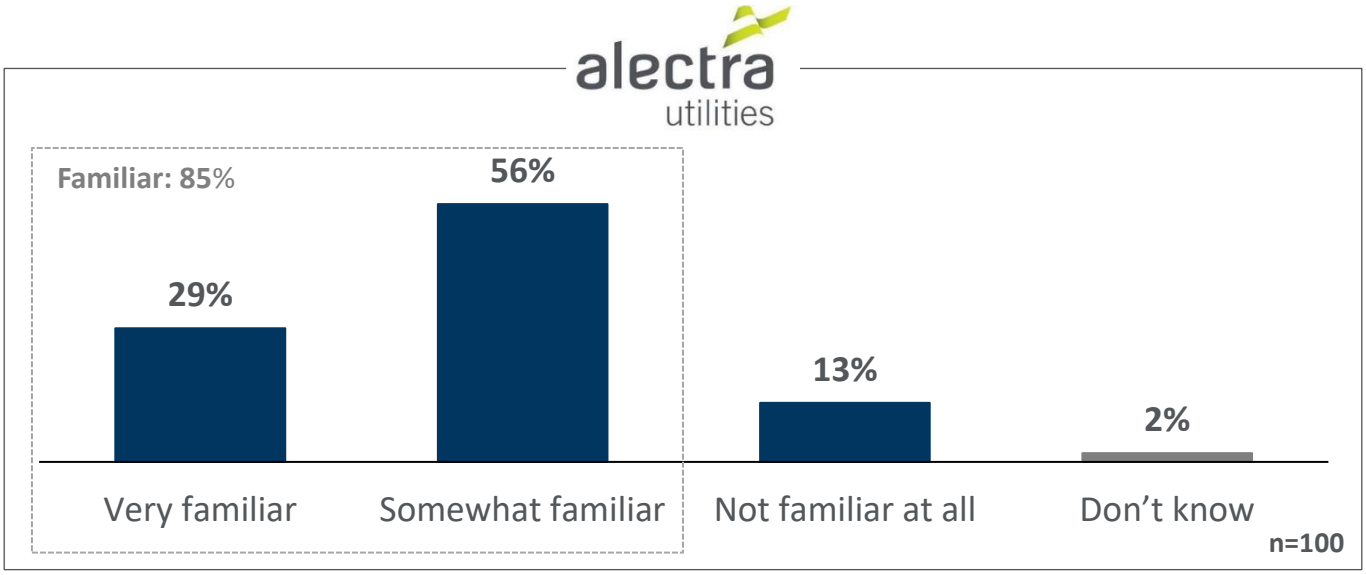
WORKBOOK PAGE

Online Workbook

Familiarity with Ontario's Electricity Distribution System

GS>50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



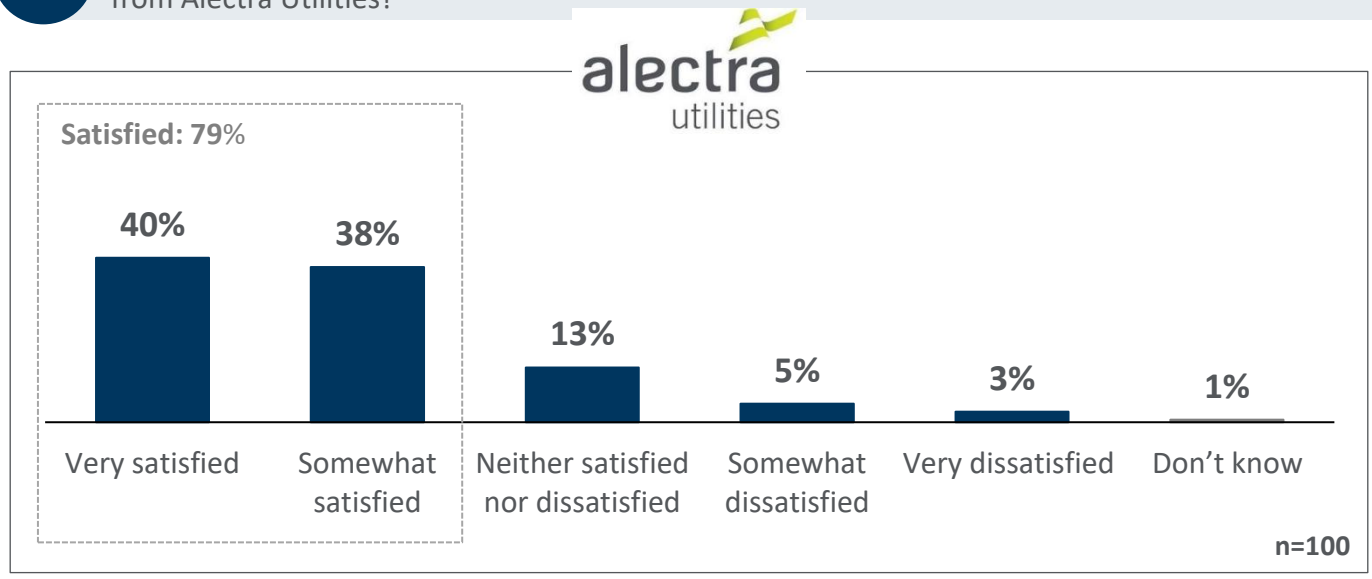
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very familiar	29%	3	9	5	11	23%	35%
Somewhat familiar	56%	9	16	11	20	58%	54%
Not familiar at all	13%	2	4	0	6	15%	10%
Don't know	2%	0	2	0	0	4%	0%
Familiar (Very + Somewhat Familiar)	**85%**	**12**	**24**	**16**	**31**	**81%**	**90%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Satisfaction with Services from Alectra Utilities

GS>50

Q Generally, how satisfied or dissatisfied are you with the services your organization receives from Alectra Utilities?



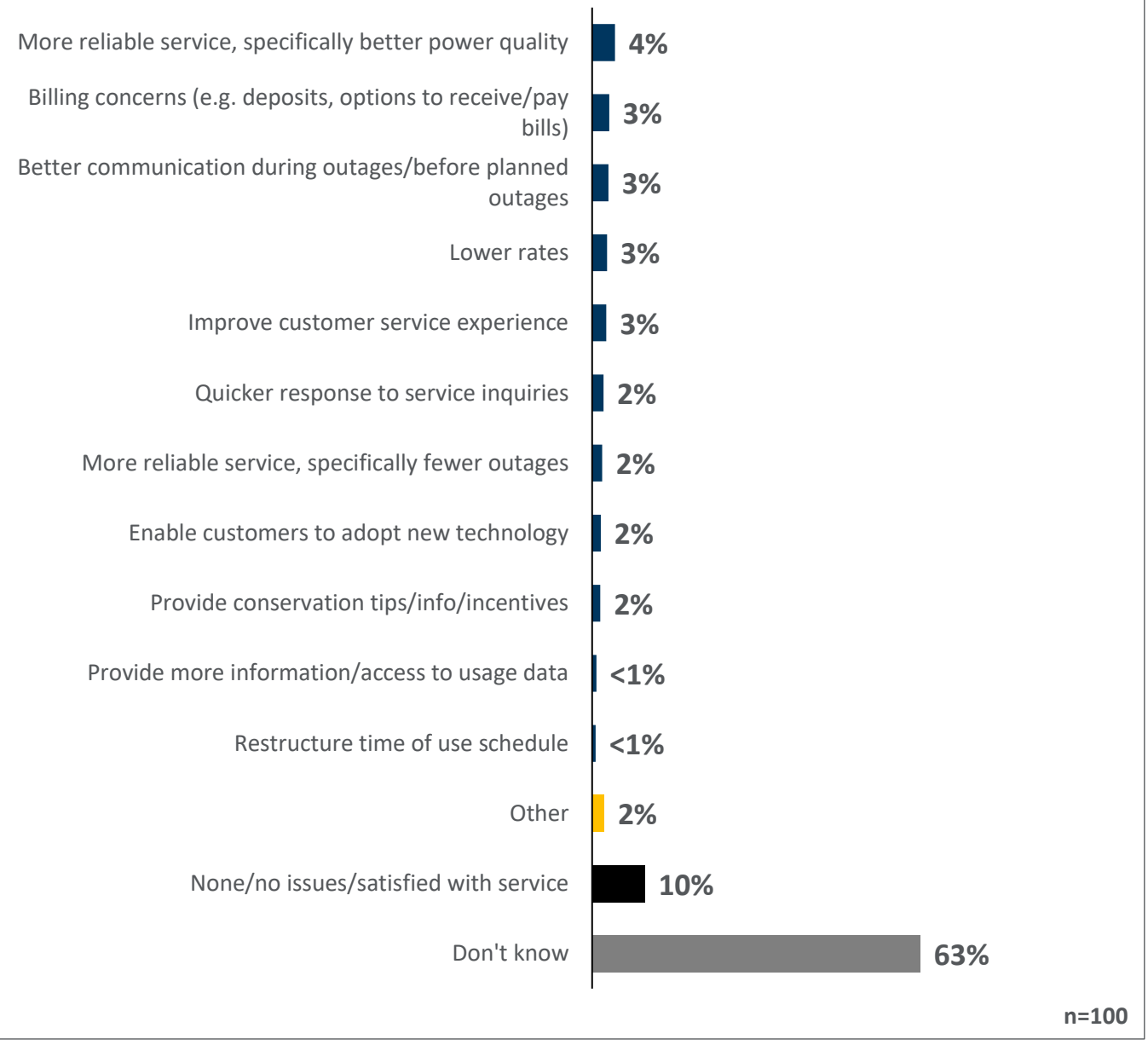
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very satisfied	40%	4	14	6	14	31%	50%
Somewhat satisfied	38%	7	10	6	15	46%	31%
Neither satisfied nor dissatisfied	13%	2	4	4	3	16%	11%
Somewhat dissatisfied	5%	0	2	0	3	1%	8%
Very dissatisfied	3%	1	0	0	2	5%	0%
Don't know	1%	0	1	0	0	1%	0%
Satisfied (Very + Somewhat)	**79%**	**11**	**24**	**12**	**30**	**77%**	**81%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Areas for Improvement

GS>50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]



Online Workbook
Areas for Improvement

GS>50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]

Sample Verbatims
More reliable service, specifically better power quality
"We experience on a daily basis voltage fluctuations across all our sites in the [neighbourhood] area and that is taking a toll on our equipment and caused a lot of our generators to start."
"We are working with Alectra to measure, assess and if necessary, improve the quality of power in incoming feed to our organization."
Billing concerns (e.g. deposits, options to receive/pay bills)
"The billing system and administration needs improvement. We've experienced a number of very serious billing issues which have required us to commit a lot of time and resources to negotiate and correct. We've received very good help from Alectra representatives, once we are connected to the right individual. Inter-department communication also seems to be a problem."
"The viewing and downloading portion of the bills section is not as user friendly as it could be. You cannot highlight amounts on the invoice and the tab opens up separately instead of just downloading the invoice directly. A page that isn't a popup that has the bill in a format where it can be viewed on that same page and is interactable (ie has the ability to highlight information for copy paste reasons) would be nice."
Better communication during outages/before planned outages
"Communication during power outages are lacking and should be better disseminated."
"Provide communication to customers in the area when maintenance is scheduled."
Lower rates
"Lower the rates! The amount of extra charges is obscene. Global adjustments that are twice our actual usage cost. Wholesale Market Service Charge. Customer Charge. Honestly, it's hard to remain competitive with overhead charges like this for a company like ours that depends on electricity to run its machines."
"Better pricing"
Improve customer service experience
"Customer service representatives need to stop telling callers to go to the online portal. If the request could be done online then I wouldn't call in. Majority of the times that I call in customer service representatives are very helpful while others refuse to help and tell me to go online."
"Phone in multiple street light outages, months later not fixed. No update info provided. Call Alectra to ask questions about issues with MyAccount features not functioning correctly. Speak to someone that says they will get back to me with an update; nobody ever does."

Online Workbook
Areas for Improvement

GS>50

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]

Sample Verbatims (cont.)
Quicker response to service inquiries
"We had to wait a long time for hook up of a generator and to hook up a new residence."
More reliable service, specifically fewer outages
"Frequent power outages usually on weekends where power is cut for around 10 seconds and then is back on. This causes problems with our electronics…happens at least once a month and as frequent as weekly."
Enable customers to adopt new technology
"[…] Provide more information on future programs that could benefit both our company and the feedback to the grid e.g. batteries, co-generation etc."
Provide conservation tips/info/incentives
"Offer possible incentives to reduce electricity costs and consumption."
Provide more information/access to usage data
"[…] Ability to access meter data."
Restructure time of use schedule
"[…] Give small businesses the option early morning rate, afternoon rate and 7-7 rate."
Other
"Long wait times when the power goes out."

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS>50
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

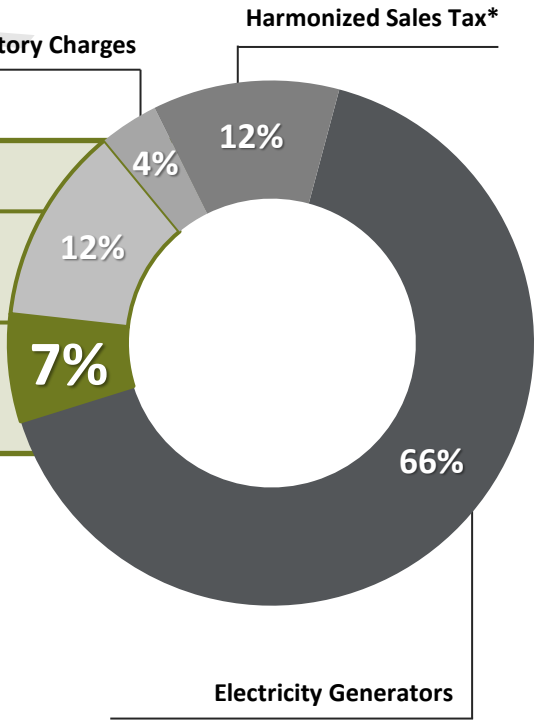
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 182,500 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	20,306.62
Delivery	5,802.70
Regulatory Charges	1,113.72
Total Electricity Charges	**$27,223.04**
HST	3,539.00
Total Amount	**$30,762.03**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$2,024.80



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the sample bill for GS 50-499. For GS 500-4999 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS>50
ERZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 9% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 100,000 kWh)

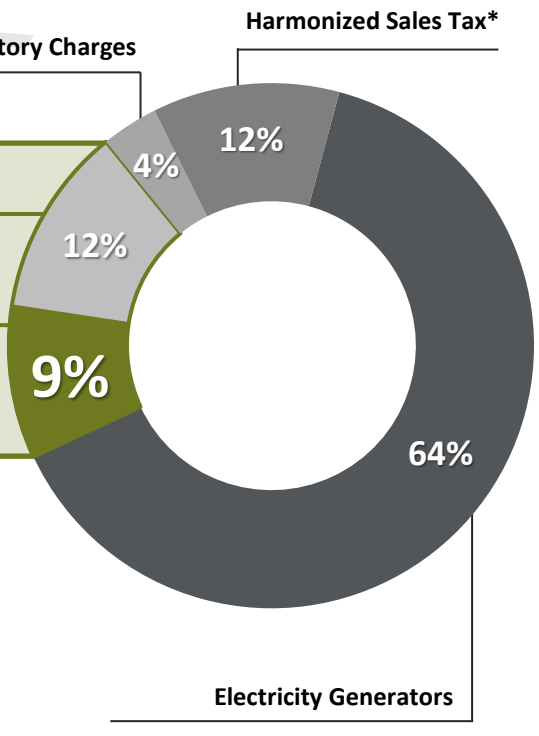
Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges

Electricity	11,147.36
Delivery	3,684.44
Regulatory Charges	611.49
Total Electricity Charges	**$15,443.29**
HST	2,007.63
Total Amount	**$17,450.91**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,631.15



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the sample bill for GS 50-499. For GS 500-4999 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS>50
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 6% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 189,800 kWh)

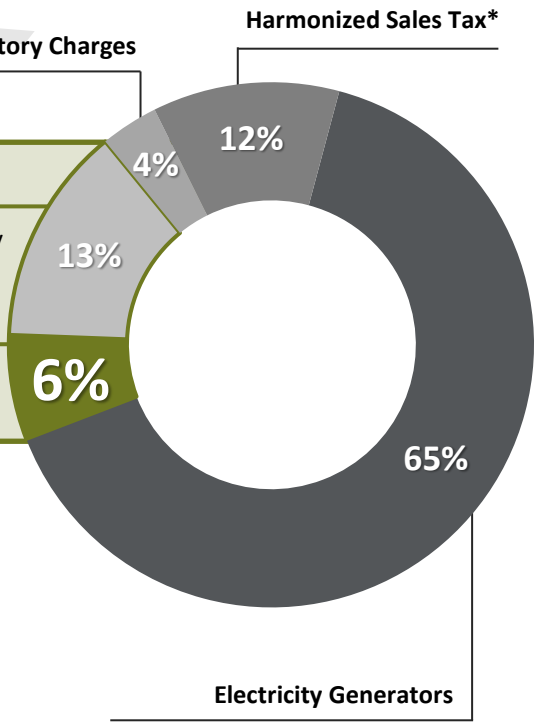
Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges

Electricity	20,953.64
Delivery	6,425.72
Regulatory Charges	1,149.19
Total Electricity Charges	**$28,528.37**
HST	3,708.69
Total Amount	**$32,237.06**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$2,047.98



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the sample bill for GS 50-499. For GS 500-4999 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS>50
HRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

WORKBOOK PAGE

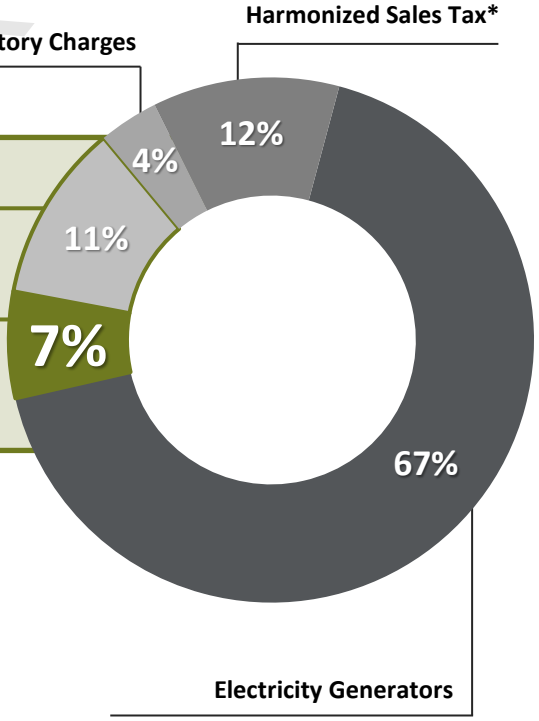
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 110,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	12,284.58
Delivery	3,203.61
Regulatory Charges	673.85
Total Electricity Charges	**$16,162.04**
HST	2,101.07
Total Amount	**$18,263.11**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,193.90



NOTE: Graph may not total 100% due to rounding.

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the sample bill for GS 50-499. For GS 500-4999 customers, please see the appendix.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS>50
PRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 11% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

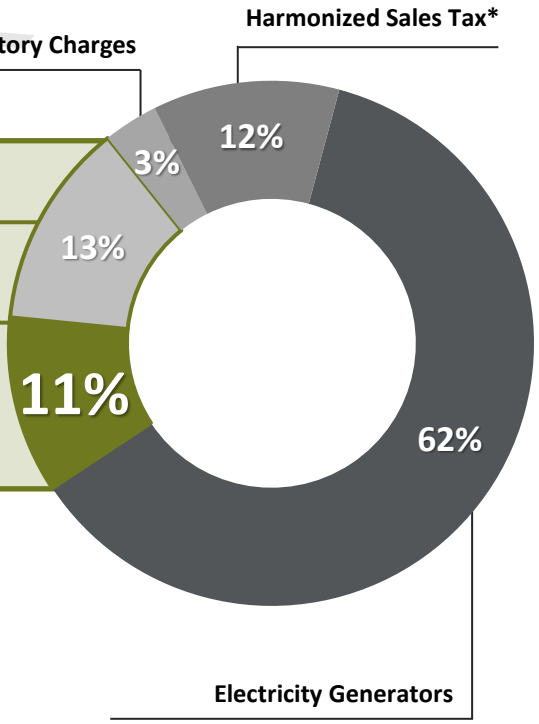
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 80,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	8,925.64
Delivery	3,421.63
Regulatory Charges	489.67
Total Electricity Charges	**$12,836.93**
HST	1,668.80
Total Amount	**$14,505.73**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,577.61



NOTE: Graph may not total 100% due to rounding.

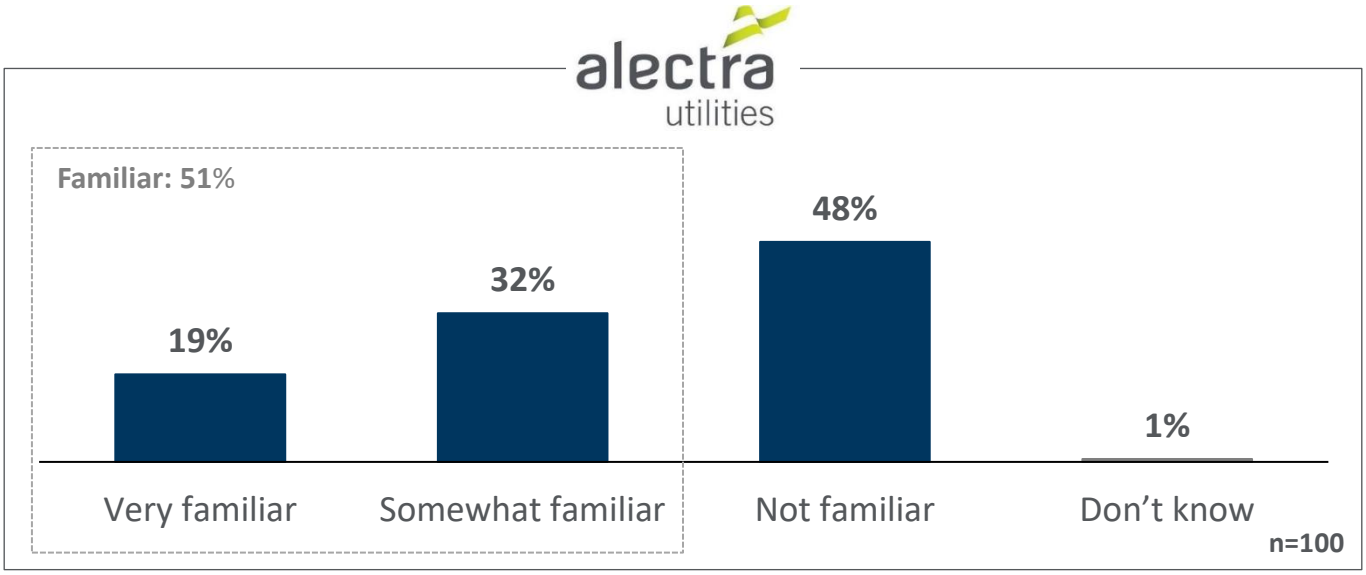
WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the sample bill for GS 50-499. For GS 500-4999 customers, please see the appendix.

Online Workbook
Familiarity with Electricity Bill

GS>50

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very familiar	19%	2	3	3	10	13%	25%
Somewhat familiar	32%	4	11	6	11	36%	29%
Not familiar at all	48%	8	16	6	16	50%	46%
Don't know	1%	0	1	0	0	1%	0%
Familiar (Very + Somewhat Familiar)	**51%**	**6**	**14**	**10**	**21**	**49%**	**54%**

INNOVATIVE RESEARCH GROUP

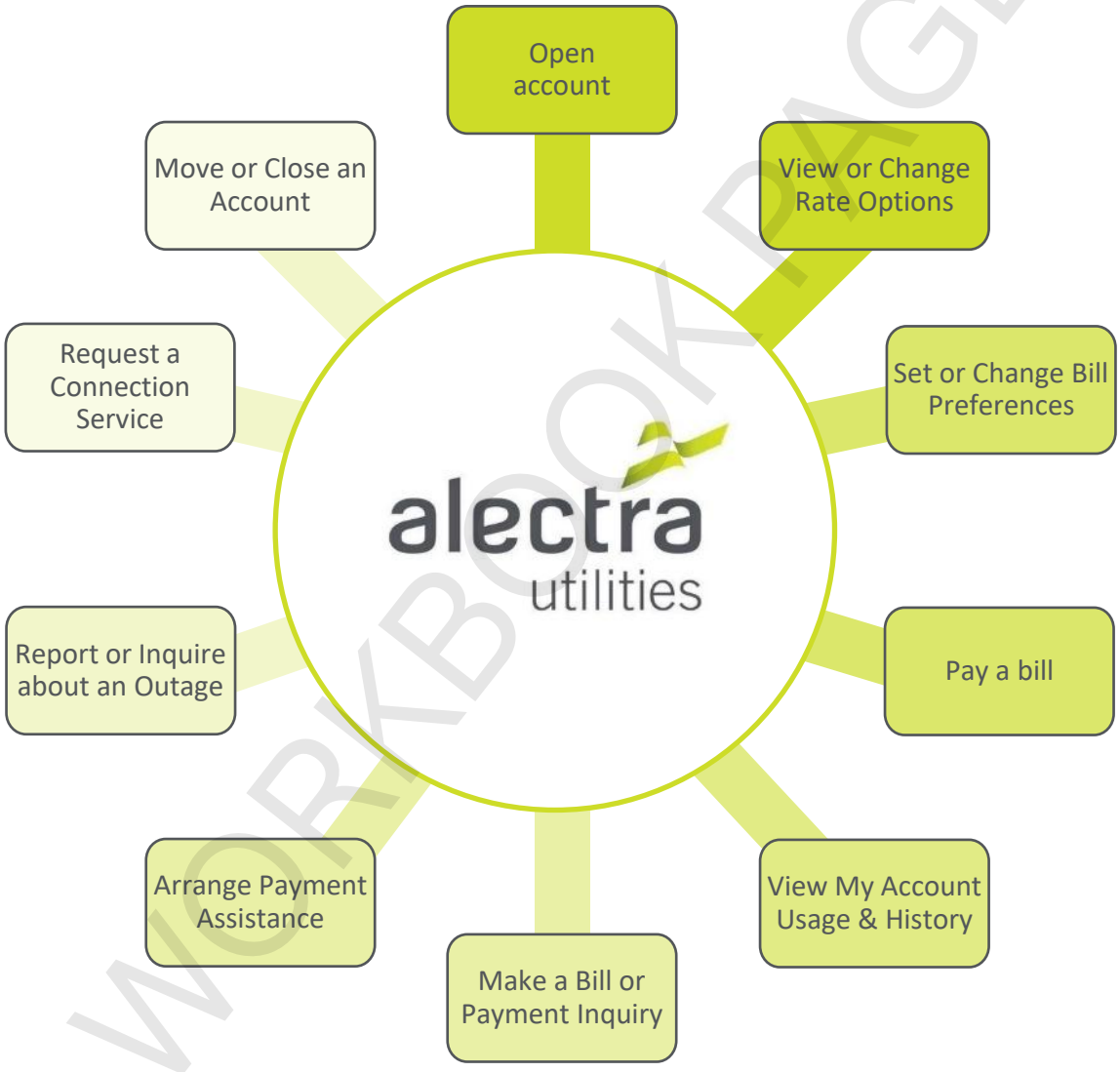
NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Customer Service Experience

There are many ways that customers interact with Alectra. The diagram below is based on previous customer feedback and intended to help you recall various ways you may have interacted with Alectra – across Web, Phone, Email, Social media, and In-Person experiences.

Please review and then answer the questions below to help Alectra ensure they have fully captured customer needs.

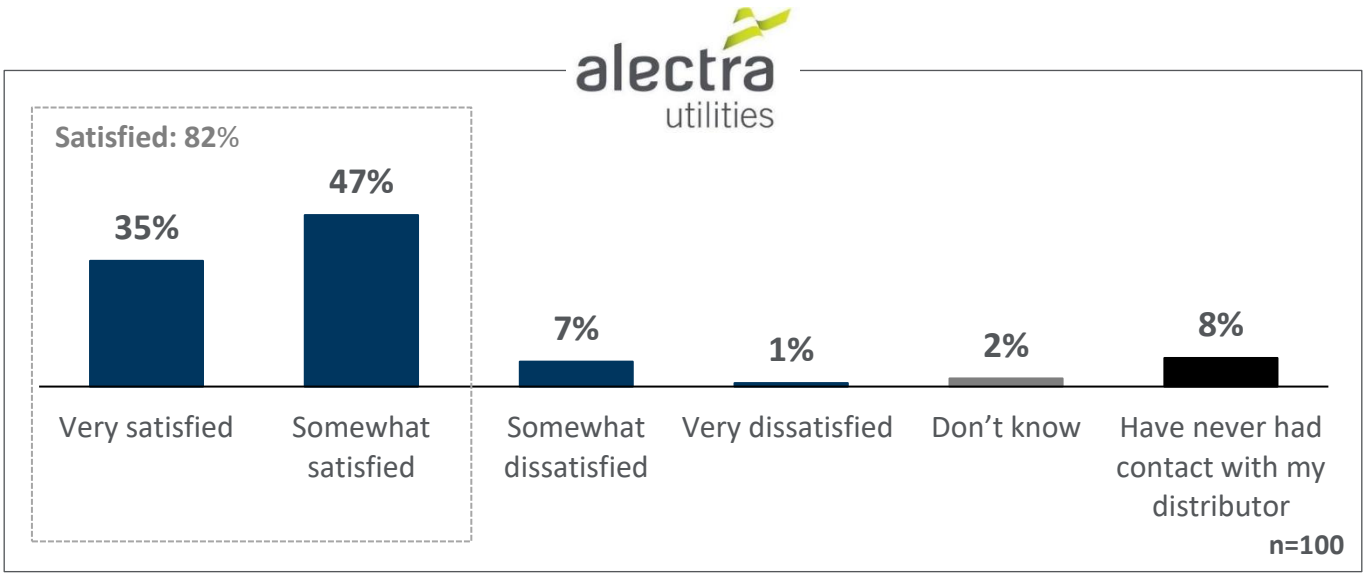


WORKBOOK PAGE

Online Workbook
Satisfaction with Customer Service Experience

GS>50

Q Thinking about all the interactions your organization may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?



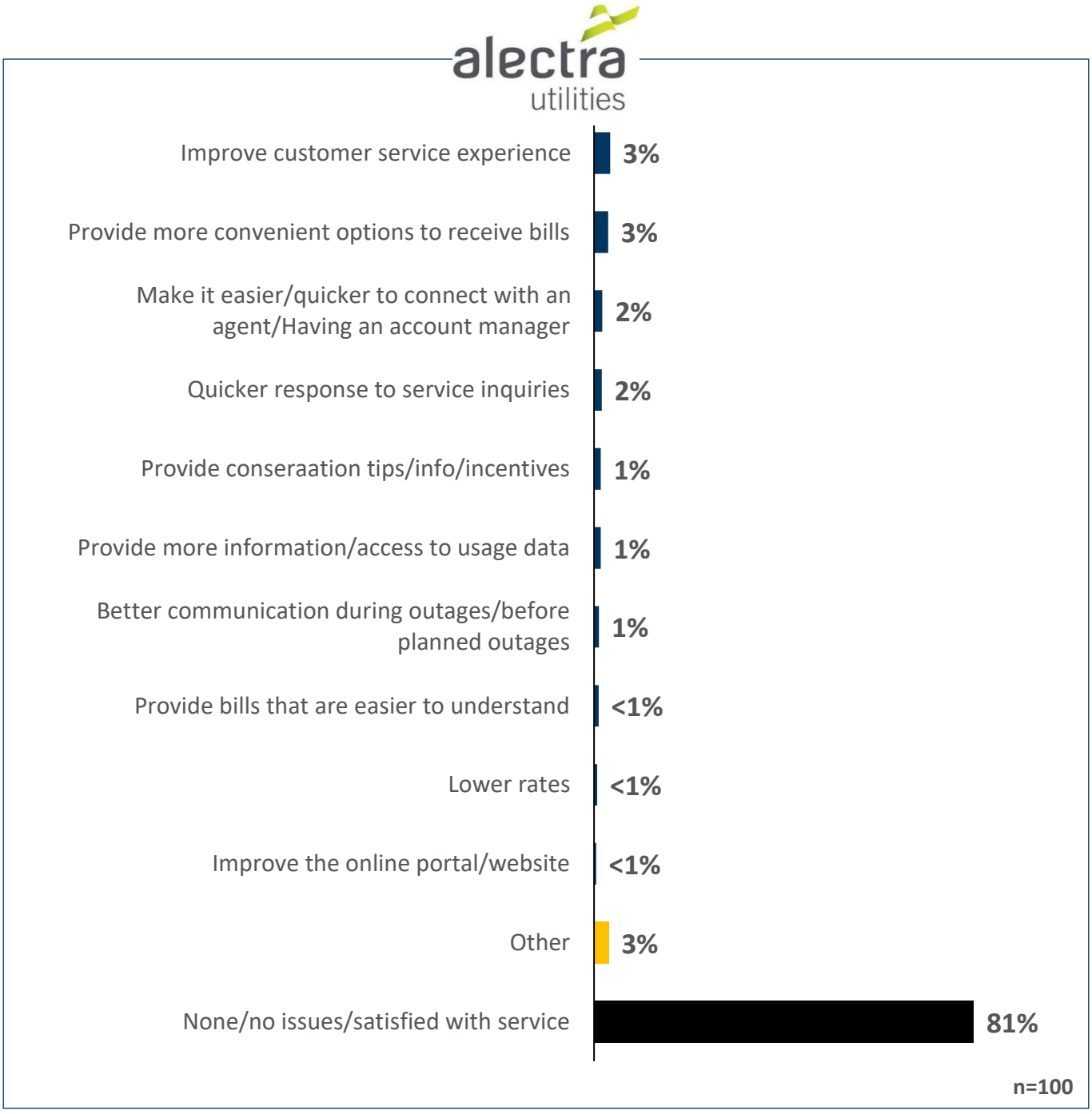
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very satisfied	35%	6	11	5	12	28%	42%
Somewhat satisfied	47%	6	13	8	19	50%	45%
Somewhat dissatisfied	7%	1	2	2	2	6%	7%
Very dissatisfied	1%	0	0	0	1	2%	0%
Don't know	2%	0	1	0	1	4%	0%
Have never had contact with my distributor	8%	1	3	1	2	10%	6%
Satisfied (Very + Somewhat Satisfied)	**82%**	**12**	**24**	**13**	**31**	**77%**	**87%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Meeting Customers' Needs

GS>50

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?



Online Workbook
Meeting Customers' Needs

GS>50

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Sample Verbatims
Improve customer service experience
"Stop telling customers to go to the online portal, calling in and pressing numbers and on hold for a period of time for Alectra representatives to refuse to do anything but tell you to use the portal."
"When Alectra took over, they treated us as a brand-new client and reset our file. This triggered a massive increase in fees and a reclassification of our account. I am not happy that this occurred."
Provide more convenient options to receive bills
"E-billings. Alectra should send PDF to us without having us login each time to print it out unless there are problems then we will login."
"We were asked to pay for requesting bills that were over 2 years old. Never had this request from other electrical companies like Oshawa PUC, BC Hydro where our other divisions are located."
Make it easier/quicker to connect with an agent/Having an account manager
"Having a direct line or client advisor would help."
"Don't pick up when we call."
Quicker response to service inquiries
"Better control of the accounts receivable process. More up to date and ongoing information about the timelines and status of our installations."
"There is always room for improvement. My answer would reflect a greater level of satisfaction following a positive outcome. Hence I would be more inclined to be satisfied if the new service we're looking for could materialize at a reasonably fast pace."

Online Workbook
Meeting Customers' Needs

GS>50

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Sample Verbatims (cont.)
Provide conservation tips/info/incentives
"Someone should come out to our facility to help reduce the energy costs so that we can compete in the global market."
Provide more information/access to usage data
"An easier way to figure out our hydro consumption. I do understand that I can check usage by the minute, but I should be able to quickly view my usage."
Better communication during outages/before planned outages
"No advance notice of work resulting in a power surge."
Provide bills that are easier to understand
"I had trouble getting people to provide detailed explanations of real costs for the demand part of the bill."
Lower rates
"Lower rates. Come up with a solution to help small businesses with a change of rates throughout the day like residential customers have."
Other
"Provide quarterly updates for the Enterprise accounts."

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

GS>50

How are electricity distribution rates set?

The electricity industry in Ontario is regulated by the Ontario Energy Board (OEB). The OEB sets electricity rates in Ontario.

- Electricity distributors are funded by the distribution rates paid by their customers. Periodically, distributors are required to file rate applications with the OEB to justify the amount of funding they need to safely and reliably distribute electricity to their customers.
- The OEB requires Alectra to consider customers' needs, outcomes and preferences as Alectra develops its' business and distribution system plan, including spending and investment decisions.
- Customers like you will have at least three opportunities to provide input into Alectra's long term planning process:

How customer input guides Alectra's planning process:

1. **Customers Identify Needs, Preferences and Priorities**
   Customers provide initial input to Alectra's planners through this survey on your needs and priorities.
2. **Use Customer Feedback to Guide the Draft Plan**
   Alectra's planners will consider views from this survey as they develop their initial plans.
3. **Customers Provide Feedback on the Draft Plan**
   Customers provide feedback on how the draft plan could better meet their needs and preferences.
4. **Use Customer Feedback to Finalize the Plan**
   Alectra's planners will re-examine the draft plan and make changes based off of feedback provided by customers in Step 3.
5. **Submit the Plan to the Ontario Energy Board (OEB)**
   Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

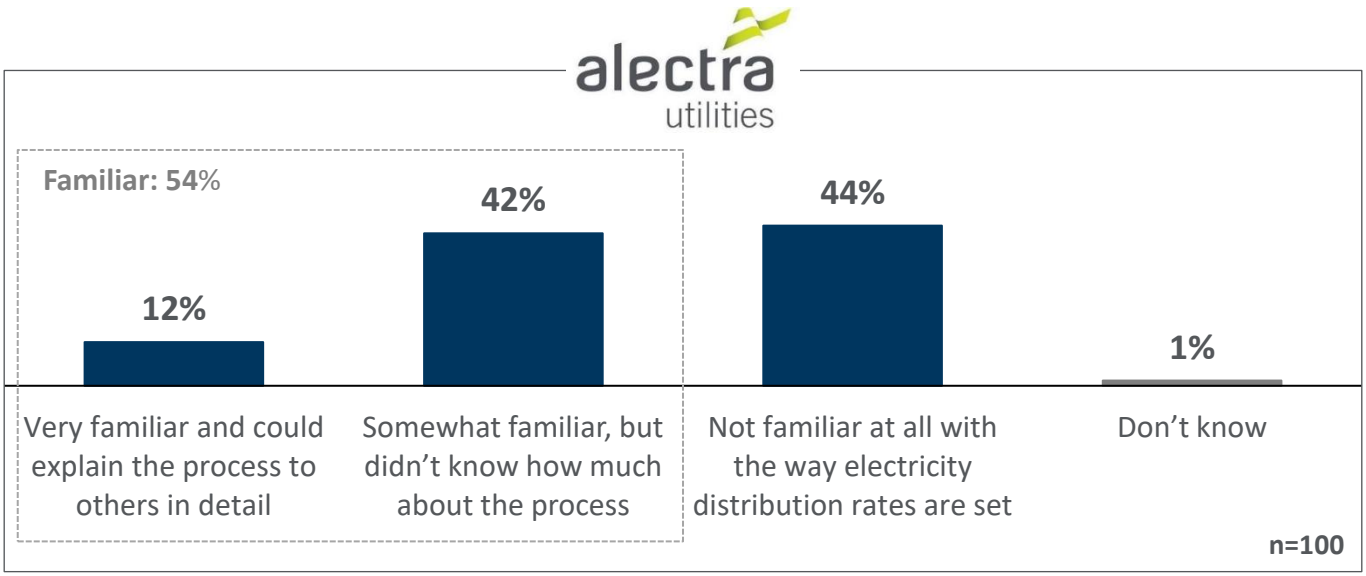
Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Online Workbook
Familiarity with Electricity Distribution Rates

GS>50

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very familiar	12%	0	3	2	6	6%	18%
Somewhat familiar	42%	5	9	8	18	33%	52%
Not familiar at all	44%	8	17	6	12	60%	29%
Don't know	1%	0	1	0	1	1%	2%
Familiar (Very + Somewhat Familiar)	**54%**	**6**	**13**	**10**	**25**	**39%**	**70%**

INNOVATIVE RESEARCH GROUP

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

What are the goals you want Alectra Utilities to focus on?

Now let's talk about outcomes. Alectra Utilities talks to customers to better understand how it should set spending priorities with the money customers pay for service.

In recent conversations with customers, a number of possible goals were identified as potential priorities for Alectra Utilities. Below you will find a list of these potential priorities.

WORKBOOK PAGE

Online Workbook
Priorities

GS>50

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

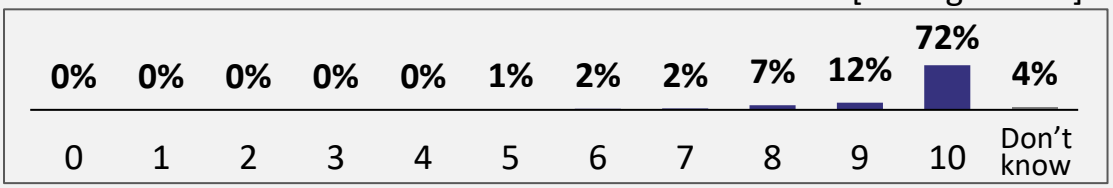
Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Deliver reasonable electricity distribution prices.	***Deliver reasonable electricity distribution prices.***
Provide reliable electrical service.	***Provide reliable electrical service.***
Help customers manage their power consumption.	***Help customers better manage their electricity consumption.***
Minimize impact on the environment.	***Minimize impact on the environment.***
Protect the safety of customers and employees.	***Protect the safety of customers and employees.***
Consistently meet customer service expectations.	***Consistently meet customer service expectations.***
Help customers adopt new technology.	***Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.***
Expand the grid to enable adoption of new tech.	***Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.***

Online Workbook
Priorities – Continued

GS>50

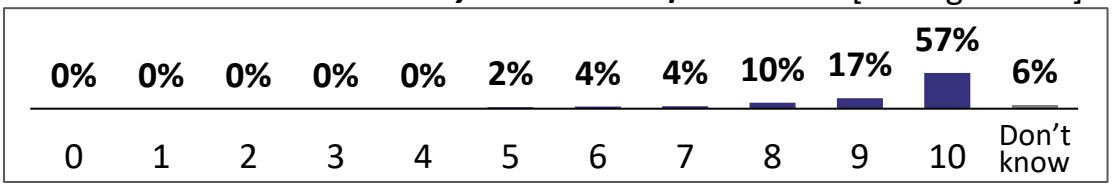
Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

Provide reliable electrical service [average = **9.5**]



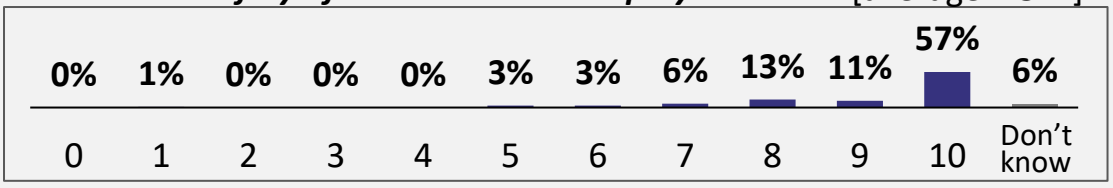
Not at all important — Extremely important

Deliver reasonable electricity distribution prices [average = **9.2**]



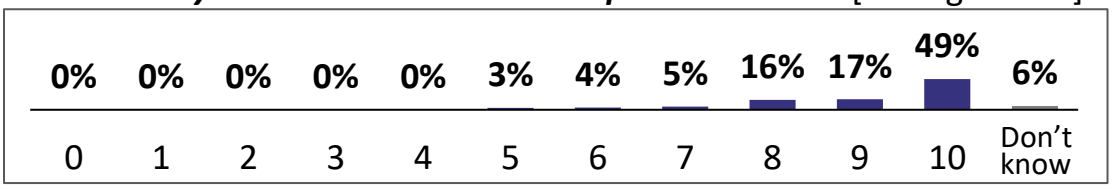
Not at all important — Extremely important

Protect the safety of customers and employees [average = **9.1**]



Not at all important — Extremely important

Consistently meet customer service expectations [average = **9.0**]



Not at all important — Extremely important

NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means.

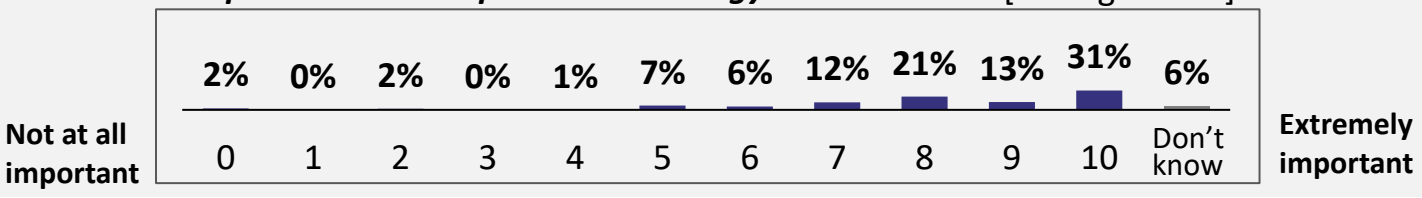
INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities – Continued

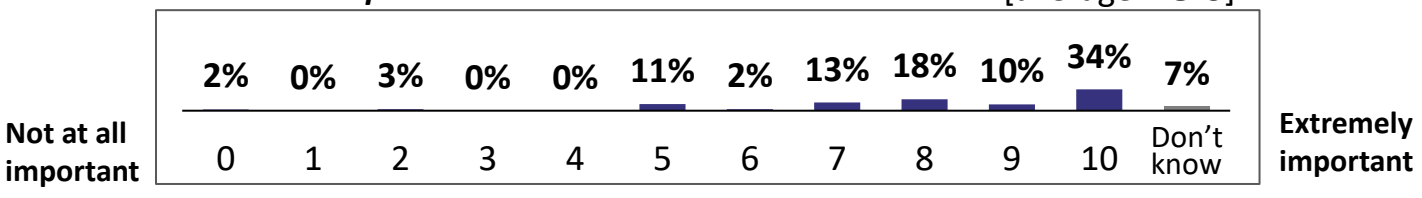
GS>50

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

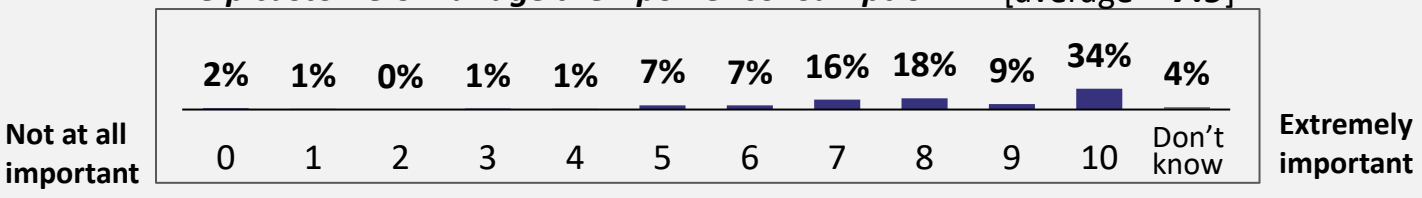
Help customers adopt new technology [average = **8.0**]



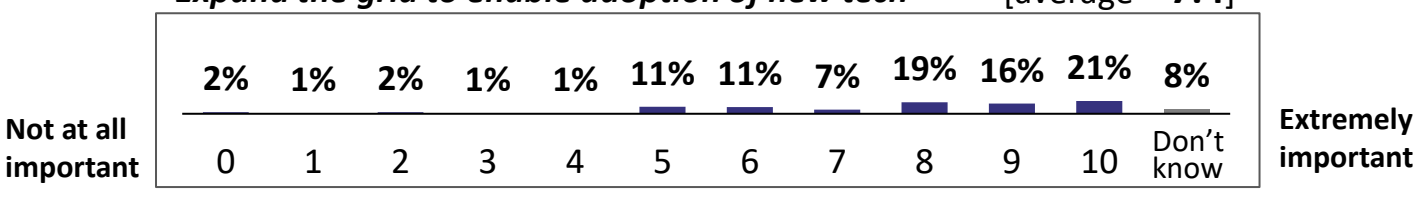
Minimize impact on the environment [average = **8.0**]



Help customers manage their power consumption [average = **7.9**]



Expand the grid to enable adoption of new tech [average = **7.4**]



NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

GS>50

Q How important are each of these to your organization?

Average Score	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Provide reliable electrical service	9.5	9.8	9.2	9.3	9.8
Deliver reasonable electricity distribution prices	9.2	9.2	8.6	9.3	9.5
Protect the safety of customers and employees	9.1	9.6	9.0	9.2	8.9
Consistently meet customer service expectations	9.0	9.3	9.0	9.0	9.0
Help customers adopt new technology	8.0	8.3	8.3	8.2	7.7
Minimize impact on the environment	8.0	8.0	8.1	8.7	7.4
Help customers manage their power consumption	7.9	8.3	8.1	7.9	7.7
Expand the grid to enable adoption of new tech	7.4	8.5	7.7	7.9	6.7

NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means. Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

GS>50

Q How important are each of these to your organization?

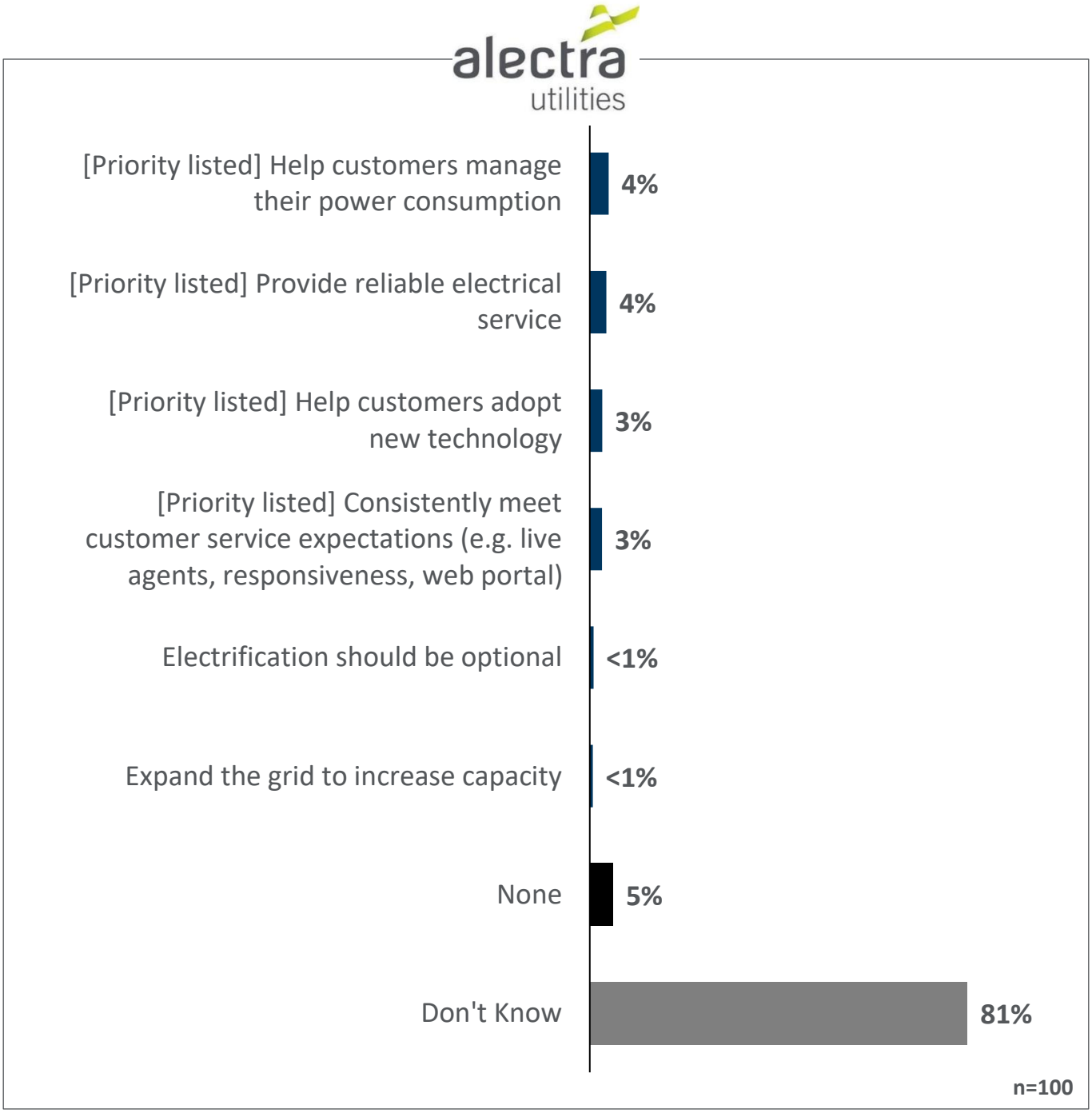
Average Score	Consumption Quartiles: Overall	Below Avg. (n=50)	Above Avg. (n=50)
Provide reliable electrical service	9.5	9.7	9.4
Deliver reasonable electricity distribution prices	9.2	9.3	9.0
Protect the safety of customers and employees	9.1	9.0	9.1
Consistently meet customer service expectations	9.0	9.2	8.8
Help customers adopt new technology	8.0	8.2	7.8
Minimize impact on the environment	8.0	7.7	8.2
Help customers manage their power consumption	7.9	7.9	8.0
Expand the grid to enable adoption of new tech	7.4	7.4	7.5

NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means.

Online Workbook
Other Priorities

GS>50

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]



INNOVATIVE RESEARCH GROUP

Online Workbook
Other Priorities

GS>50

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]

Sample Verbatims
[Priority listed] Help customers manage their power consumption
"Help customers identify and educate regarding energy loss such as through appliances and gadgets that are always left on. Possibly provide other education related to energy management."
"As an older building (built 1837 and early 80's addition) help with energy audit and ways to lessen our bills."
[Priority listed] Provide reliable electrical service
"Ensure the grid is safe and secure so that service is uninterrupted at all times."
"As the electricity provider, there shouldn't be hydro outbreak so often happened in the past."
[Priority listed] Help customers adopt new technology
"Have programs to review if cost savings benefits could be achieved. Battery programs to ease the need for grid power during the peak hours […]"
"Incentives for having electric chargers for vehicles or switching to LED. In our case, there were zero incentives or advantages when we did this."
[Priority listed] Consistently meet customer service expectations (e.g. live agents, responsiveness, web portal)
"Customer service and responsiveness."
"Customer feeding customer portal system."
Electrification should be optional
"Keep nuclear power plants. No solar and no windmills etc."
Expand the grid to increase capacity
"Work on coordinating with the other companies along with Hydro One to ensure that the grid is taken care of now and in the future while expanding it according to demand. Also, find alternative ways of producing energy through natural sources and reduce the need for nuclear power."

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Setting Priorities

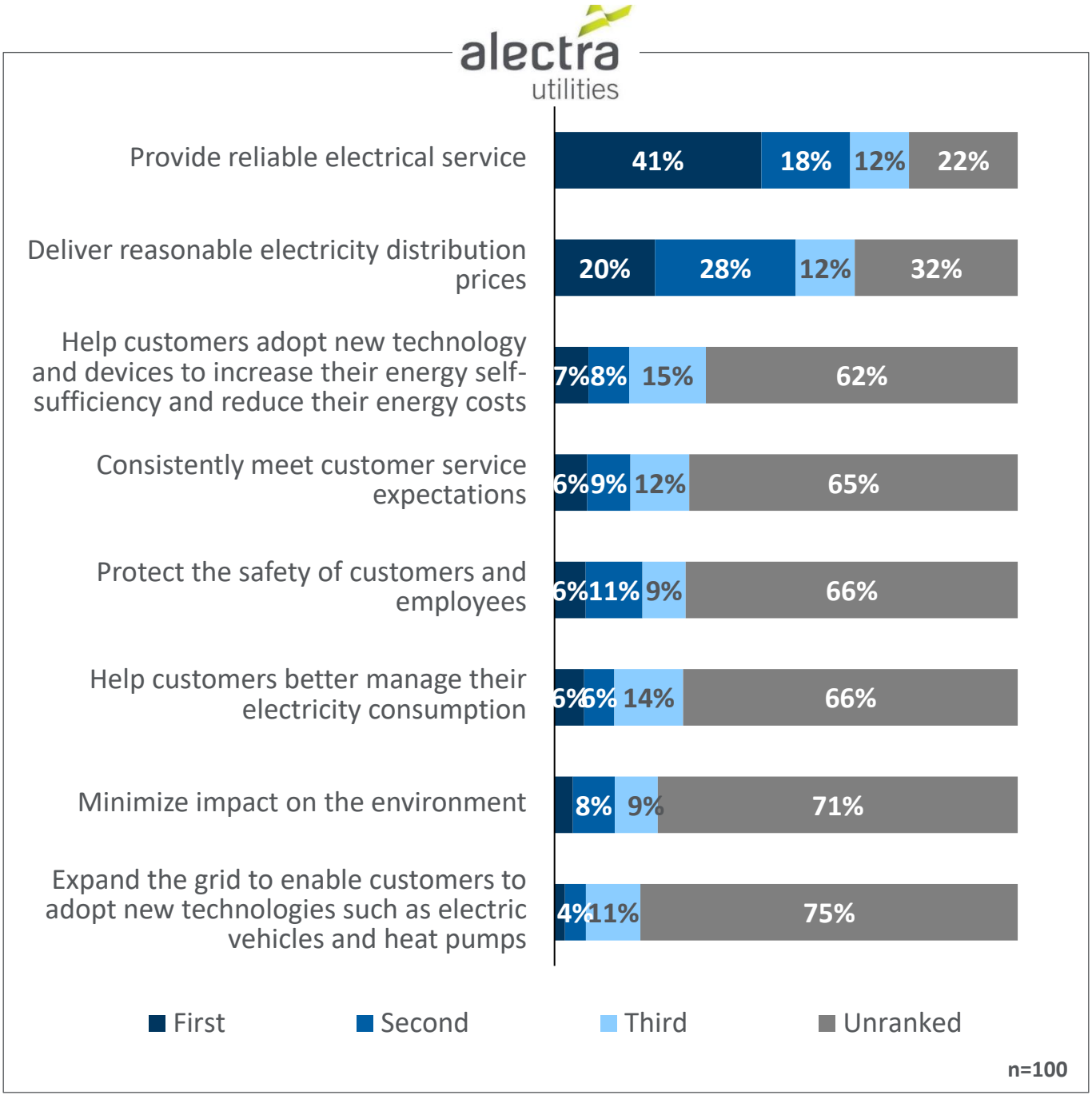
Sometimes Alectra has to choose between goals with a very similar level of importance. To help Alectra prioritize in such cases, please review the below list again and think about what matters most to your organization.

WORKBOOK PAGE

Online Workbook
Top 3 Priorities

GS>50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**



NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text. Don't know (8%) not shown.

Online Workbook
Top 3 Priorities

GS>50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**

First Priority (%)	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Provide reliable electrical service	41%	6	14	7	14
Deliver reasonable electricity distribution prices	20%	3	5	2	9
Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs	7%	1	2	2	2
Consistently meet customer service expectations	6%	0	2	0	5
Protect the safety of customers and employees	6%	1	3	1	1
Help customers better manage their electricity consumption	6%	2	1	1	1
Minimize impact on the environment	4%	1	1	2	1
Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps	2%	0	0	0	2

NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text. Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Top 3 Priorities

GS>50

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**

First Priority (%)	Overall	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Provide reliable electrical service	41%	39%	43%
Deliver reasonable electricity distribution prices	20%	22%	17%
Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs	7%	9%	5%
Consistently meet customer service expectations	6%	7%	6%
Protect the safety of customers and employees	6%	3%	10%
Help customers better manage their electricity consumption	6%	5%	6%
Minimize impact on the environment	4%	4%	3%
Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps	2%	0%	4%

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NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Reliability Experience and Priorities

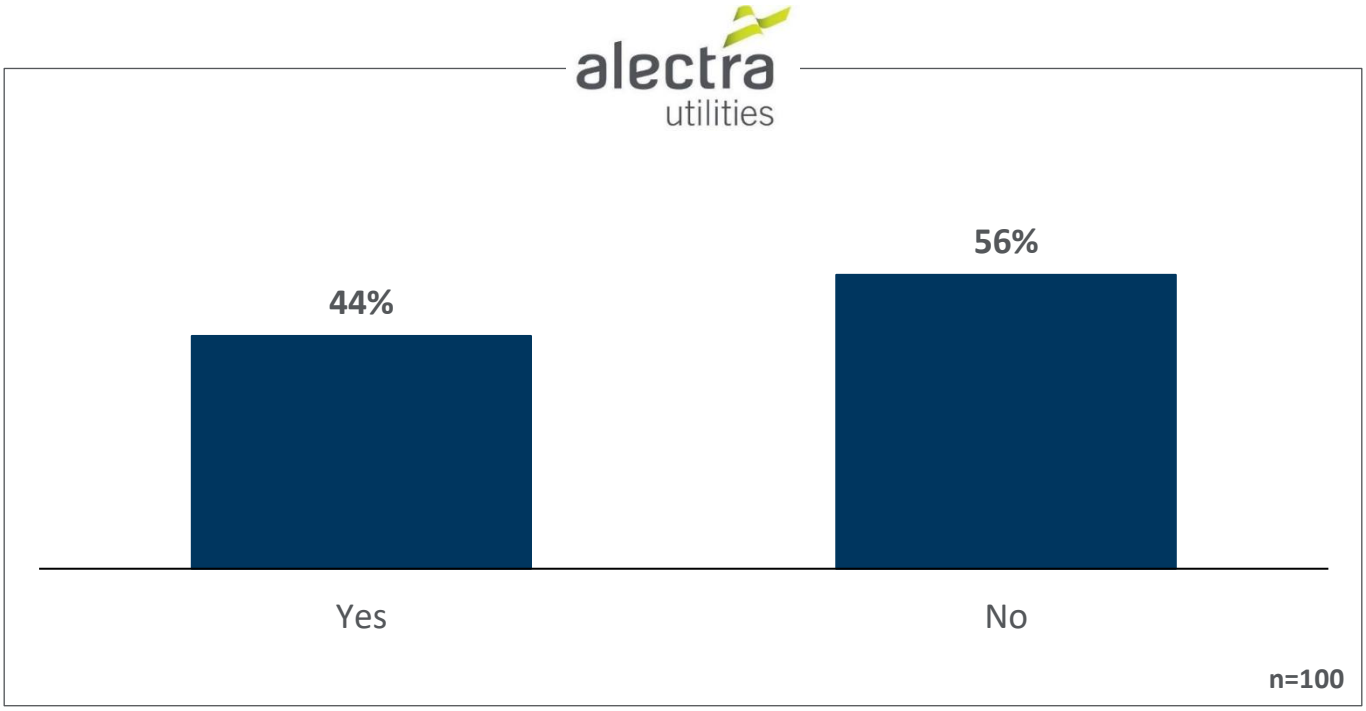
Now let's focus a little deeper on the reliability of your electrical service.

WORKBOOK PAGE

Online Workbook
Power Outages

GS>50

Q Have you experienced any power outages that lasted longer than a minute over the past 12 months?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Yes	44%	8	14	7	15	40%	48%
No	56%	6	16	9	22	60%	52%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

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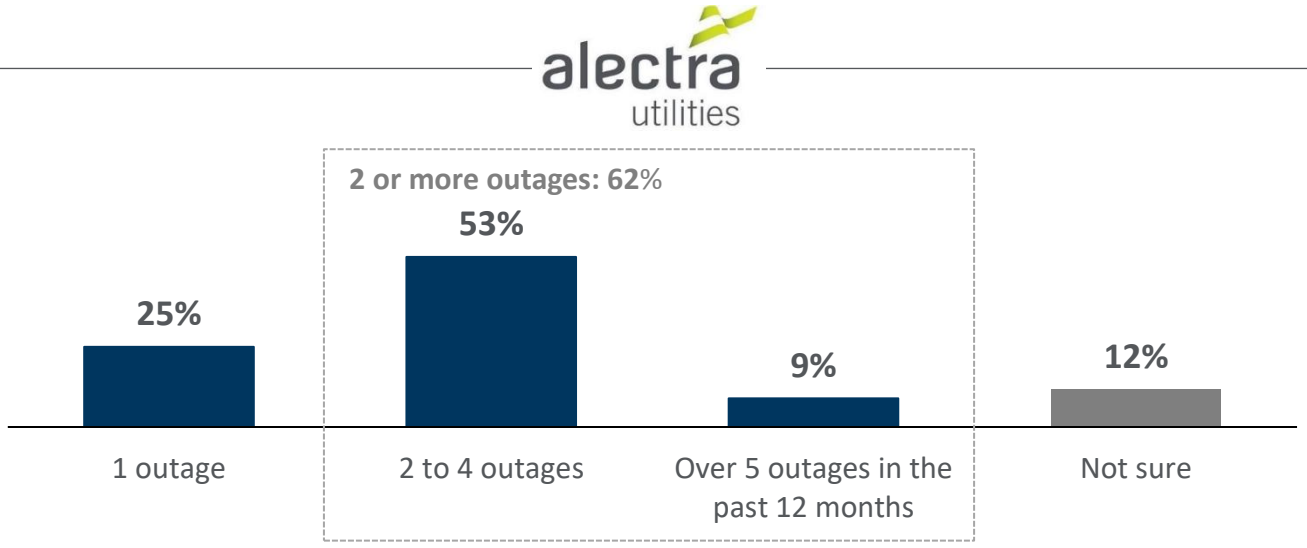
Online Workbook
Power Outages

GS>50

Q Approximately how many outages did your organization experience?



Asked of those who have had an outage in the past 12 months, n=44

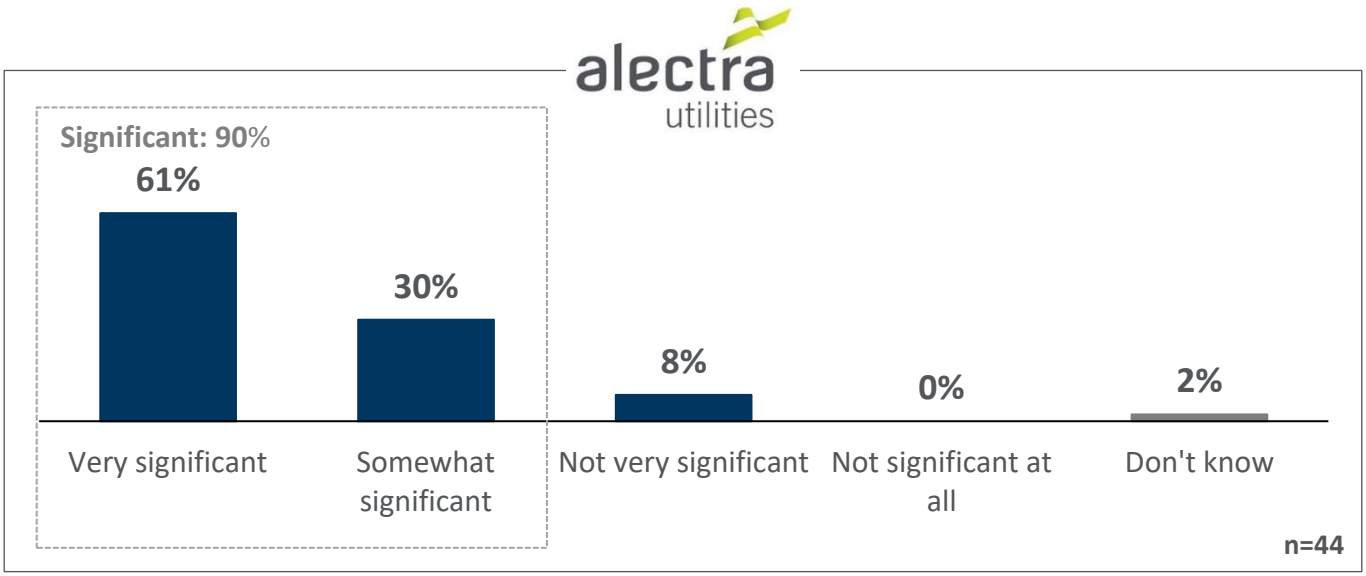
		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=8)**	**ERZ (n=14)**	**HRZ (n=7)**	**PRZ (n=15)**	**Below Avg. (n=20)**	**Above Avg. (n=24)**
1 outage	25%	3	4	2	2	15%	33%
2 to 4 outages	53%	3	7	3	10	61%	46%
Over 5 outages in the past 12 months	9%	1	0	1	2	4%	13%
Not sure	12%	1	3	1	1	16%	8%
2 or more outages	**62%**	**4**	**7**	**4**	**12**	**65%**	**58%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables. Refused (2%) not shown.

Online Workbook
Power Outages

GS>50

Q How significant were these outages to your organization?



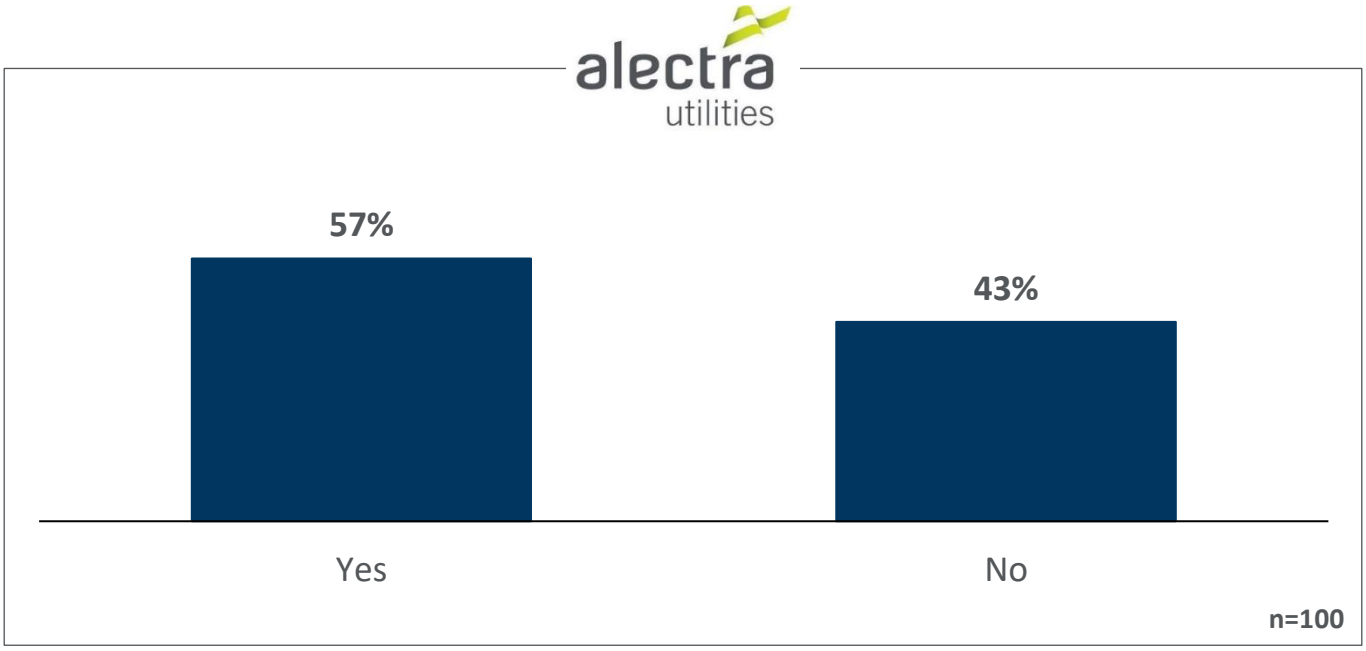
		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=8)**	**ERZ (n=14)**	**HRZ (n=7)**	**PRZ (n=15)**	**Below Avg. (n=20)**	**Above Avg. (n=24)**
Very significant	61%	5	8	3	10	60%	61%
Somewhat significant	30%	1	5	3	3	37%	24%
Not very significant	8%	1	1	0	2	3%	11%
Not significant at all	0%	0	0	0	0	0%	0%
Don't know	2%	0	0	1	0	0%	4%
Significant (Very + Somewhat Significant)	**90%**	**7**	**13**	**6**	**13**	**97%**	**85%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Momentary Outages

GS>50

Q Have you experienced any momentary outages or interruptions (voltage surges or sags) of less than a minute in the past 12 months?



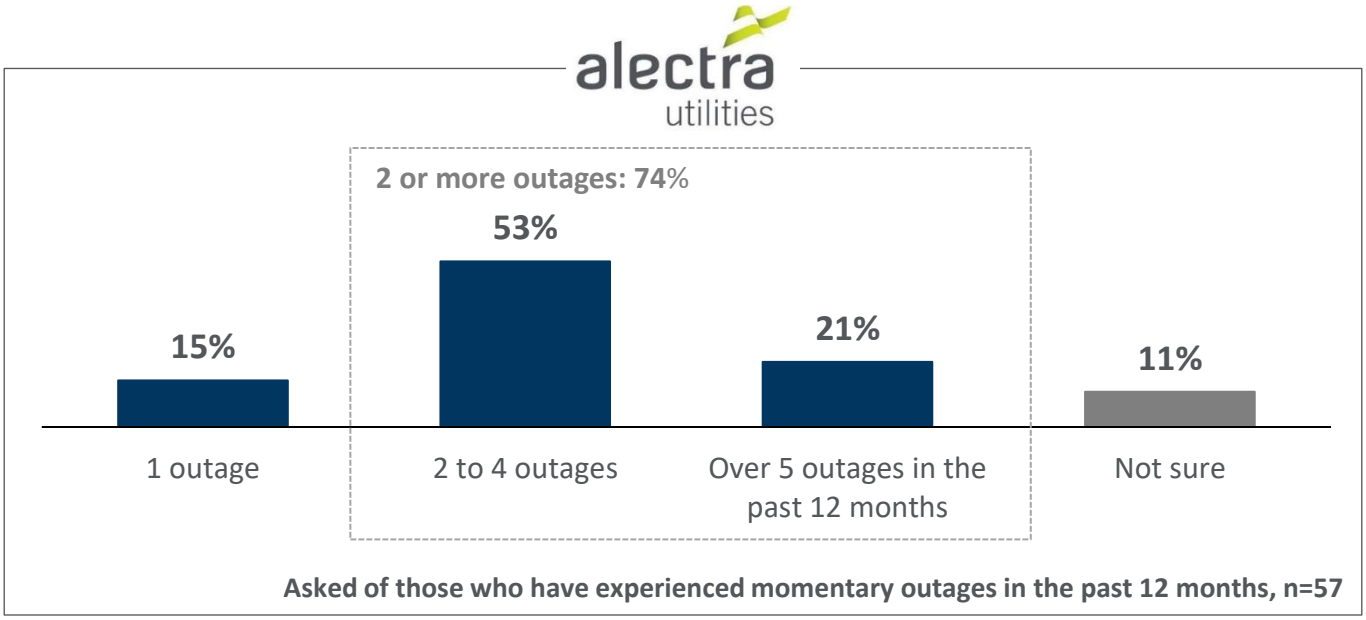
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Yes	57%	8	14	10	22	50%	64%
No	43%	6	16	6	15	50%	36%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Momentary Outages

GS>50

Q Approximately how many momentary outages and/or power quality issues did your facility experience?



Asked of those who have experienced momentary outages in the past 12 months, n=57

		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=8)**	**ERZ (n=14)**	**HRZ (n=10)**	**PRZ (n=22)**	**Below Avg. (n=25)**	**Above Avg. (n=32)**
1 outage	15%	2	3	3	1	11%	18%
2 to 4 outages	53%	5	6	4	13	54%	52%
Over 5 outages in the past 12 months	21%	0	3	3	6	17%	24%
Not sure	11%	1	2	1	3	18%	6%
2 or more outages	**74%**	**6**	**9**	**7**	**19**	**71%**	**76%**

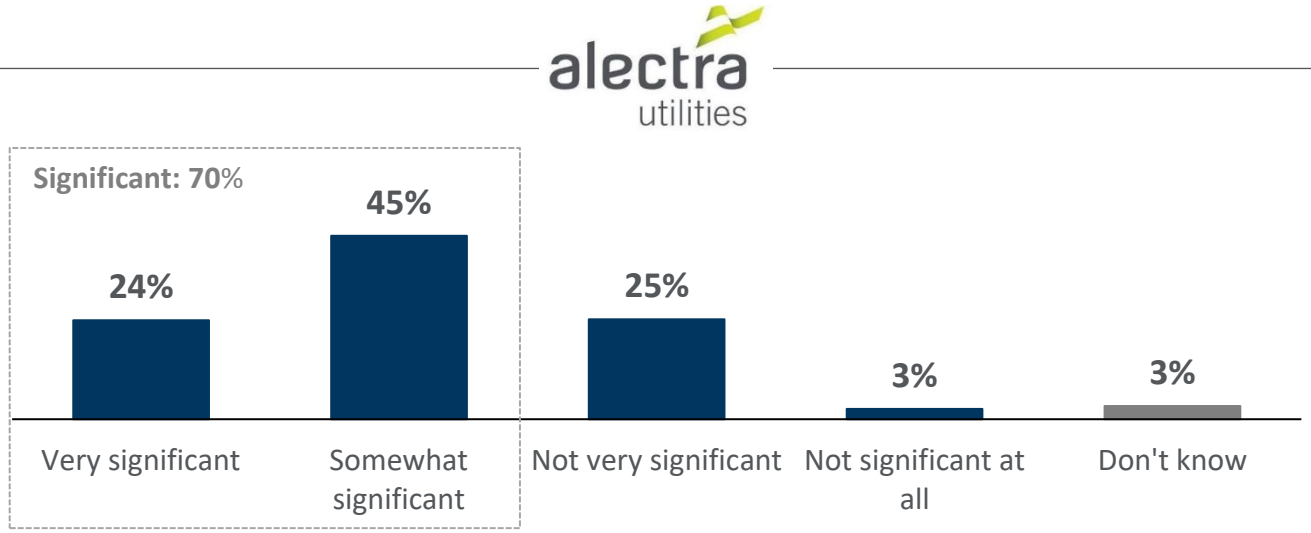
NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

INNOVATIVE RESEARCH GROUP

Online Workbook
Momentary Outages

GS>50

Q How significant were these momentary disruptions to your business?



Asked of those who have experienced momentary outages in the past 12 months, n=57

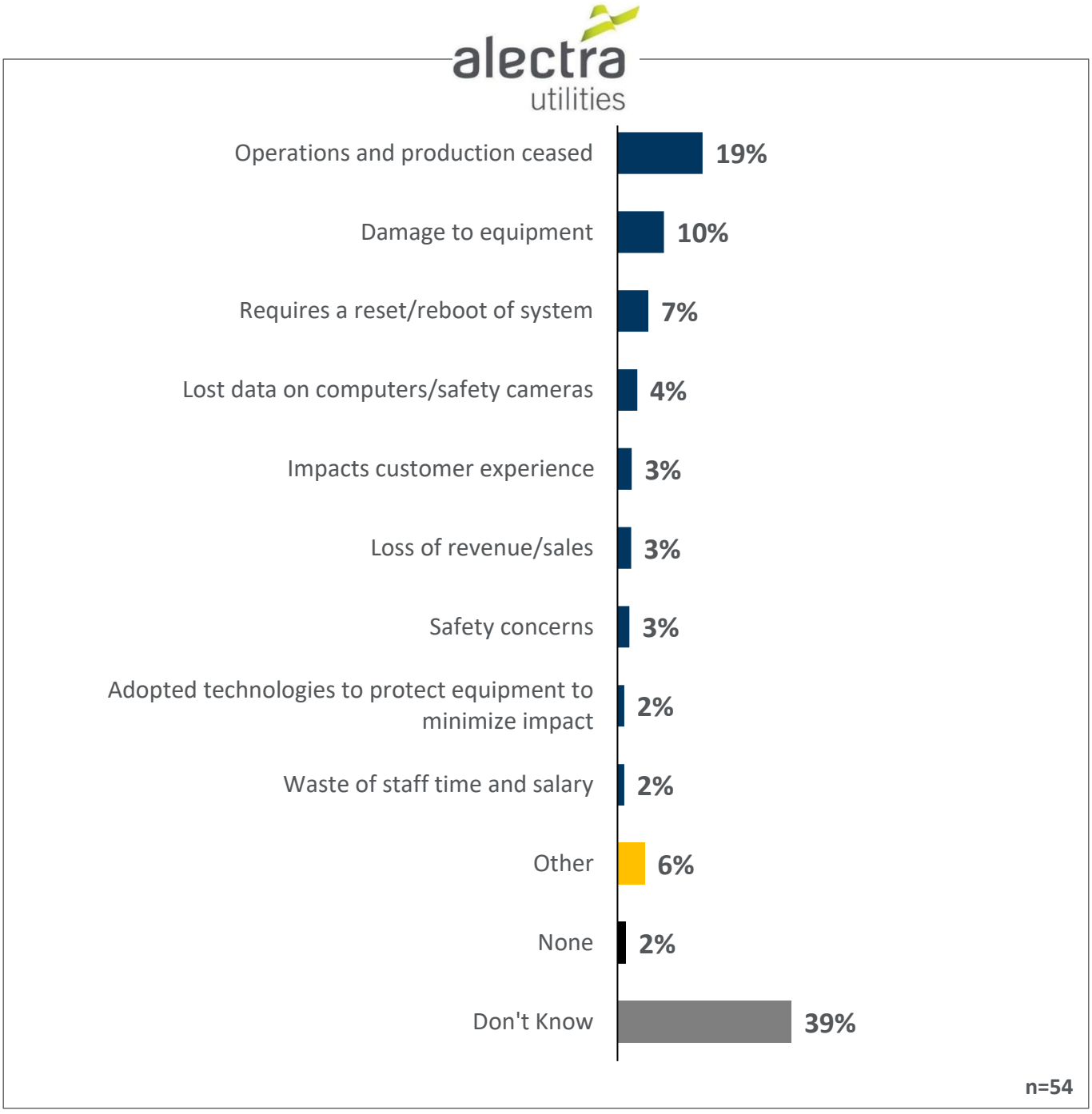
		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=8)**	**ERZ (n=14)**	**HRZ (n=10)**	**PRZ (n=22)**	**Below Avg. (n=25)**	**Above Avg. (n=32)**
Very significant	24%	4	4	0	6	18%	29%
Somewhat significant	45%	3	8	6	7	52%	40%
Not very significant	25%	1	2	3	7	23%	26%
Not significant at all	3%	0	1	0	1	3%	3%
Don't know	3%	0	0	1	1	4%	3%
Significant (Very + Somewhat Significant)	**70%**	**7**	**12**	**6**	**13**	**70%**	**69%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Impact of Momentary Disruptions

GS>50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]



Online Workbook
Impact of Momentary Disruptions

GS>50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]

Sample Verbatims
Operations and production ceased
"Even for a split second of power outage, we lose on average 6 hours of downtime per line. Plant has 4 lines, total 24 hours downtime for the plant. Approximate plant loss $30,000, plant average downtime cost $1250/hr."
"We are a manufacturing facility. Outages mean we do not manufacture."
Damage to equipment
"Electronic components are often affected. Each time there's an outage or surge it can cost us thousands of dollars to replace equipment e.g. automatic sliding doors, elevator parts etc."
"Lost phase and low voltage causing many motors to burn out."
Requires a reset/reboot of system
"Can cause our computers to reboot and [we] have to restart what we're working on."
"All machines stop, mid cycle, and they have to be carefully brought back to a home position and slowly warmed up before production can resume."
Lost data on computers/safety cameras
"Even with battery backups the computers and our data backup were disrupted. Our security cameras did not record until we came in the next day to reboot."
"We have delicate machinery that don't do well with power blips. In the past their CPU was blown and lost all of its memory because of power issue."

Online Workbook
Impact of Momentary Disruptions

GS>50

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]

Sample Verbatims (cont.)
Impacts customer experience
"If a blip happens, our 3D printers cause a line in our parts and customers will not be happy."
Loss of revenue/sales
"Momentary surges cause equipment to stop causing lost business..."
Safety concerns
"[It's a] safety concern as we have grinding machines operating on electricity and sudden loss of power could create a safety issue with the operators."
Adopted technologies to protect equipment to minimize impact
"Generator kicks in."
Waste of staff time and salary
"Some of the employees had to go home and office staff had to [do] other duties like filing/sorting."
Other
"Network system disruptions."

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

Reliability Priorities

When it comes to reliability, there are different outcomes Alectra can focus on.

- Alectra can focus on the number of outages or the length of outages.
- Alectra can focus on day-to-day reliability or preparedness for extreme weather events.
- Alectra can focus on power quality or communicating with customers during outages.

Different priorities require a different mix of investments.

WORKBOOK PAGE

Online Workbook
Outcomes

GS>50

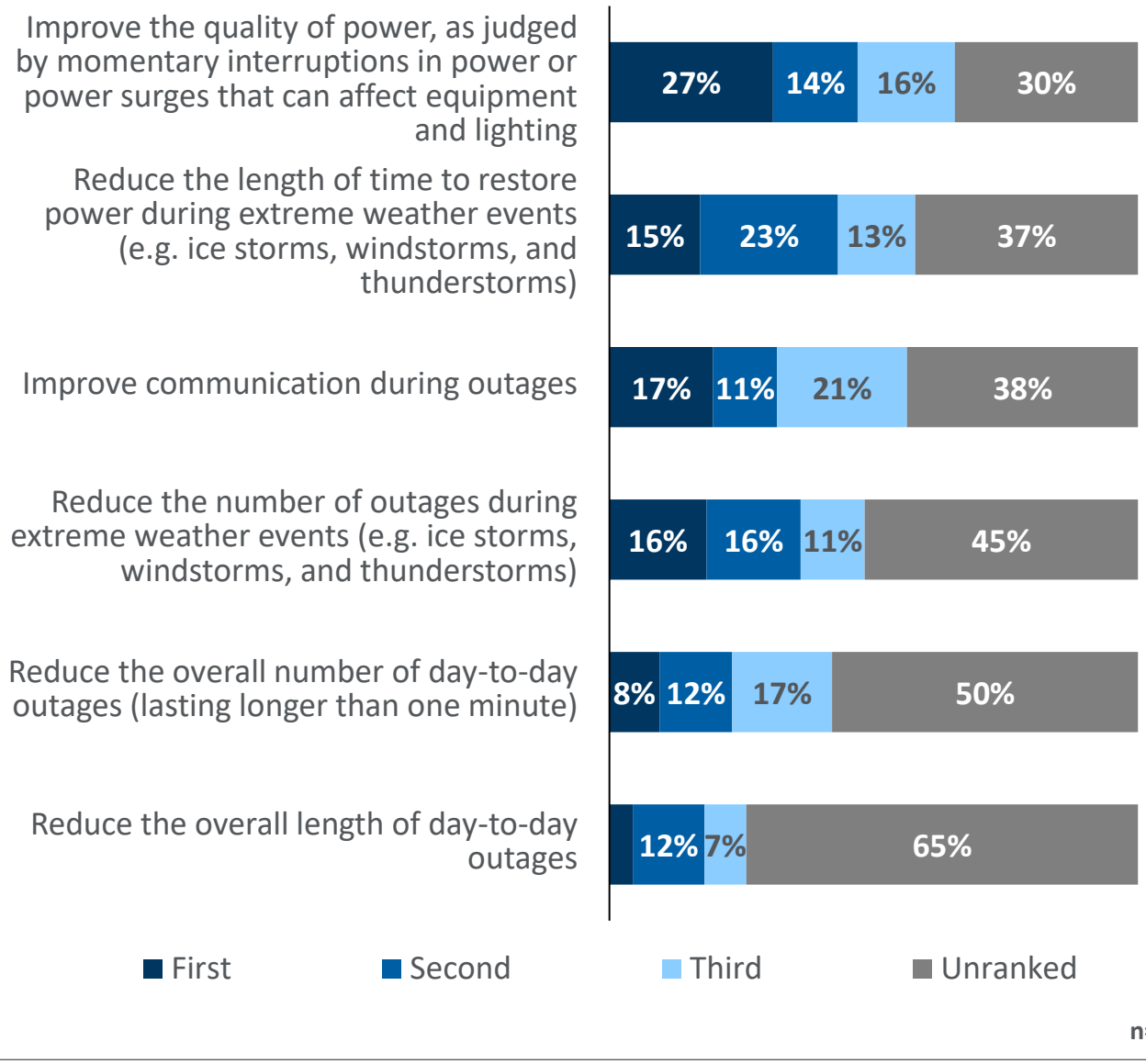
Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

alectra utilities



n=100

NOTE: Don't know (13%) not shown.

Online Workbook
Outcomes

GS>50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

First Priority (%)	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	27%	3	8	4	10
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	15%	2	7	1	4
Improve communication during outages	17%	4	4	3	6
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	16%	2	4	2	8
Reduce the overall number of day-to-day outages (lasting longer than one minute)	8%	0	2	2	5
Reduce the overall length of day-to-day outages	4%	1	0	1	2

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Outcomes

GS>50

Q

Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

First Priority (%)	Overall	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Improve the quality of power, as judged by momentary interruptions in power or power surges that can affect equipment and lighting	27%	16%	38%
Reduce the length of time to restore power during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	15%	17%	13%
Improve communication during outages	17%	21%	13%
Reduce the number of outages during extreme weather events (e.g. ice storms, windstorms, and thunderstorms)	16%	16%	16%
Reduce the overall number of day-to-day outages (lasting longer than one minute)	8%	12%	5%
Reduce the overall length of day-to-day outages	4%	2%	6%

Alectra Utilities Customer Survey
Planning for the Future: Preferences

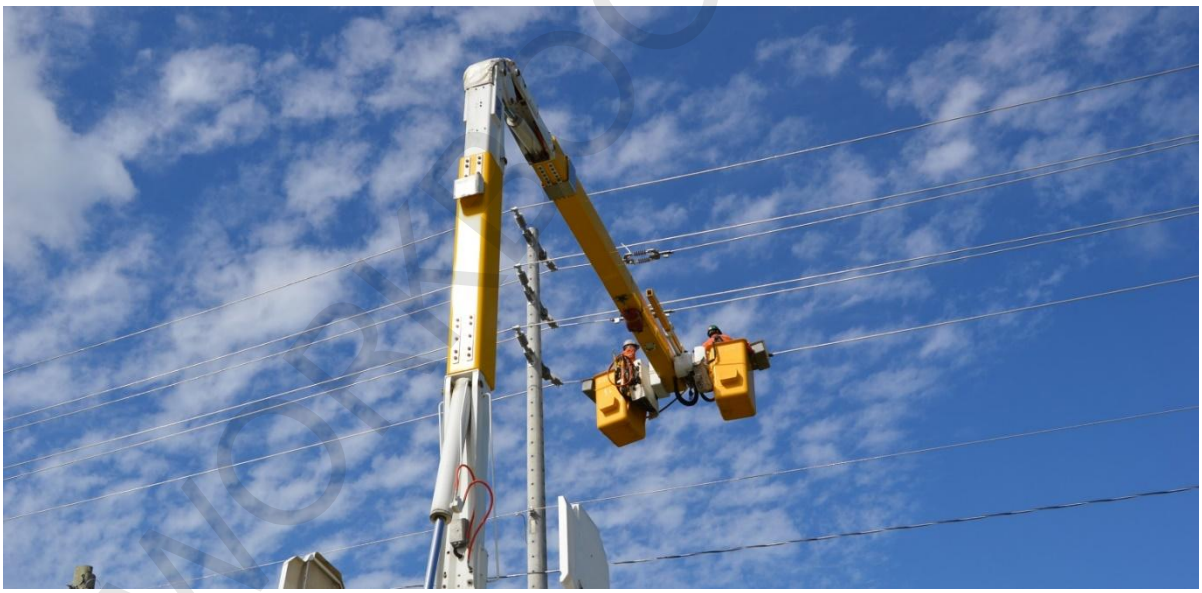
Making Choices

Now that you've had a chance to think about your experience with Alectra and priorities for the future, we'd like to present you with some specific choices Alectra's planners will need to make as they develop their plan for future investments and the rates you pay.

While Alectra's accountants and engineers are able to decide for themselves what size transformers they need or what is the most efficient way to do some things, there are some choices they can't make on their own. These choices are trade-offs between customer outcomes – trade-offs such as whether it is more important to keep rates lower or improve reliability.

Grid Maintenance:

Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. Much of the equipment in use today was installed 30, 40 or even 50 years ago, and will need replacement. But there remains some flexibility in timing. **Your views on whether it is more important to keep costs down or to minimize the risk of outages will provide direction to planners.**



What makes this plan different are some key changes that are fundamentally changing the electricity system we know today.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREI
PROGRAMMED VERSION

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Preferences

GS>50

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

New Technology:

Technology is changing dramatically. Increasingly, new technologies have allowed us to:

- Generate electricity from wind and solar on a smaller scale in our communities, on our street, even in our homes and businesses.
- Store electricity in batteries in our homes, businesses and vehicles.
- Use new smart devices and artificial intelligence to allow customers of all sizes to control their demands and even feed electricity into the grid.
- Identify and manage potential outage risks and quickly restore power when outages do occur.

Alectra Utilities must invest in the grid to enable the opportunity for customers to add their own new technologies. **These investments are required to manage a 2-way power flow and maintain the safety of a power grid.** It is important to understand how quickly you feel Alectra should proceed with those investments.

Growing Demand for Electricity:

Electricity demand is expected to grow at a faster pace.

- Homes and businesses are shifting from fossil fuels for heating and hot water to electric technologies such as heat pumps.
- People and companies are changing from gas and diesel-fueled vehicles to electric vehicles.
- Transit systems are also shifting from diesel to electric.

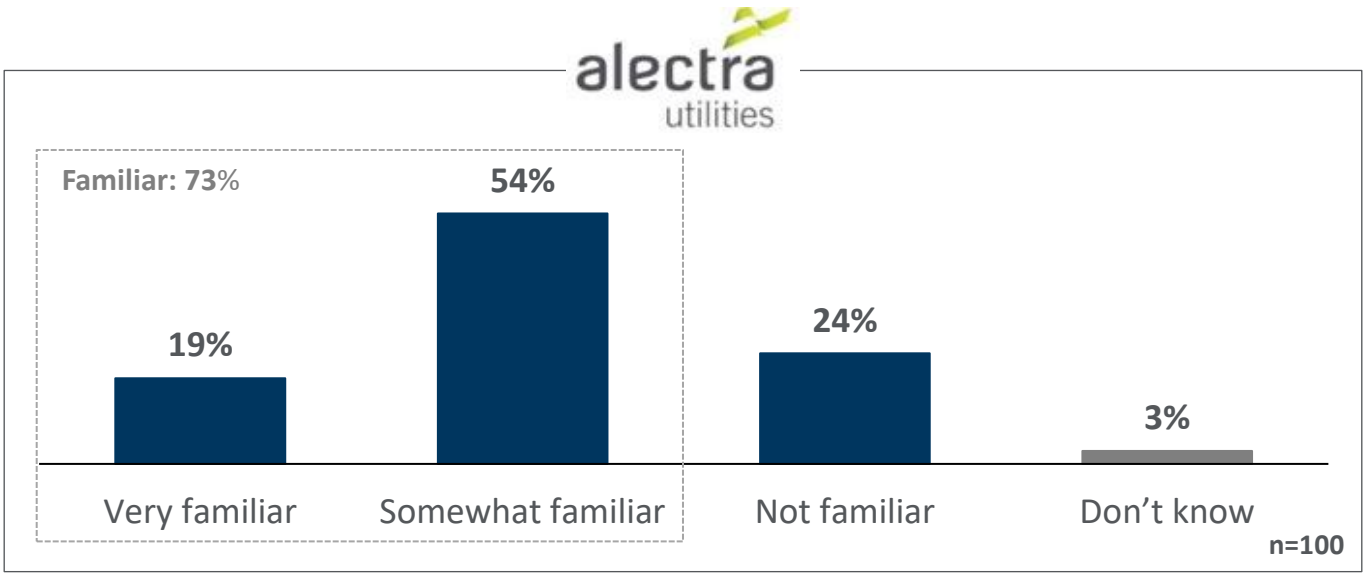
Even though our existing electric devices have become more efficient over time, new uses are creating more demand than efficiency and conservation can manage. However, the exact pace of this growth is uncertain. **Your views are needed on whether Alectra should prepare now for this growing demand or wait until specific demands occur.**

WORKBOOK PAGE

Online Workbook
Familiarity with Impact on the Grid

GS>50

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very familiar	19%	4	6	2	7	15%	22%
Somewhat familiar	54%	8	12	10	23	50%	59%
Not familiar	24%	2	10	4	8	31%	17%
Don't know	3%	0	3	0	0	4%	2%
Familiar (Very + Somewhat Familiar)	**73%**	**12**	**18**	**12**	**30**	**65%**	**82%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

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Replacing Deteriorated Equipment

As mentioned earlier, Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. This equipment wears down over time due to use and exposure to weather. Alectra also maintains computer systems, trucks and facilities to support the crews and people working daily to keep the electrical system operating. These assets also need to be renewed when they reach a deteriorated state.

Approximately 44% of outages experienced at Alectra is caused by failed equipment. In some neighbourhoods, the equipment continues to fail repeatedly, and the system needs to be rebuilt. Alectra has increased investments in underground cables over the last five years.

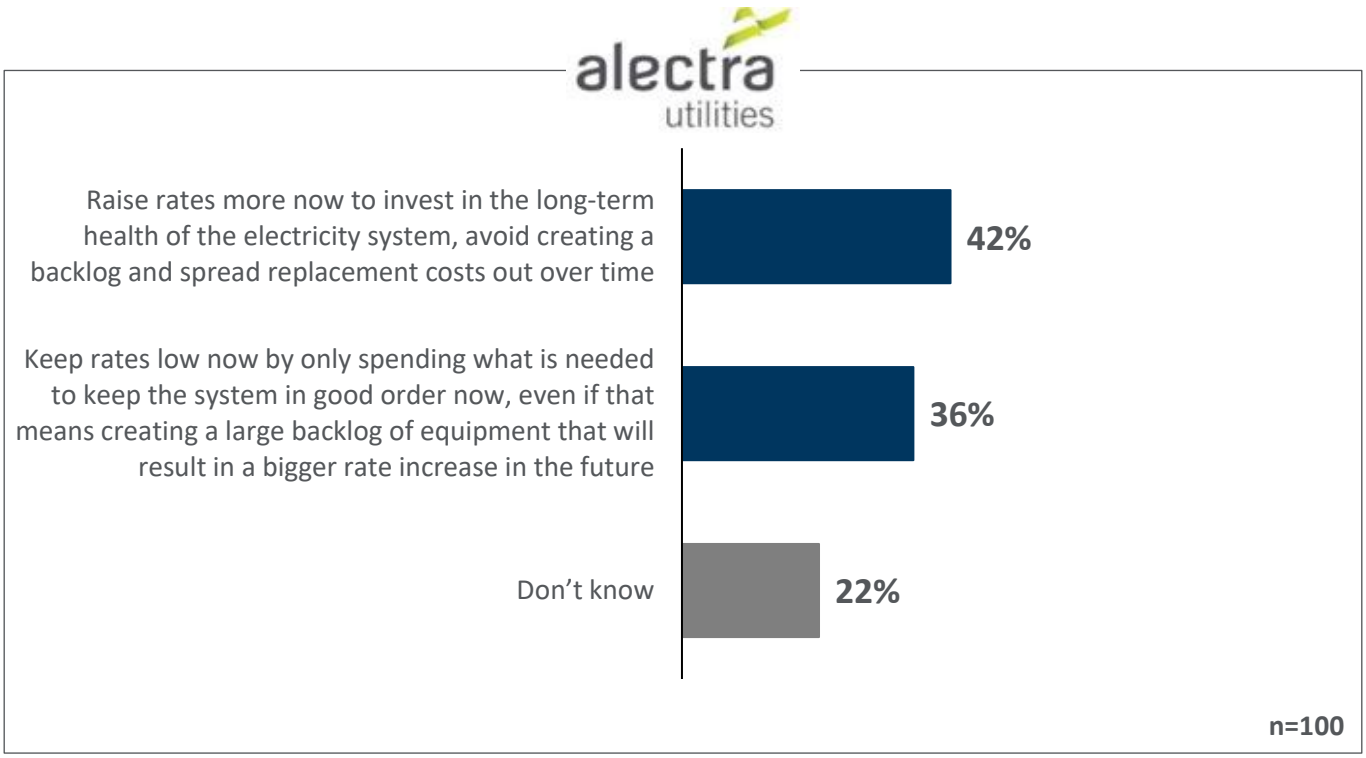
By targeting replacements in the areas of greatest need, Alectra has been able to keep reliability stable. However, an increasing portion of our assets are in need of replacement. Alectra has a choice to make in terms of how much to spend on replacing these assets.

WORKBOOK

Online Workbook
Perception on Deteriorated Assets Spending

GS>50

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?



	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	42%	8	10	7	16
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	36%	4	13	5	13
Don't know	22%	2	7	4	8

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Deteriorated Assets Spending

GS>50

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?

		Consumption Quartiles	
	Overall	**Below Avg. (n=50)**	**Above Avg. (n=50)**
Raise rates more now to invest in the long-term health of the electricity system, avoid creating a backlog and spread replacement costs out over time	42%	46%	38%
Keep rates low now by only spending what is needed to keep the system in good order now, even if that means creating a large backlog of equipment that will result in a bigger rate increase in the future	36%	34%	39%
Don't know	22%	20%	23%

Online Workbook
Perception on Deteriorated Assets Spending

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 91

Gave additional feedback, 9

Verbatims
Balance both options/neither option/find a middle ground
"This is a business management responsibility. Consumers should not be asked to choose between appropriate costs or good service. The expectation is for the provider to do both. Equipment failures would indicate that the maintenance program is not effective."
"Options are biased."
"Our preference would be to keep rates low whilst maintaining the equipment in our area on a continual basis."
"We need to balance the rate increase and the equipment replacement/upgrade and maintain the transparency while communicating with public (including business & residential) and reporting in depth (i.e. money collected, money spent on each category, money expected to fulfill future strategy)."
Have better management and find efficiencies to fund investments
"Rates are already way too high. Get rid of some of the absurd overhead charges and put it towards ongoing maintenance."
"The options are a bit of a Hobson's choice. How about finding efficiencies through smart technology and better administration and at the same time spread replacement costs over time so that the rates won't have to go much higher?"
Wait until economic conditions improve before raising rates
"We want to protect and improve like always but the current state of affairs companies are having a hard time as it is."
Lower rates
"Rates have already been raised (we pay double what we paid 5 years ago) and services have not gotten better. Therefore, raising rates 'more now to invest in long-term' is only lining pockets of the VIPs."
Other
"However, if you will increase the rate for equipment replacement that increase should be earmarked for that purpose only and nothing else."
"Someone should come out to our facility to help reduce the energy costs, so we can compete in the global market."
"Investments could be charged out similar to [program] where larger users pay more of the cost to upgrading the system vs. spreading rate increases out across the board to smaller users and residential."
"A balanced approach by identifying the highest "at risk" equipment and budgeting replacement/repairs to reduce the likelihood of outages and emergency repairs (which cost more) would be a good start..."

n=100

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

GS>50

Dealing with Growth Uncertainty

The first of the new challenges for Alectra Utilities is dealing with uncertainty in electricity demand.
Alectra has a legislated responsibility to ensure it provides enough electricity to provide the peak demand of all customers. The challenge right now with new technologies and changing technology, is forecasting how fast demand will grow.

It takes time, usually years, to build new lines and increase sub-station capacity. Building and expanding power lines need time for design, working with impacted property owners, securing equipment that is in high demand right around the world, and recruiting electrical construction workers.

Growth in previous decades provided reasonably long lead times for utilities to prepare for growth in electricity demand. When there are firm plans to build a new electrified transit system or to build a new condo development, Alectra's planners have the lead time they need to increase major feeder lines, increase sub-station capacity and expand local cables and transformers.

Other types of demand are more fluid. No one knows for sure how many new electric vehicles will need to be charged in Alectra's operating area five years from now. No one knows for sure how many people will switch from natural gas to heat pumps.

- If Alectra builds too quickly, customers will be paying for poles and cables that are not yet needed.
- But if Alectra builds too slowly, local systems may become stretched by new demands.

This could result in equipment failures with the added costs of emergency repairs, limiting EV charging to certain hours of the day, or even rotating electricity outages.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

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Today roughly 48% of Alectra customers live on a street with at least one EV. Only 4% of those have multiple EVs on one street, but that can quickly change. Alectra is making their best efforts to be as accurate as possible in projecting growing demand. But they need your guidance on a value choice they must make.

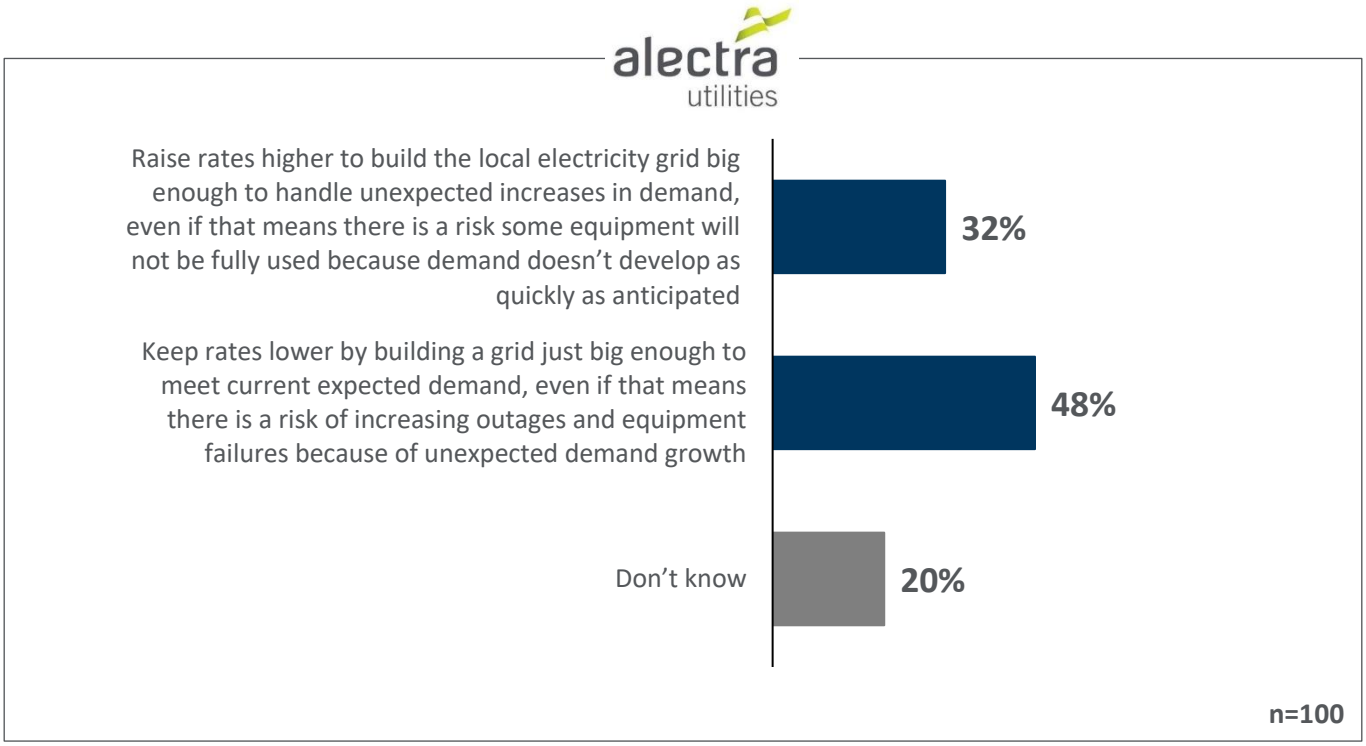
PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK PAGE

Online Workbook
Perception on Uncertain Growth Projections

GS>50

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?



	Rate Zone				
	Overall	**BRZ (n=14)**	**ERZ (n=30)**	**HRZ (n=16)**	**PRZ (n=37)**
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated.	32%	8	7	5	11
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth.	48%	3	14	7	22
Don't know	20%	3	9	3	5

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Uncertain Growth Projections

GS>50

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?

	Overall	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Raise rates higher to build the local electricity grid big enough to handle unexpected increases in demand, even if that means there is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated	32%	29%	34%
Keep rates lower by building a grid just big enough to meet current expected demand, even if that means there is a risk of increasing outages and equipment failures because of unexpected demand growth	48%	47%	49%
Don't know	20%	24%	17%

Online Workbook
Perception on Uncertain Growth Projections

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 88

Gave additional feedback, 12

Verbatims
Balance both options/neither option/find a middle ground
"I feel that you need to meet the above questions halfway to balance both sides in a reason time and cost."
"Neither."
"Biased options."
"Somewhere in between those two extremes is the sweet spot. Keeping rates low whilst building for the future is the optimum. Building in a small cushion while minimizing rate increases seems like the best option in our opinion."
Have better management and find efficiencies to fund investments
"Rates should be reduced from increased demand. Increased sales = increased profit."
"The effectiveness and efficiencies should help to balance rates and expectations. Excessive rate increases doesn't mean it will have a better control."
"Rates are already way too high. Eliminate some of the absurd overhead charges and put that towards ongoing maintenance."
Lower rates
"Again, rates have already been on the rise. We are now paying DOUBLE what we used to pay monthly just 5 years ago, yet no new services have been added."
"Don't raise the rates."
Consider DERs (distributed energy resources)
"Consider increased use of distributed microgrids rather than centralized infrastructure to reduce the need to upgrade major feeders and substations while meeting local neighbourhood demand."
Question if demand will grow as quickly as predicted
"It's likely very difficult to predict future demand. Yes the population is increasing for now, but that's not assured to be the long-term trend in my opinion. But even so, we are becoming more energy efficient all the time thanks to new technology. EVs may or may not proliferate. Right now the market is rejecting them. How many people may install solar? In short, its folly to predict the long term needs for electricity consumption. I would stick to shorter term priorities unless the cost to build-out a lot of extra future capacity does not represent net new debt burden or a potential waste of resources. Ideally we want flexible capacity, if at all feasible."

Online Workbook
Perception on Uncertain Growth Projections

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 88

Gave additional feedback, 12

Verbatims (cont.)
User pays (i.e. EV users should pay more for the infrastructure)
"Eliminate any and all subsidies for the purchase of EV and charge them directly (or redirect the subsidies to the LDC) for grid improvements so they can charge their personal vehicles. Don't make EVERYONE pay for EV when only a very small percentage are being used. Full EV cars are slowing now that people realize that an 8-year-old EV with a faulty battery is basically scrap."
Make development plans with customers/governments/City/developers
"Large future consumers should be in touch with utilities to help plan or utilities should be in touch with current consumers to understand potential changes knowing the cost impacts of Carbon Taxing in Canada. Better planning and understanding on both sides can keep costs lower than just raising rates and overbuilding without understanding."
Other
"Someone should come out to our facility to help reduce the energy costs, so we can compete in the global market."
"Target areas that have the highest consumption growth and update their equipment first."

Using New Technology to enable Customer Choice

Another major change facing utilities is new equipment and technologies that change how customers participate in the system.

The old electricity system was built big enough to manage peak demand and required very little active management on a day-to-day basis. That is fundamentally changing. Customers are gaining far more control over their energy needs:

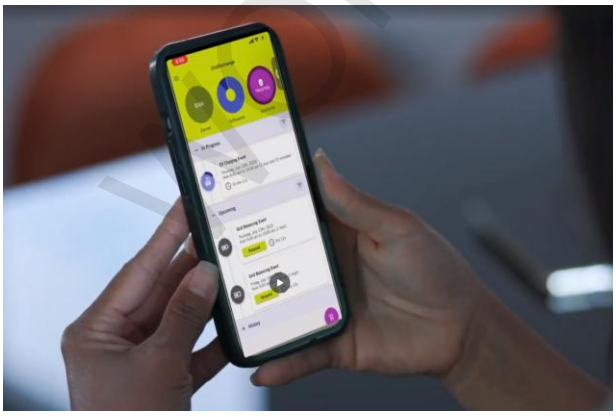
- Customers can now store their own electricity with batteries in their cars and homes.
- Customers can now generate their own electricity with small scale wind and solar.
- Customers now have electrical devices that can be remotely monitored and managed to identify inefficient appliances and to turn devices down or off to manage peak loads.

Not everyone is ready or able to employ these devices and technologies today, but the whole system can benefit from those that do.

In Ontario, electricity peaks on hot summer days when air conditioner use spikes. But now, you don't have to rely on Niagara Falls for that electricity, it can come from the neighbours on your street.

When the grid is modernized, your organization can sell stored energy to the grid, lower your thermostat or EV charge when demand is high, shift to your own solar generation, and more, all in return for financial rewards.

If you choose to enroll in a program that allows the electricity grid control room to turn down your air conditioner for a few minutes every hour, you can help to avoid building new transmission towers and generating stations just to serve the few hours in the year when demand spikes.



Alectra is already piloting these activities today.

To make these choices available to all customers will require investments in computers, software and smart devices throughout the grid. Alectra's planners need your direction on how fast to move towards this new, two-way flowing, distribution grid.

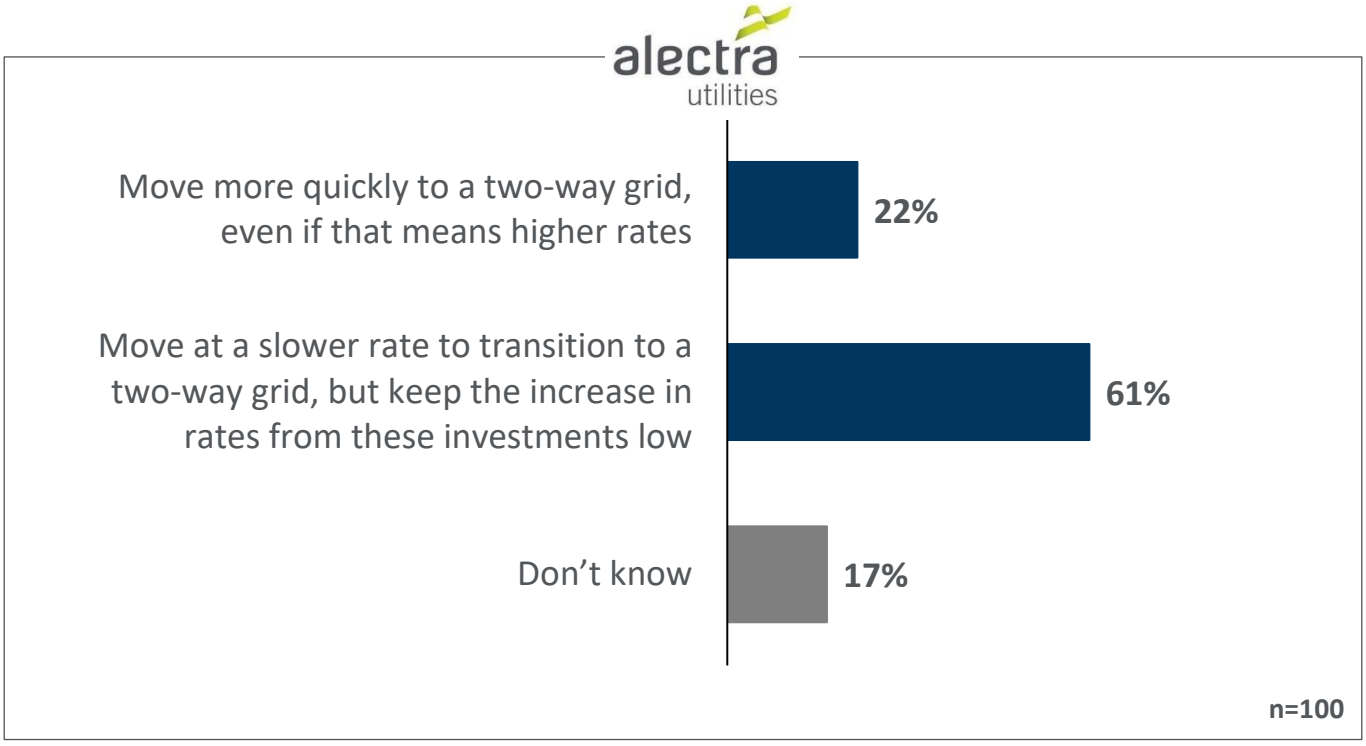
WORKBOOK PAGE

Online Workbook

Perception on Transition to Customer-Engaged Grid

GS>50

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?



	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Move more quickly to a two-way grid, even if that means higher rates	22%	3	6	2	10
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	61%	7	16	11	24
Don't know	17%	4	8	2	3

INNOVATIVE RESEARCH GROUP

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook

Perception on Transition to Customer-Engaged Grid

GS>50

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?

		Consumption Quartiles	
	Overall	**Below Avg. (n=50)**	**Above Avg. (n=50)**
Move more quickly to a two-way grid, even if that means higher rates	22%	12%	32%
Move at a slower rate to transition to a two-way grid, but keep the increase in rates from these investments low	61%	69%	53%
Don't know	17%	18%	15%

Online Workbook
Perception on Transition to Customer-Engaged Grid

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 95

Gave additional feedback, 5

Verbatims
Lower rates
"No raises in rates. Find another solution."
Engaged customers should pay, not everyone
"This depends on each customers familiarity and comfort level with being engaged. Price should not go up if customers are not engaging."
Move at a slower rate to transition
"Reliance on customer-generated electricity would need to be adopted slowly and methodically, lest we run into unforeseen consequences. Think vaccines. And I don't want anyone else having any control over how I use my appliances."
Supportive of the transition/move quickly
"This is the future."
Balance both options/neither option/middle ground
"Again, I feel that you could meet both questions above halfway and accomplish the task with minimal increase in rates while building out the two-way grid system. Truly it will be a matter of who you will be outsourcing the project to."
Other
"Make sure the systems actually work..."
"Someone should come out to our facility to help reduce the energy costs, so we can compete in the global market."

Grid Modernization

The last page talked about the impacts of new technology on how you interact with the grid. This page will talk about the impacts of new technology behind the scenes, changes that may not be obvious to customers, but will impact the reliability and quality of the service you receive.

In the grid of the last 100 years, once equipment such as cables, transformers or switches were installed, there was no means of monitoring or controlling that equipment. If the lights went out, a crew jumped in a truck and drove the line until they saw the break or broken piece of equipment, then they would manually open and close switches.

Today we can restore power faster using remote-controlled switches and sensors which tell the control room if an outage has occurred. This allows operators to remotely re-route electricity and restore power. **Remote-controlled switches can be automated** so all switching can take place in real-time, so businesses like yours will have their power restored even faster.

In circuits where automated devices have already been added, Alectra has identified improvement in reliability. While it is expected that Alectra generate savings from the more productive deployment of maintenance and repair crews and from avoided equipment failures, these savings are not sufficient to offset the added costs.

This change cannot happen overnight. It will take time. There is limited availability of new equipment and the crews to install them. The question is whether to place more emphasis on keeping rate increases low or placing more emphasis on moving quickly to modernize the grid.

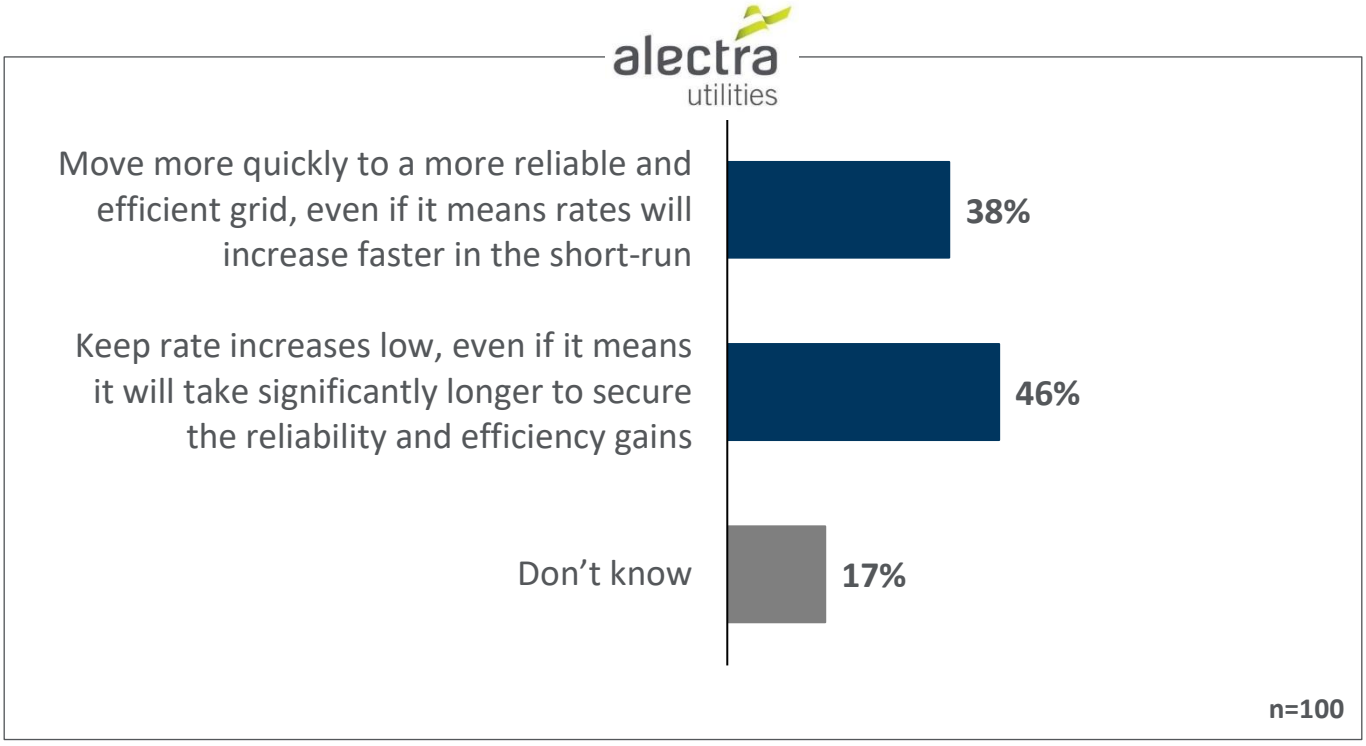
PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKING DRAFT

Online Workbook
Perception on Investing In Grid Modernization

GS>50

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?



	Overall	Rate Zone: BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	38%	4	10	6	17
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	46%	7	13	7	16
Don't know	17%	2	8	3	4

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Investing In Grid Modernization

GS>50

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?

	Overall	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Move more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run	38%	33%	43%
Keep rate increases low, even if it means it will take significantly longer to secure the reliability and efficiency gains	46%	53%	39%
Don't know	17%	15%	19%

Online Workbook
Perception on Investing In Grid Modernization

GS>50

Q Additional Feedback (Optional)

Verbatims
Balance both options/neither option/find a middle ground
"Balance is the key, not one end or another. Affordability and system efficiency need to be considered simultaneously."
"Reliability is an expectation. Alectra should be making good business decisions that delivery reliability at the same time keeping costs low. Simply automating equipment does not provide reliability."
Lower rates
"In response to my reply above I wanted to add that typically when an electric company or other major consumer supplier such as Bell or Enbridge discusses what you are proposing in this questionnaire, it always turns out that if the consumer is on side to have increases to obtain an objective for the good, never has a utility provider lowered the rates when the project is done. There is always something else that needs to be increased or repaired which I understand however this is falsely misleading to those who believe that the "short run" will actually happen. I would be very surprised if it did."
"No raises in rates. Find another solution."
Have better management and find efficiencies to fund investments
"Rates are already way too high. Eliminate some of the absurd overhead charges and put that towards ongoing maintenance."
Move slowly to expand without risking reliability
"Again, adopting new technology is good, but you don't want to rush it. Adopt it slowly, test it, see how well it works and improve as you go. A major issue with tech today is reliability. You don't want to become dependent on unreliable technology."
Focus on high demand/impact areas first
"Focus on the commercial customers to improve reliability. More people are impacted when their job site goes down than when a local residential area goes down."

n=100

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Grid Resilience

Most electricity customers have noticed their property insurance rates increasing faster than inflation for a number of years now as a result of the damage created by storms and extreme weather events on homes and business. Alectra is experiencing similar impacts from ice storms, micro-bursts, extreme heat and other extreme weather. Sometimes with events such as micro-bursts, the damage is limited. But often the damage is widespread and impacts tens of thousands of Alectra customers for extended periods of time.

In addition to modernizing the grid, which enables power to be restored after a power outage occurs, **Alectra can increase its system's resilience**. Increasing resilience reduces the chances that extreme weather events would result in power outages. This is typically done by upgrading key equipment in the system to withstand storms better.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

GS>50

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Here are examples of Grid Resilience projects:

- **The major North-South overhead feeder lines that are most exposed to wind can be reinforced** to increase their ability to withstand storm events.
- **Alectra can speed up the replacement of overhead lines** in customers' backyards. These lines are more exposed to falling branches and trees, they often take longer to repair because of restricted access, and fallen lines can pose greater safety risks should they occur in customers' backyards.
- **Alectra can increase the budget for identifying and removing hazardous trees** to allow for more frequent monitoring and tree removal. This is not something that can be automated. There are approximately 18,000 km (11,000 miles) of overhead circuit power lines in Alectra's system.

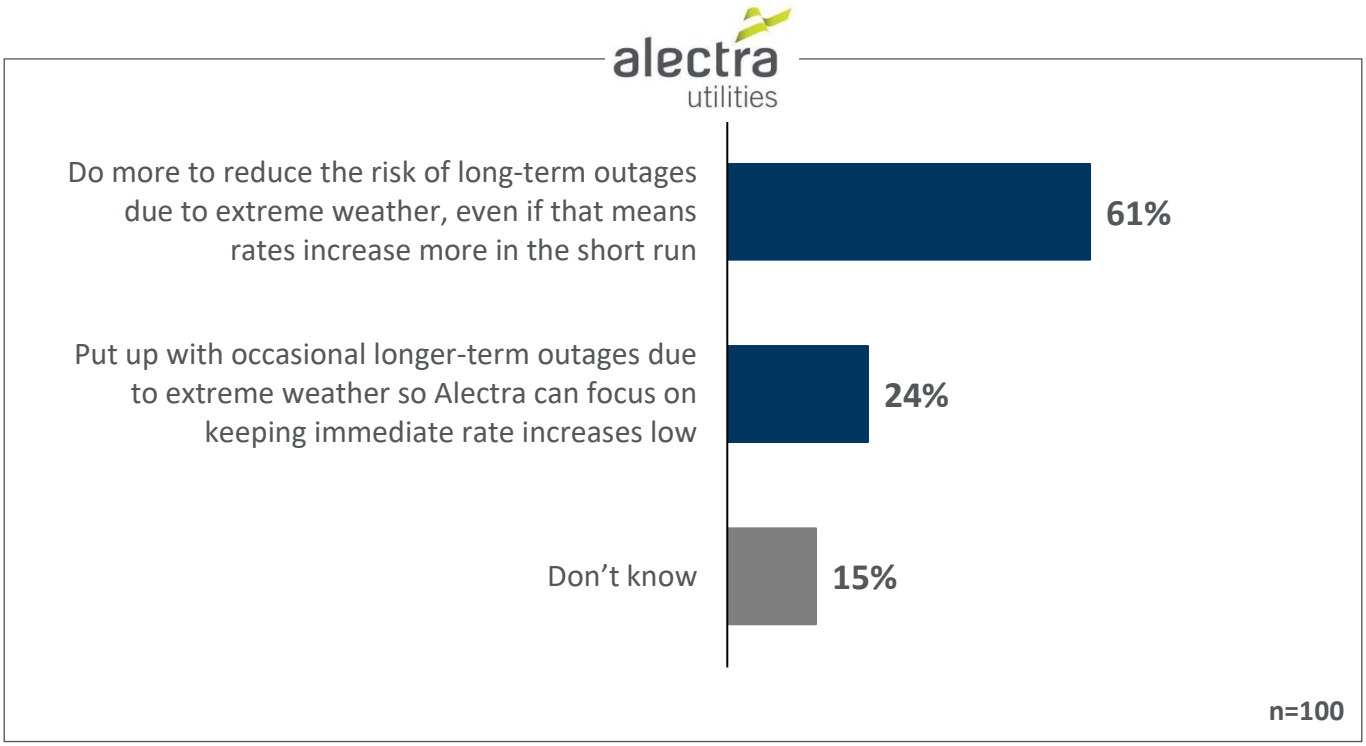
Alectra would like to understand your views when it comes to raising rates to improve resilience to extreme weather.

WORKBOOK PAGE

Online Workbook
Perception on Approach to Grid Resilience

GS>50

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?



	Overall	Rate Zone BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	61%	8	16	7	28
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	24%	3	6	6	7
Don't know	15%	3	8	2	2

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Perception on Approach to Grid Resilience

GS>50

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?

	Overall	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Do more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run	61%	54%	68%
Put up with occasional longer-term outages due to extreme weather so Alectra can focus on keeping immediate rate increases low	24%	25%	23%
Don't know	15%	21%	9%

Online Workbook
Perception on Approach to Grid Resilience

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 92

Gave additional feedback, 8

Verbatims
Balance both options/neither option/find a middle ground
"Again, the focus on this survey seems to be a choice between two negative outcomes. Poor system, low rates. Better system, higher rates. Somewhere between these two choices is the optimum solution. Identify most significant pain points, alleviate them whilst minimizing rate increases. Plan for the future."
"These are horrible options that are being presented. Present more options and then resend the survey. There must be more than just two options for these past few questions asked."
"Alectra should support their customers without having to transfer the cost of the improvements to the customer. Alectra should absorb the cost and provide better service, where the company can save from less disruptions and recover the cost in the long term."
Lower rates
"Rates have already been and are steadily rising. How much more do rates need to increase to "help reduce the risk of long-term outages"? What has been happening with the money generated from the increases over the last 5-7 years?"
"No raises in rates. Find another solution."
Find other solutions to increase resilience (e.g. trim trees, bury wires)
"Alectra should partner with the City's and town where they provide service and…remove a lot of the branches etc. that are hazardous. That would be a significant savings as we are already taxpayers to the City's etc. I would also suggest that a lot of the hydro lines that are being replaced should be buried in the future which would eliminate the need to worry about storms etc. This practice is done all around the world and has been done since the second world war. The area of Bramalea in Brampton has everything buried as part of a pilot project in the 70's while building the subdivision. It's clean, trees don't affect any lines and the only outage they had in the 25 years that I lived in that area was when the grid went completely down in the "Blackout". I think that all future construction should have buried cables."
"Proactively trimming and removing trees is always a good idea…"

Online Workbook
Perception on Approach to Grid Resilience

GS>50

Q Additional Feedback (Optional)

Did not give additional feedback, 92

Gave additional feedback, 8

Verbatims (cont.)
Supportive of investment/move quickly
"A changing climate means that Alectra will need to actively build for resilience in the upcoming years or risk significant outage periods."
Have better management and find efficiencies to fund investments
"Rates are already way too high. Eliminate some of the absurd overhead charges and put that towards ongoing maintenance."
"Yes, but also consider the cost side of the equation. How can labour be made more efficient for example."
Other
"Hey this survey is telling me that you want to increase to cost of hydro and you are telling your justifications why. If this was your household what would you do?"

Alectra Utilities Customer Survey
Planning for the Future

GS>50

Summing It Up

Once your views on the questions in this survey are collected:

- **Alectra will develop a more detailed plan** that identifies the specific investments and costs to deliver particular benefits.
- **Alectra will ask for your feedback on those investment options** in Phase 2 of this customer consultation.

But before the planners start developing those options, **Alectra would like to hear how you feel about this general approach.**

The plan includes some basic table stakes for electrical utilities including:

- A systematic review of Alectra's costs conducted mostly by experts working for the OEB and customer groups, but open to anyone in the public who is interested. The plan must deliver value to customers and demonstrate how Alectra seeks to control costs and related rate increases of proposed investments.
- A program to replace deteriorating equipment that gives priority to areas currently at the greatest risk of outages while addressing the backlog of deteriorated assets.

It also includes initiatives to deal with developments that are changing the electricity system as we have known it.

- Alectra is implementing new technologies that allow customers more control including generating their own electricity, storing their own electricity, identifying opportunities for efficiencies and providing financial incentives to customers willing to help the grid manage periods of peak demand.
- Alectra is also using new technology to modernize the grid, using remote-controlled sensors and switches to identify outages in real time to re-route electricity and restore power more quickly.
- When it comes to the growing number of unusual weather events, new technology can only do so much. Alectra is upgrading key equipment to "harden" the system in order to reduce the severity of outages caused by unusual weather.
- Finally, Alectra is managing the uncertainty in demand for electricity by identifying critical investments to meet unexpected surges in demand.

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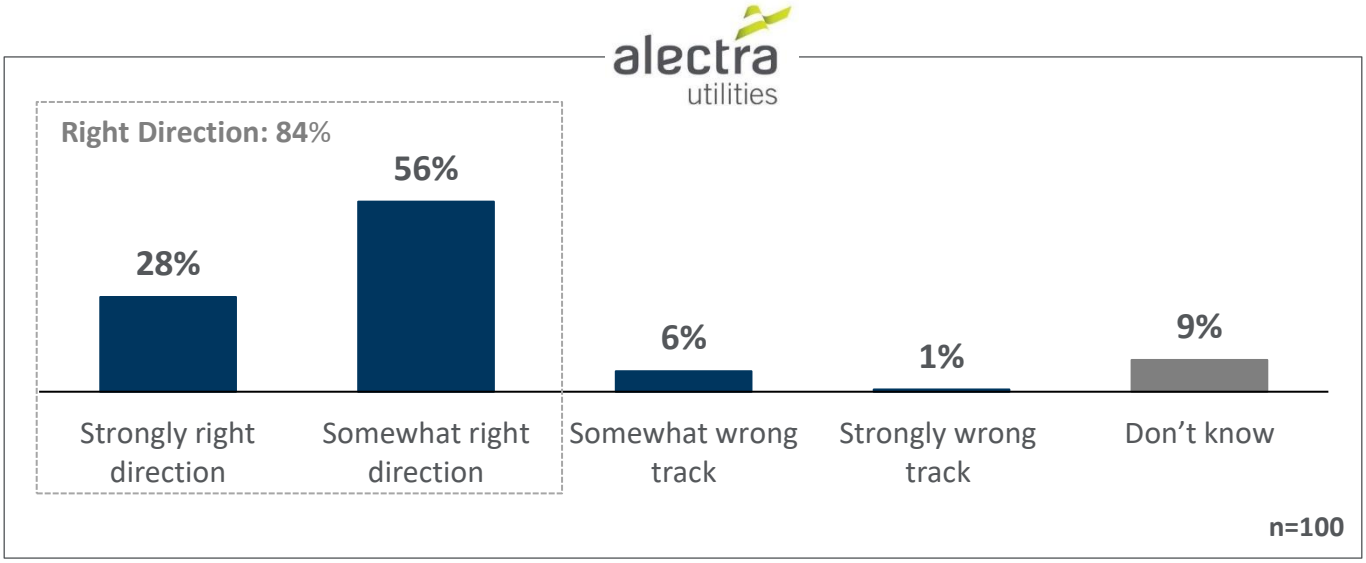
WORKBOOK PAGE

Online Workbook
Approach to Future Investments

GS>50

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?



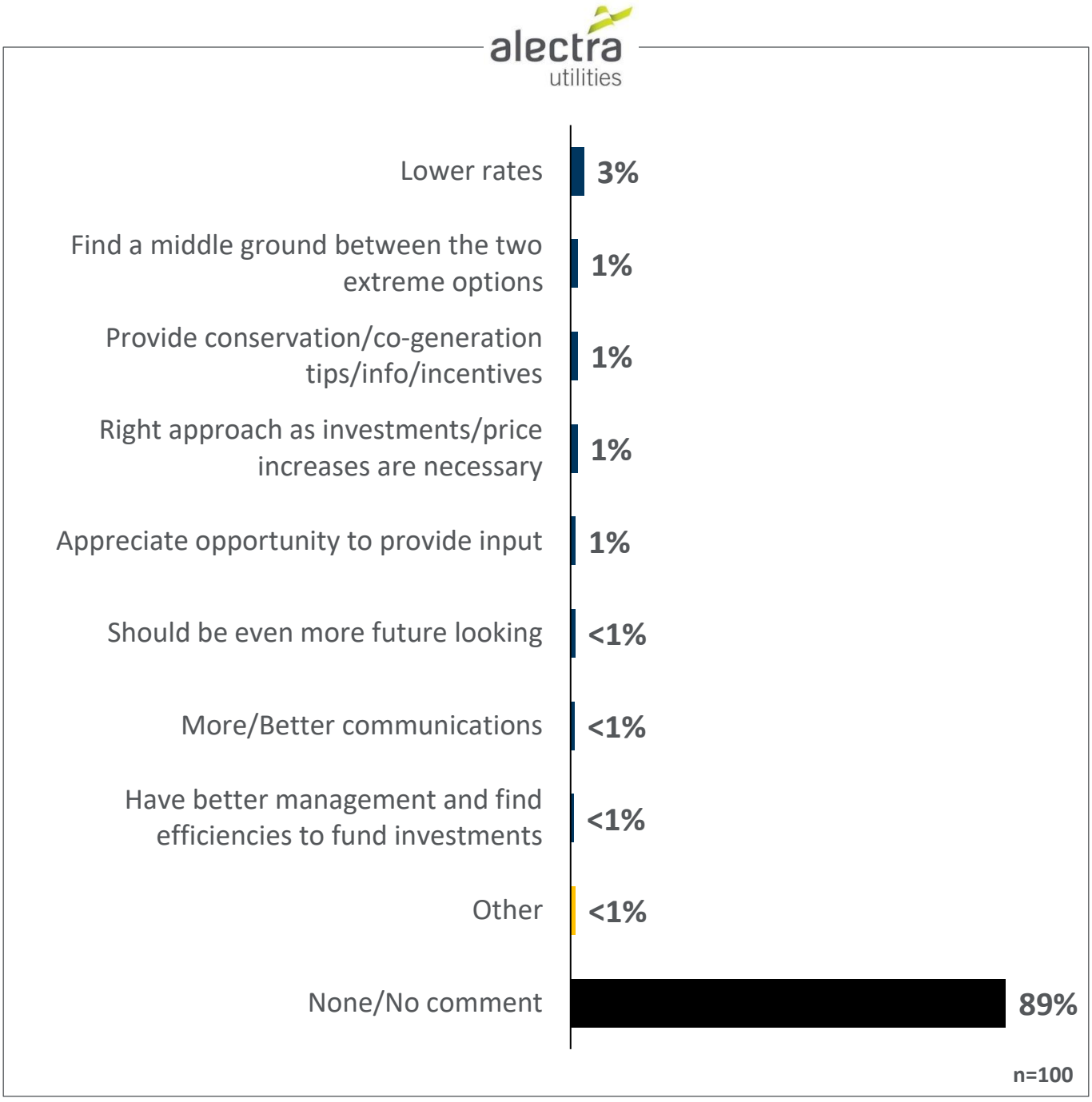
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Strongly right direction	28%	5	10	2	10	21%	35%
Somewhat right direction	56%	7	14	12	21	59%	53%
Somewhat wrong track	6%	1	1	1	4	6%	6%
Strongly wrong track	1%	1	0	0	0	1%	0%
Don't know	9%	0	6	2	2	13%	6%
Right Direction (Strongly + Somewhat Right Direction)	**84%**	**12**	**24**	**14**	**31**	**79%**	**88%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Approach to Future Investments

GS>50

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above? [OPEN]



Online Workbook
Approach to Future Investments

GS>50

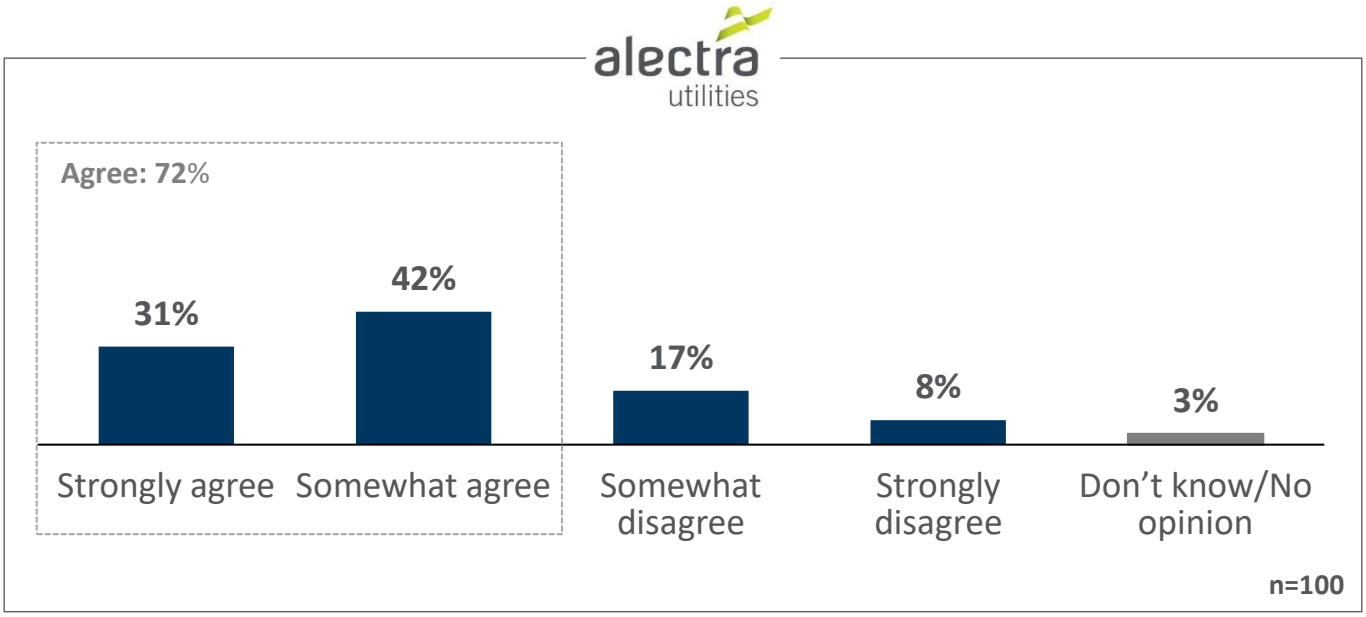
Q Do you have any specific suggestions about how Alectra can improve the approach laid out above? [OPEN]

Sample Verbatims
Lower rates
"Keep rates down because people cannot afford all the increases in the basic necessities."
Find a middle ground between the two extreme options
"I do not agree with the choice of either have poor or outdated service at an existing cost or better service with increased cost. The service should be updated to keep up with the current demand but not at the customer's expense."
Provide conservation/co-generation tips/info/incentives
"Better sharing of information on residential and commercial programs and incentives to customers for grid management program. Agree with improvement to switch management as this allows for best overall restore of power more quickly."
Right approach as investments/price increases are necessary
"Good balanced approach."
Appreciate opportunity to provide input
"Thank you for soliciting customer feedback. I believe this is more productive than listening to the so-called experts [on] HOW to implement the plan. Solutions should be market driven, not dictated by a few experts."
Should be even more future looking
"Put a bit more focus on 'localizing' the grid, partitioning it into interconnected microgrids to enhance local reliability and resilience."
More/Better communications
"More communication."
Have better management and find efficiencies to fund investments
"Do not hire consultants…your own people know what is wrong with the system and how to fix it. Use these funds to hire more people to handle the issues on the street. Enable your internal people to do their job properly, allocating adequate resources to do the job right. Reduce your overhead and focus on maintaining and improving the existing grid."
Other
"Business and residential users need more detailed information in terms of overall approach, before they can input more meaningful comments."

Online Workbook
Impact of Electricity Bill on Finances

GS>50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.



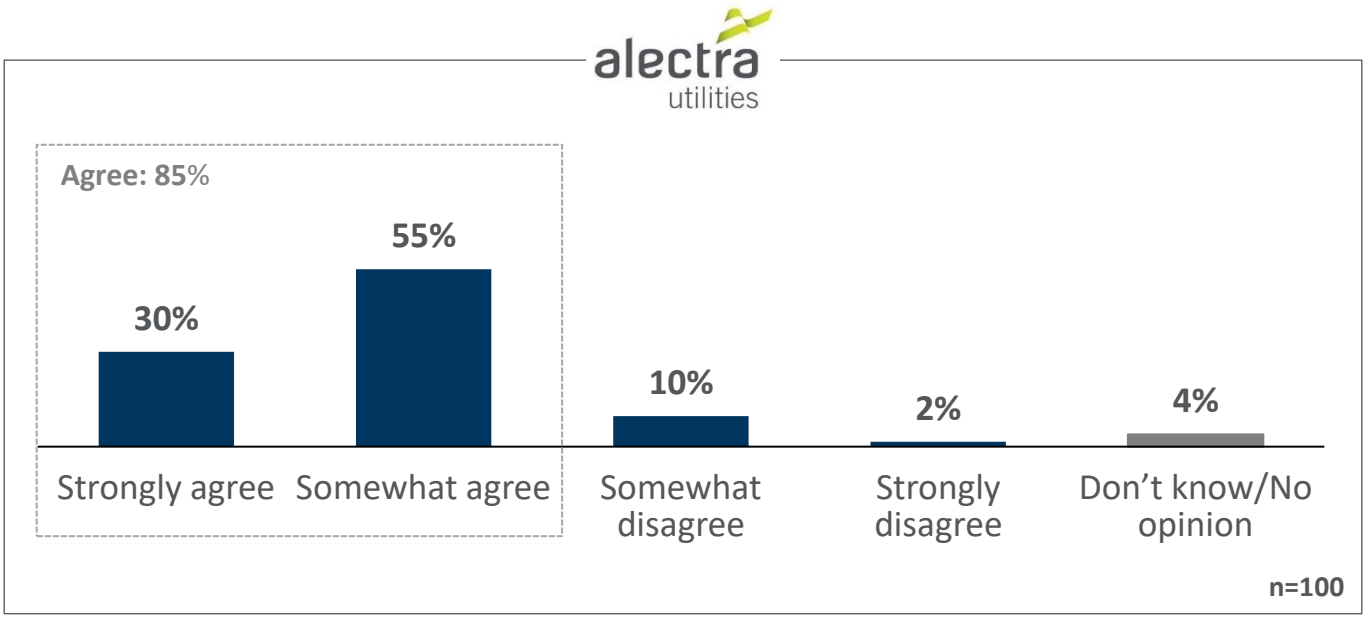
	Overall	Rate Zone: BRZ (n=14)	Rate Zone: ERZ (n=30)	Rate Zone: HRZ (n=16)	Rate Zone: PRZ (n=37)	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Strongly agree	31%	5	7	5	12	28%	33%
Somewhat agree	42%	4	14	7	15	39%	45%
Somewhat disagree	17%	3	4	3	7	21%	13%
Strongly disagree	8%	1	3	1	3	8%	7%
Don't know /No opinion	3%	1	2	0	1	5%	2%
Agree (Strongly + Somewhat Agree)	**72%**	**9**	**21**	**12**	**26**	**67%**	**78%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Electricity System in Ontario

GS>50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Strongly agree	30%	4	7	7	11	29%	31%
Somewhat agree	55%	8	19	7	21	52%	59%
Somewhat disagree	10%	2	2	1	5	14%	5%
Strongly disagree	2%	0	1	1	0	0%	3%
Don't know /No opinion	4%	0	2	1	1	6%	2%
Agree (Strongly + Somewhat Agree)	**85%**	**12**	**26**	**14**	**31**	**81%**	**90%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Feedback on Alectra's survey

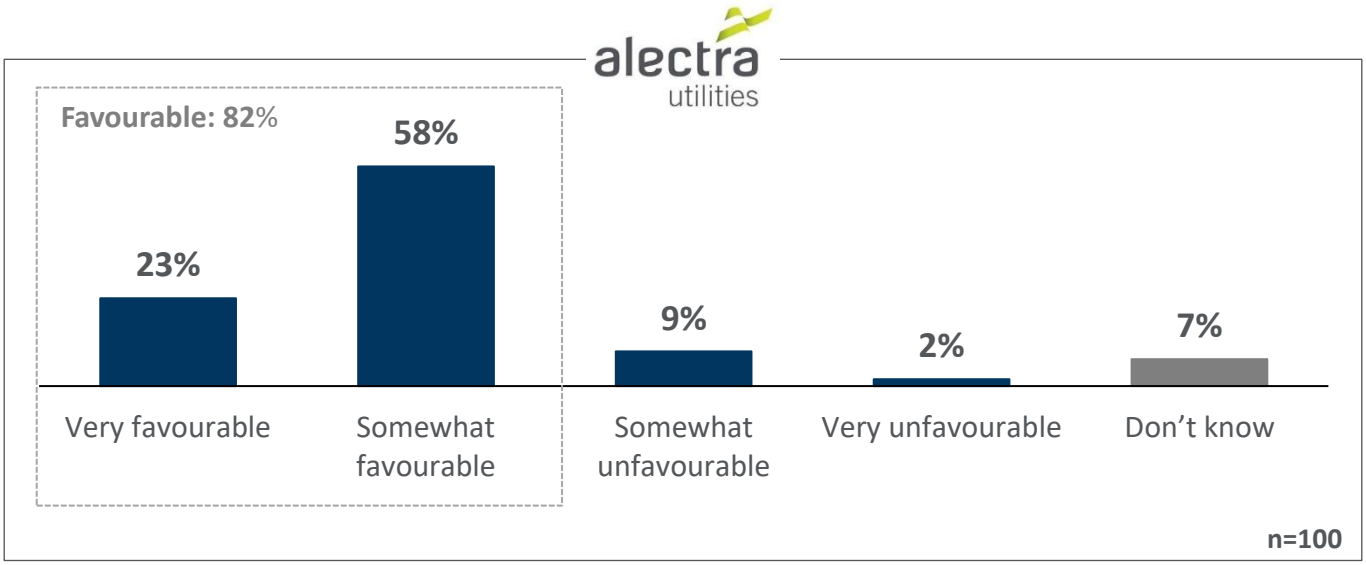
These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

WORKBOOK PAGE

Online Workbook
Impression of Survey

GS>50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=14)	ERZ (n=30)	HRZ (n=16)	PRZ (n=37)	Below Avg. (n=50)	Above Avg. (n=50)
Very favourable	23%	4	7	3	10	22%	24%
Somewhat favourable	58%	7	16	11	23	60%	57%
Somewhat unfavourable	9%	2	3	2	2	7%	12%
Very unfavourable	2%	1	0	1	0	0%	4%
Don't know	7%	1	3	0	3	10%	4%
Favourable (Very + Somewhat Favourable)	**82%**	**11**	**23**	**14**	**32**	**83%**	**81%**

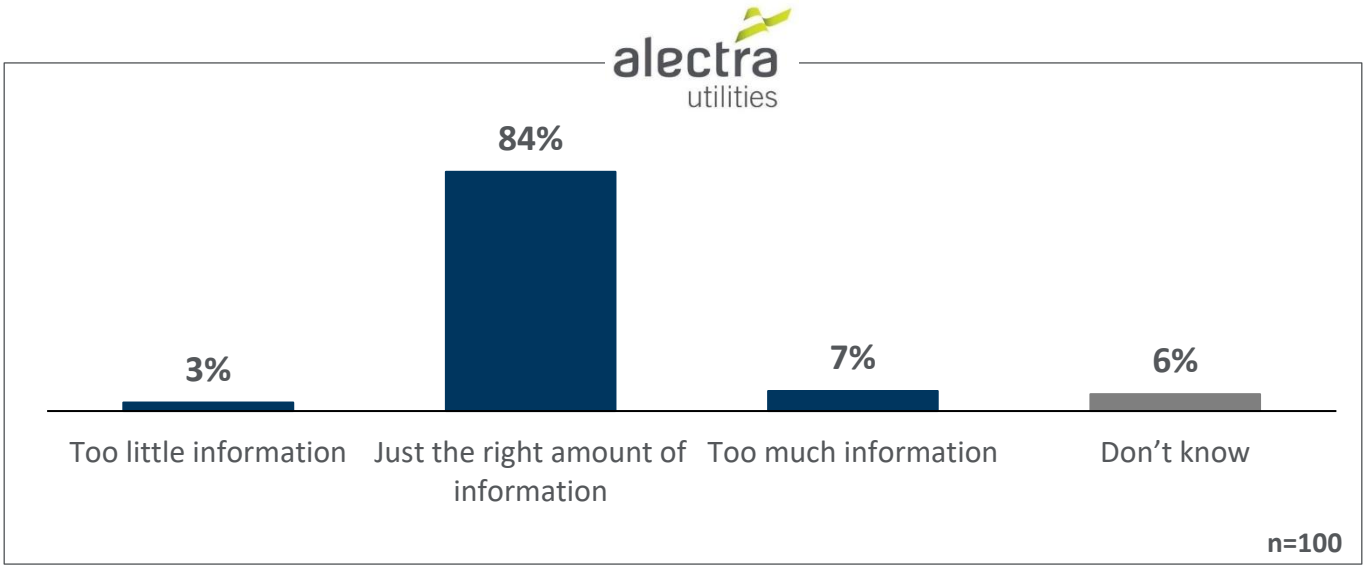
INNOVATIVE RESEARCH GROUP

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Level of Information

GS>50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



	Overall	Rate Zone: BRZ (n=14)	Rate Zone: ERZ (n=30)	Rate Zone: HRZ (n=16)	Rate Zone: PRZ (n=37)	Consumption Quartiles: Below Avg. (n=50)	Consumption Quartiles: Above Avg. (n=50)
Too little information	3%	0	0	2	1	4%	2%
Just the right amount of information	84%	13	24	14	31	82%	86%
Too much information	7%	0	3	1	3	6%	8%
Don't know	6%	0	4	0	2	8%	4%

INNOVATIVE RESEARCH GROUP

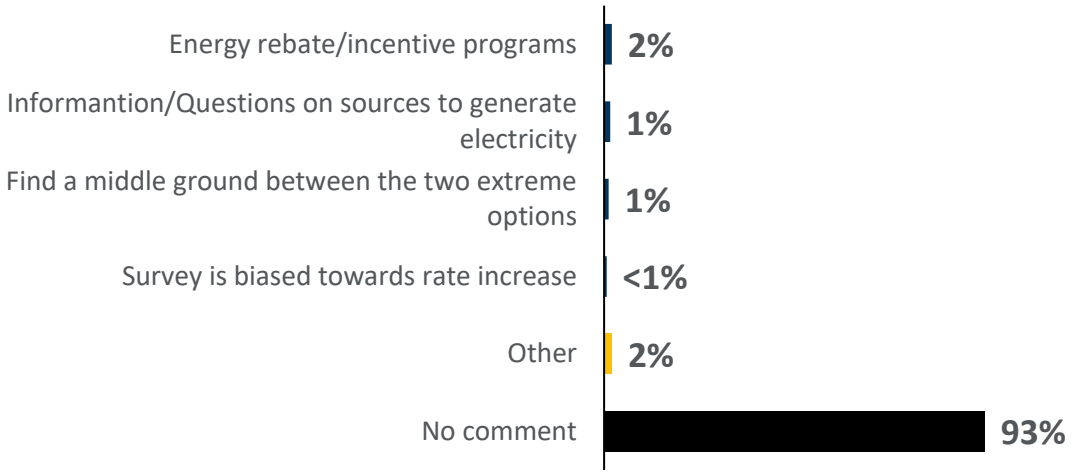
NOTE: Because the sample size of Guelph Hydro rate zone is low (n=3), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Online Workbook
Final Thoughts

GS>50

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

alectra utilities

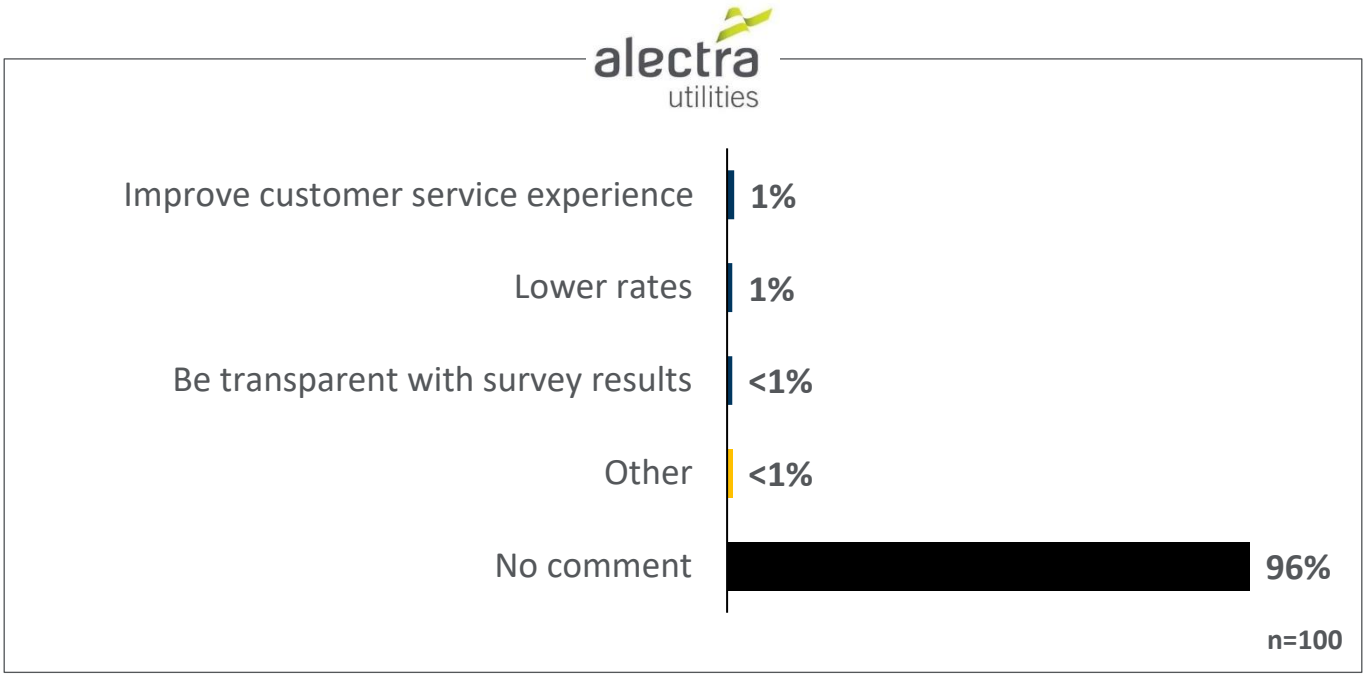


Sample Verbatims
Energy rebate/incentive programs
"Any rebate programs or retrofits available to customers could have been suggested."
Information/Questions on sources to generate electricity
"Information on nuclear powered plants and more are needed."
Find a middle ground between the two extreme options
"As I mentioned in an earlier response, you should have provided more answers to your questions rather than two extreme responses. I do not feel you can gage your customers best interests over only two choices per question. They were too extreme. You did not present enough options as responses."
Survey is biased towards rate increase
"The survey is designed to soften us up for a rate increase. The information is biased."
Other
"Some question/answers are suited more for commercial/industrial and some question/answers were more related to residential responses as there is more opportunity in commercial/industrial to save and pay for additions to the grid and more important to get back going again than there is in residential so some items are important to residential and some are more important to commercial/industrial."

Online Workbook
Final Thoughts

GS>50

Q Is there anything that you would still like answered?
[OPEN]



Verbatims
Improve customer service experience
"Administration of customer accounts is fine until something goes wrong and then it is definitely NOT fine."
"Customer Service [should] outline the services they provide."
Lower rates
"How do we improve our electricity usage without having to spend a lot of money?"
Be transparent with survey results
"Will there be anything done about these survey results?"
Other
"The technology of the survey, when done on a phone, leaves a lot to be desired in some places."

Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Thank you

Thank you for taking the time to provide feedback.

By completing this survey, you will automatically enter into a draw for one of three team breakfasts or lunches, **each valued up to $500.**

If you would like Alectra to share the findings of this survey and let you know how it will be responding to your input, please check the box below and confirm what email address is best used to contact you.

☐ *I would like to learn about the findings of this survey.*

[IF YES]: OE
☐ EMAIL ADDRESS

If you have any additional questions or comments about this survey, please email:
survey@innovativeresearch.ca

WORKBOOK PAGE

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INNOVATIVE RESEARCH GROUP

Online Workbook Report

Appendix

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS 500-4999
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

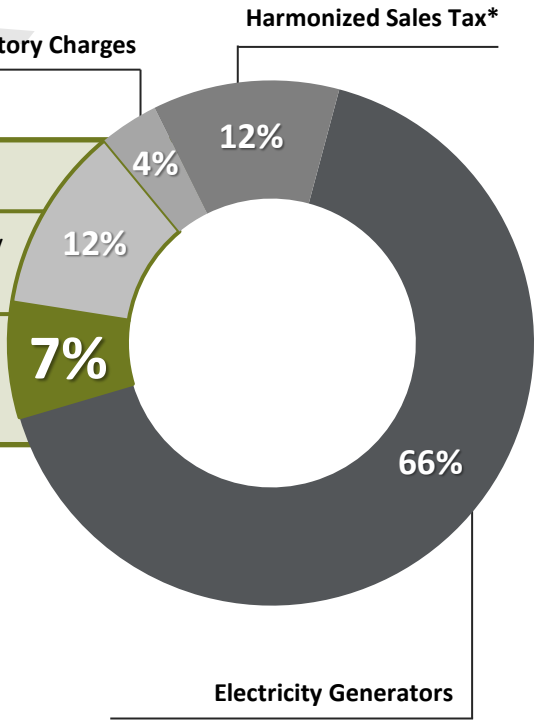
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 627,216 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	69,789.80
Delivery	19,590.02
Regulatory Charges	3,827.01
Total Electricity Charges	**$93,206.83**
HST	12,116.89
Total Amount	**$105,323.72**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$7,422.46



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS 500-4999
ERZ TOU

How much of my electricity bill goes to Alectra?

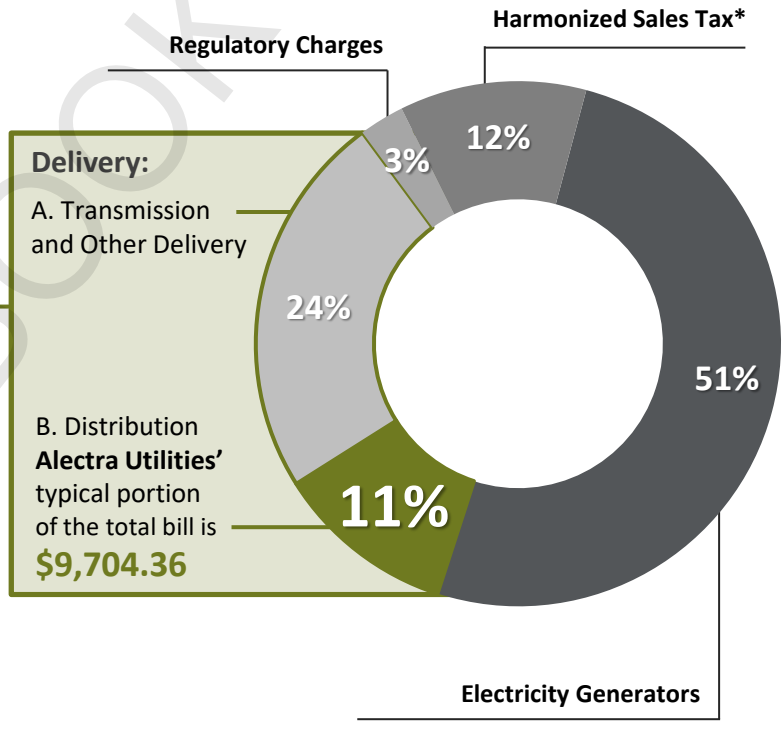
- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 11% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 400,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	44,589.44
Delivery	30,621.53
Regulatory Charges	2,445.21
Total Electricity Charges	**$77,656.18**
HST	10,095.30
Total Amount	**$87,751.48**



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

GS 500-4999
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 6% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

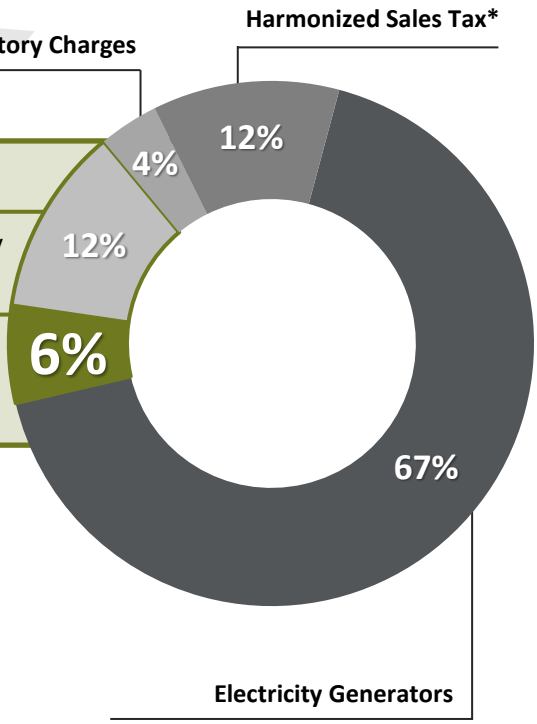
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 489,100 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	53,995.47
Delivery	14,173.07
Regulatory Charges	2,960.97
Total Electricity Charges	**$71,129.50**
HST	9,246.84
Total Amount	**$80,376.34**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$4,799.19



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

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APPENDIX 05

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

Large Use Needs and Preferences Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Online Survey
Survey Design & Methodology

Large Use

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Large Use Online Workbook Completes

100% (33) of all 33 large use customer accounts provided Alectra with an email address. All emails are unique with no duplicate email addresses.

All the large use customers received an email invitation to the **Large Use Online Workbook**. The email invitation included a unique survey URL that linked back to their rate class and rate zone. Alectra administered all email invitations. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **March 6th and May 2nd, 2024**.

A total of **13** (unweighted) customers completed the online workbook.

Incentives

All business customers, including GS<50kW, GS>50kW, and Large Use customers, who completed the survey from March 6th to April 2nd were invited to enter a draw to win one of three prizes. Each prize consisted of a team breakfast or lunch up to a maximum value of $500.

To increase the response rate, INNOVATIVE structured a more direct incentive for customers who filled out the survey from April 3rd to May 2nd. Those who completed the survey then received a $50 gift card for a food delivery service.

Online Survey
Survey Design & Methodology

Survey Respondents

Individual large use customer responses were anonymous and no identifiable respondent information was shared with Alectra. Responses were combined to protect the confidentiality of individual customers.

Given the limited customer base of Large Use customers (n=33), the results of the sample (n=13) are presented in n sizes, not in percentages. In addition, the sample was not weighted.

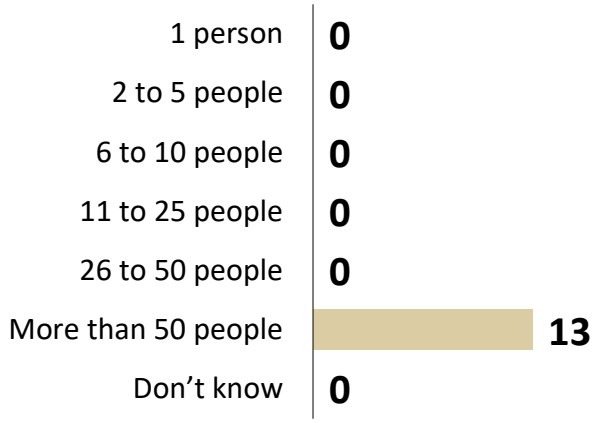
The table below summarizes the unweighted sample breakdown by rate zone.

Rate Zone	# of large use customers who completed the workbook
Hydro One Brampton (BRZ)	3
Enersource (ERZ)	4
Guelph Hydro (GRZ)	2
Horizon (HRZ), including Horizon Dedicated Assets	3
PowerStream (PRZ)	1
Total	13

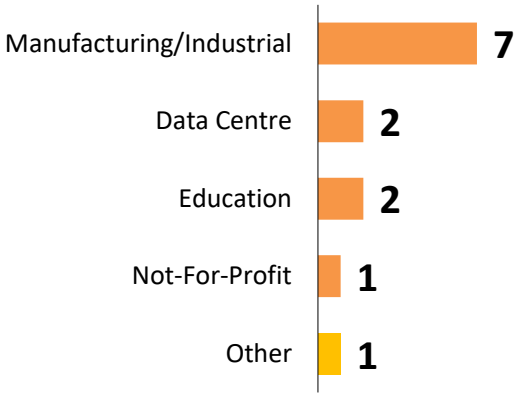
Online Survey
Firmographic Breakdown

Large Use

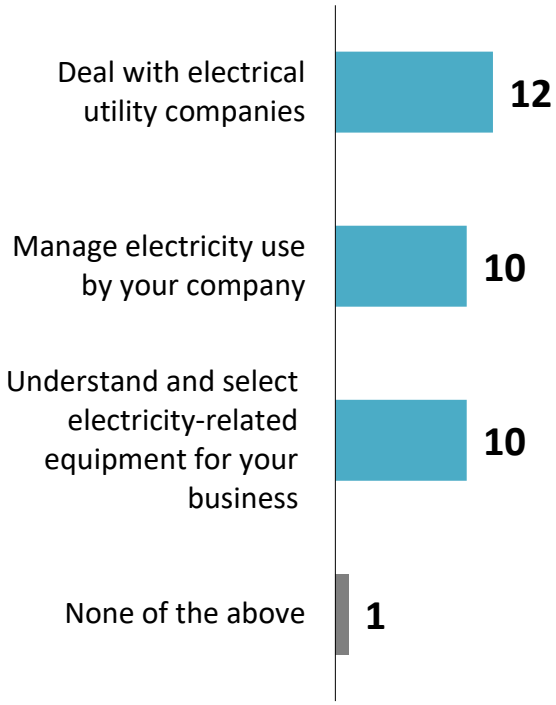
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total responses in the chart add up to more than the total number of survey respondents (n=13).

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

Large Use

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan. This plan will determine the investments in equipment and infrastructure, the services it provides, and the rates you pay.

Your input will focus on three things:

1. **Your experience with Alectra and how they can do better.**
2. **What outcomes matter most to your organization.**
3. **Different energy choices that Alectra planners need to consider.**

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions. If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

PAGE CONTINUES ON NEXT SLIDE

WORKBOOK

Alectra Utilities Customer Survey
Planning for the Future: About this Survey

Large Use

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

As a company accountable to the provincial energy regulator, **the Ontario Energy Board (OEB),** all views and results will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of organizations like yours.

Your individual responses will be kept confidential. Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future

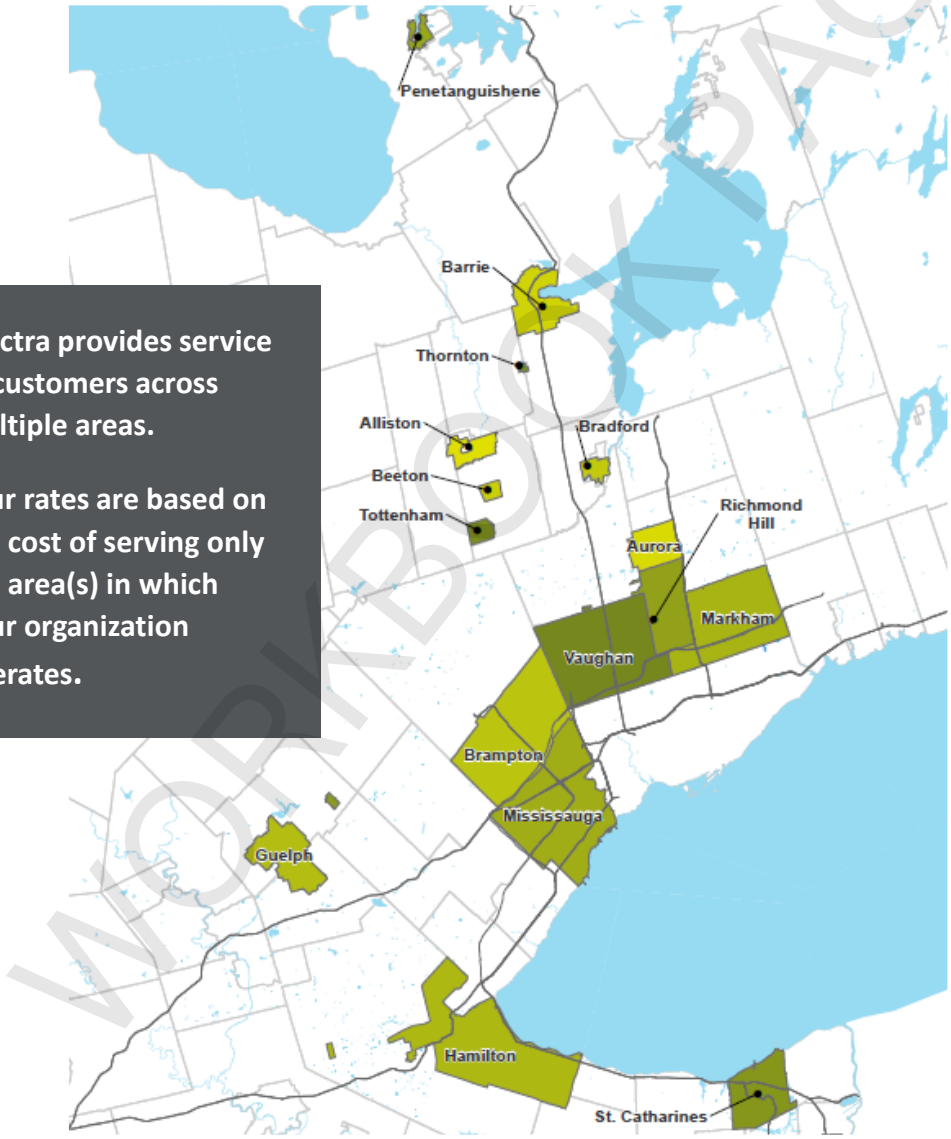
Large Use

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Alectra provides service to customers across multiple areas.

Your rates are based on the cost of serving only the area(s) in which your organization operates.



WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

What is Alectra's role in Ontario's electricity system?

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation
Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission
How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution
How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: distributing electricity to customers through our distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of primary underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

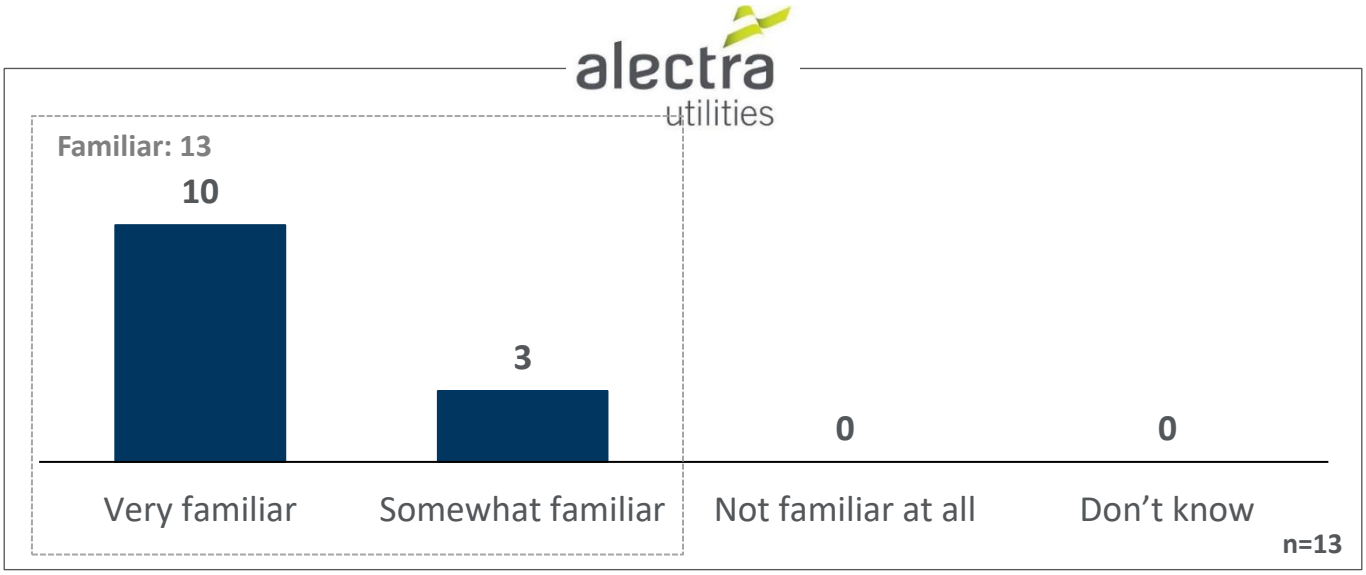
WORKBOOK PAGE

Online Workbook

Familiarity with Ontario's Electricity Distribution System

Large Use

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?

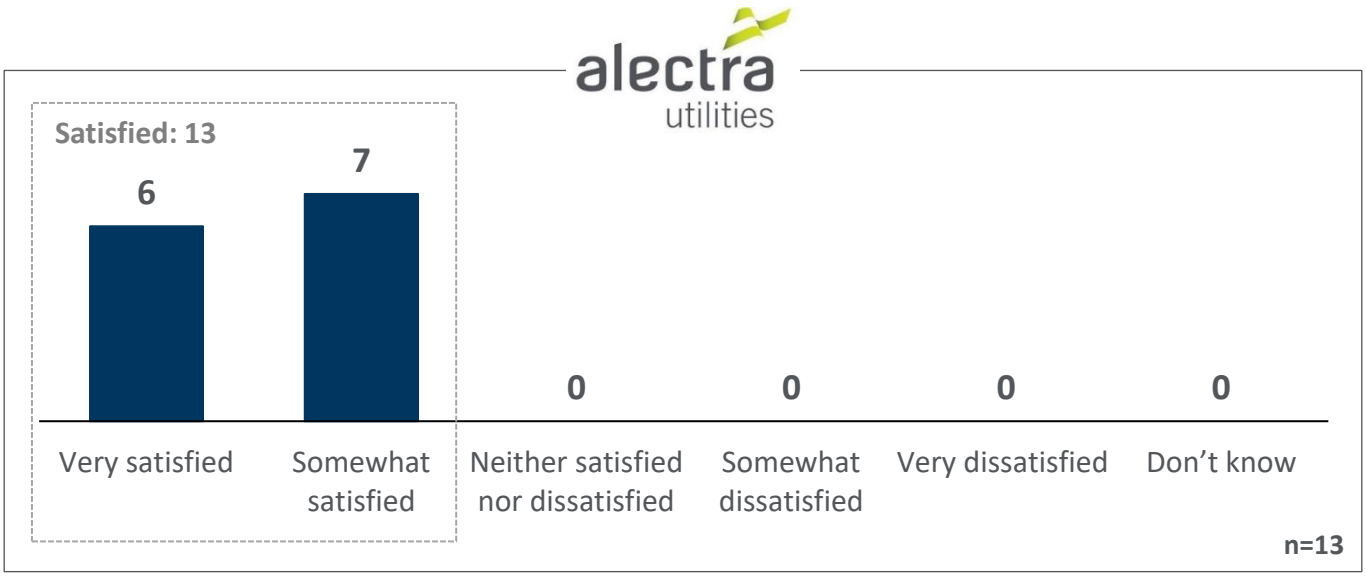


Online Workbook

Satisfaction with Services from Alectra Utilities

Large Use

Q Generally, how satisfied or dissatisfied are you with the services your organization receives from Alectra Utilities?

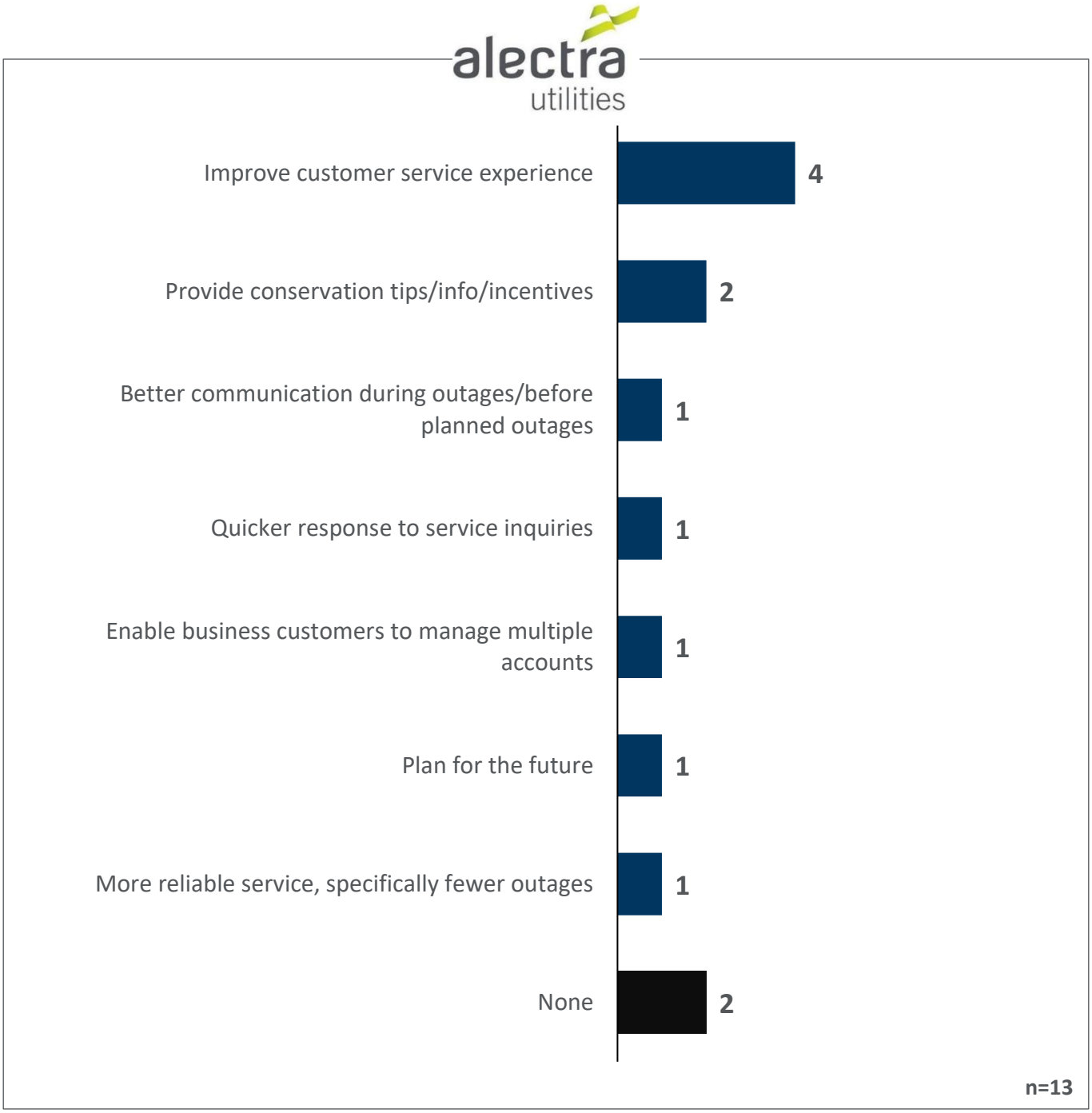


INNOVATIVE RESEARCH GROUP

Online Workbook
Areas for Improvement

Large Use

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]



Online Workbook
Areas for Improvement

Large Use

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to your organization? [OPEN]

Verbatims
Improve customer service experience
"Response times are often lengthy and require follow-ups."
"Although satisfied over the years it is a struggle this year to receive approval for the install of a 10MVA transformer. There has been a report between our facility and Alectra in the past however; [reporting] seems to have diminished recently."
"Quicker response to inquiries."
"More communication on when the online portal is being updated and how individuals will be affected."
Provide conservation tips/info/incentives
"Monthly bill review with ideas on how to improve."
"Meeting quarterly to review the services and opportunities to electricity reduction."
Better communication during outages/before planned outages
"At times when service is out we can't get an update other than by website or twitter, etc. As a huge customer with 4500 residents on [location], we need better information."
Quicker response to service inquiries
"Response time to new construction requests is too slow."
Enable business customers to manage multiple accounts
"General customer service and website functionality are geared toward residential (or organizations with few accounts). Since the [customer] has over a thousand accounts - sometimes the limitations on forms, requests, getting information can be difficult. The new website designed is especially limiting at this moment for customers with many account numbers and services."
Plan for the future
"Significant additional capacity, far beyond what's available in the local transmission system and on the feeders today, is likely required in the next 3-5 years. Being ready to deliver on that would be of service to our organization."
More reliable service, specifically fewer outages
"Frequency of momentary outages we experience on [location] and results in business disruption to teaching and research."

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 5% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 10,220,000 kWh)

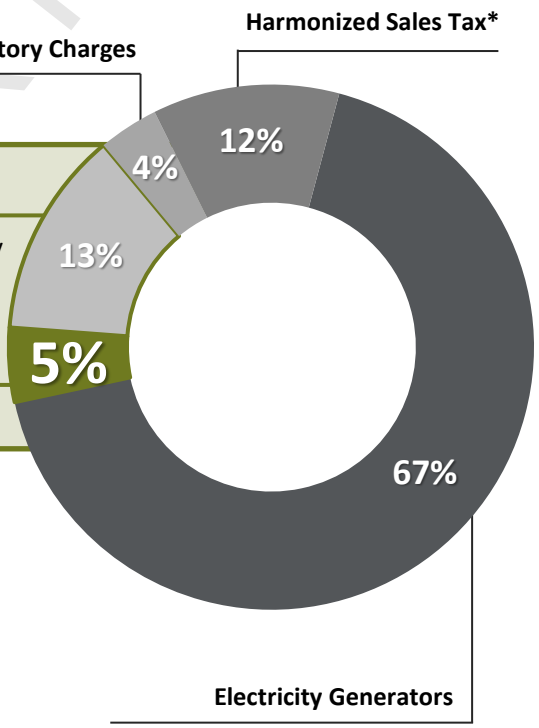
Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges

Electricity	1,115,617.24
Delivery	286,487.62
Regulatory Charges	61,172.57
Total Electricity Charges	**$1,463,277.44**
HST	190,226.07
Total Amount	**$1,653,503.50**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$75,369.62



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
ERZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

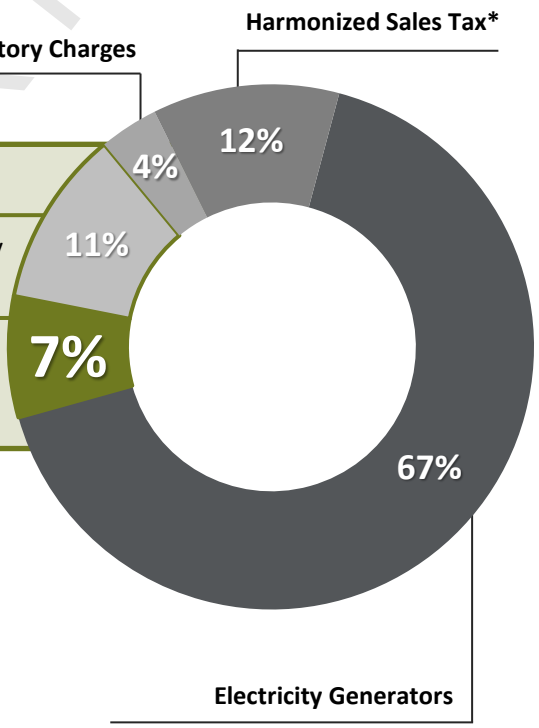
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 3,000,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	327,480.60
Delivery	90,344.25
Regulatory Charges	17,956.90
Total Electricity Charges	**$435,781.75**
HST	56,651.63
Total Amount	**$492,433.38**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$36,626.75



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

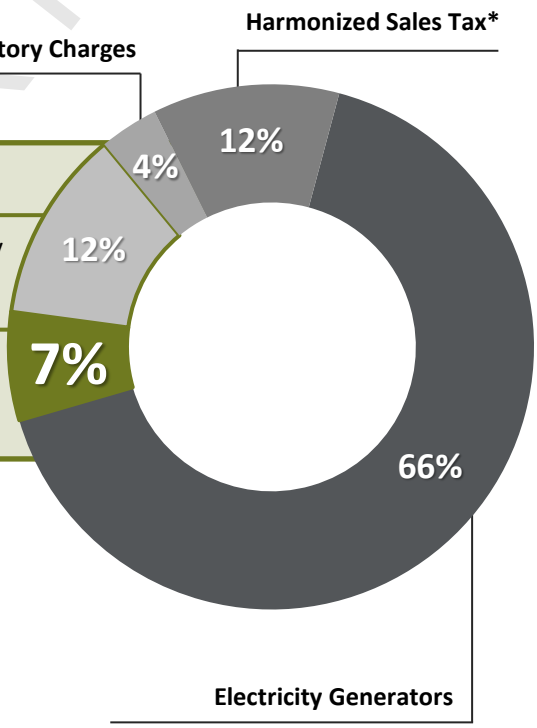
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 4,215,750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	459,829.22
Delivery	128,507.94
Regulatory Charges	25,213.93
Total Electricity Charges	**$613,551.10**
HST	79,761.64
Total Amount	**$693,312.74**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$46,079.19



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
HRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 9% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

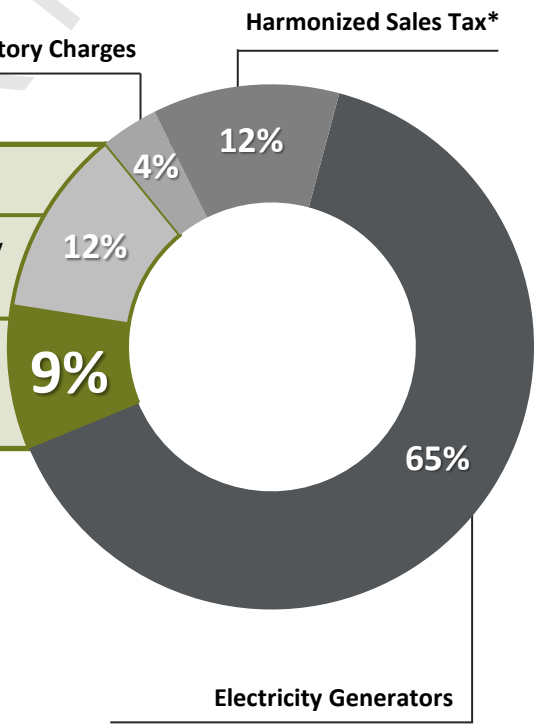
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2,555,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	279,316.69
Delivery	87,794.39
Regulatory Charges	15,315.94
Total Electricity Charges	**$382,427.02**
HST	49,715.51
Total Amount	**$432,142.53**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$37,516.64



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
HRZ Dedicated
Assets TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 1% of the typical Large Use (with dedicated assets) customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 10,220,000 kWh)

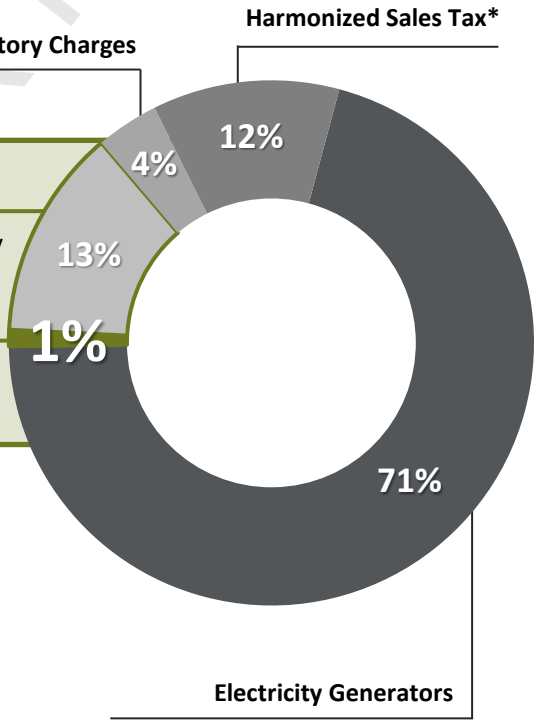
Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges

Electricity	1,117,266.75
Delivery	221,483.63
Regulatory Charges	61,263.02
Total Electricity Charges	**$1,400,013.40**
HST	182,001.74
Total Amount	**$1,582,015.14**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$15,986.63



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Alectra Utilities Customer Survey
Planning for the Future: Rates 101

Large Use
PRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

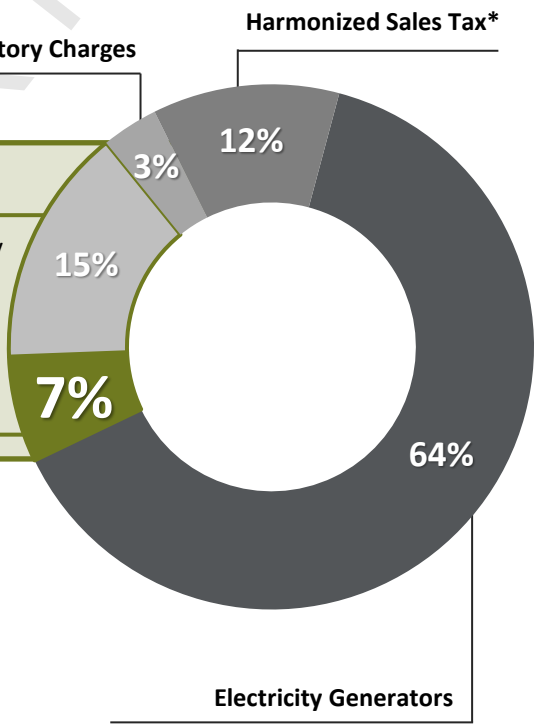
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2,800,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	305,648.56
Delivery	102,126.39
Regulatory Charges	16,759.79
Total Electricity Charges	**$424,534.74**
HST	55,189.52
Total Amount	**$479,724.26**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$31,320.17



NOTE: Graph may not total 100% due to rounding.

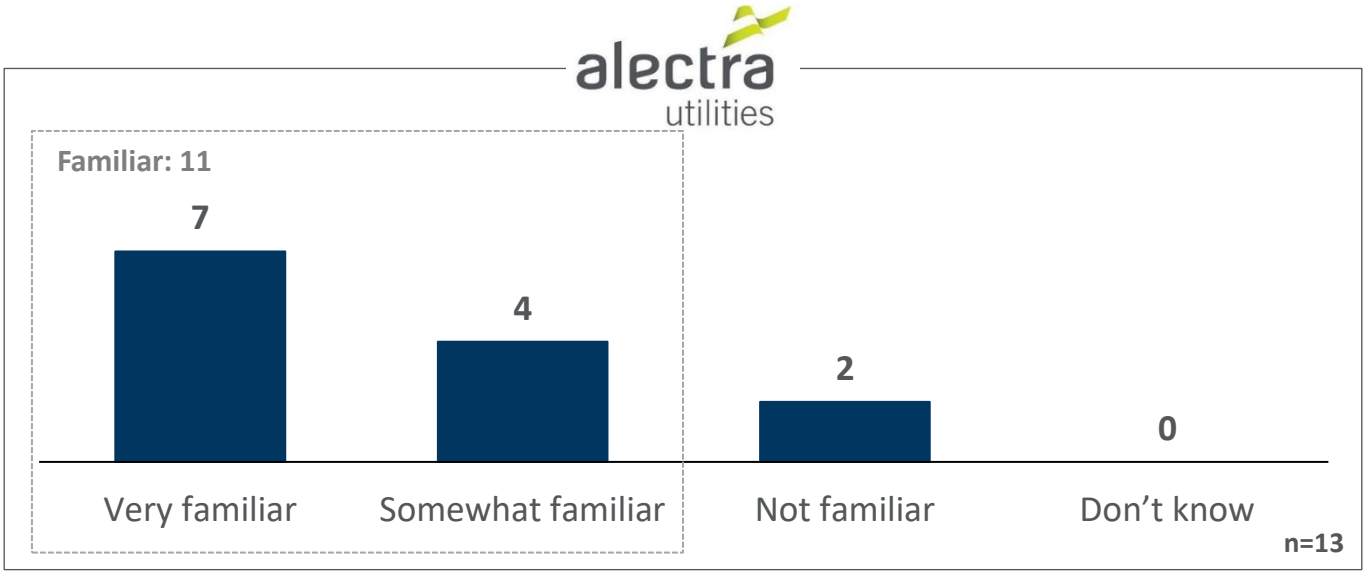
WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone.

Online Workbook
Familiarity with Electricity Bill

Large Use

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?

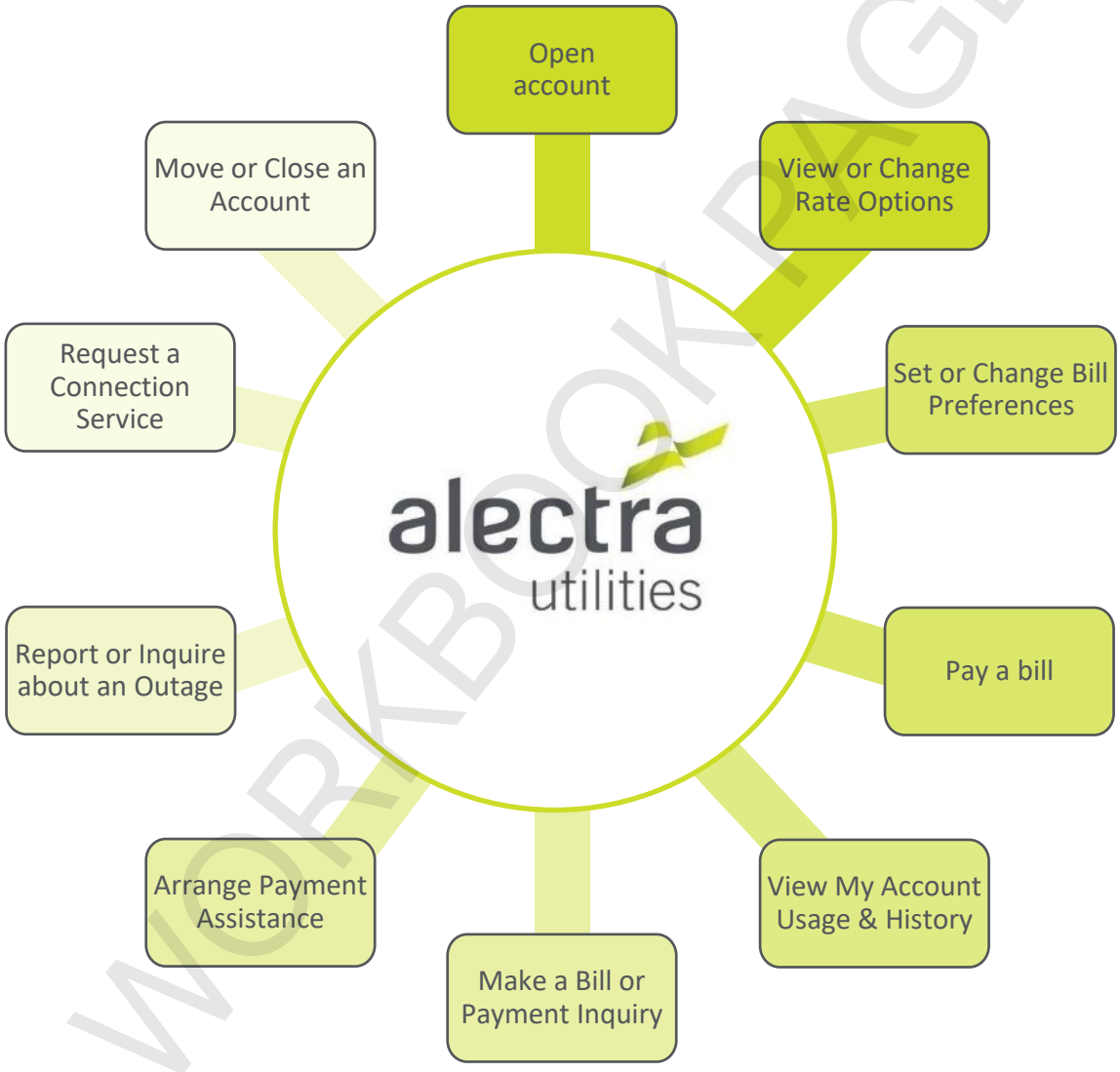


Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Customer Service Experience

There are many ways that customers interact with Alectra. The diagram below is based on previous customer feedback and intended to help you recall various ways you may have interacted with Alectra – across Web, Phone, Email, Social media, and In-Person experiences.

Please review and then answer the questions below to help Alectra ensure they have fully captured customer needs.

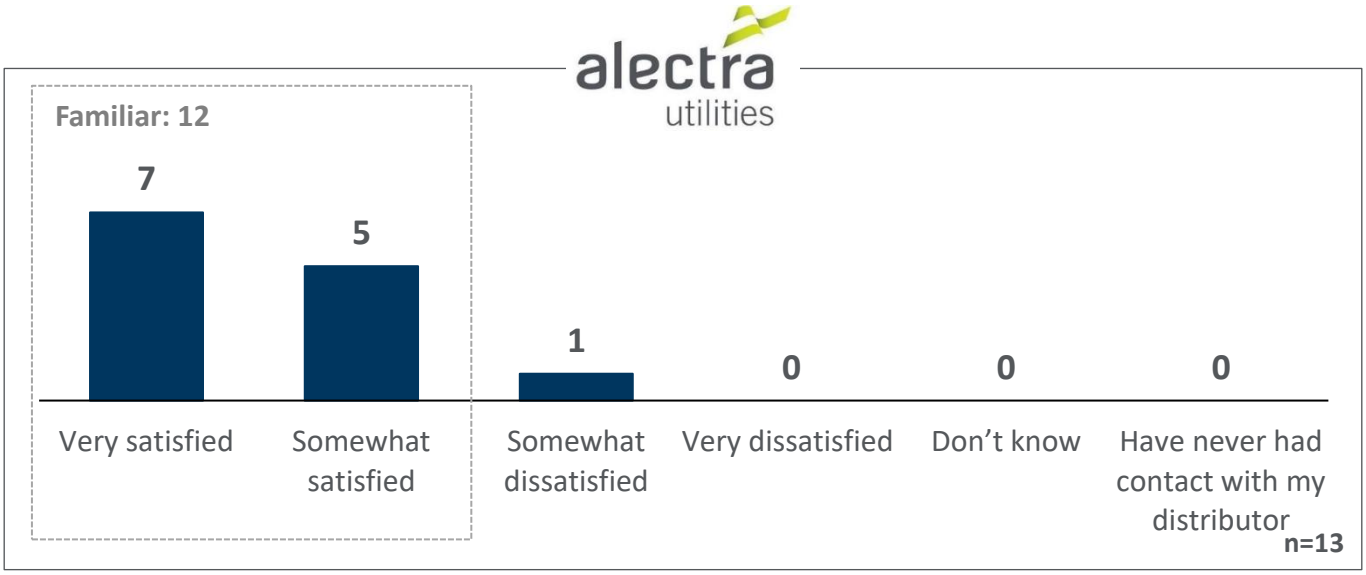


WORKBOOK PAGE

Online Workbook
Satisfaction with Customer Service Experience

Large Use

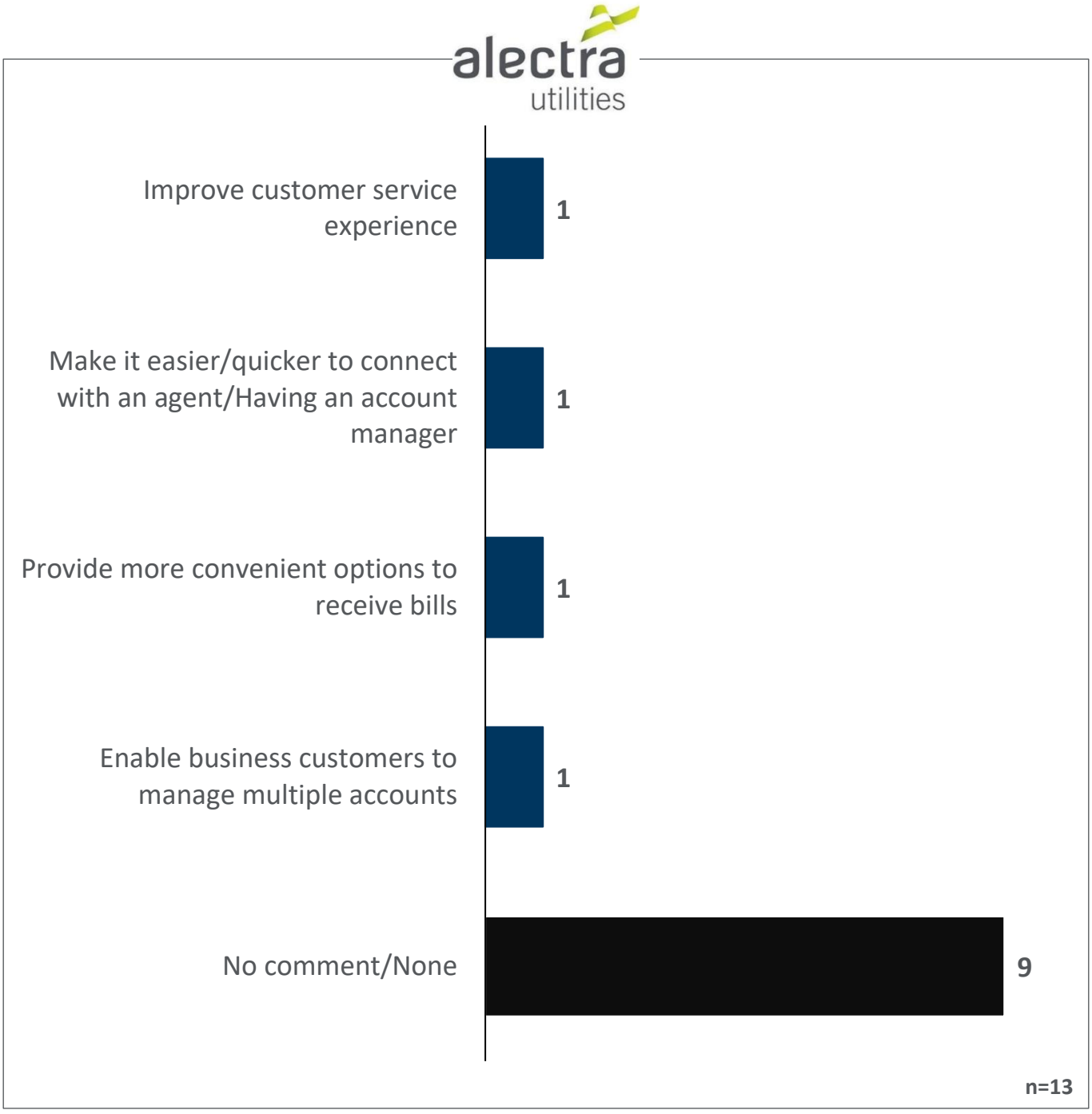
Q Thinking about all the interactions your organization may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?



Online Workbook
Meeting Customers' Needs

Large Use

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?



Online Workbook
Meeting Customers' Needs

Large Use

Q Thinking about all the interactions your organization may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Verbatims
Improve customer service experience
"Response times are often lengthy and require follow-ups."
Make it easier/quicker to connect with an agent/Having an account manager
"It is often challenging for customers to know the appropriate contacts within big organizations like Alectra especially in the absence of a single customer contact."
Provide more convenient options to receive bills
"A better tool to review and download corporate invoices online."
Enable business customers to manage multiple accounts
"Most phone interactions are pleasant but Alectra reps have "script" like they are dealing with a customer with single or few accounts or few staff, so it sometimes does make it difficult to obtain needed information or make changes to all accounts - one example, changing a billing address across all accounts. And, mentioned - the website is geared to few accounts as well, and seems to be missing functionality with the recent changes. Thinking of search functions, the ability to download billing or demand data."

Alectra Utilities Customer Survey
Planning for the Future: Electricity 101

Large Use

How are electricity distribution rates set?

The electricity industry in Ontario is regulated by the Ontario Energy Board (OEB). The OEB sets electricity rates in Ontario.

- Electricity distributors are funded by the distribution rates paid by their customers. Periodically, distributors are required to file rate applications with the OEB to justify the amount of funding they need to safely and reliably distribute electricity to their customers.
- The OEB requires Alectra to consider customers' needs, outcomes and preferences as Alectra develops its' business and distribution system plan, including spending and investment decisions.
- Customers like you will have at least three opportunities to provide input into Alectra's long term planning process:

How customer input guides Alectra's planning process:

1. **Customers Identify Needs, Preferences and Priorities**
   Customers provide initial input to Alectra's planners through this survey on your needs and priorities.
2. **Use Customer Feedback to Guide the Draft Plan**
   Alectra's planners will consider views from this survey as they develop their initial plans.
3. **Customers Provide Feedback on the Draft Plan**
   Customers provide feedback on how the draft plan could better meet their needs and preferences.
4. **Use Customer Feedback to Finalize the Plan**
   Alectra's planners will re-examine the draft plan and make changes based off of feedback provided by customers in Step 3.
5. **Submit the Plan to the Ontario Energy Board (OEB)**
   Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

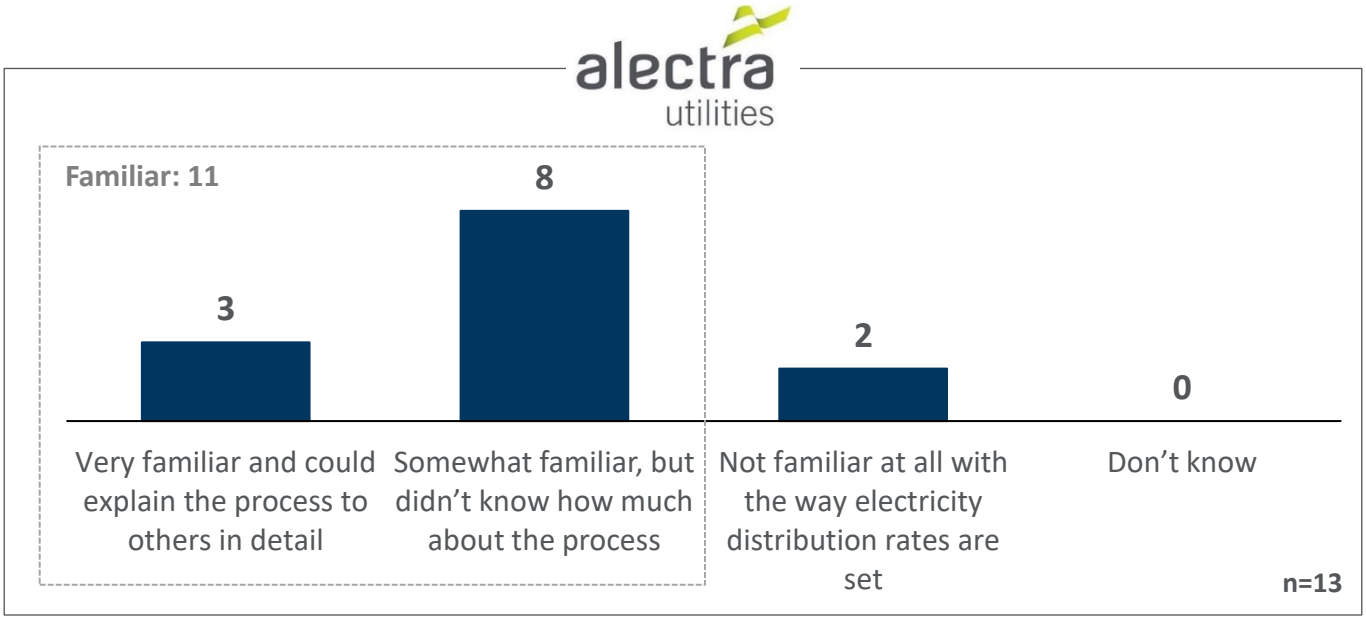
Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Online Workbook
Familiarity with Electricity Distribution Rates

Large Use

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

What are the goals you want Alectra Utilities to focus on?

Now let's talk about outcomes. Alectra Utilities talks to customers to better understand how it should set spending priorities with the money customers pay for service.

In recent conversations with customers, a number of possible goals were identified as potential priorities for Alectra Utilities. Below you will find a list of these potential priorities.

WORKBOOK PAGE

Online Workbook
Priorities

Large Use

Q How important are each of these to your organization?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Deliver reasonable electricity distribution prices.	***Deliver reasonable electricity distribution prices.***
Provide reliable electrical service.	***Provide reliable electrical service.***
Help customers manage their power consumption.	***Help customers better manage their electricity consumption.***
Minimize impact on the environment.	***Minimize impact on the environment.***
Protect the safety of customers and employees.	***Protect the safety of customers and employees.***
Consistently meet customer service expectations.	***Consistently meet customer service expectations.***
Help customers adopt new technology.	***Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.***
Expand the grid to enable adoption of new tech.	***Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.***

Online Workbook
Priorities

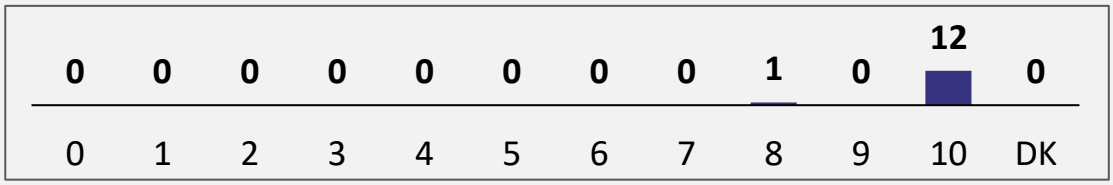
Large Use

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

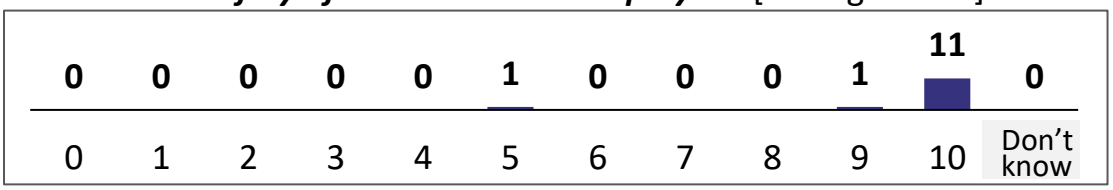
alectra utilities

n=13

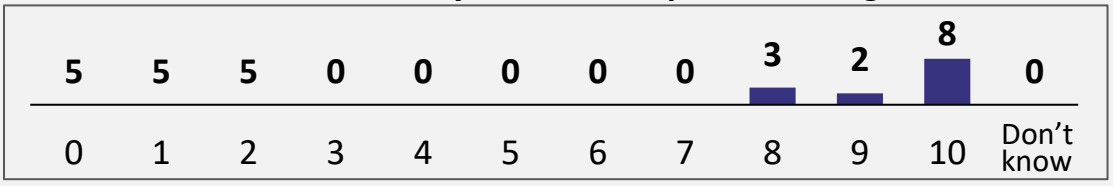
Provide reliable electrical service [average = **9.8**]



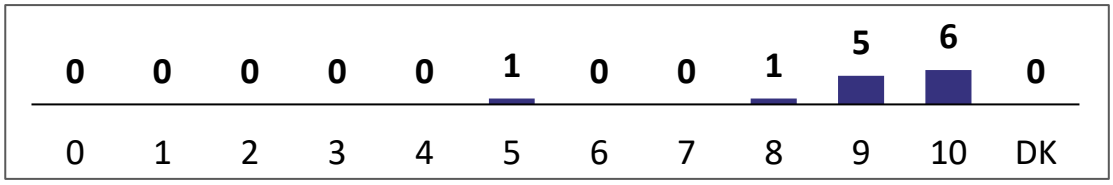
Protect the safety of customers and employees [average = **9.5**]



Deliver reasonable electricity distribution prices [average = **9.4**]



Consistently meet customer service expectations [average = **9.1**]



NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

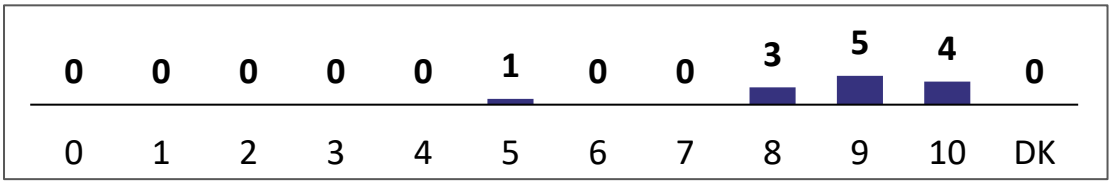
Large Use

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

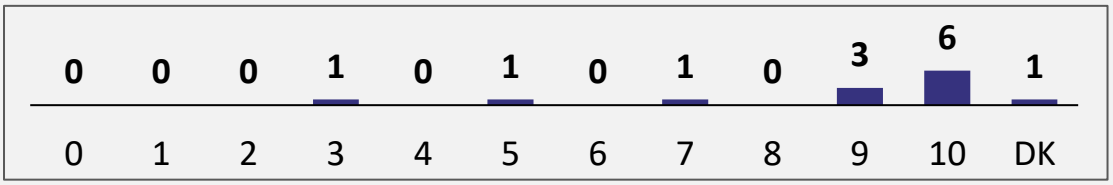
alectra utilities

n=13

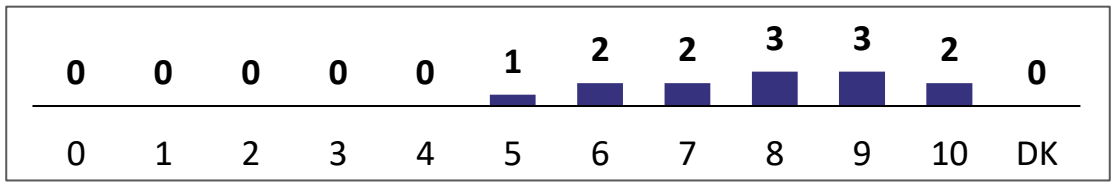
Minimize impact on the environment [average = **8.8**]



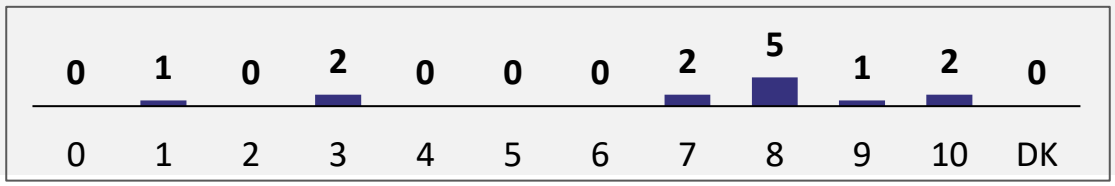
Expand the grid to enable adoption of new tech [average = **8.5**]



Help customers adopt new technology [average = **7.8**]



Help customers manage their power consumption [average = **6.9**]



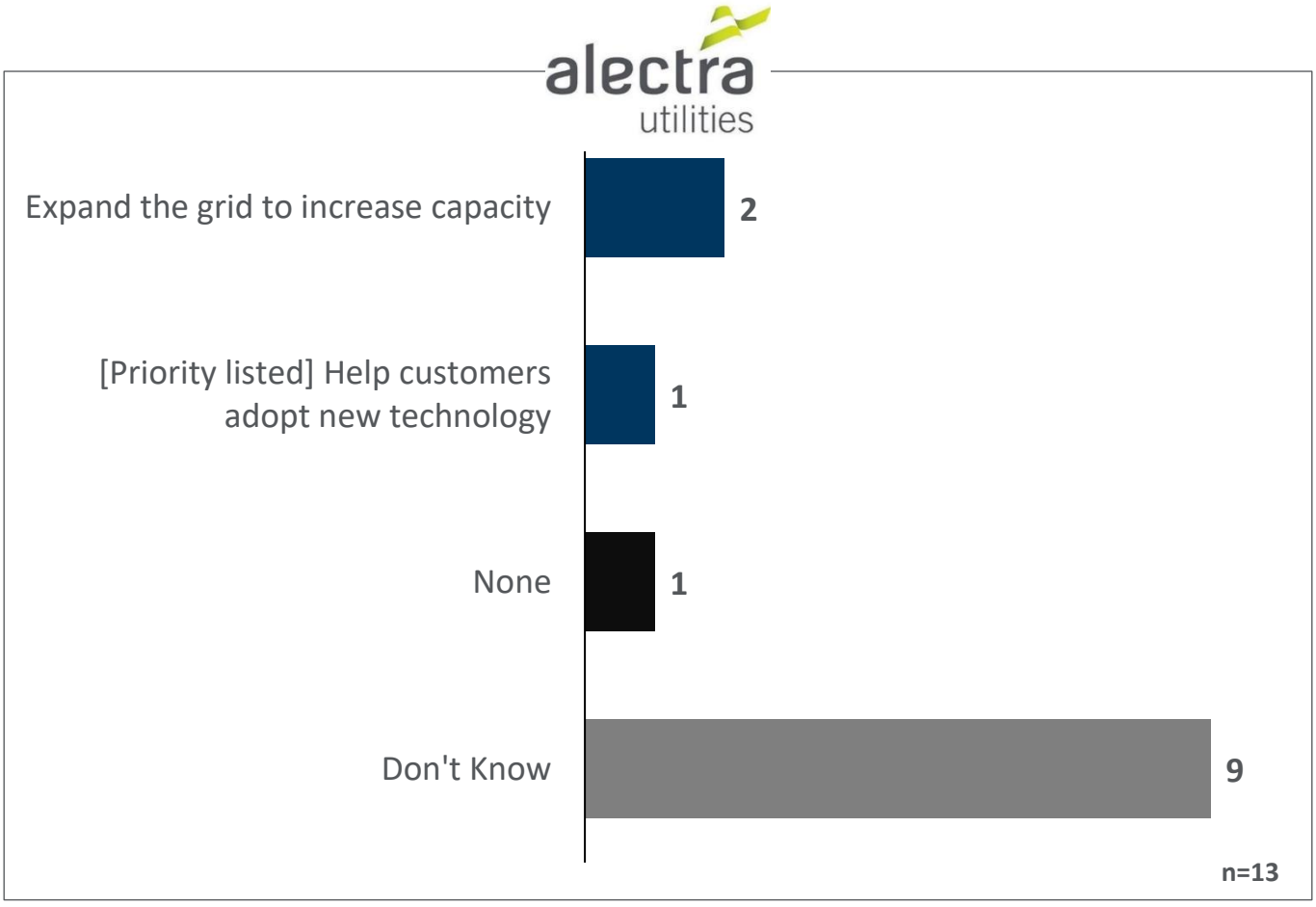
NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Other Priorities

Large Use

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]



Verbatims
Expand the grid to increase capacity
"Expand transmission system capacity and feeder distribution capability to provide power for large user facilities with growing demand."
"Expansion of capacity will be a key for [customer] in order to electrify heating."
[Priority listed] Help customers adopt new technology
"Incentives to implement the projects."

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Setting Priorities

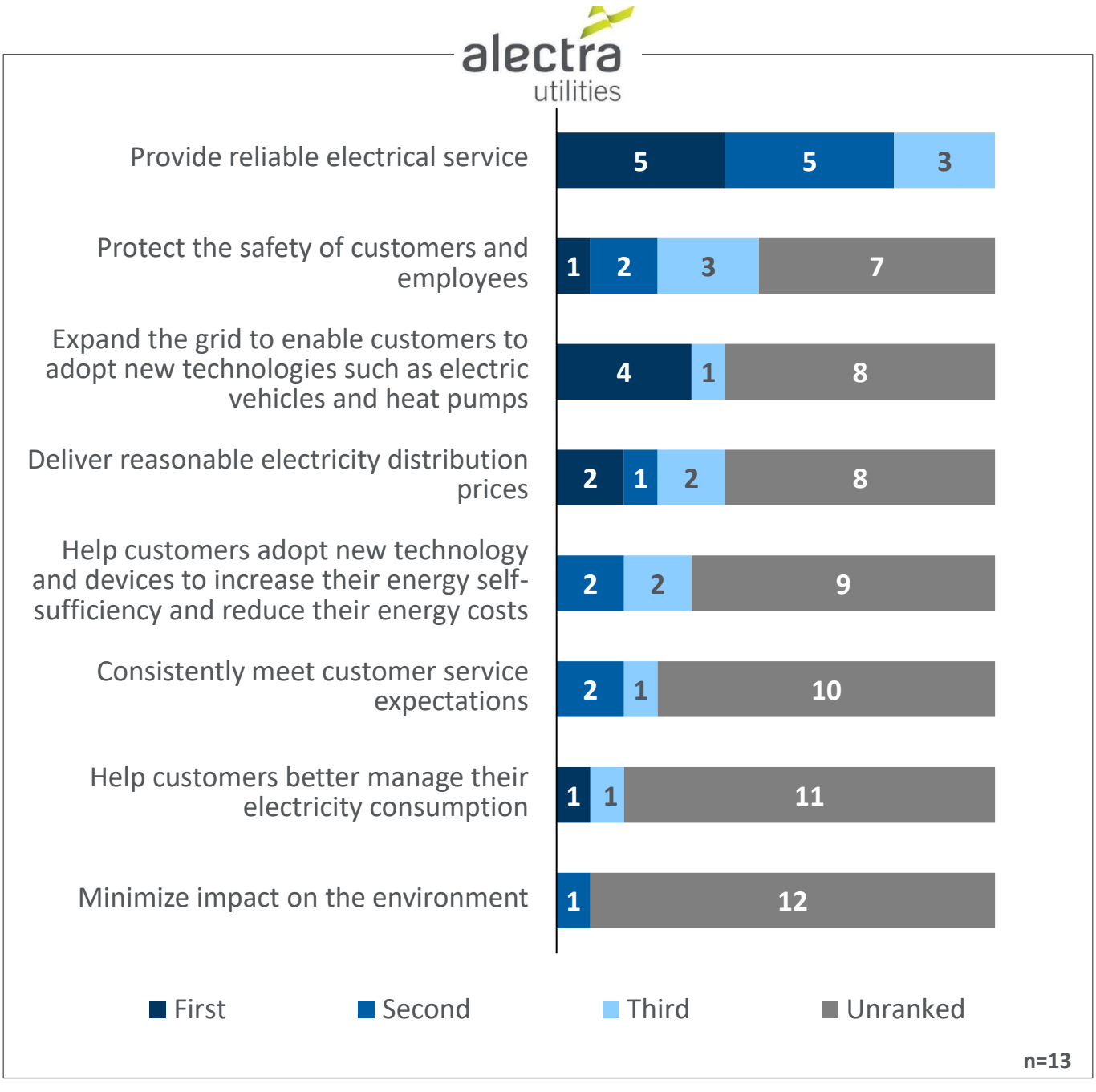
Sometimes Alectra has to choose between goals with a very similar level of importance. To help Alectra prioritize in such cases, please review the below list again and think about what matters most to your organization.

WORKBOOK PAGE

Online Workbook
Top 3 Priorities

Large Use

Q Please drag and drop your top 3 priorities, starting with the priority most important to your organization, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know". **Please review the whole list of priorities before making your choice.**



NOTE: Priority labels have been shortened for brevity. See slide 28 for full label text. Don't know (n=0) not shown.

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

Reliability Experience and Priorities

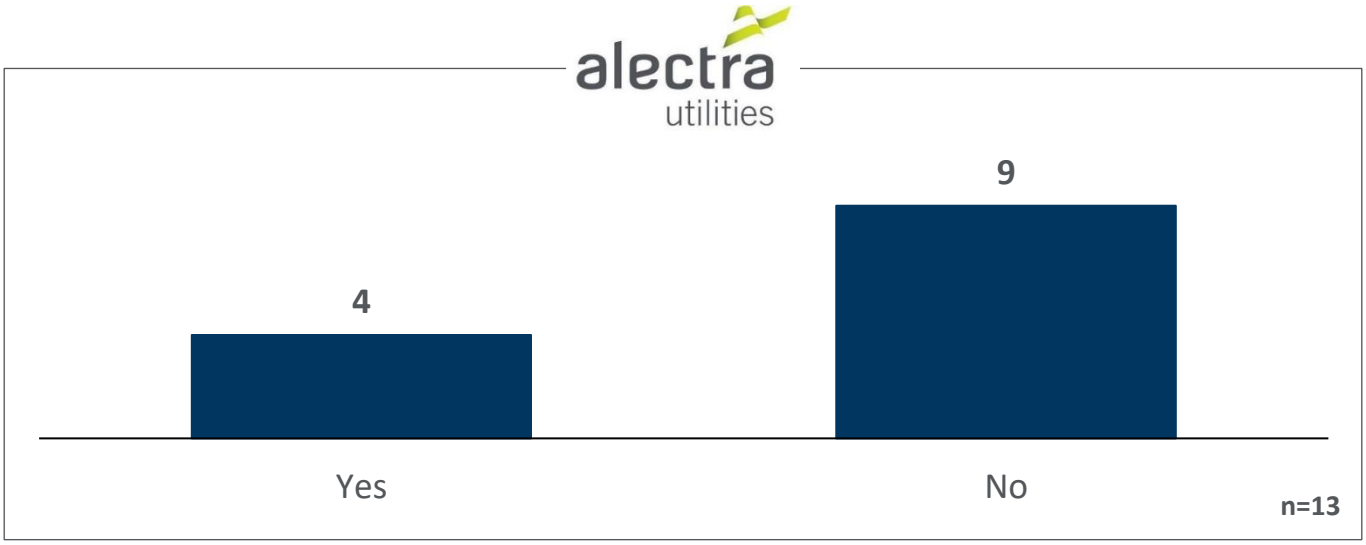
Now let's focus a little deeper on the reliability of your electrical service.

WORKBOOK PAGE

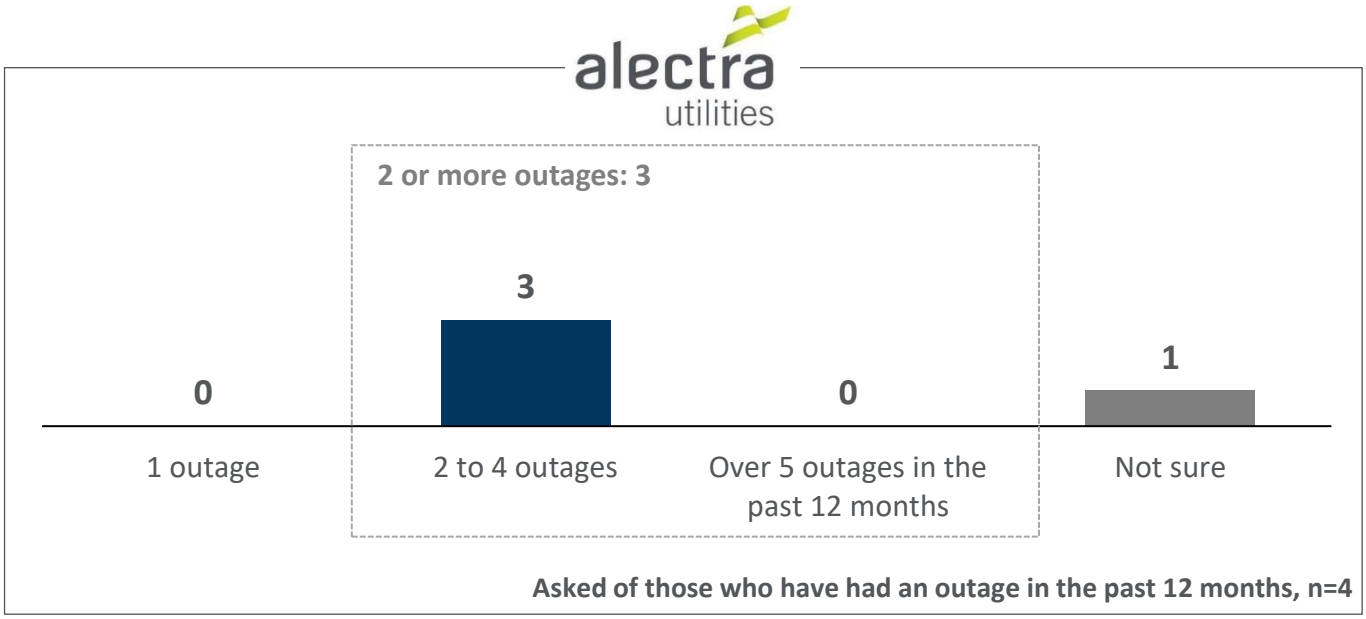
Online Workbook
Power Outages

Large Use

Q Have you experienced any power outages that lasted longer than a minute over the past 12 months?



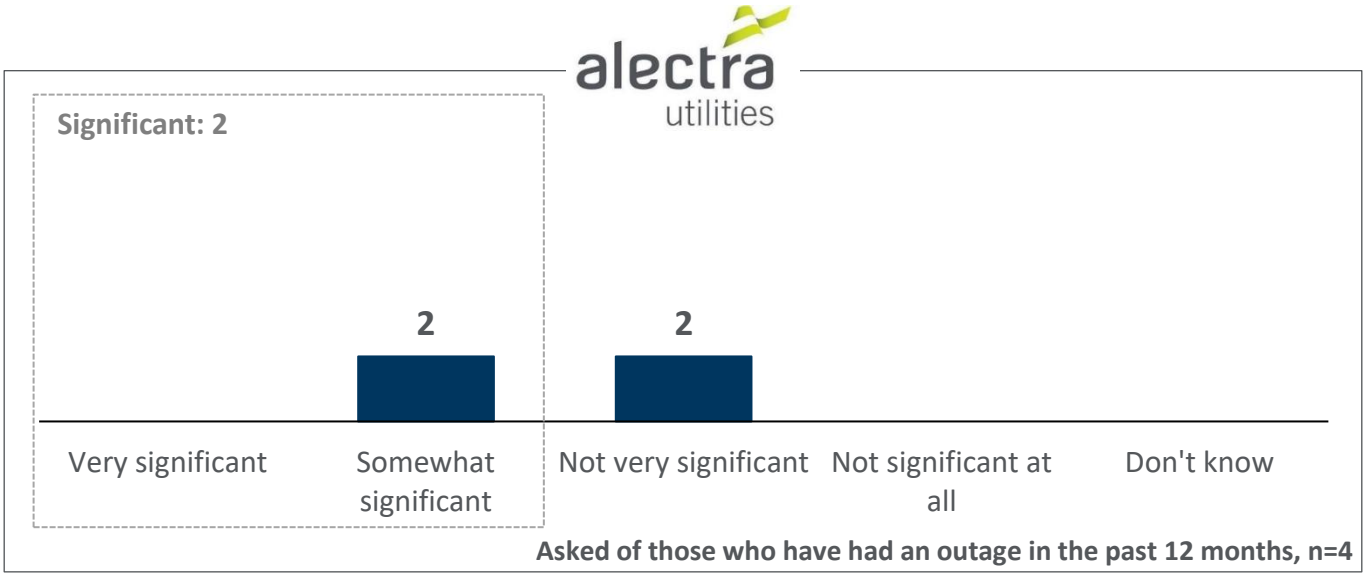
Q Approximately how many outages did your organization experience?



Online Workbook
Power Outages

Large Use

Q How significant were these outages to your organization?

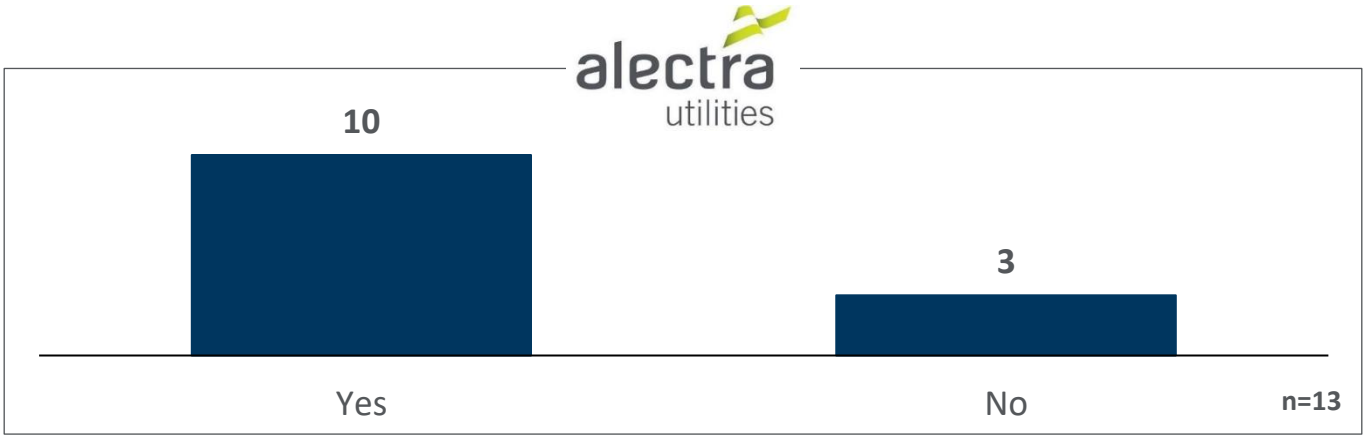


Asked of those who have had an outage in the past 12 months, n=4

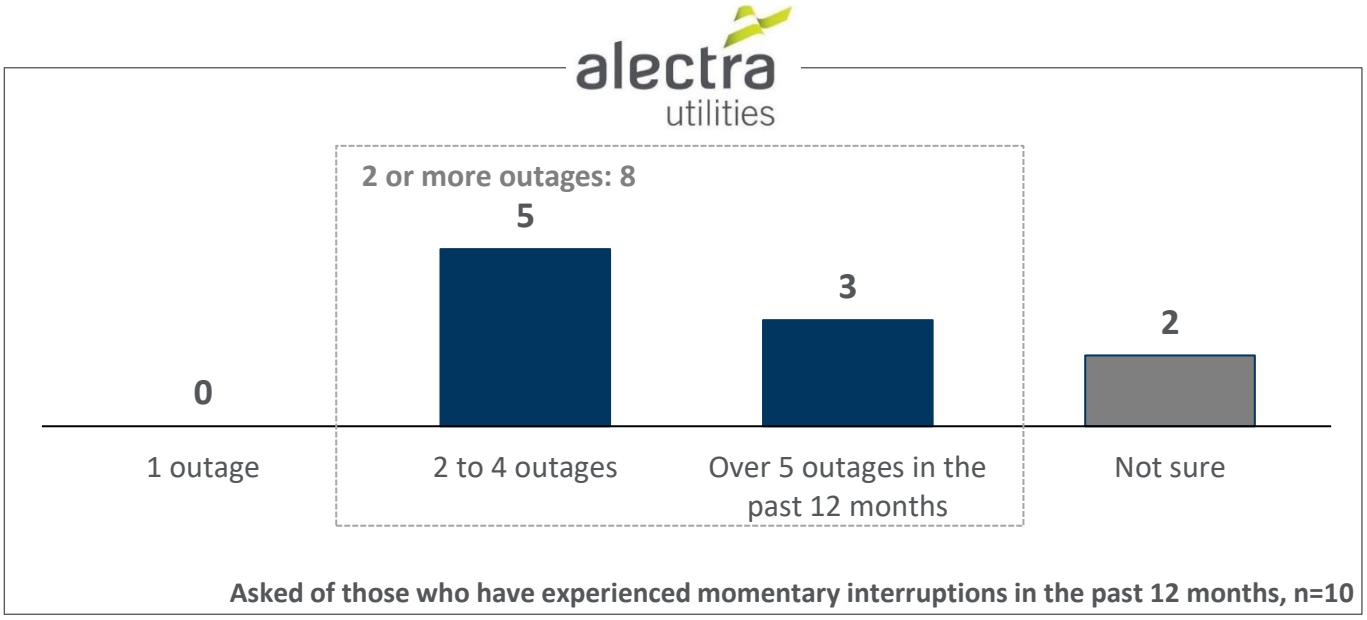
Online Workbook
Momentary Outages

Large Use

Q Have you experienced any momentary outages or interruptions (voltage surges or sags) of less than a minute in the past 12 months?



Q Approximately how many momentary outages and/or power quality issues did your facility experience?



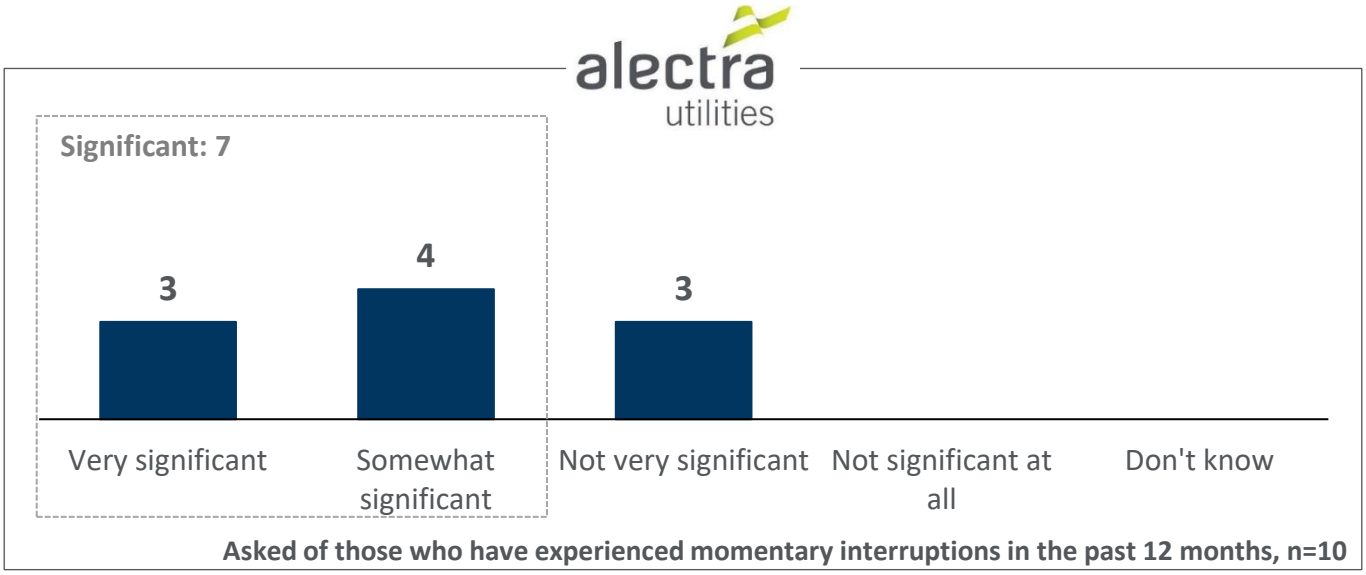
Asked of those who have experienced momentary interruptions in the past 12 months, n=10

INNOVATIVE RESEARCH GROUP

Online Workbook
Momentary Outages

Large Use

Q How significant were these momentary disruptions to your business?

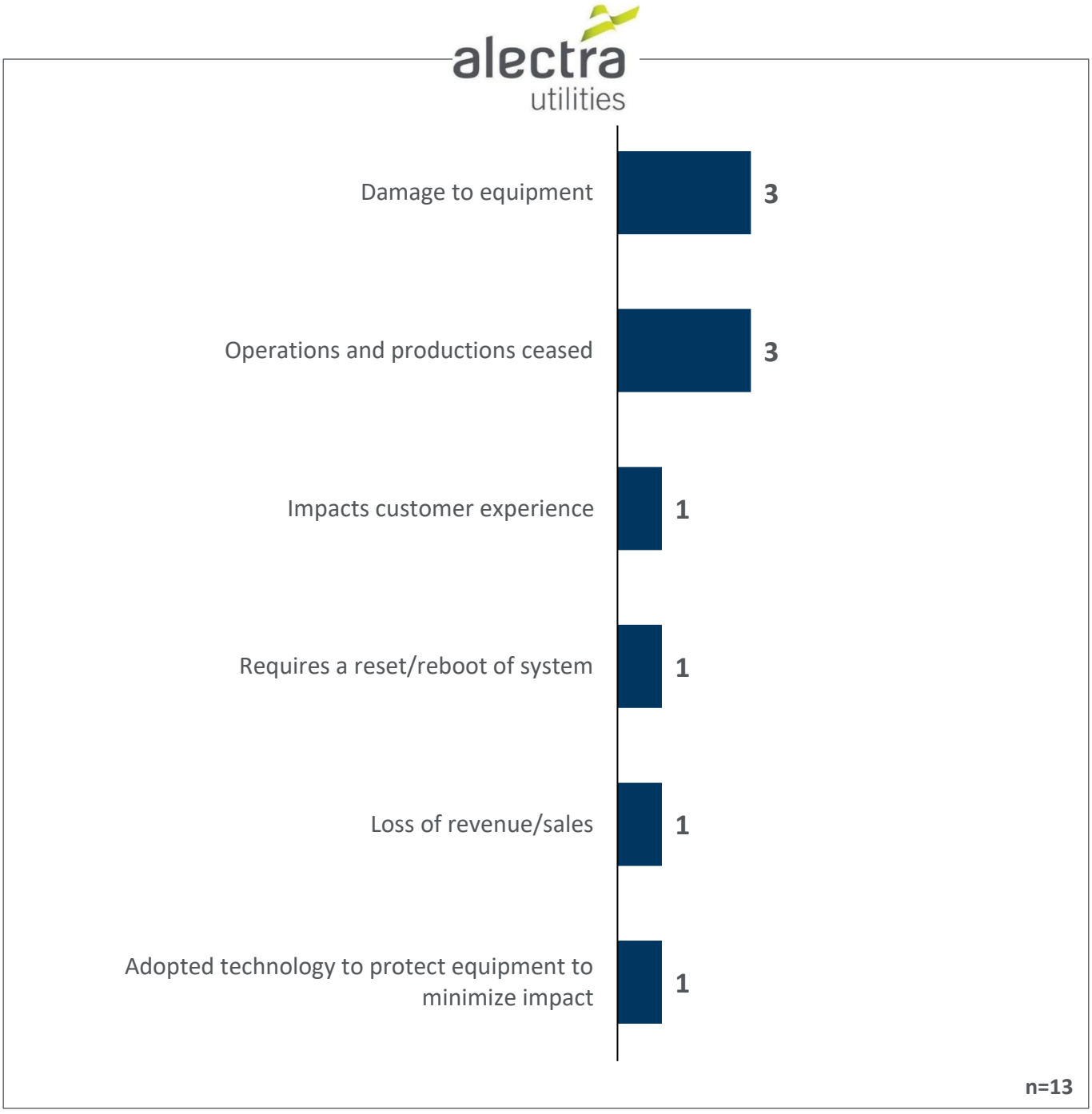


Asked of those who have experienced momentary interruptions in the past 12 months, n=10

Online Workbook
Impact of Momentary Disruptions

Large Use

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]



Online Workbook
Impact of Momentary Disruptions

Large Use

Q Please tell us what sort of impacts these momentary disruptions had on your business? [OPEN]

Verbatims
Damage to equipment
"Damage sensitive research equipment and disrupt critical research and teaching activities."
"Damaged research equipment from startup surges. Consumption of diesel fuel for longer (3-4 hour) outages. Disruption of [customer] operation."
"These disruptions do put stress on equipment. For instance, UPS will go on battery momentarily and come back. Failures will happen during this type of event."
Operations and productions ceased
"Loss of production and recovery time due to our manufacturing operations impacts our bottom line."
"Sunday start ups impacted by weekend blips last summer. Delayed Monday production."
"We are a manufacturing facility, any blip causes VFD systems to shut down, scrap is incurred, idle employee time, orders put in jeopardy"
Impacts customer experience
"Difficult to answer these questions on impacts - the [customer] spans a large area and therefore can have varying degrees of interruption and impact to overall business services. I do not believe anything was significant - but interruptions in general can impact [type of] services the [customer] offers as well as operational difficulty to [customer] facilities."
Requires a reset/reboot of system
"Equipment restart requirements."
Loss of revenue/sales
"Big impact and loss of revenue."
Adopted technologies to protect equipment to minimize impact
"Little impact due to UPS and [generation technology] on site."

Alectra Utilities Customer Survey
Planning for the Future: Customer Outcomes

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

Reliability Priorities

When it comes to reliability, there are different outcomes Alectra can focus on.

- Alectra can focus on the number of outages or the length of outages.
- Alectra can focus on day-to-day reliability or preparedness for extreme weather events.
- Alectra can focus on power quality or communicating with customers during outages.

Different priorities require a different mix of investments.

WORKBOOK PAGE

Online Workbook
Outcomes

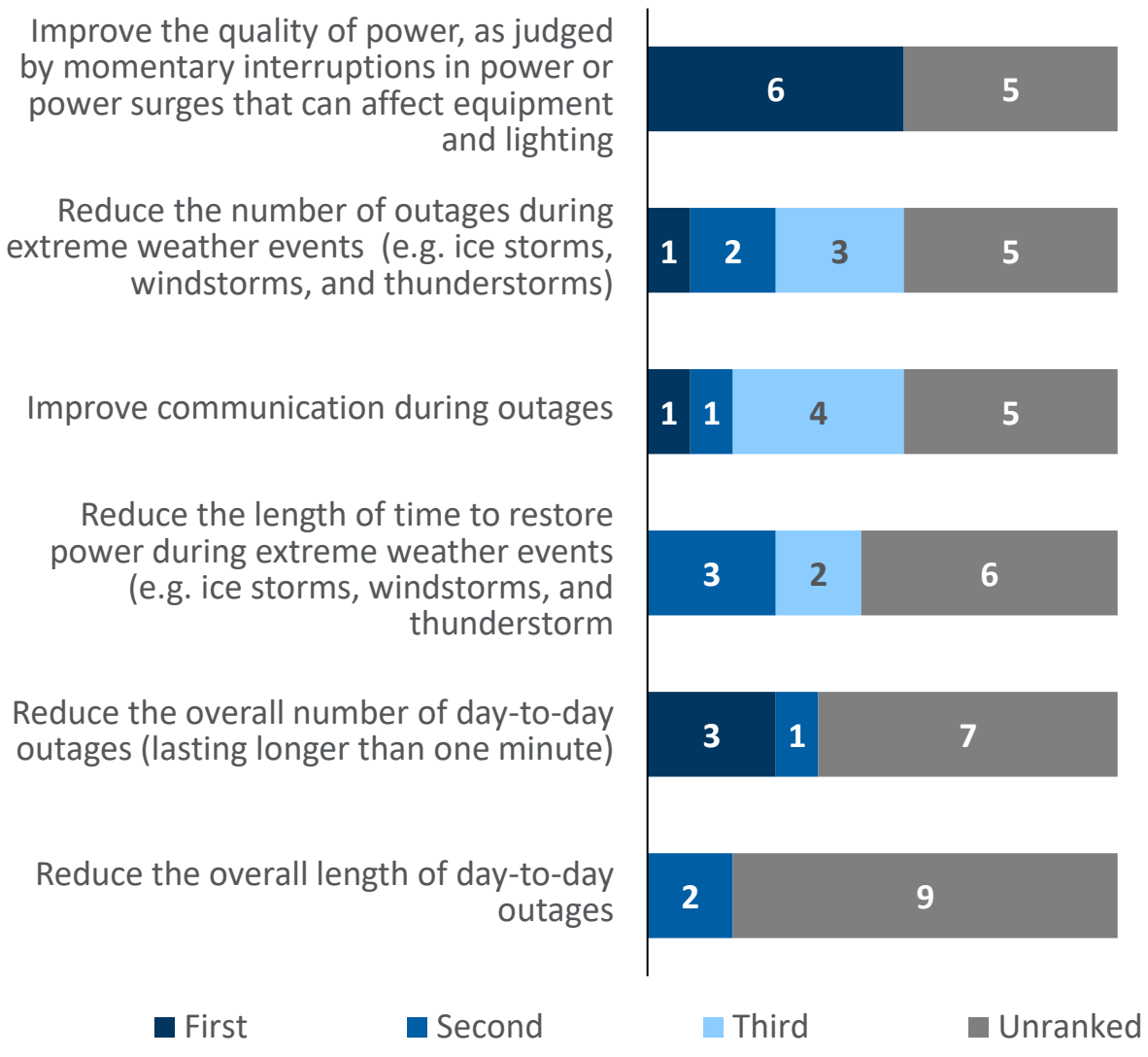
Large Use

Q Thinking about your organization's needs, please look at the following outcomes and rank the three that matter most.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

alectra utilities



n=13

NOTE: Don't know (n=2) not shown.

Making Choices

Now that you've had a chance to think about your experience with Alectra and priorities for the future, we'd like to present you with some specific choices Alectra's planners will need to make as they develop their plan for future investments and the rates you pay.

While Alectra's accountants and engineers are able to decide for themselves what size transformers they need or what is the most efficient way to do some things, there are some choices they can't make on their own. These choices are trade-offs between customer outcomes – trade-offs such as whether it is more important to keep rates lower or improve reliability.

Grid Maintenance:

Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. Much of the equipment in use today was installed 30, 40 or even 50 years ago, and will need replacement. But there remains some flexibility in timing. **Your views on whether it is more important to keep costs down or to minimize the risk of outages will provide direction to planners.**

What makes this plan different are some key changes that are fundamentally changing the electricity system we know today.

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PROGRAMMED VERSION

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Preferences

Large Use

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New Technology:

Technology is changing dramatically. Increasingly, new technologies have allowed us to:

- Generate electricity from wind and solar on a smaller scale in our communities, on our street, even in our homes and businesses.
- Store electricity in batteries in our homes, businesses and vehicles.
- Use new smart devices and artificial intelligence to allow customers of all sizes to control their demands and even feed electricity into the grid.
- Identify and manage potential outage risks and quickly restore power when outages do occur.

Alectra Utilities must invest in the grid to enable the opportunity for customers to add their own new technologies. **These investments are required to manage a 2-way power flow and maintain the safety of a power grid.** It is important to understand how quickly you feel Alectra should proceed with those investments.

Growing Demand for Electricity:

Electricity demand is expected to grow at a faster pace.

- Homes and businesses are shifting from fossil fuels for heating and hot water to electric technologies such as heat pumps.
- People and companies are changing from gas and diesel-fueled vehicles to electric vehicles.
- Transit systems are also shifting from diesel to electric.

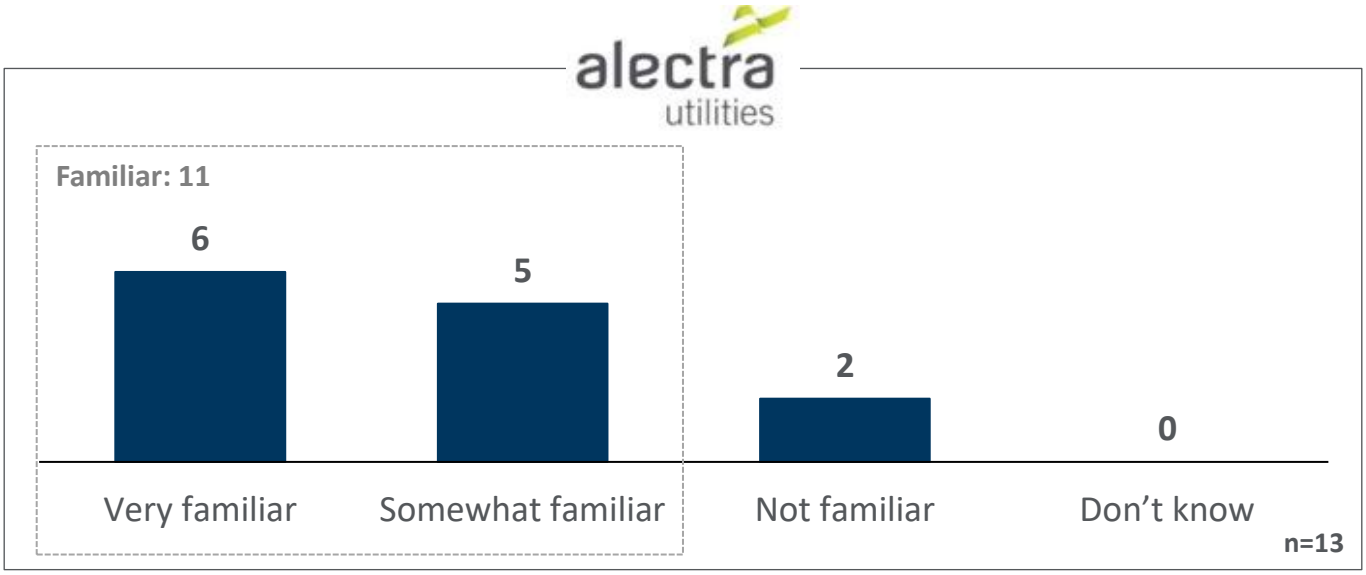
Even though our existing electric devices have become more efficient over time, new uses are creating more demand than efficiency and conservation can manage. However, the exact pace of this growth is uncertain. **Your views are needed on whether Alectra should prepare now for this growing demand or wait until specific demands occur.**

WORKBOOK PAGE

Online Workbook
Familiarity with Impact on the Grid

Large Use

Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?



Replacing Deteriorated Equipment

As mentioned earlier, Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. This equipment wears down over time due to use and exposure to weather. Alectra also maintains computer systems, trucks and facilities to support the crews and people working daily to keep the electrical system operating. These assets also need to be renewed when they reach a deteriorated state.

Approximately 44% of outages experienced at Alectra is caused by failed equipment. In some neighbourhoods, the equipment continues to fail repeatedly, and the system needs to be rebuilt. Alectra has increased investments in underground cables over the last five years.

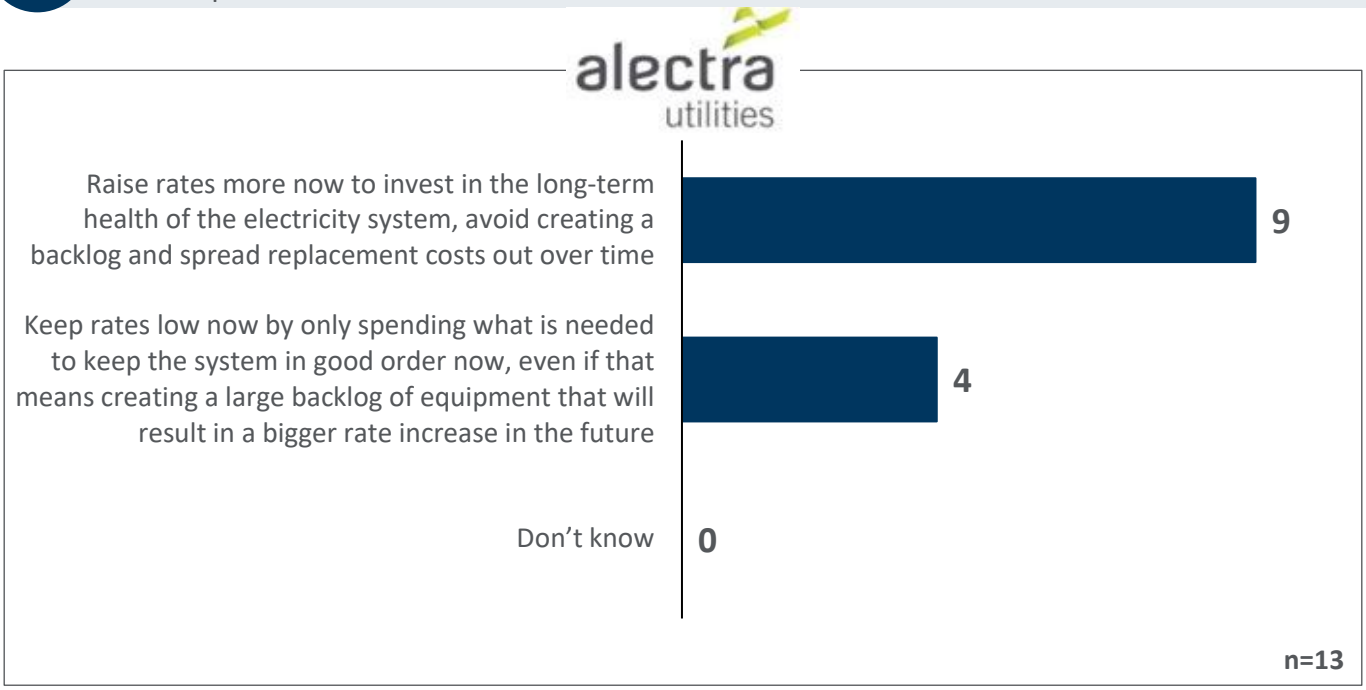
By targeting replacements in the areas of greatest need, Alectra has been able to keep reliability stable. However, an increasing portion of our assets are in need of replacement. Alectra has a choice to make in terms of how much to spend on replacing these assets.

WORKBOOK - DRAFT

Online Workbook
Perception on Deteriorated Assets Spending

Large Use

Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?



Q Additional Feedback (Optional)

Did not give additional feedback, 10

Gave additional feedback, 3

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Invest in/Plan ahead for the future
"[…] Safe to say there is no improvement that is not going to cost money...if we are depending more on electrical power in the future, the grid will need a lot of improvement."
Balance both options/neither option/find a middle ground
"Divided in the answer. However, we are always compared to other sister plants and need to ensure we are competitive in order to keep manufacturing in Ontario."
Other
"There is no evidence that money paid now begets a future benefit. It is usually more money now, more money later."

n=13

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Dealing with Growth Uncertainty

The first of the new challenges for Alectra Utilities is dealing with uncertainty in electricity demand.
Alectra has a legislated responsibility to ensure it provides enough electricity to provide the peak demand of all customers. The challenge right now with new technologies and changing technology, is forecasting how fast demand will grow.

It takes time, usually years, to build new lines and increase sub-station capacity. Building and expanding power lines need time for design, working with impacted property owners, securing equipment that is in high demand right around the world, and recruiting electrical construction workers.

Growth in previous decades provided reasonably long lead times for utilities to prepare for growth in electricity demand. When there are firm plans to build a new electrified transit system or to build a new condo development, Alectra's planners have the lead time they need to increase major feeder lines, increase sub-station capacity and expand local cables and transformers.

Other types of demand are more fluid. No one knows for sure how many new electric vehicles will need to be charged in Alectra's operating area five years from now. No one knows for sure how many people will switch from natural gas to heat pumps.

- If Alectra builds too quickly, customers will be paying for poles and cables that are not yet needed.
- But if Alectra builds too slowly, local systems may become stretched by new demands.

This could result in equipment failures with the added costs of emergency repairs, limiting EV charging to certain hours of the day, or even rotating electricity outages.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

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Today roughly 48% of Alectra customers live on a street with at least one EV. Only 4% of those have multiple EVs on one street, but that can quickly change. Alectra is making their best efforts to be as accurate as possible in projecting growing demand. But they need your guidance on a value choice they must make.

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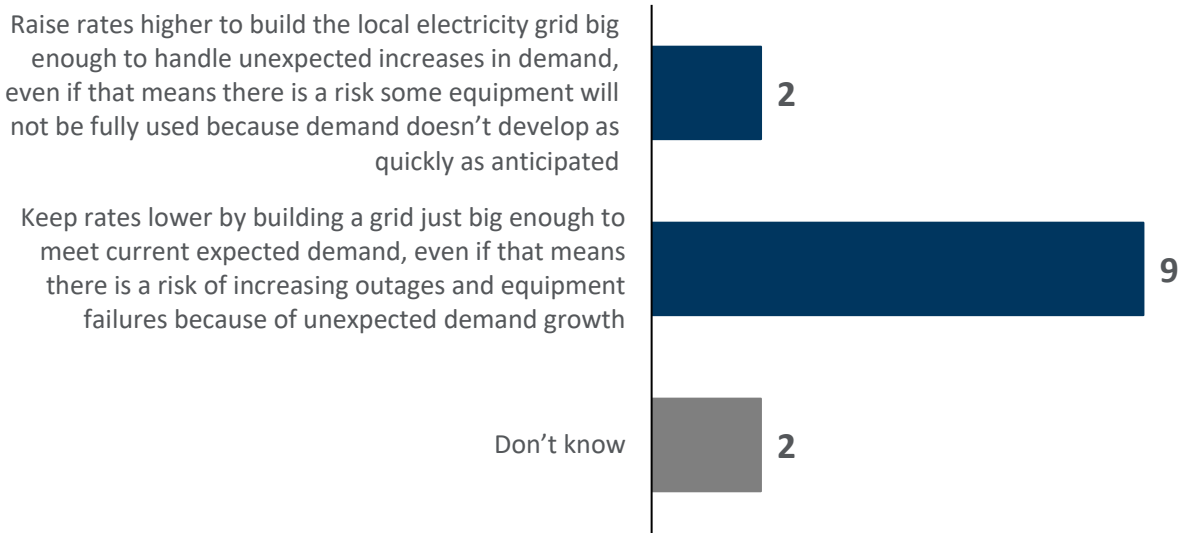
WORKBOOK PAGE

Online Workbook
Perception on Uncertain Growth Projections

Large Use

Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?



n=13

Q Additional Feedback (Optional)

Did not give additional feedback, 11

Gave additional feedback, 2

Question if demand will grow as quickly as predicted
"Again, scale of increase is important. Affordability is key for all including [customer]. The pace of electrification is also political, we would not want a rapid escalation of costs for infrastructure that then sits unused due to political decisions. Very difficult to predict the pace of change of technology."
Other
"I would assume that a grid [project] would include a level of growth that is reasonable."

n=13

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Using New Technology to enable Customer Choice

Another major change facing utilities is new equipment and technologies that change how customers participate in the system.

The old electricity system was built big enough to manage peak demand and required very little active management on a day-to-day basis. That is fundamentally changing. Customers are gaining far more control over their energy needs:

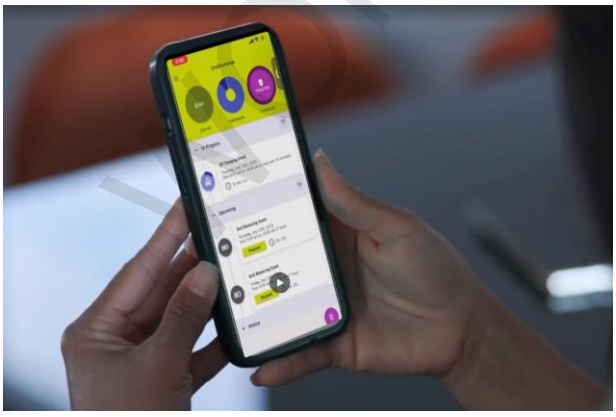
- Customers can now store their own electricity with batteries in their cars and homes.
- Customers can now generate their own electricity with small scale wind and solar.
- Customers now have electrical devices that can be remotely monitored and managed to identify inefficient appliances and to turn devices down or off to manage peak loads.

Not everyone is ready or able to employ these devices and technologies today, but the whole system can benefit from those that do.

In Ontario, electricity peaks on hot summer days when air conditioner use spikes. But now, you don't have to rely on Niagara Falls for that electricity, it can come from the neighbours on your street.

When the grid is modernized, your organization can sell stored energy to the grid, lower your thermostat or EV charge when demand is high, shift to your own solar generation, and more, all in return for financial rewards.

If you choose to enroll in a program that allows the electricity grid control room to turn down your air conditioner for a few minutes every hour, you can help to avoid building new transmission towers and generating stations just to serve the few hours in the year when demand spikes.



Alectra is already piloting these activities today.

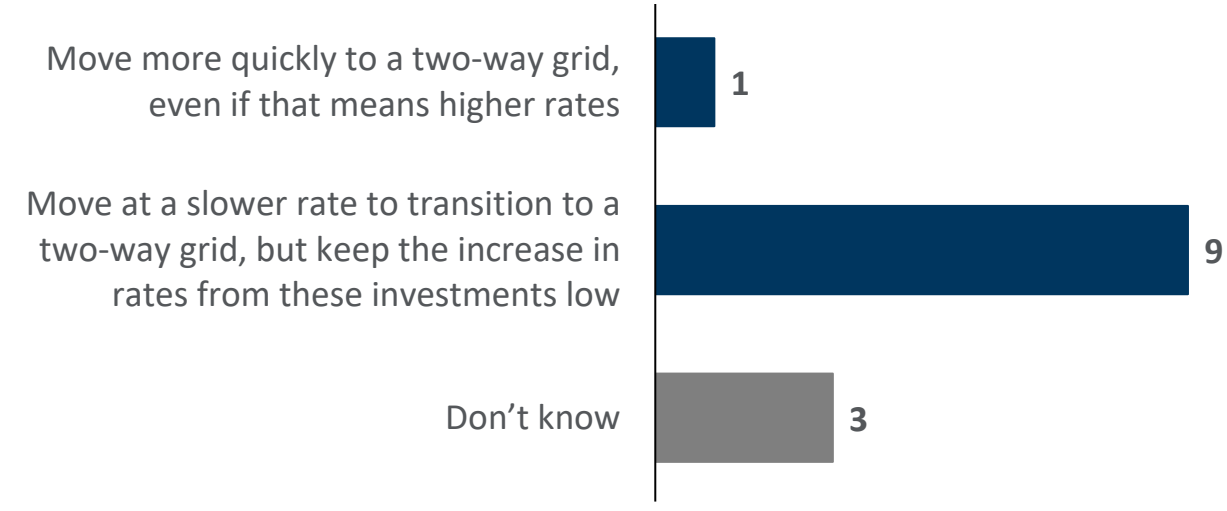
To make these choices available to all customers will require investments in computers, software and smart devices throughout the grid. Alectra's planners need your direction on how fast to move towards this new, two-way flowing, distribution grid.

WORKBOOK PAGE

Online Workbook
Perception on Transition to Customer-Engaged Grid

Large Use

Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?



n=13

Q Additional Feedback (Optional)

Did not give additional feedback, 11

Gave additional feedback, 2

Magnitude of rate increases

"In theory this is good for customers to allow those willing and able to take action with the technology to do so, obviously "higher rates" is relative. And would need to understand how this works for a customer of our scale. There can be [customer] buildings with multiple functions and decision maker levels vary throughout."

Other

"[…] generally speaking having Alectra or IESO either take control of our equipment or have close communication can be a good way to limit impacts. Long story short, [customer] can shed 6MW and push this demand into the midnight hours on days not likely to be GA days but due to IESO reasons we don't do this routinely. That is a loss to the grid and environment, 6MW that may not be required from the [customer]."

n=13

Grid Modernization

The last page talked about the impacts of new technology on how you interact with the grid. This page will talk about the impacts of new technology behind the scenes, changes that may not be obvious to customers, but will impact the reliability and quality of the service you receive.

In the grid of the last 100 years, once equipment such as cables, transformers or switches were installed, there was no means of monitoring or controlling that equipment. If the lights went out, a crew jumped in a truck and drove the line until they saw the break or broken piece of equipment, then they would manually open and close switches.

Today we can restore power faster using remote-controlled switches and sensors which tell the control room if an outage has occurred. This allows operators to remotely re-route electricity and restore power. **Remote-controlled switches can be automated** so all switching can take place in real-time, so businesses like yours will have their power restored even faster.

In circuits where automated devices have already been added, Alectra has identified improvement in reliability. While it is expected that Alectra generate savings from the more productive deployment of maintenance and repair crews and from avoided equipment failures, these savings are not sufficient to offset the added costs.

This change cannot happen overnight. It will take time. There is limited availability of new equipment and the crews to install them. The question is whether to place more emphasis on keeping rate increases low or placing more emphasis on moving quickly to modernize the grid.

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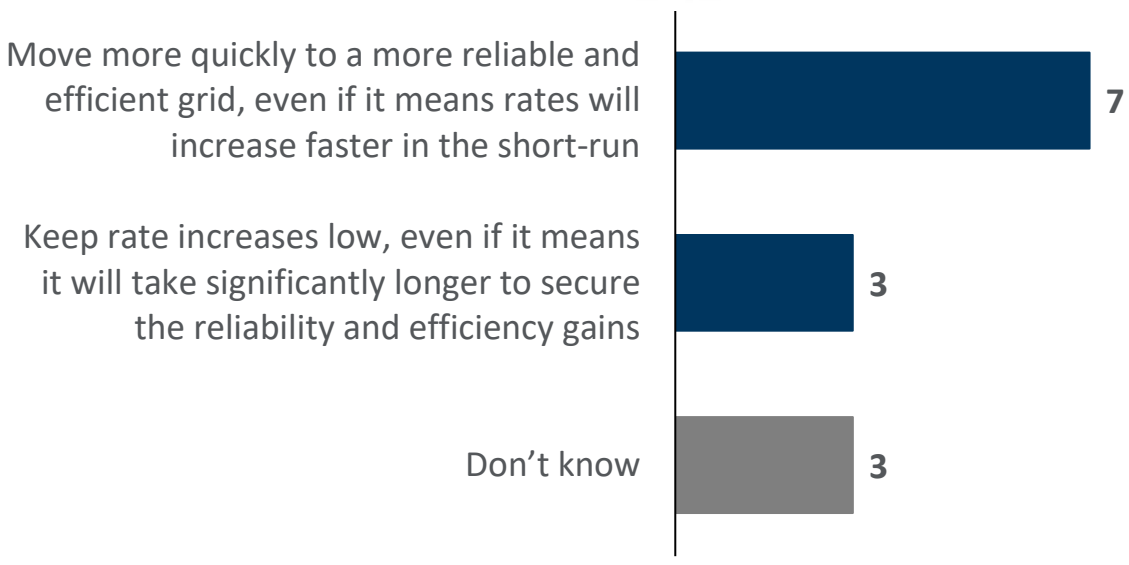
WORKING DRAFT

Online Workbook
Perception on Investing In Grid Modernization

Large Use

Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?



n=13

Q Additional Feedback (Optional)

Did not give additional feedback, 12

Gave additional feedback, 1

Supportive of investments in grid modernization

"Restoration of the grid is absolutely key if we are going to rely on electricity to a far greater extent. Natural gas is generally below ground, electricity is generally above ground. We live in Canada, only a matter of time before we have freezing rain, severe wet snow, wind, extreme -30 weather etc. Electricity is no where near as reliable as natural gas....at least at this time."

n=13

Grid Resilience

Most electricity customers have noticed their property insurance rates increasing faster than inflation for a number of years now as a result of the damage created by storms and extreme weather events on homes and business. Alectra is experiencing similar impacts from ice storms, micro-bursts, extreme heat and other extreme weather. Sometimes with events such as micro-bursts, the damage is limited. But often the damage is widespread and impacts tens of thousands of Alectra customers for extended periods of time.

In addition to modernizing the grid, which enables power to be restored after a power outage occurs, **Alectra can increase its system's resilience**. Increasing resilience reduces the chances that extreme weather events would result in power outages. This is typically done by upgrading key equipment in the system to withstand storms better.

PAGE CONTINUES ON NEXT SLIDE FOR REVIEW PURPOSES BUT WILL BE ON SAME SCREEN IN PROGRAMMED VERSION

WORKBOOK

Alectra Utilities Customer Survey
Planning for the Future: Customer Preferences

Large Use

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Here are examples of Grid Resilience projects:

- **The major North-South overhead feeder lines that are most exposed to wind can be reinforced** to increase their ability to withstand storm events.
- **Alectra can speed up the replacement of overhead lines** in customers' backyards. These lines are more exposed to falling branches and trees, they often take longer to repair because of restricted access, and fallen lines can pose greater safety risks should they occur in customers' backyards.
- **Alectra can increase the budget for identifying and removing hazardous trees** to allow for more frequent monitoring and tree removal. This is not something that can be automated. There are approximately 18,000 km (11,000 miles) of overhead circuit power lines in Alectra's system.

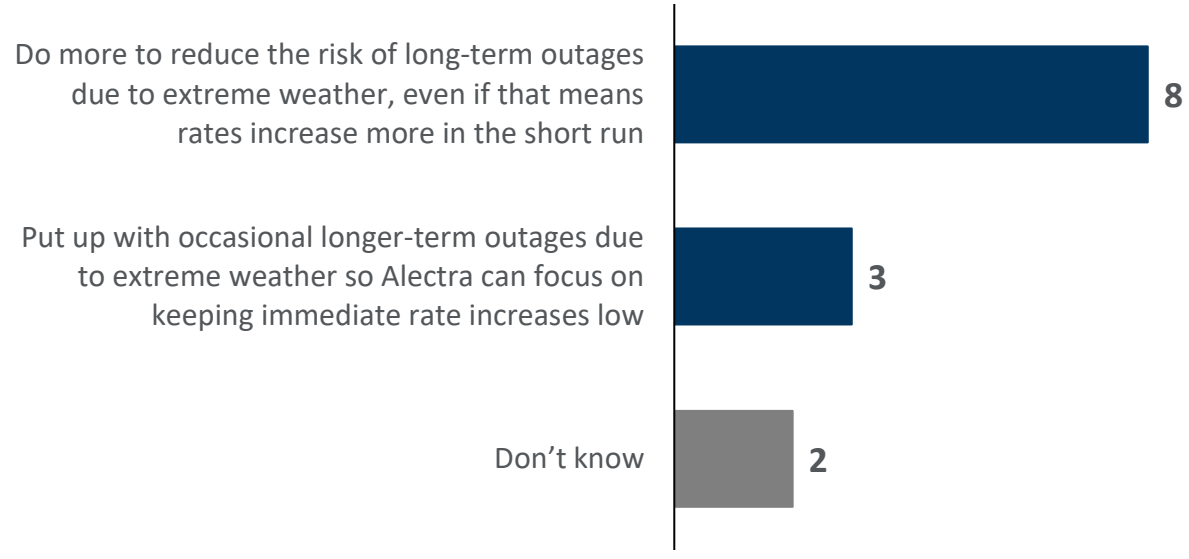
Alectra would like to understand your views when it comes to raising rates to improve resilience to extreme weather.

WORKBOOK PAGE

Online Workbook
Perception on Approach to Grid Resilience

Large Use

Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?



n=13

Q Additional Feedback (Optional)

Did not give additional feedback, 11

Gave additional feedback, 2

Other
"Focus on major feeder lines to support critical facilities."
"We live in Canada.... our grid takes a beating and our weather demands a lot of electrical energy, hopefully we will maintain dual fuel capability for heat (natural gas and electric), and we would entertain having Alectra/IESO encourage this feature and perhaps be able to dispatch [customer] back to natural gas in the event of a supply emergency...but we will have to work together on this."

n=13

Summing It Up

Once your views on the questions in this survey are collected:

- **Alectra will develop a more detailed plan** that identifies the specific investments and costs to deliver particular benefits.
- **Alectra will ask for your feedback on those investment options** in Phase 2 of this customer consultation.

But before the planners start developing those options, **Alectra would like to hear how you feel about this general approach.**

The plan includes some basic table stakes for electrical utilities including:

- A systematic review of Alectra's costs conducted mostly by experts working for the OEB and customer groups, but open to anyone in the public who is interested. The plan must deliver value to customers and demonstrate how Alectra seeks to control costs and related rate increases of proposed investments.
- A program to replace deteriorating equipment that gives priority to areas currently at the greatest risk of outages while addressing the backlog of deteriorated assets.

It also includes initiatives to deal with developments that are changing the electricity system as we have known it.

- Alectra is implementing new technologies that allow customers more control including generating their own electricity, storing their own electricity, identifying opportunities for efficiencies and providing financial incentives to customers willing to help the grid manage periods of peak demand.
- Alectra is also using new technology to modernize the grid, using remote-controlled sensors and switches to identify outages in real time to re-route electricity and restore power more quickly.
- When it comes to the growing number of unusual weather events, new technology can only do so much. Alectra is upgrading key equipment to "harden" the system in order to reduce the severity of outages caused by unusual weather.
- Finally, Alectra is managing the uncertainty in demand for electricity by identifying critical investments to meet unexpected surges in demand.

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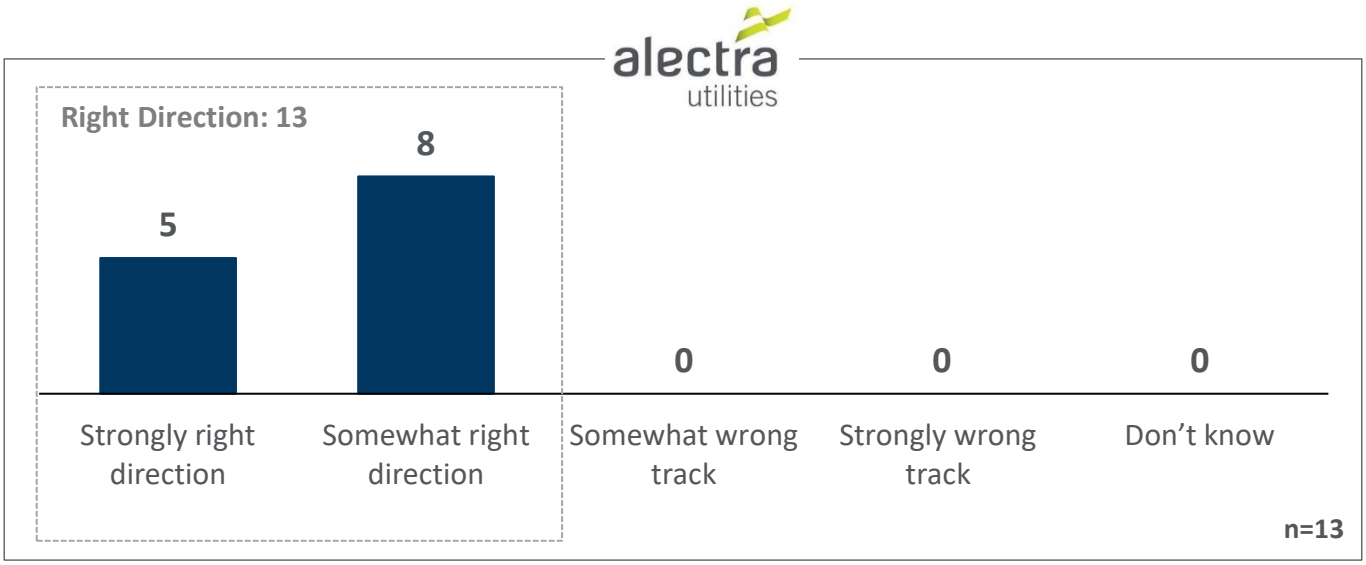
WORKBOOK PAGE

Online Workbook
Approach to Future Investments

Large Use

Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?



Online Workbook
Approach to Future Investments

Large Use

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above? [OPEN]

Verbatims
Right approach as investments/price increases are necessary
"I don't envy Alectra or IESO in trying to predict how much and how fast regarding electrical demand. [Customer] currently peaks at 18MW or so, if we electrify heating even with a great COP [Coefficient Of Performance] geothermal heat pump system we will more than double that demand. For the medium term we can augment with natural gas, and in the longer term perhaps use natural gas as a backup or dispatchable load. Incentives to do this would surely help as it will be costly to both reserve natural gas supply and also to maintain natural gas equipment."
"Capacity on the grid is definitely needed, especially in high density areas where growth of high rise (especially housing) and electrification is increasing, so investments in demand management (peak) technology is important. Limitations exist now – for example, gov't funding for things like electric vehicle charges are available but facility capacity is not always capable of handling the load."

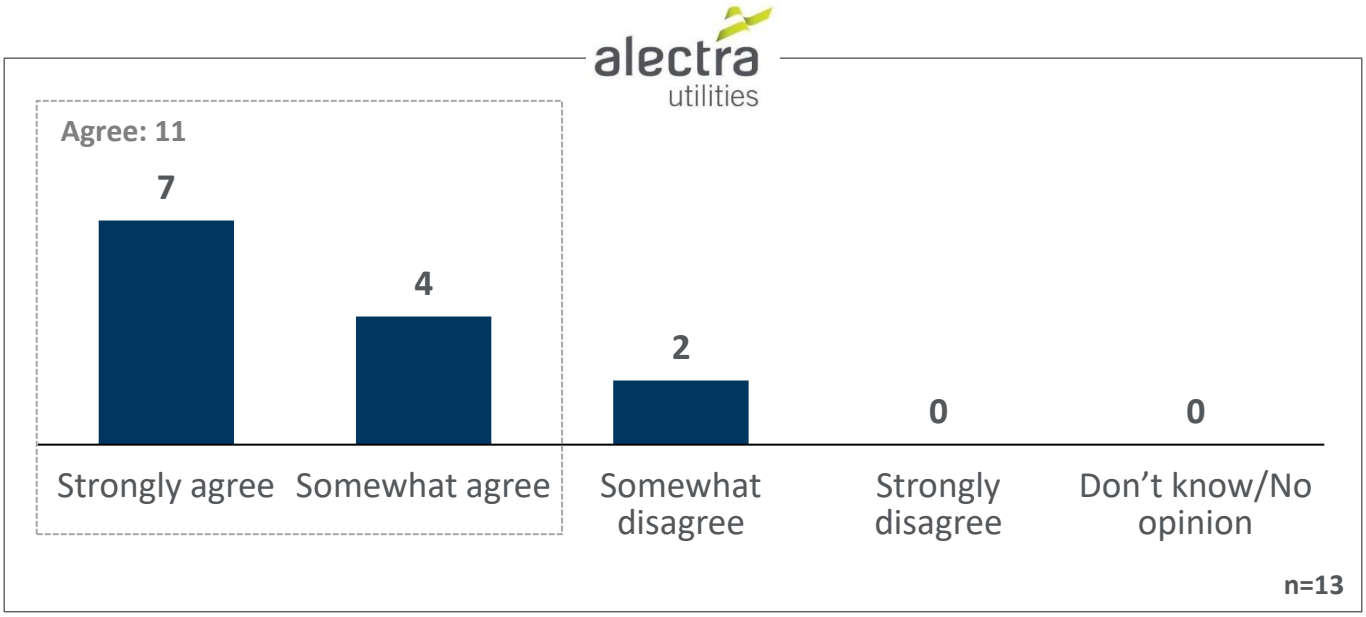
Online Workbook
Impact of Electricity Bill on Finances

Large Use

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

The cost of my organization's electricity bill has a major impact on the bottom line of my organization and results in some important spending priorities and investments being put off.

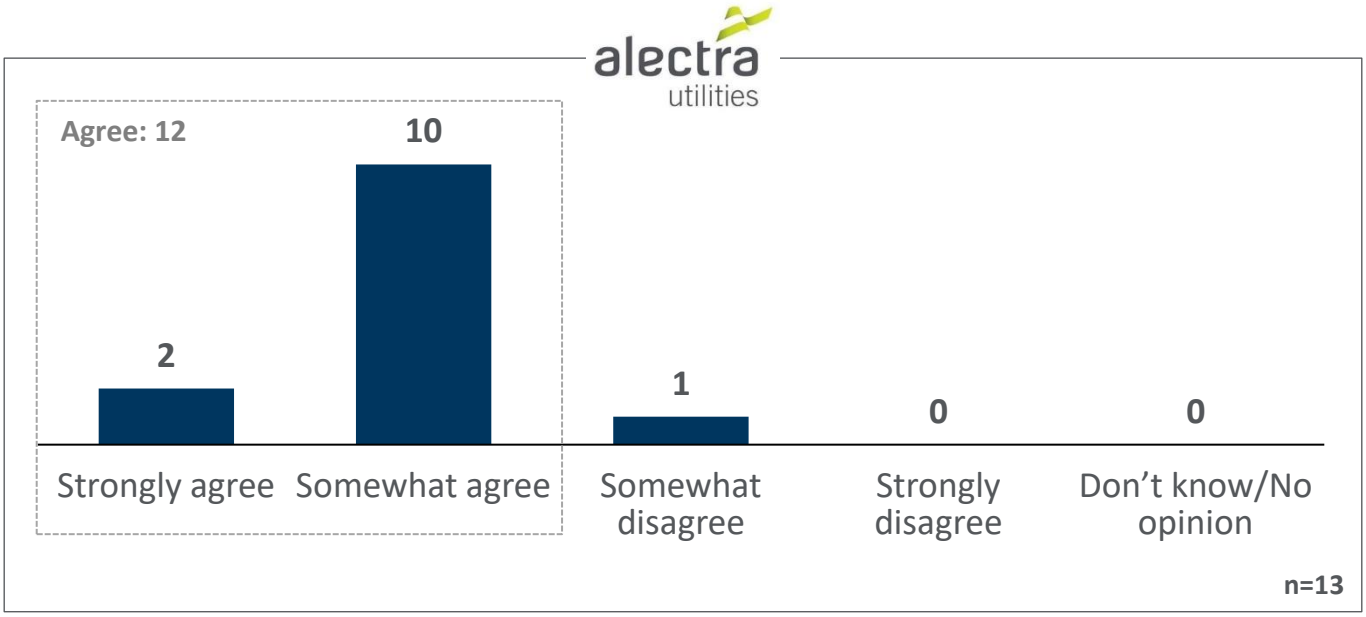


Online Workbook
Electricity System in Ontario

Large Use

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario.



Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Feedback on Alectra's survey

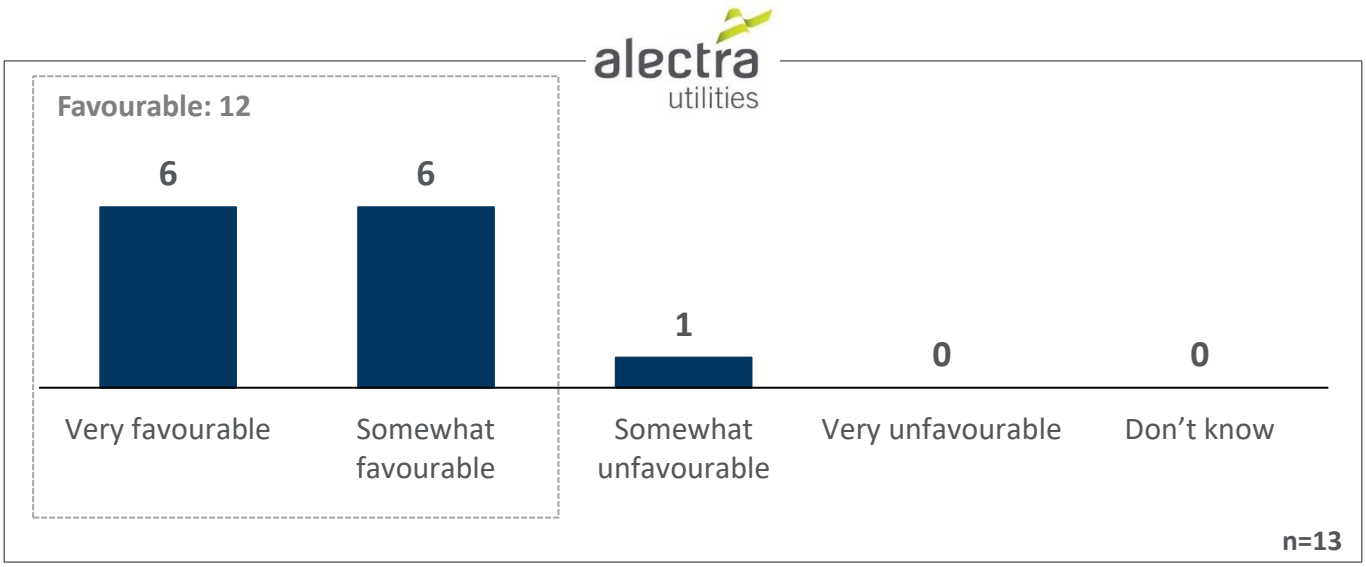
These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

WORKBOOK PAGE

Online Workbook
Impression of Survey

Large Use

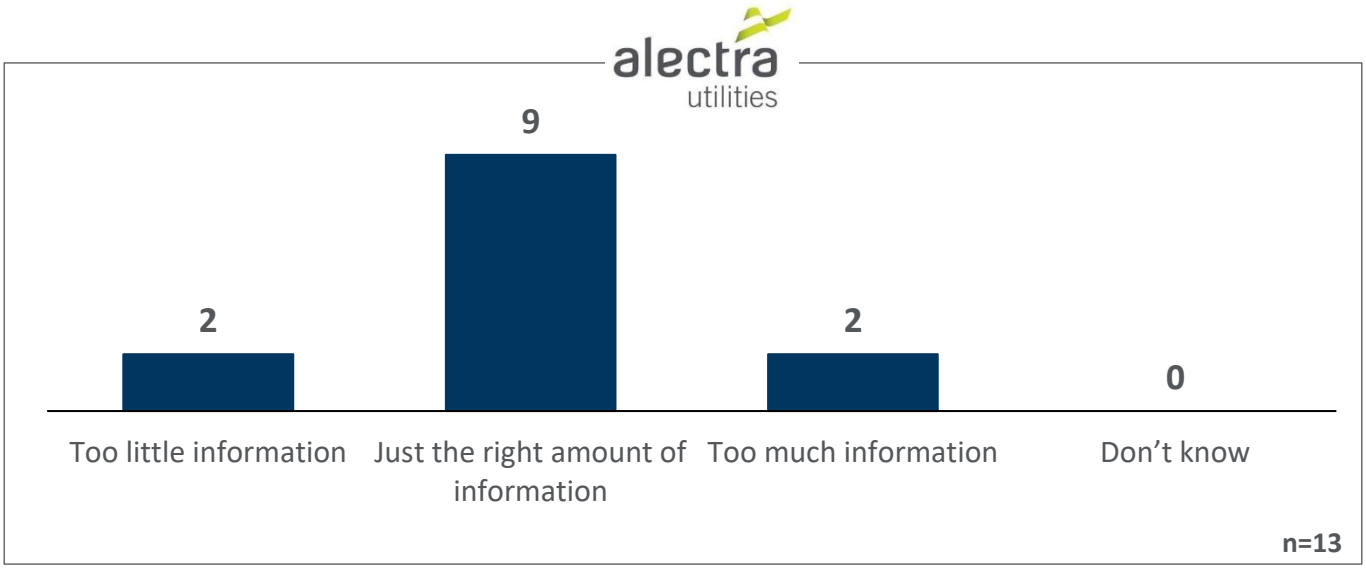
Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



Online Workbook
Level of Information

Large Use

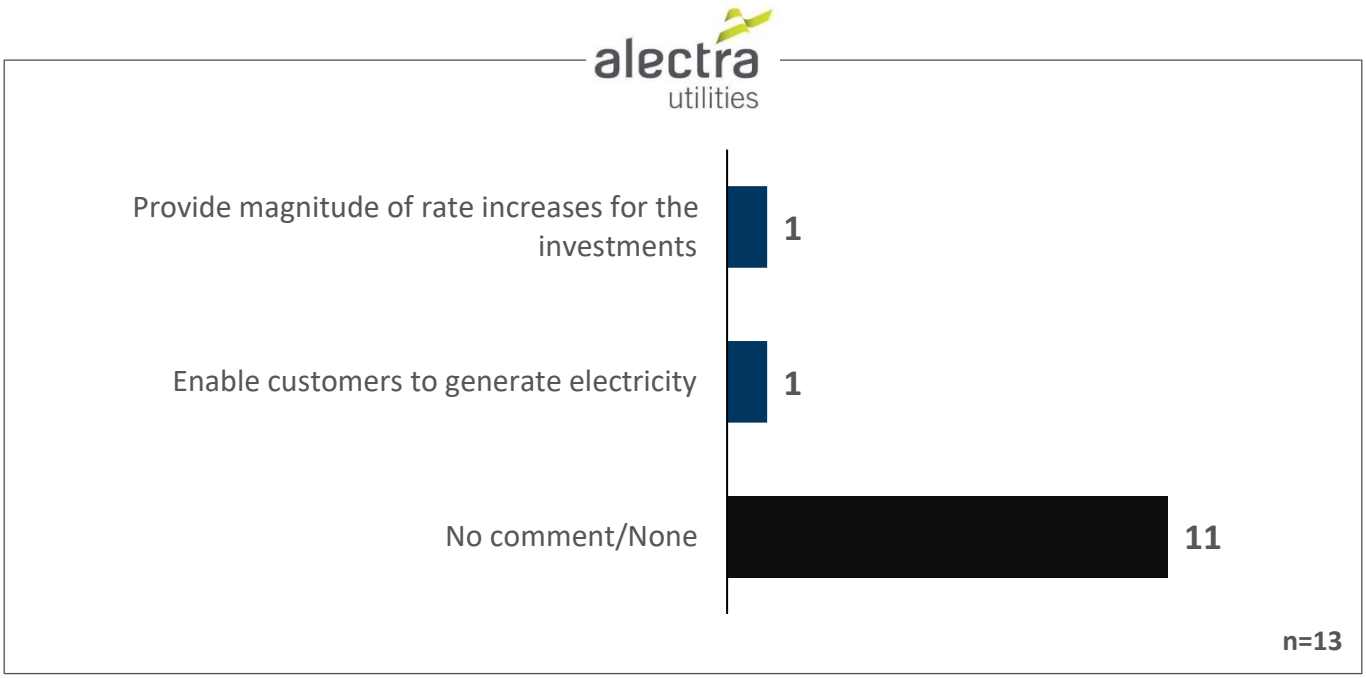
Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



Online Workbook
Final Thoughts

Large Use

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

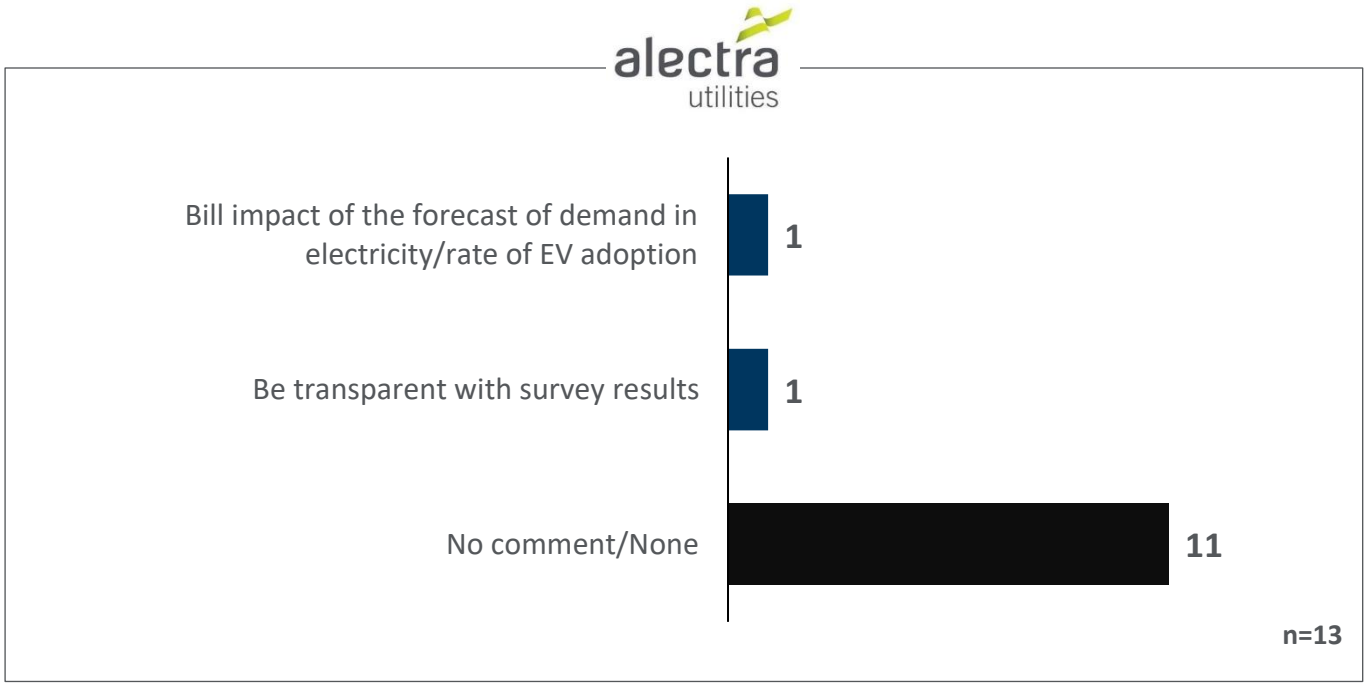


Verbatims
Provide magnitude of rate increases for the investment
"Need to define raise/lower by scale, i.e. 5%, 10% etc. Phrase a question by a choice of 5/10/15/20% etc. How much is too much to raise/lower."
Enable customers to generate electricity
"[...] Not enough information on if customer produces electricity - how and when you'll be buying it back. This survey would work better if there were more concrete plans outlined, instead of would you spend money now or in the future."

Online Workbook
Final Thoughts

Large Use

Q Is there anything that you would still like answered? [OPEN]



Verbatims
Bill impact of the forecast of demand in electricity/rate of EV adoption
"At the moment, the entire greenhouse gas reduction process is based on faith of electrons being available as we need them. "Plans" are being made all over Ontario on this faith, I have a fear of investments being made for electrification that will have no payback as generation/transmission/LDC supply will not keep pace. Equally tough for Alectra as you may invest in giant infrastructure and have insufficient load for several years."
Be transparent with survey results
"Share overall respondents answers to understand holistic priorities from their customers across the board."

Alectra Utilities Customer Survey
Planning for the Future: Final Thoughts

Thank you

Thank you for taking the time to provide feedback.

By completing this survey, you will automatically enter into a draw for one of three team breakfasts or lunches, **each valued up to $500.**

If you would like Alectra to share the findings of this survey and let you know how it will be responding to your input, please check the box below and confirm what email address is best used to contact you.

☐ *I would like to learn about the findings of this survey.*

[IF YES]: OE
☐ EMAIL ADDRESS

If you have any additional questions or comments about this survey, please email:
survey@innovativeresearch.ca

WORKBOOK PAGE

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APPENDIX 06

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

Preferences Planning Placemat

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
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Alectra Utilities' 2027 Rebasing Application

Customer Engagement: Phase I

Needs and Preferences Planning Placemat (May 2024)

INNOVATIVE RESEARCH GROUP

RATE CLASS Sample Size (Unweighted n)	Residential (n=5,922)	GS<50kW (n=231)	GS>50kW (n=122)	Large Use (n=13)

Needs

Suggested Needs for Improvement

Most customers are generally satisfied with the service they received from Alectra. When asked how Alectra can improve its service, a large majority of *residential*, *GS<50kW* and *GS>50kW* customers gave no specific suggestions for improvement. However, "lower bills, better rates/affordable prices" and "more reliable service, fewer outages" were top mentions among *residential* and *GS<50kW* customers; and "more reliable service, better power quality" and "billing concerns" were top mentions among *GS>50 kW* customers. For *Large Use* customers, a plurality (5 out of 13) cited "improve customer service/experience/communication".

Top Answers	No specific concern/None (67%)	No specific concern/None (68%)	No specific concern/None (73%)	Improve customer service (5)
	Lower rates (14%)	Lower rates (10%)	Improve quality of power (4%)	
	Fewer outages (3%)	Fewer outages (5%)	Billing concerns (3%)	

Preferences

Outcome Importance & Priorities

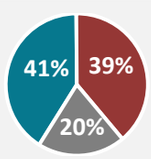
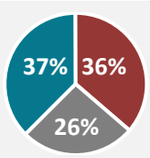
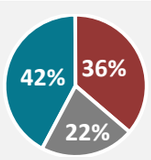
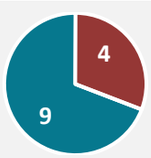
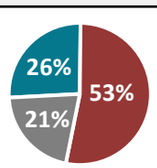
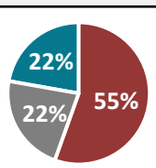
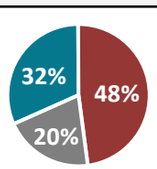
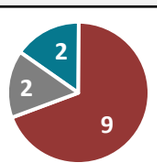
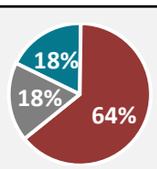
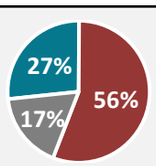
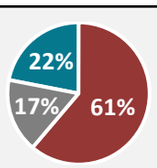
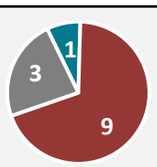
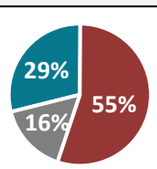
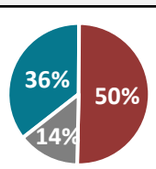
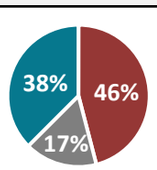
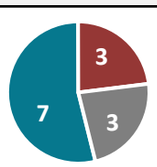
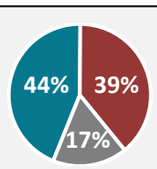
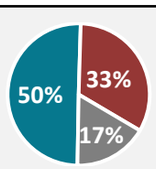
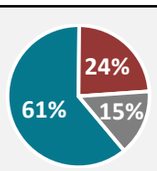
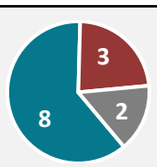
Outcome Importance Means score on a 0 to 10 scale	Reliable service (9.4)	Reliable service (9.3)	Reliable service (9.5)	Reliable service (9.8)
	Reasonable prices (9.3)	Reasonable prices (9.3)	Reasonable prices (9.2)	Ensure safety (9.5)
	Ensure safety (9.0)	Ensure safety (8.8)	Ensure safety (9.1)	Reasonable prices (9.4)
Outcome Priorities Those who selected that specific outcome as one of their top 3 priorities	Reasonable prices (67%)	Reasonable prices (65%)	Reliable service (70%)	Reliable service (13)
	Reliable service (57%)	Reliable service (58%)	Reasonable prices (60%)	Ensure safety (6)
	Ensure safety (28%)	Ensure safety (28%)	Help adopt tech to boost self-sufficiency (30%)	Expand grid for tech adoption (5)

Reliability Priorities

Reliability Priorities Those who picked that specific priority as one of their top 3 priorities	↓ Restoration time in extreme weather (57%)	Improve communication during outages (48%)	Improve quality of power (57%)	Improve quality of power (6)
	↓ No. of outages in extreme weather (50%)	Improve quality of power (46%)	↓ Restoration time in extreme weather (50%)	↓ No. of outages in extreme weather (6)
	Improve communication during outages (48%)	↓ Restoration time in extreme weather (46%)	Improve communication during outages (49%)	Improve communication during outages (6)

Investment Trade-offs

Invest more | Invest less | Don't know

Replacing Deteriorated Equipment Investing in the long-term health of the electricity system to avoid creating backlog by spreading replacement costs over time.				
Dealing with Growth Uncertainty Building a local electricity grid big enough to handle unexpected increases in demand. There is a risk some equipment will not be fully used because demand doesn't develop as quickly as anticipated.				
Enabling a Customer-Engaged Grid Move more quickly from the traditional distribution grid to a two-way, customer-engaged grid, even if that means higher rates.				
Grid Modernization Invest in grid modernization technology, moving more quickly to a more reliable and efficient grid, even if it means rates will increase faster in the short-run.				
Grid Resilience Increase grid resilience by doing more to reduce the risk of long-term outages due to extreme weather, even if that means rates increase more in the short run.				

For more information about this document or the customer engagement results contact Natalie Yeates at natalie.yeates@alectrautilities.com.

DRAFT

APPENDIX 07

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase I Customer Engagement
2027 Rebasing Application

Residential Needs and Preferences Survey (Voluntary Stream)

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

June 2024

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

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- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Online Survey
Survey Design & Methodology

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Open Link

INNOVATIVE hosted the online portal at the following URL: *www.AlectraCustomerFeedback.com*

Each customer was able to select (i) whether they would like to complete the survey on behalf their home or business to determine their rate class (residential or GS<50), (ii) the city or town they received electricity service from Alectra to determine their rate zone, and (iii) the rate option which is associated with their account. In an event that customers were not sure of their rate option, the workbook defaulted to Time of Use for their selected rate class and rate zone. These three selections allowed the survey to present a workbook customized to their rate class, rate zone and rate option.

While the open portal allowed both residential and GS<50 customers to complete, the portal only received survey completes from residential customers. As such, this is the only report summarizing the open link survey, with results solely from residential customers.

Residential Online Survey Completes via the Open Link

Customers had the opportunity to complete the survey between **March 6th and March 25th, 2024**.

A total of **51** (unweighted) residential customers completed the online workbook.

Incentives

Customers who completed the survey were invited to enter a draw to win one of ten prizes. Each prize consisted of a $250 Amazon online gift card.

Online Survey
Survey Design & Methodology

Sample Distribution

The Residential online survey sample has not been weighted as it is a voluntary sample and is not representative of the broader Alectra service territory.

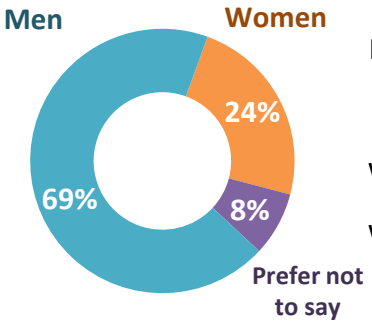
The table below summarizes the unweighted sample breakdown by rate zone.

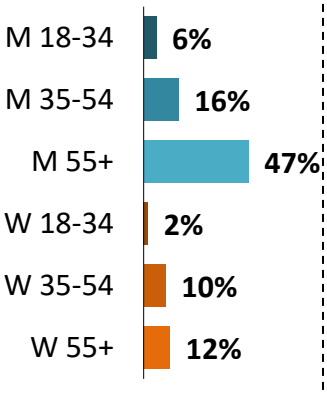
Rate Zone	Sample Distribution	
	Total	Distribution
Hydro One Brampton (BRZ)	1	2%
Enersource (ERZ)	9	18%
Guelph Hydro (GRZ)	2	4%
Horizon (HRZ)	15	29%
PowerStream (PRZ)	24	47%
Total	51	100%

Online Survey
Demographic Breakdown

Open Link Residential

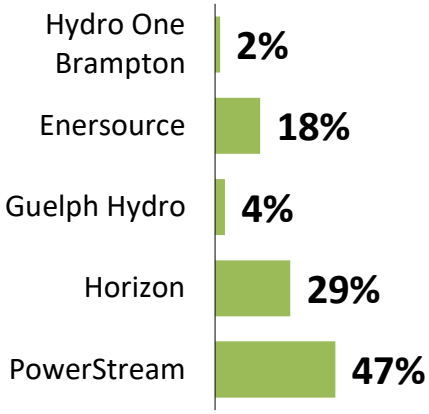
Gender & Age



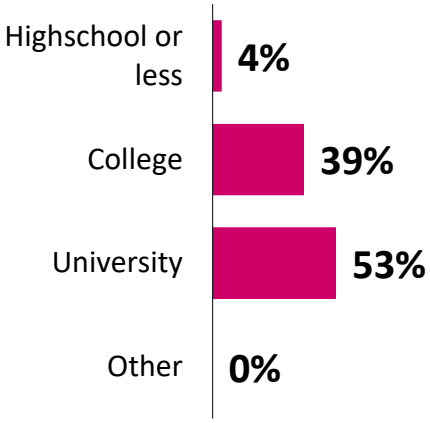


"Prefer not to say"/ "Prefer to self-describe" (8%) not shown.

Rate Zone

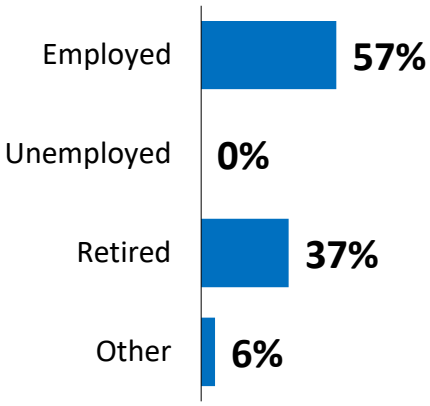


Education Level

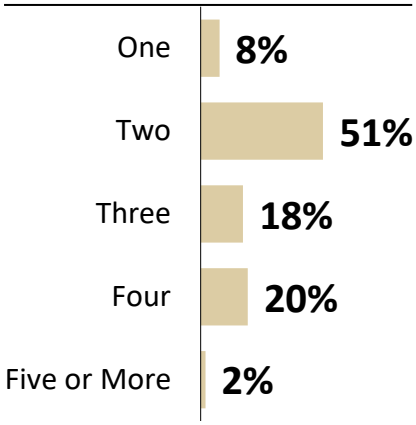


"Prefer not to say" (4%) not shown.

Employment Status

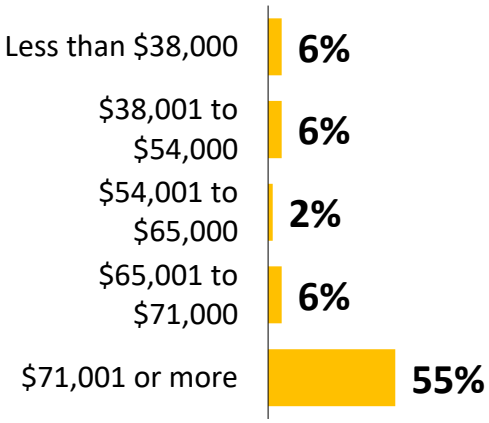


Household Size



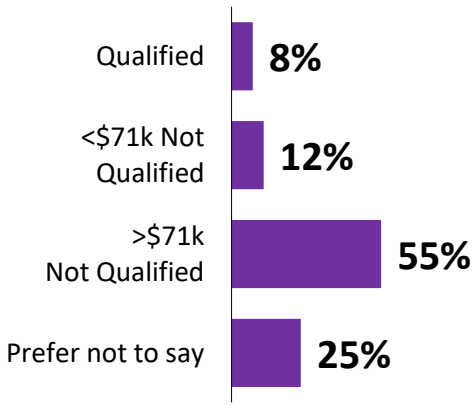
"Prefer not to say" (2%) not shown.

After Tax Household Income



"Prefer not to say" (25%) not shown.

LEAP/OESP Qualification*



*Calculation based on household size and after-tax income.

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

Open Link
Residential

Welcome to the Alectra Utilities Customer Survey!

Alectra Utilities serves 17 communities across Ontario. To make sure this survey has the right information for you, we need to ask a few questions about your service area:

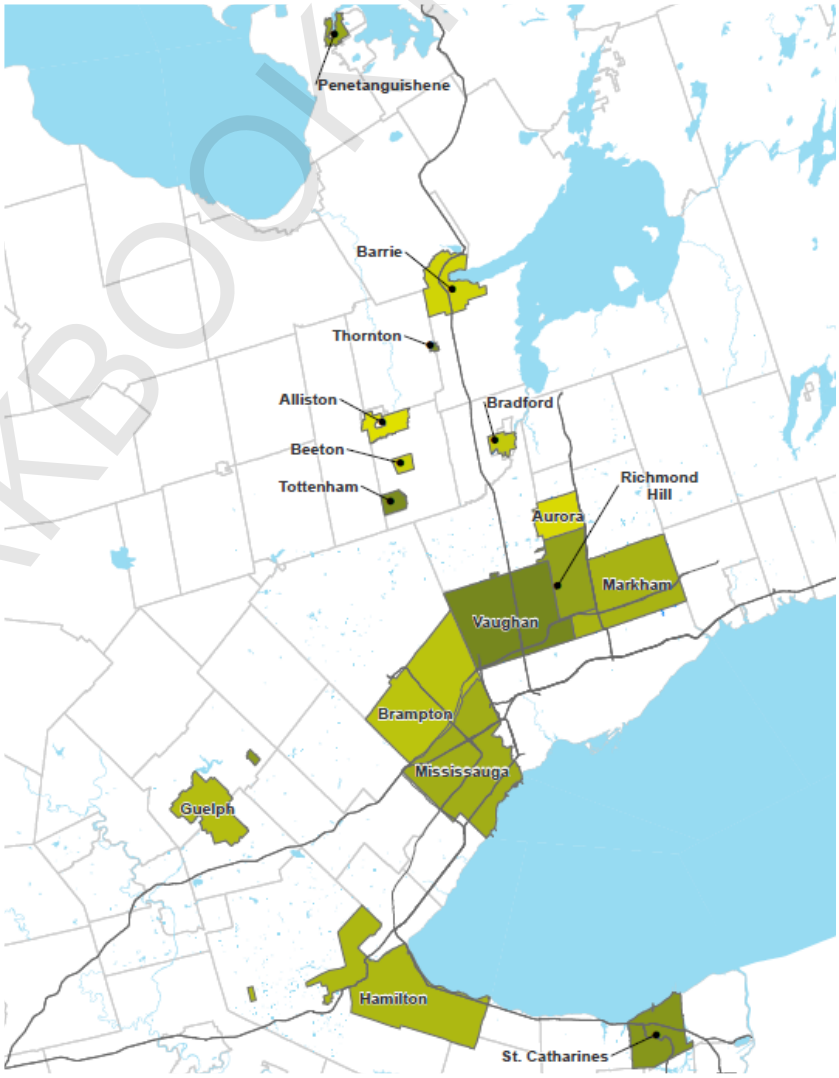
Would you like to complete the survey on behalf of…?

- ☐ My home
- ☐ My business (GS<50)

Once complete, you will automatically enter into a draw for **one of ten $250 gift cards.**

OL2. Using the map, please select the city or town where you receive service from Alectra.

- ☐ Alliston
- ☐ Aurora/King City
- ☐ Barrie
- ☐ Beeton
- ☐ Bradford
- ☐ Brampton
- ☐ Guelph/Rockwood
- ☐ Hamilton
- ☐ Markham
- ☐ Mississauga
- ☐ Penetanguishene
- ☐ Richmond Hill
- ☐ St. Catherines
- ☐ Thornhill
- ☐ Tottenham
- ☐ Vaughan



WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

Open Link
Residential

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

What are the first three characters of your postal code?

□ **[OPEN]**

OL4. What rate option is associated with your account at Alectra?

□ **Time of use**
□ **Tiered**
□ **Ultra-low overnight**
□ **Don't know**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

Open Link
Residential

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan. This plan will determine the investments in equipment and infrastructure, the services it provides, and the rates you pay.

Your input will focus on three things:

1. **Your experience with Alectra and how they can do better.**
2. **What outcomes matter most to you.**
3. **Different energy choices that Alectra planners need to consider.**

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions. If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

PAGE CONTINUES ON NEXT SLIDE

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

Open Link
Residential

CONTINUED FROM PREVIOUS SLIDE ON SAME SCREEN PAGE

As a company accountable to the provincial energy regulator, **the Ontario Energy Board (OEB),** all views and results will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

Your individual responses will be kept confidential. Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

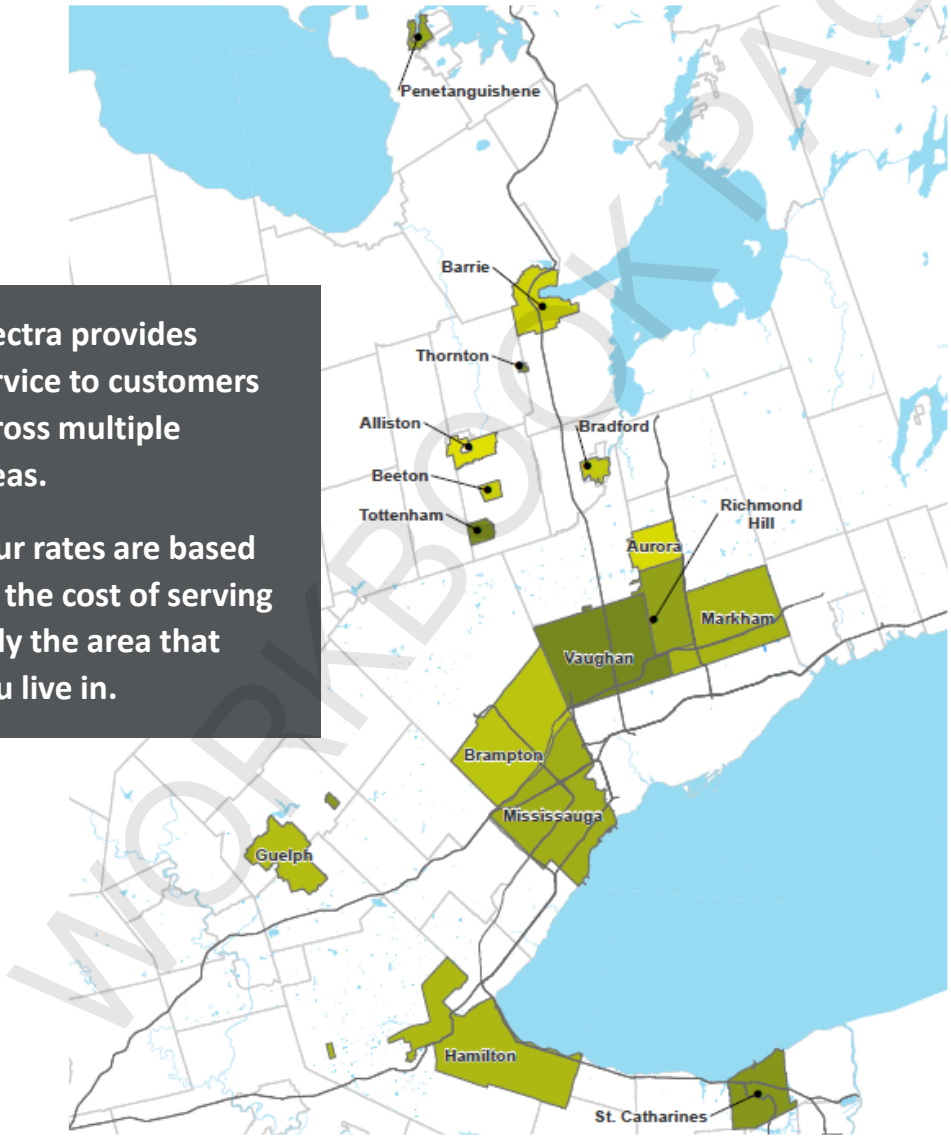
Open Link
Residential

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Alectra provides service to customers across multiple areas.

Your rates are based on the cost of serving only the area that you live in.



WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

Open Link
Residential

What is Alectra's role in Ontario's electricity system?

Ontario's electricity system is owned and operated by public, private and municipal corporations across the province. It is made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: distributing electricity to customers through our distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of primary underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

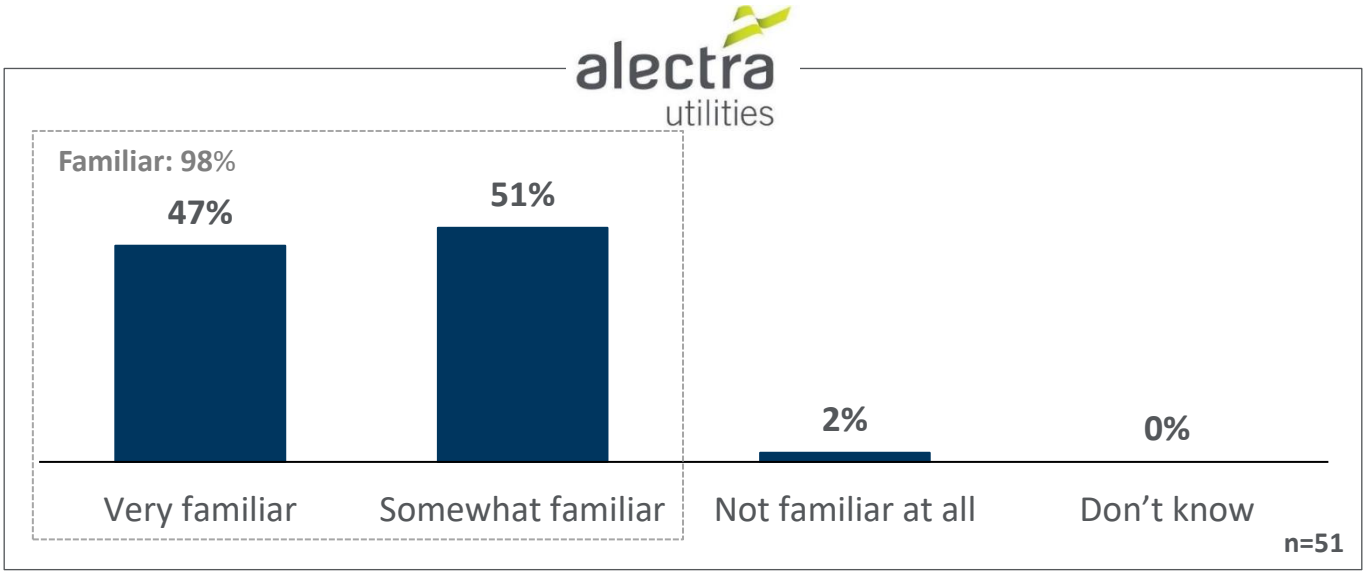
WORKBOOK PAGE

Online Workbook

Familiarity with Ontario's Electricity Distribution System

Open Link Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



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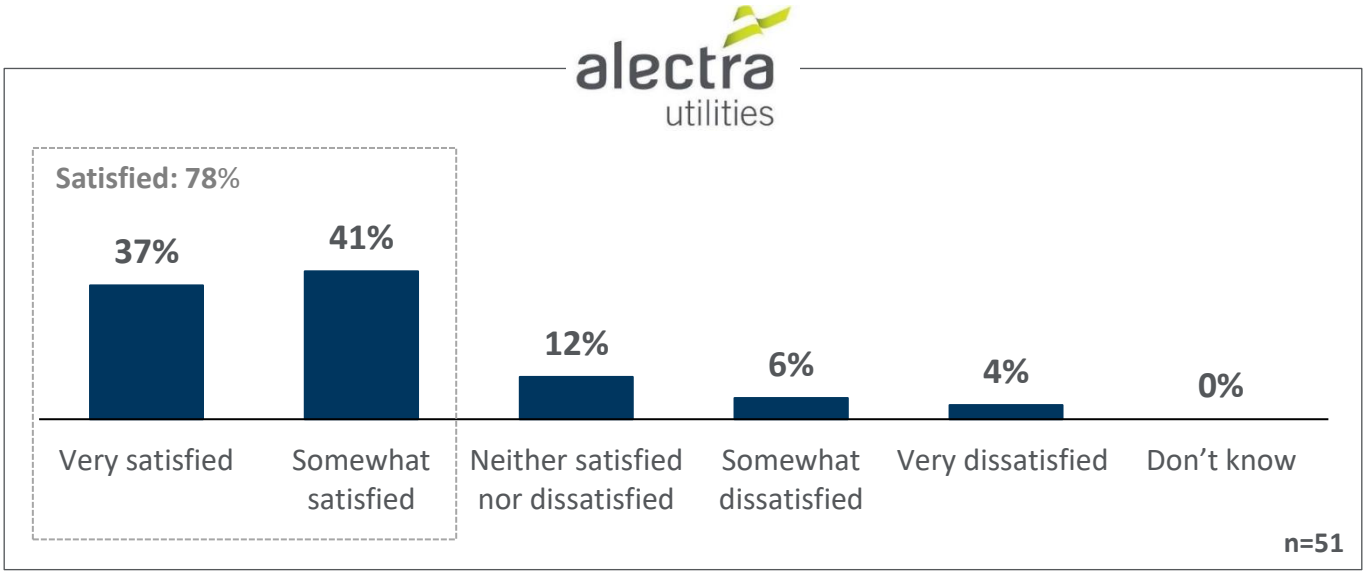
Online Workbook

Satisfaction with Services from Alectra Utilities

Open Link Residential

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?

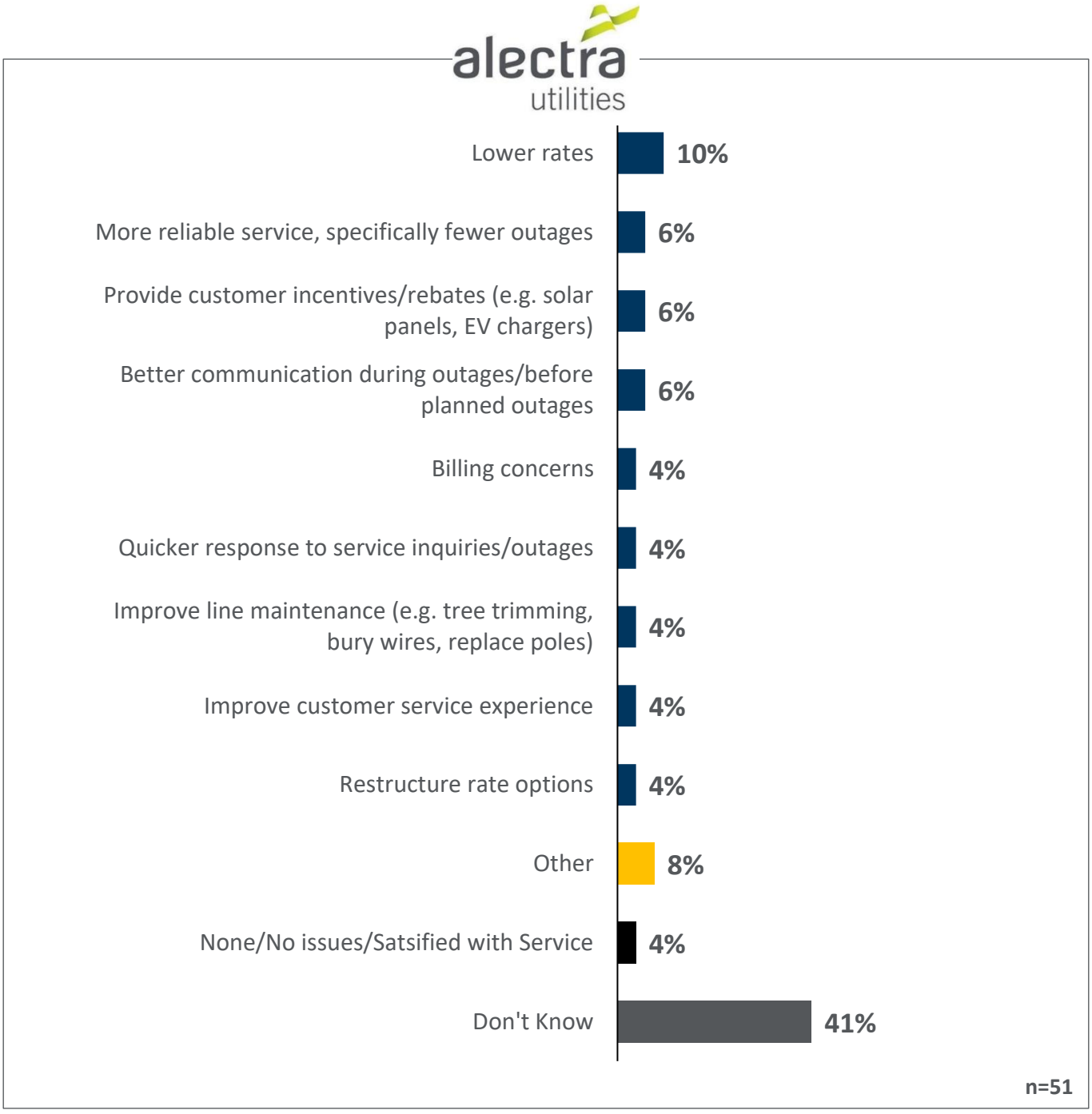


INNOVATIVE RESEARCH GROUP

Online Workbook
Areas for Improvement

Open Link Residential

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to you? [OPEN]



INNOVATIVE RESEARCH GROUP

Online Workbook
Areas for Improvement

Open Link Residential

Q Is there anything in particular you would like Alectra Utilities to do to improve its services to you? [OPEN]

Sample Verbatims
Lower rates
"Not really. Lower prices are always good."
"Reduce cost."
More reliable service, specifically fewer outages
"Three times in the last few months the power has gone down in a very localized area around my house (a couple of blocks). Each time the outage has taken hours to repair. I have trouble believing that there isn't something that Alectra could do to mitigate these failures."
Provide customer service incentives/rebates (e.g. solar panels, EV chargers)
"Provide, at their cost, infrastructure upgrades necessary to support residential electric vehicle charge requirements."
Better communication during outages/before planned outages
"Continue to improve notifications centered around outages, planned or otherwise…"
Billing concerns
"Eliminate my billing concerns."
Quicker response to service inquiries/outages
"Faster response to shutdowns."
Improve line maintenance (e.g. tree trimming, bury wires, replace poles)
"Get the overhead electricity lines buried to discourage weather or pest related outages."
Improve customer service experience
"If there is an outage, I want to be able to call a person and speak to them 365 days a year…"
Restructure rate options
"Stop time of use as this is just ridiculous."
Other
"Regular newsletters."
"Improve the reliability of your service [in area] by building in some backup redundancies. We had yet another blip today."

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
BRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

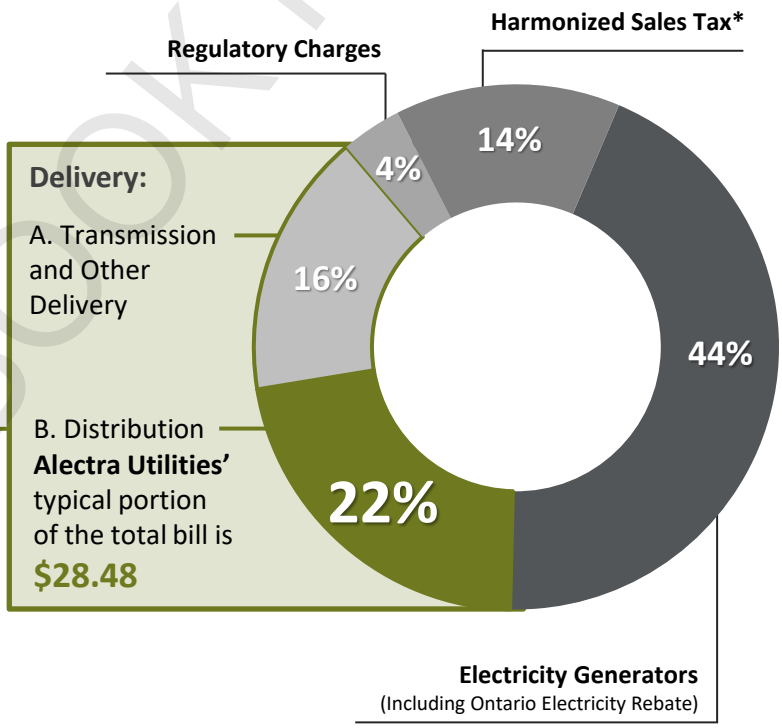
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	49.65
Regulatory Charges	4.83
Total Electricity Charges	$137.99
HST	17.94
Ontario Electricity Rebate	($26.63)
Total Amount	$129.29

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
ERZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

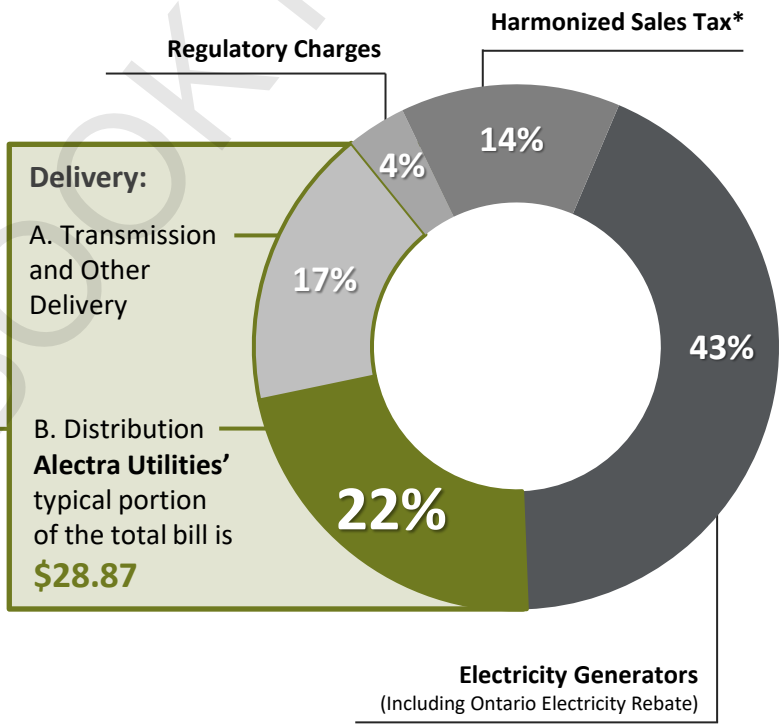
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	51.80
Regulatory Charges	4.83
Total Electricity Charges	**$140.14**
HST	18.22
Ontario Electricity Rebate	($27.05)
Total Amount	**$131.31**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
GRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 25% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

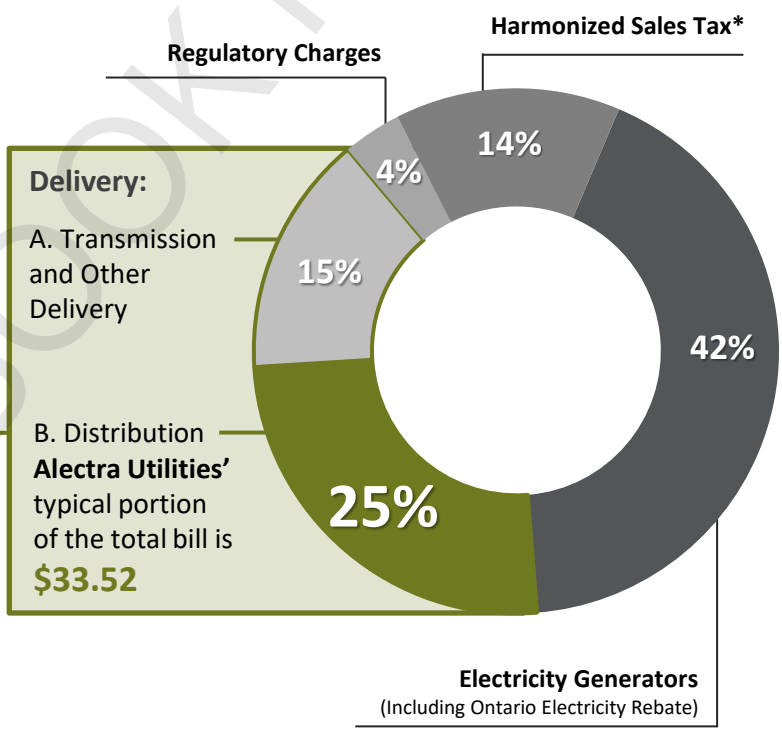
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	53.27
Regulatory Charges	4.79
Total Electricity Charges	**$141.57**
HST	18.40
Ontario Electricity Rebate	($27.32)
Total Amount	**$132.66**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
HRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical residential customer's bill.
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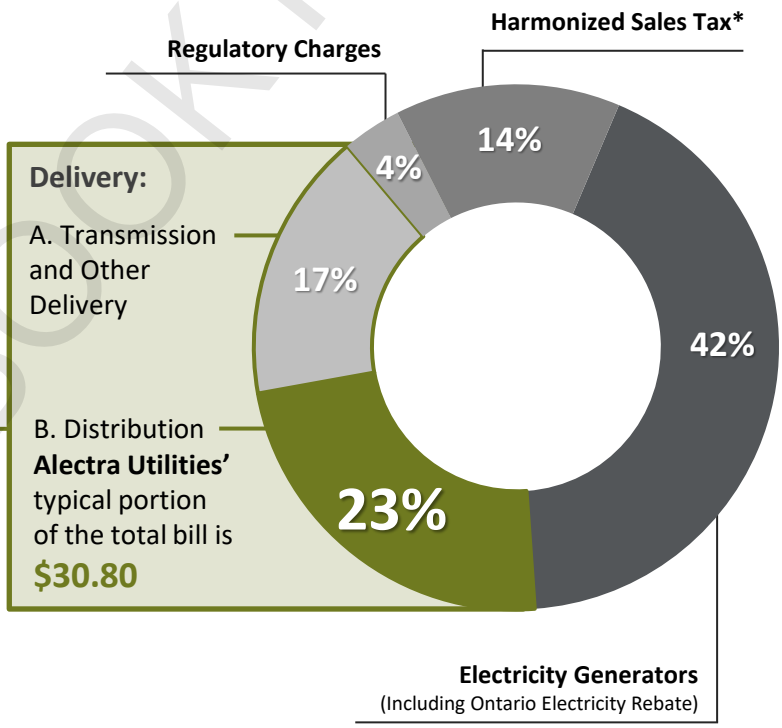
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	52.91
Regulatory Charges	4.84
Total Electricity Charges	$141.26
HST	18.36
Ontario Electricity Rebate	($27.26)
Total Amount	$132.36

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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WORKBOOK PAGE

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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
PRZ TOU

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
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- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

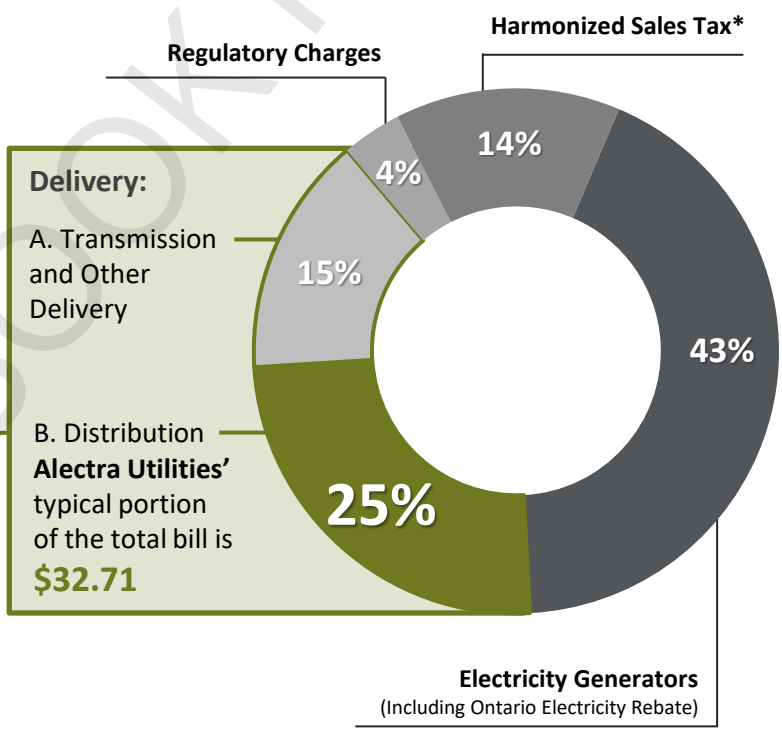
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 8.7 ¢/kWh	41.11
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 18.2 ¢/kWh	25.94
Delivery	52.26
Regulatory Charges	4.84
Total Electricity Charges	**$140.61**
HST	18.28
Ontario Electricity Rebate	($27.14)
Total Amount	**$131.71**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

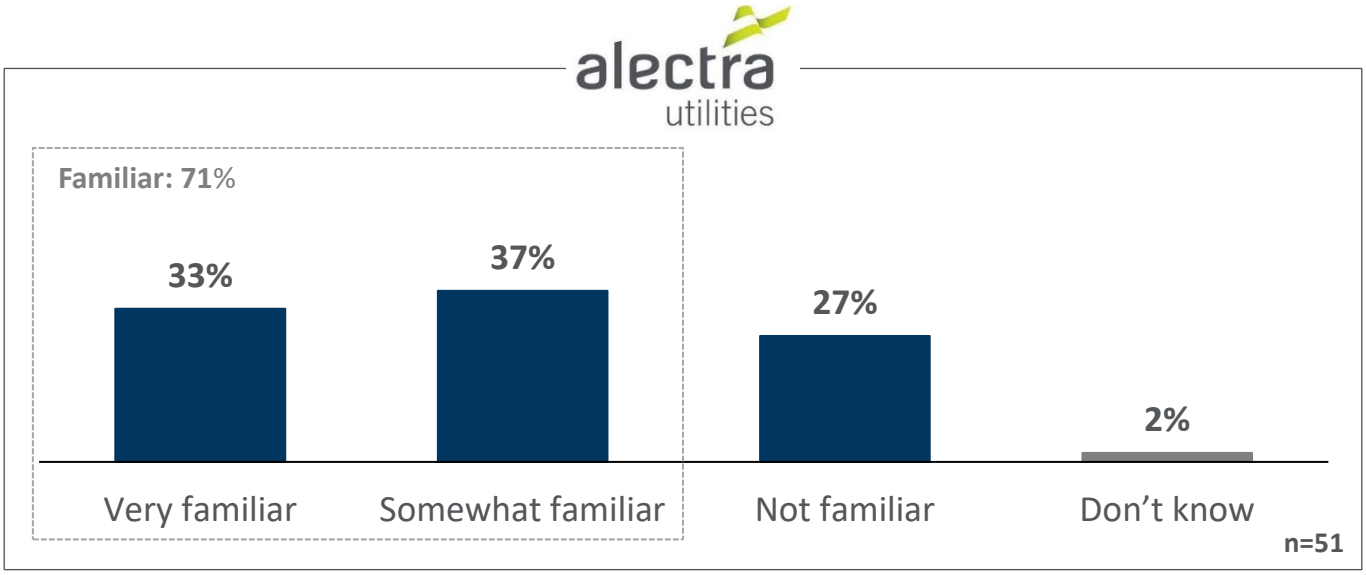
NOTE: Customers were shown the electricity bill page based on their rate zone and option. To demonstrate, we have only included the TOU rate option here. To see the bill pages shown to Tiered and Ultra Low residential customers, please see the appendix.

Online Workbook

Familiarity with Electricity Bill

Open Link Residential

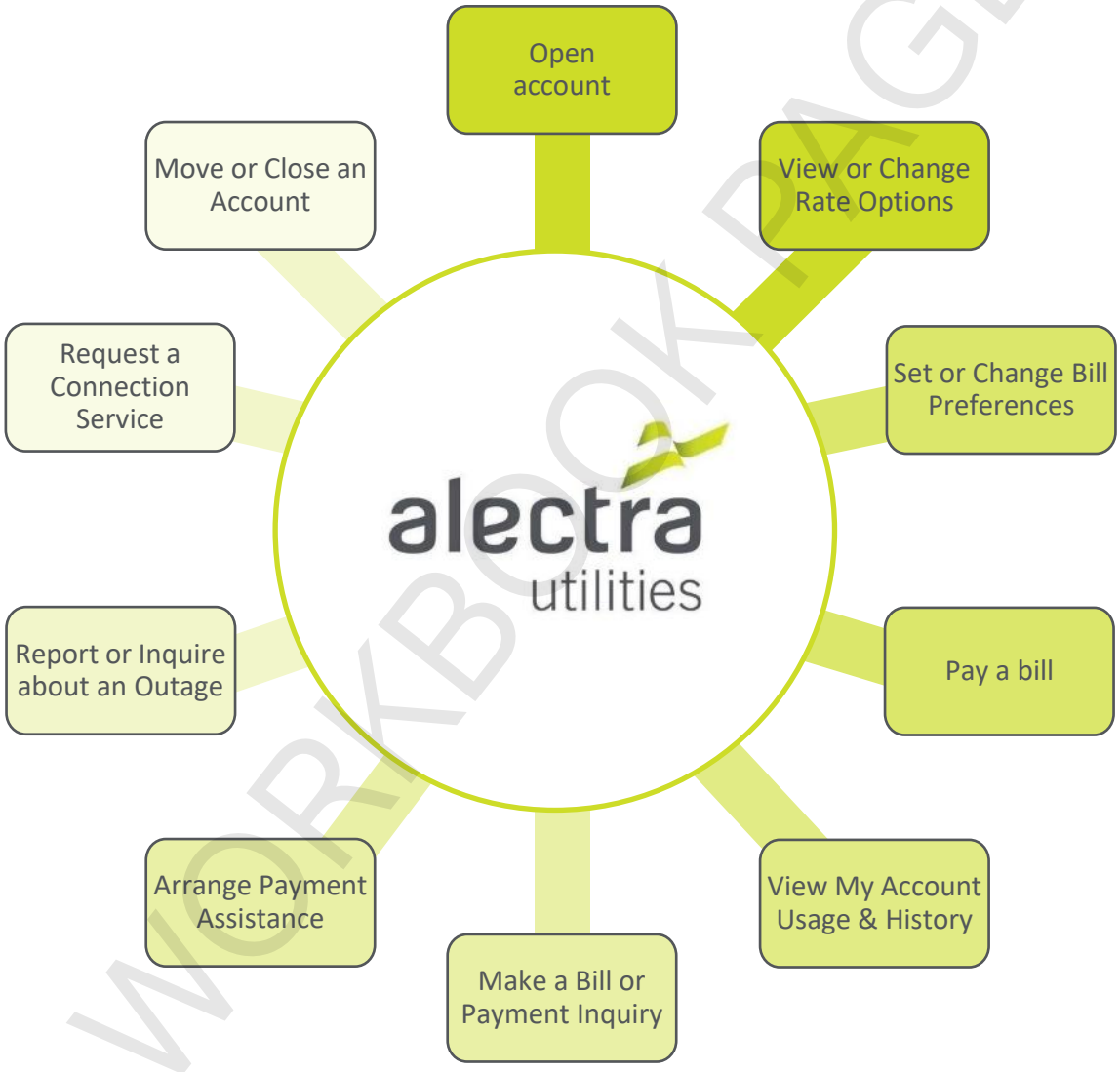
Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?



Customer Service Experience

There are many ways that customers interact with Alectra. The diagram below is based on previous customer feedback and intended to help you recall various ways you may have interacted with Alectra – across Web, Phone, Email, Social media, and In-Person experiences.

Please review and then answer the questions below to help Alectra ensure they have fully captured customer needs.



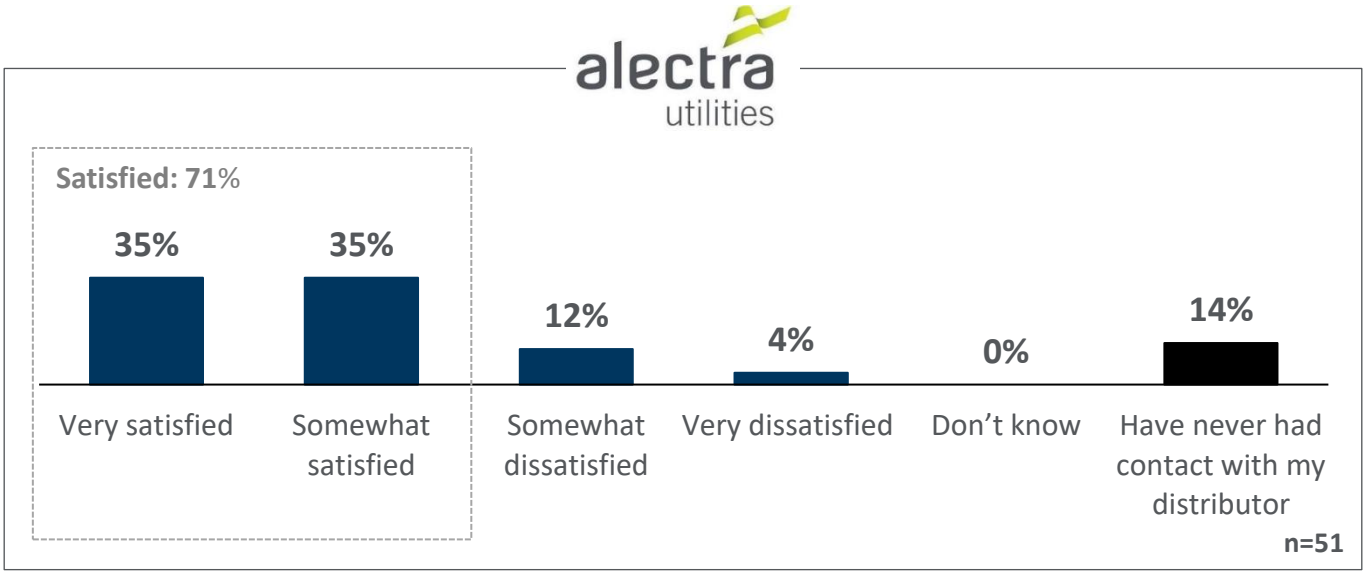
WORKBOOK PAGE

Online Workbook

Satisfaction with Customer Service Experience

Open Link Residential

Q Thinking about all the interactions you may have had with Alectra since becoming a customer, how satisfied are you with the customer service experience you have received from Alectra?

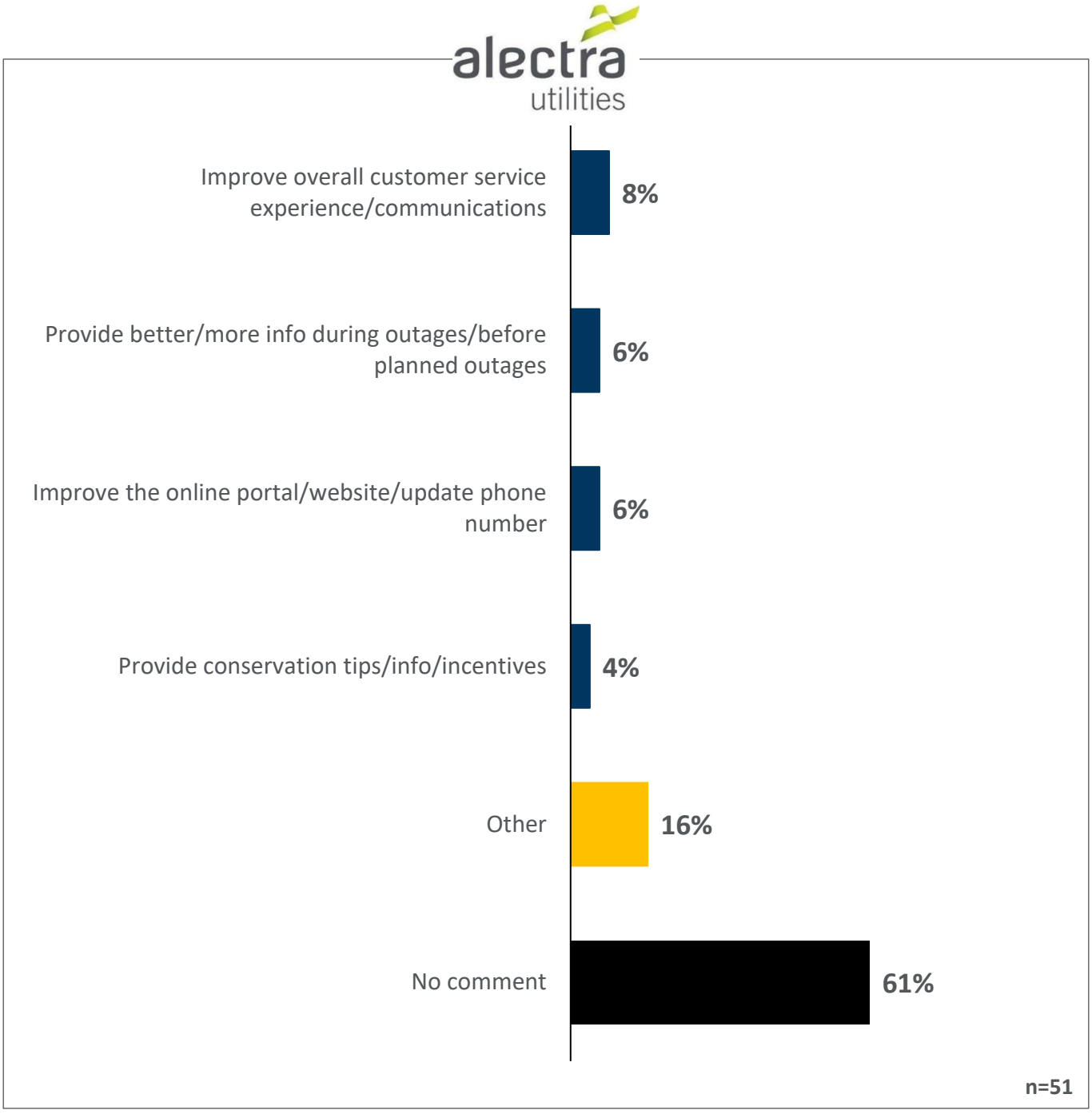


INNOVATIVE RESEARCH GROUP

Online Workbook
Meeting Customers' Needs

Open Link Residential

Q Thinking about all the interactions you may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?



Online Workbook
Meeting Customers' Needs

Open Link Residential

Q Thinking about all the interactions you may have had with Alectra Utilities, do you have any specific suggestions about how Alectra Utilities could do a better job of meeting your needs?

Sample Verbatims
Improve overall customer service experience/communications
"Alectra needs to get back to basics and have people answering the phones."
"Better call centres in Canada..."
Provide better/more info during outages/before planned outages
"When reporting electrical related concerns online, I do not receive confirmation or follow up."
Improve the online portal/website/update phone number
"[Make it] easier to update cell number."
Provide conservation tips/info/incentives
"Provide better online tools to assess and optimize my energy usage and costs."
Other
"Improve Certified Trustee authentication for an Estate process. It took multiple attempts before the correct information went to the correct department."
"Work forward to meet upgrades required of older infrastructure."

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

Open Link Residential

How are electricity distribution rates set?

The electricity industry in Ontario is regulated by the Ontario Energy Board (OEB). The OEB sets electricity rates in Ontario.

- Electricity distributors are funded by the distribution rates paid by their customers. Periodically, distributors are required to file rate applications with the OEB to justify the amount of funding they need to safely and reliably distribute electricity to their customers.
- The OEB requires Alectra to consider customers' needs, outcomes and preferences as Alectra develops its' business and distribution system plan, including spending and investment decisions.
- Customers like you will have at least three opportunities to provide input into Alectra's long term planning process:

How customer input guides Alectra's planning process:

1. **Customers Identify Needs, Preferences and Priorities**
   Customers provide initial input to Alectra's planners through this survey on your needs and priorities.
2. **Use Customer Feedback to Guide the Draft Plan**
   Alectra's planners will consider views from this survey as they develop their initial plans.
3. **Customers Provide Feedback on the Draft Plan**
   Customers provide feedback on how the draft plan could better meet their needs and preferences.
4. **Use Customer Feedback to Finalize the Plan**
   Alectra's planners will re-examine the draft plan and make changes based off of feedback provided by customers in Step 3.
5. **Submit the Plan to the Ontario Energy Board (OEB)**
   Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

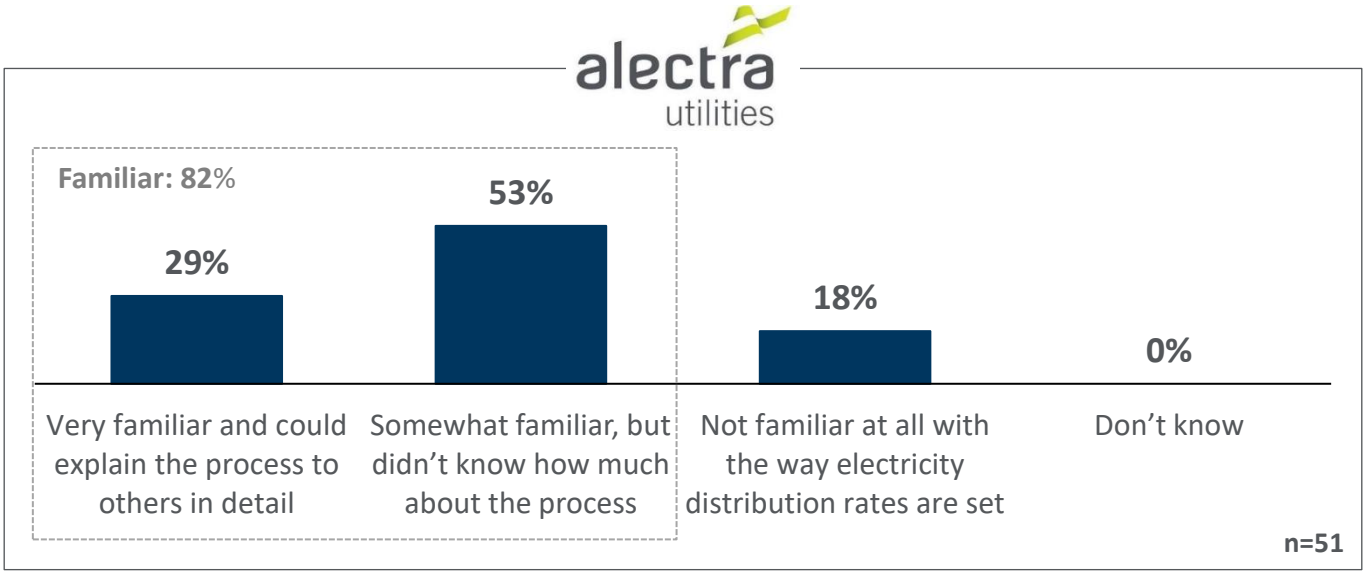
WORKBOOK PAGE

Online Workbook

Familiarity with Electricity Distribution Rates

Open Link Residential

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Alectra Utilities Customer Survey

Planning for the Future: Customer Outcomes

What are the goals you want Alectra Utilities to focus on?

Now let's talk about outcomes. Alectra Utilities talks to customers to better understand how it should set spending priorities with the money customers pay for service.

In recent conversations with customers, a number of possible goals were identified as potential priorities for Alectra Utilities. Below you will find a list of these potential priorities.

WORKBOOK PAGE

Online Workbook
Priorities

Open Link Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

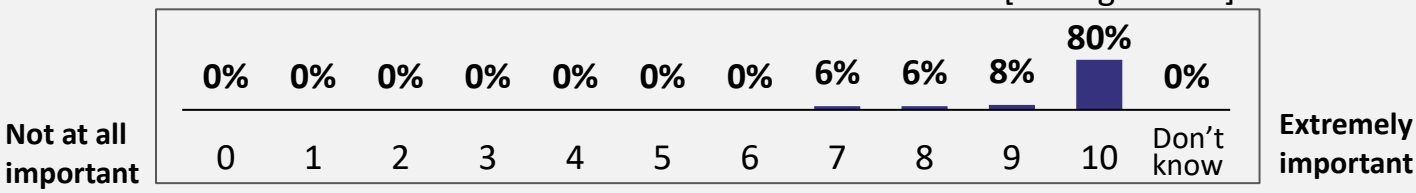
Shortened General Outcomes Priorities Response Labels	Full General Outcomes Priorities Response Labels
Provide reliable electrical service.	***Provide reliable electrical service.***
Deliver reasonable electricity distribution prices.	***Deliver reasonable electricity distribution prices.***
Protect the safety of customers and employees.	***Protect the safety of customers and employees.***
Consistently meet customer service expectations.	***Consistently meet customer service expectations.***
Help customers adopt new technology.	***Help customers adopt new technology and devices to increase their energy self-sufficiency and reduce their energy costs.***
Help customers manage their power consumption.	***Help customers better manage their electricity consumption.***
Minimize impact on the environment.	***Minimize impact on the environment.***
Expand the grid to enable adoption of new tech.	***Expand the grid to enable customers to adopt new technologies such as electric vehicles and heat pumps.***

Online Workbook
Priorities

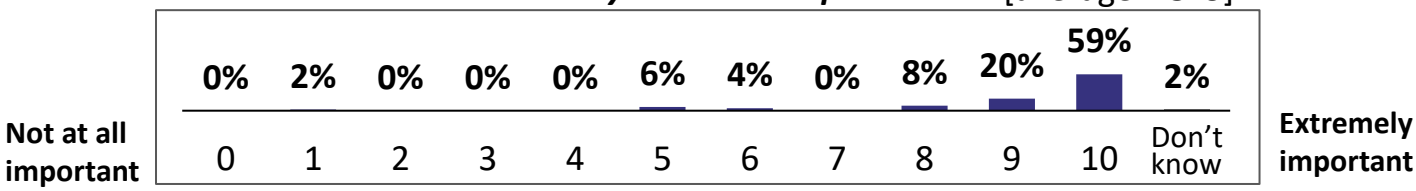
Open Link Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

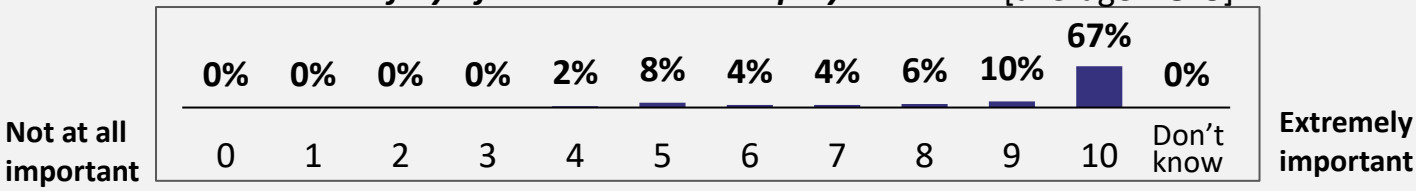
Provide reliable electrical service [average = **9.6**]



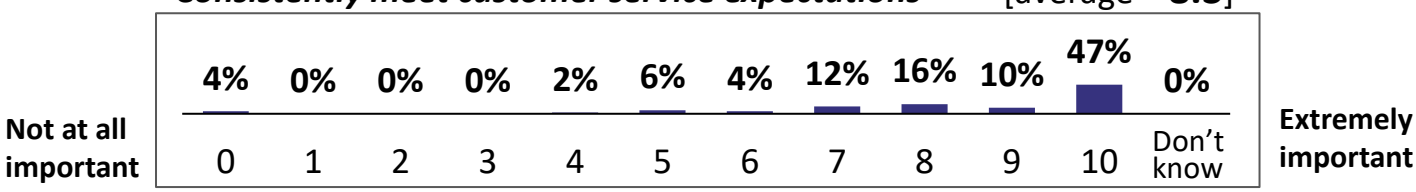
Deliver reasonable electricity distribution prices [average = **9.0**]



Protect the safety of customers and employees [average = **9.0**]



Consistently meet customer service expectations [average = **8.3**]



NOTE: Priority labels have been shortened for brevity. See slide 29 for full label text.
"Don't know" not included in calculation of means.

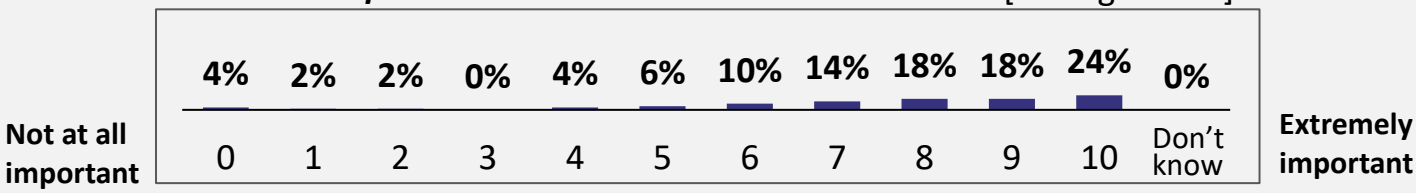
INNOVATIVE RESEARCH GROUP

Online Workbook
Priorities

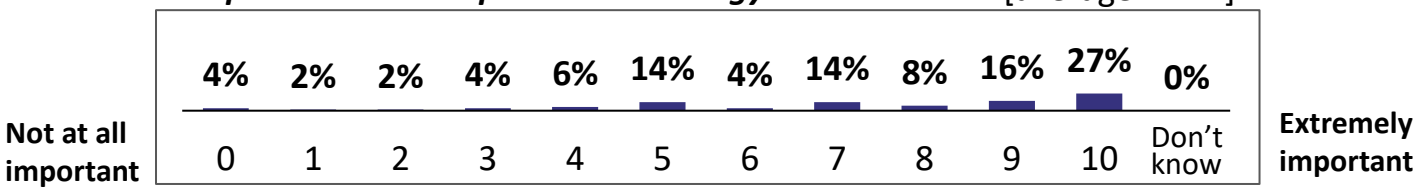
Open Link Residential

Q How important are each of these to you?
[Each priority was accompanied by a sliding scale with a range between 0 *"Not at all important"* and 10 "*Extremely important*" along with the option to select "Don't know"]

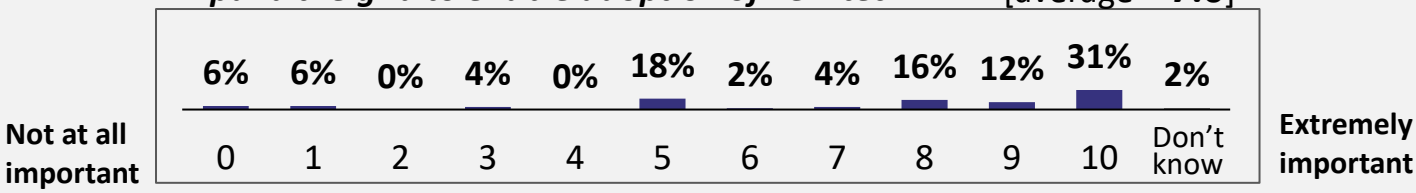
Minimize impact on the environment [average = **7.4**]



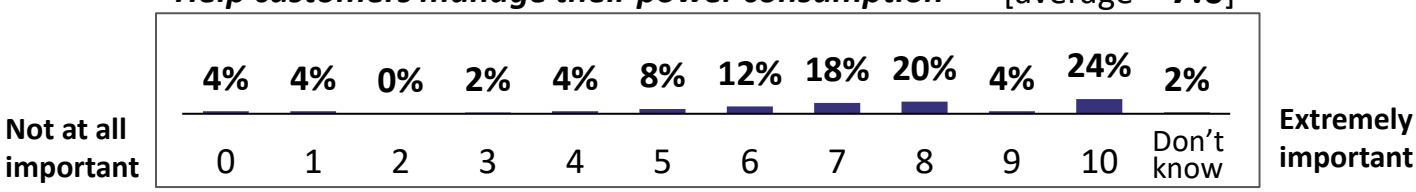
Help customers adopt new technology [average = **7.1**]



Expand the grid to enable adoption of new tech [average = **7.0**]



Help customers manage their power consumption [average = **7.0**]



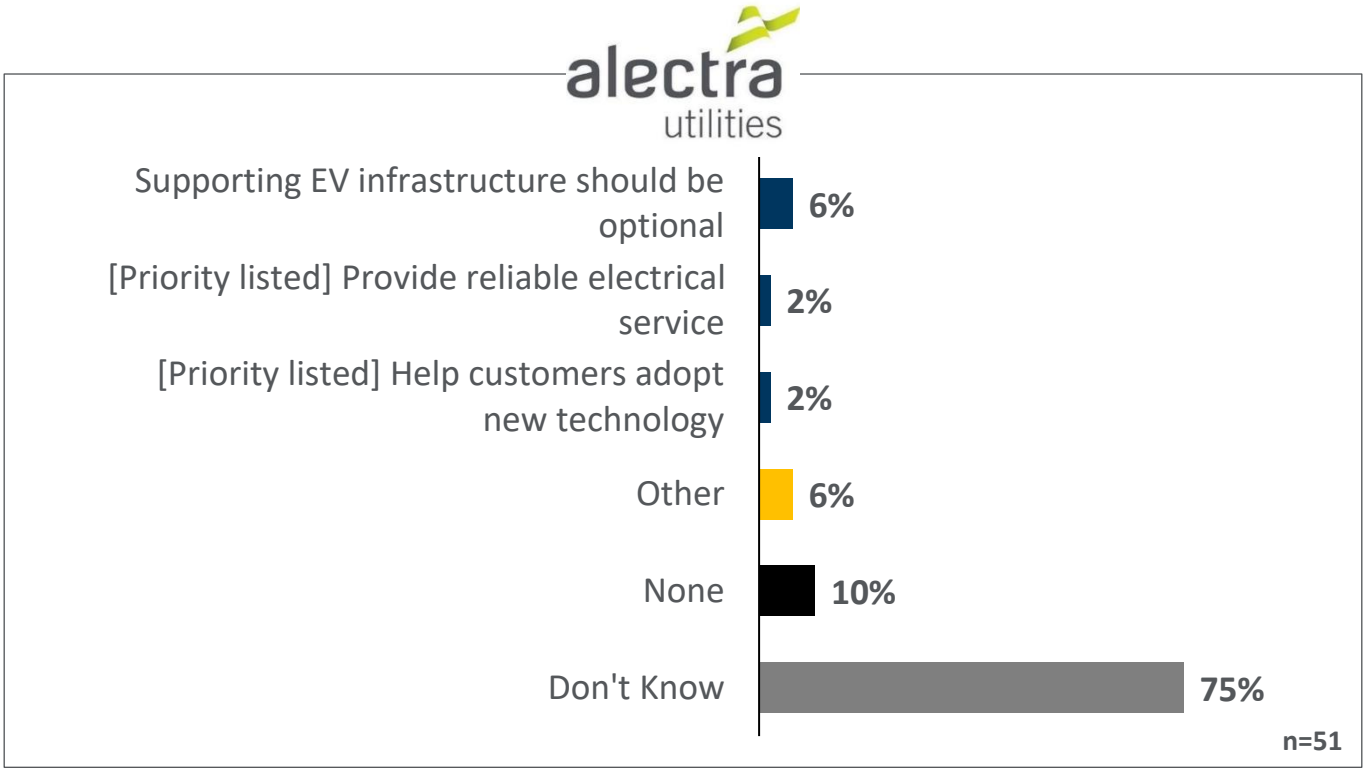
NOTE: Priority labels have been shortened for brevity. See slide 29 for full label text.
"Don't know" not included in calculation of means.

INNOVATIVE RESEARCH GROUP

Online Workbook
Other Priorities

Open Link Residential

Q Are there any other important priorities that Alectra should be focusing on that weren't included in the list above? [OPEN]



Sample Verbatims
Supporting EV infrastructure should be optional
"Manage bills for those customers who are not likely to migrate to EVs anytime soon... I think we are moving too fast to focus entirely on electrifying our vehicles."
"I do not believe in EV cars its not for our climate and the technology [has] not proven itself as reliable…"
[Priority listed] Provide reliable electrical service
"Reduce power outages should be a priority."
[Priority listed] Help customers adopt new technology
"Follow up with customers in older homes that are 100% electric to help upgrade that will reduce costs."
Other
"I am not a fan of wind turbines energy due to the noise, vibration and effect on whales, worms, nature. Water, nuclear, solar energy are perfect!"
"Smarter technology that doesn't require the grid to expand, but to rather use what's there more efficiently. For example, Smart electrical panels that allow homeowners to use their 125 Amps more efficiently for more electrical items rather than just adding more capacity to the grid to enable electric car charging."

Alectra Utilities Customer Survey

Planning for the Future: Customer Outcomes

Open Link
Residential

Setting Priorities

Sometimes Alectra has to choose between goals with a very similar level of importance. To help Alectra prioritize in such cases, please review the below list again and think about what matters most to you.

WORKBOOK PAGE

Online Workbook

Top 3 Priorities

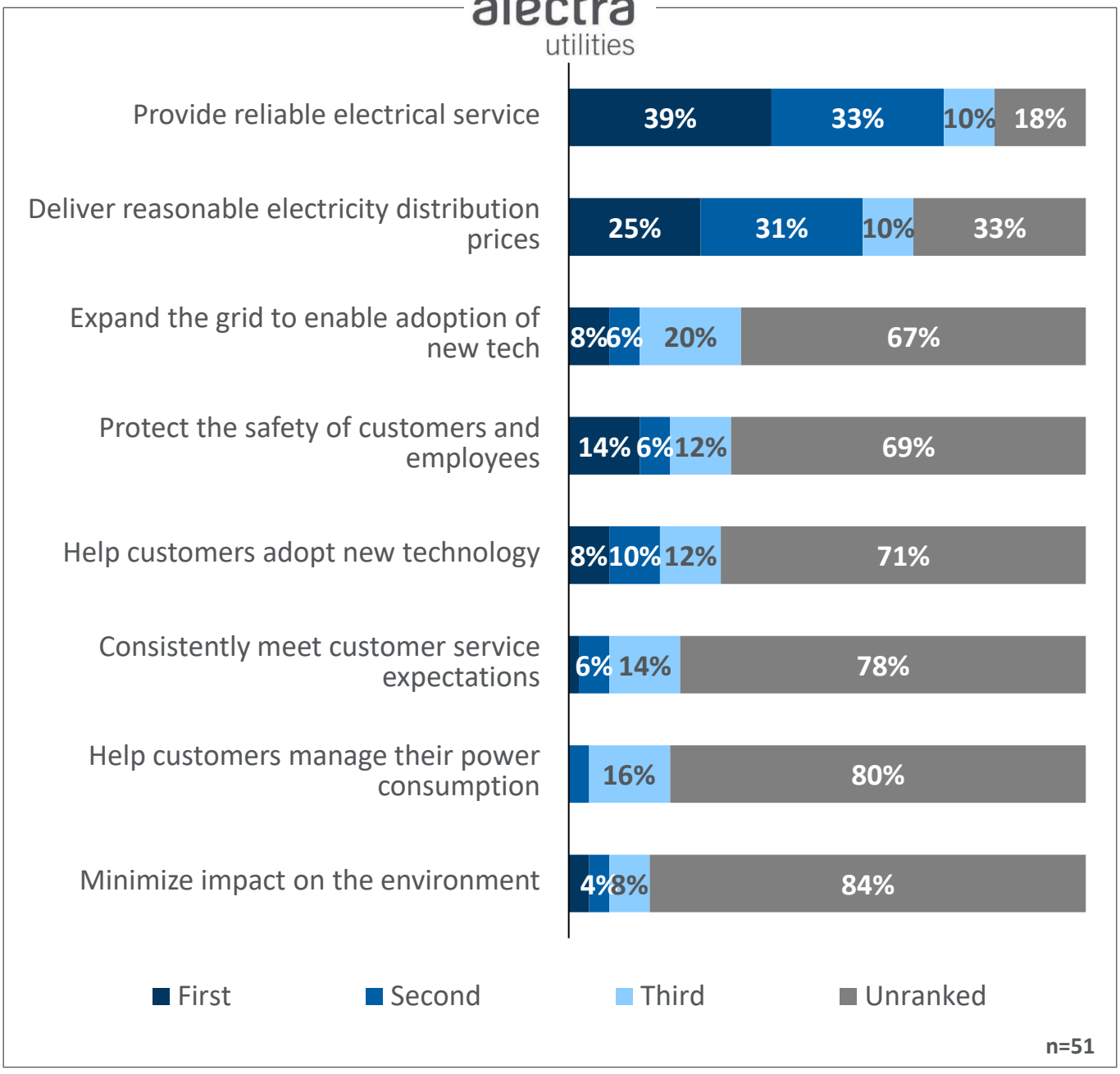
Open Link Residential

Q

Please drag and drop your top 3 priorities, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

alectra utilities



n=51

NOTE: Priority labels have been shortened for brevity. See slide 29 for full label text.

Reliability Experience and Priorities

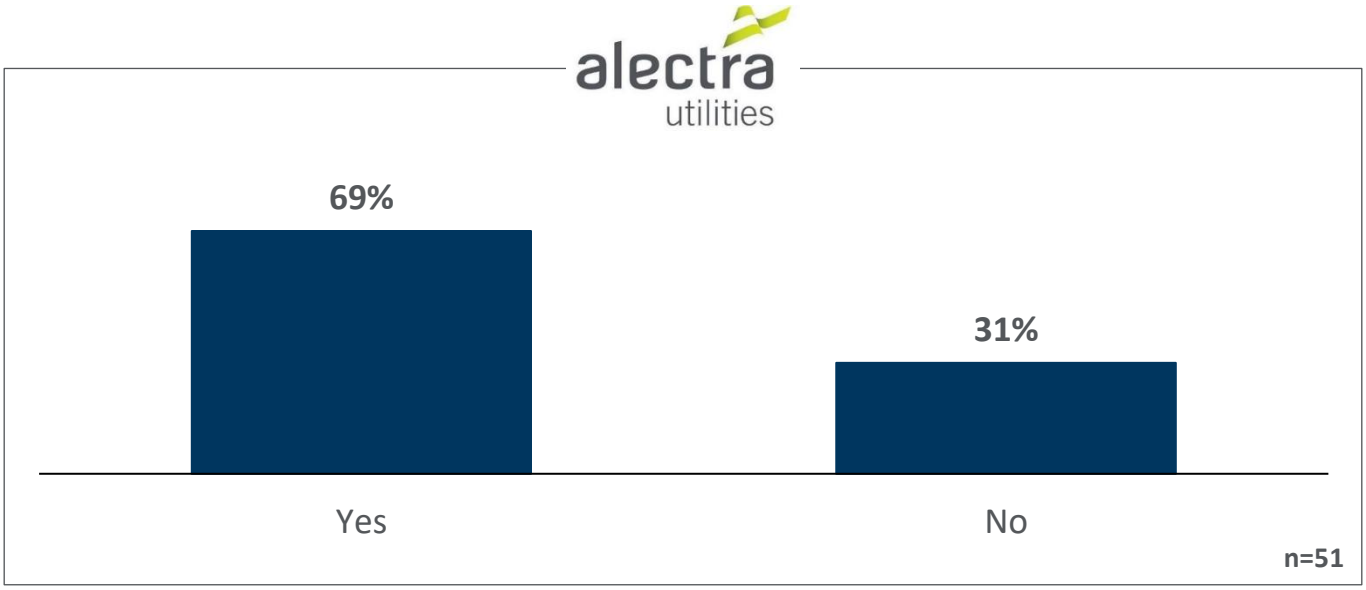
Now let's focus a little deeper on the reliability of your electrical service.

WORKBOOK PAGE

Online Workbook
Power Outages

Open Link
Residential

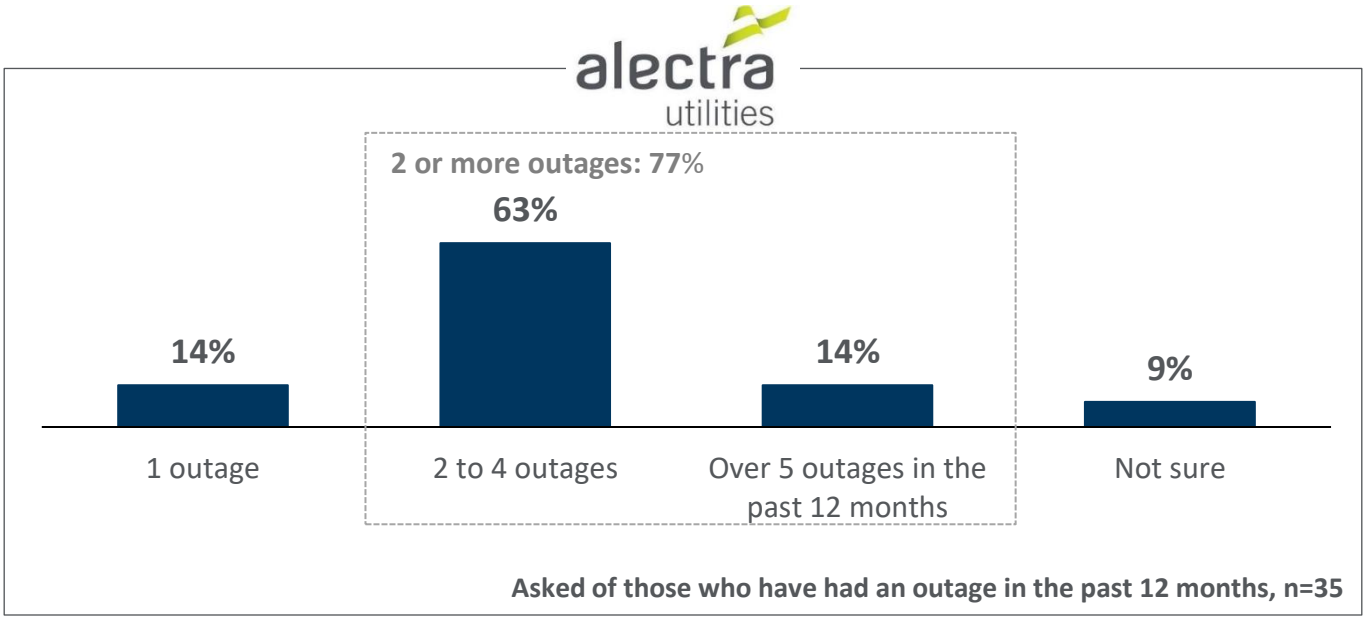
Q Have you experienced any power outages that lasted longer than a minute over the past 12 months?



Online Workbook
Power Outages

Open Link
Residential

Q Approximately how many outages did your household experience?

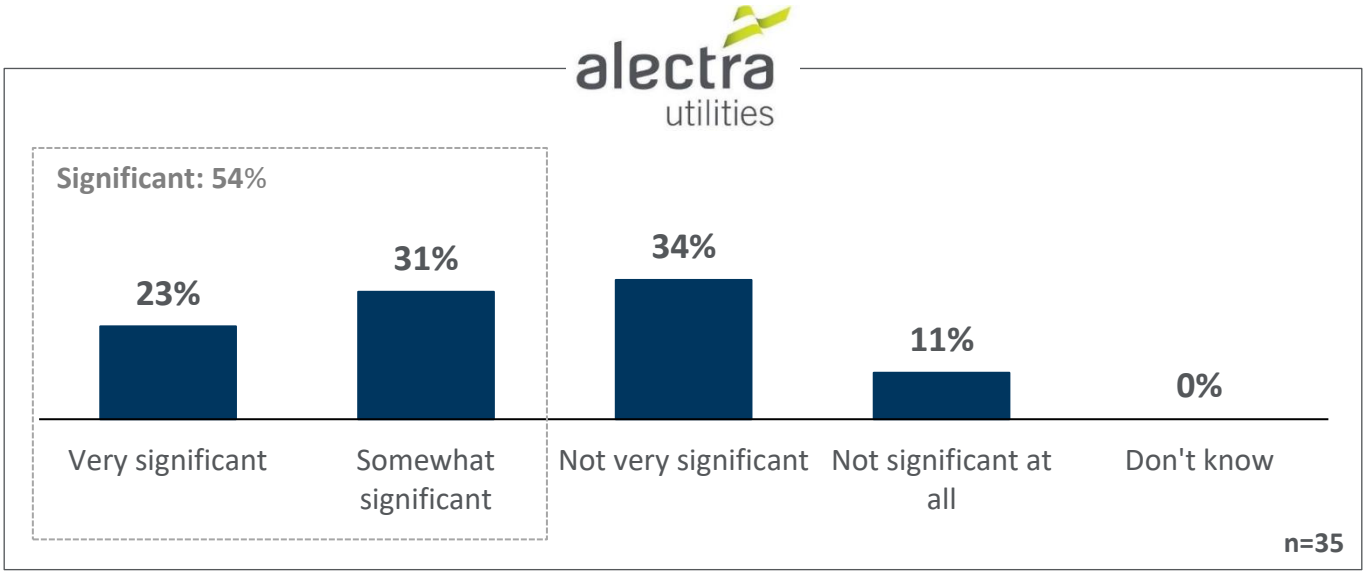


Asked of those who have had an outage in the past 12 months, n=35

Online Workbook
Power Outages

Open Link
Residential

Q How significant were these outages to your home?



Alectra Utilities Customer Survey

Planning for the Future: Customer Outcomes

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Reliability Priorities

When it comes to reliability, there are different outcomes Alectra can focus on.

- Alectra can focus on the number of outages or the length of outages.
- Alectra can focus on day-to-day reliability or preparedness for extreme weather events.
- Alectra can focus on power quality or communicating with customers during outages.

Different priorities require a different mix of investments.

WORKBOOK PAGE

Online Workbook
Outcomes

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Residential

Q Thinking about your own personal needs at home, please look at the following outcomes and rank the three that matter most to you.

Drag and drop the priorities in order, starting with the priority most important to you, followed by the second most important, and ending with the third most important. You can rank up to 3 priorities. If you are not sure, please select the option "Don't know".

Please review the whole list of priorities before making your choice.

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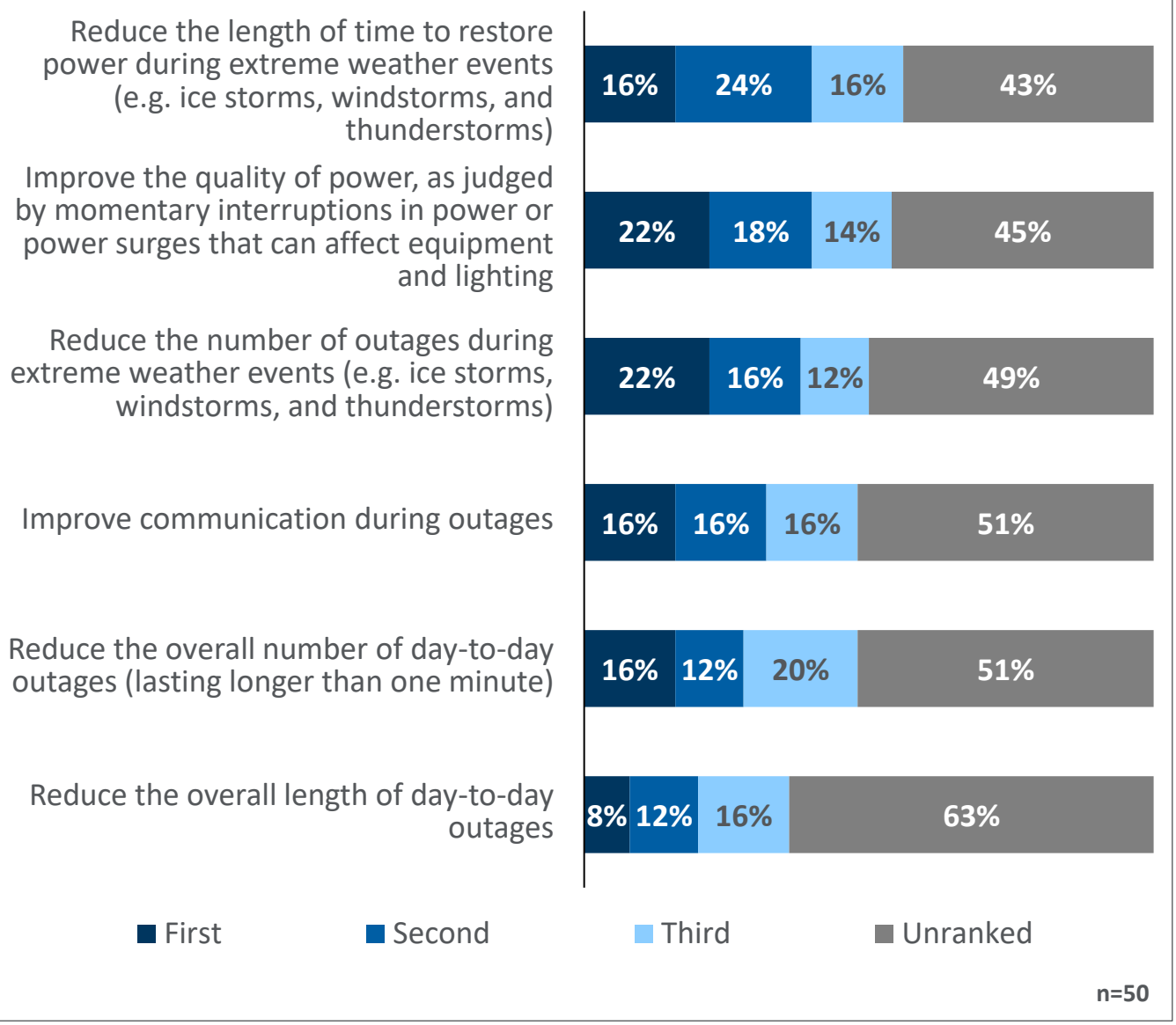


NOTE: Don't know (2%) not shown.

Alectra Utilities Customer Survey

Planning for the Future: Preferences

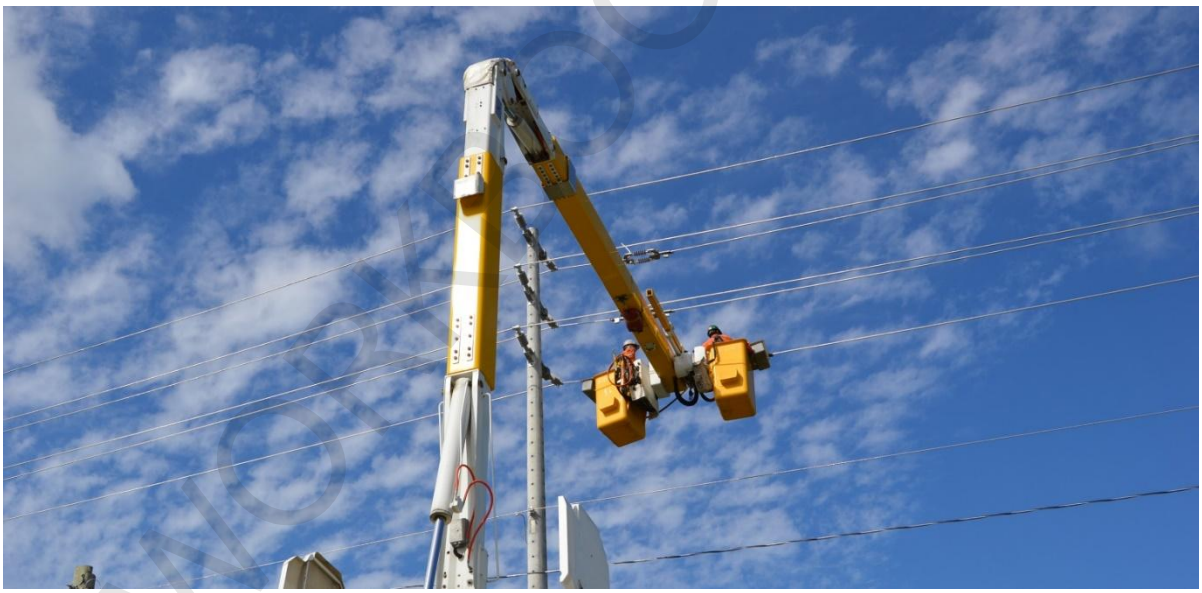
Making Choices

Now that you've had a chance to think about your experience with Alectra and priorities for the future, we'd like to present you with some specific choices Alectra's planners will need to make as they develop their plan for future investments and the rates you pay.

While Alectra's accountants and engineers are able to decide for themselves what size transformers they need or what is the most efficient way to do some things, there are some choices they can't make on their own. These choices are trade-offs between customer outcomes – trade-offs such as whether it is more important to keep rates lower or improve reliability.

Grid Maintenance:

Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. Much of the equipment in use today was installed 30, 40 or even 50 years ago, and will need replacement. But there remains some flexibility in timing. **Your views on whether it is more important to keep costs down or to minimize the risk of outages will provide direction to planners.**



What makes this plan different are some key changes that are fundamentally changing the electricity system we know today.

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WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Preferences

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New Technology:

Technology is changing dramatically. Increasingly, new technologies have allowed us to:

- Generate electricity from wind and solar on a smaller scale in our communities, on our street, even in our homes and businesses.
- Store electricity in batteries in our homes, businesses and vehicles.
- Use new smart devices and artificial intelligence to allow customers of all sizes to control their demands and even feed electricity into the grid.
- Identify and manage potential outage risks and quickly restore power when outages do occur.

Alectra Utilities must invest in the grid to enable the opportunity for customers to add their own new technologies. **These investments are required to manage a 2-way power flow and maintain the safety of a power grid.** It is important to understand how quickly you feel Alectra should proceed with those investments.

Growing Demand for Electricity:

Electricity demand is expected to grow at a faster pace.

- Homes and businesses are shifting from fossil fuels for heating and hot water to electric technologies such as heat pumps.
- People and companies are changing from gas and diesel-fueled vehicles to electric vehicles.
- Transit systems are also shifting from diesel to electric.

Even though our existing electric devices have become more efficient over time, new uses are creating more demand than efficiency and conservation can manage. However, the exact pace of this growth is uncertain. **Your views are needed on whether Alectra should prepare now for this growing demand or wait until specific demands occur.**

WORKBOOK PAGE

Online Workbook

Familiarity with Impact on the Grid

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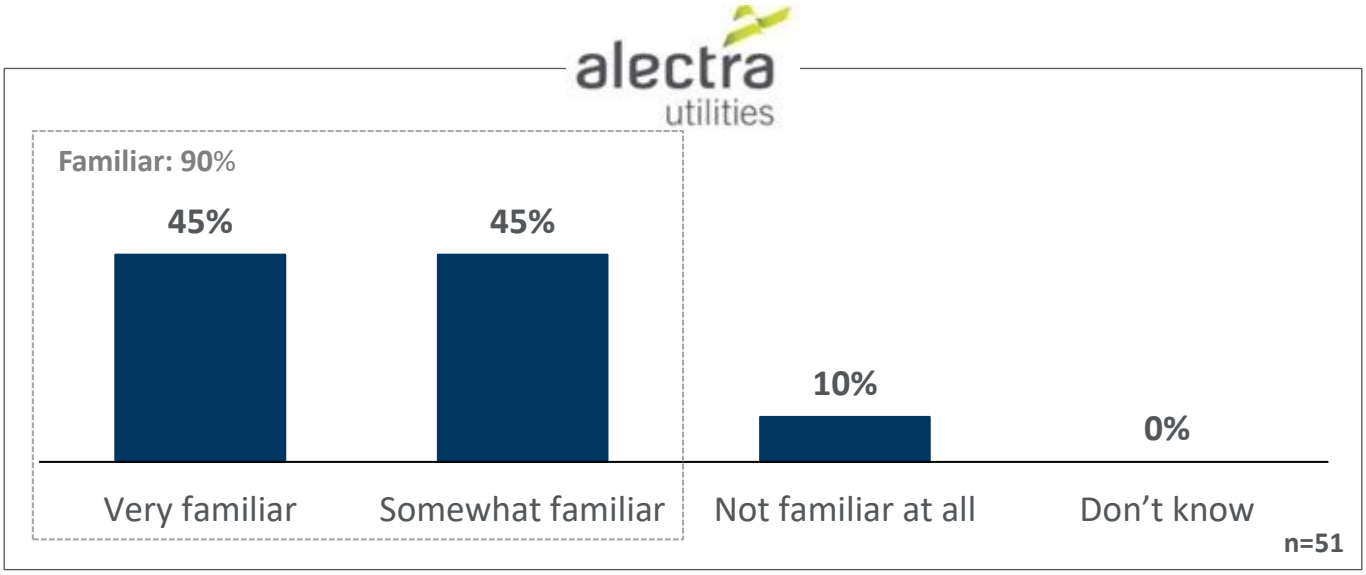
Q Before this survey, how familiar were you with the impact on the grid of new technology and growing demand for electricity?



Replacing Deteriorated Equipment

As mentioned earlier, Alectra's electrical system infrastructure is composed of 270,000 pieces of equipment which includes poles, cables, transformers, stations and switches. This equipment wears down over time due to use and exposure to weather. Alectra also maintains computer systems, trucks and facilities to support the crews and people working daily to keep the electrical system operating. These assets also need to be renewed when they reach a deteriorated state.

Approximately 44% of outages experienced at Alectra is caused by failed equipment. In some neighbourhoods, the equipment continues to fail repeatedly, and the system needs to be rebuilt. Alectra has increased investments in underground cables over the last five years.

By targeting replacements in the areas of greatest need, Alectra has been able to keep reliability stable. However, an increasing portion of our assets are in need of replacement. Alectra has a choice to make in terms of how much to spend on replacing these assets.

WORKBOOK PDF

Online Workbook

Perception on Replacing Deteriorated Equipment

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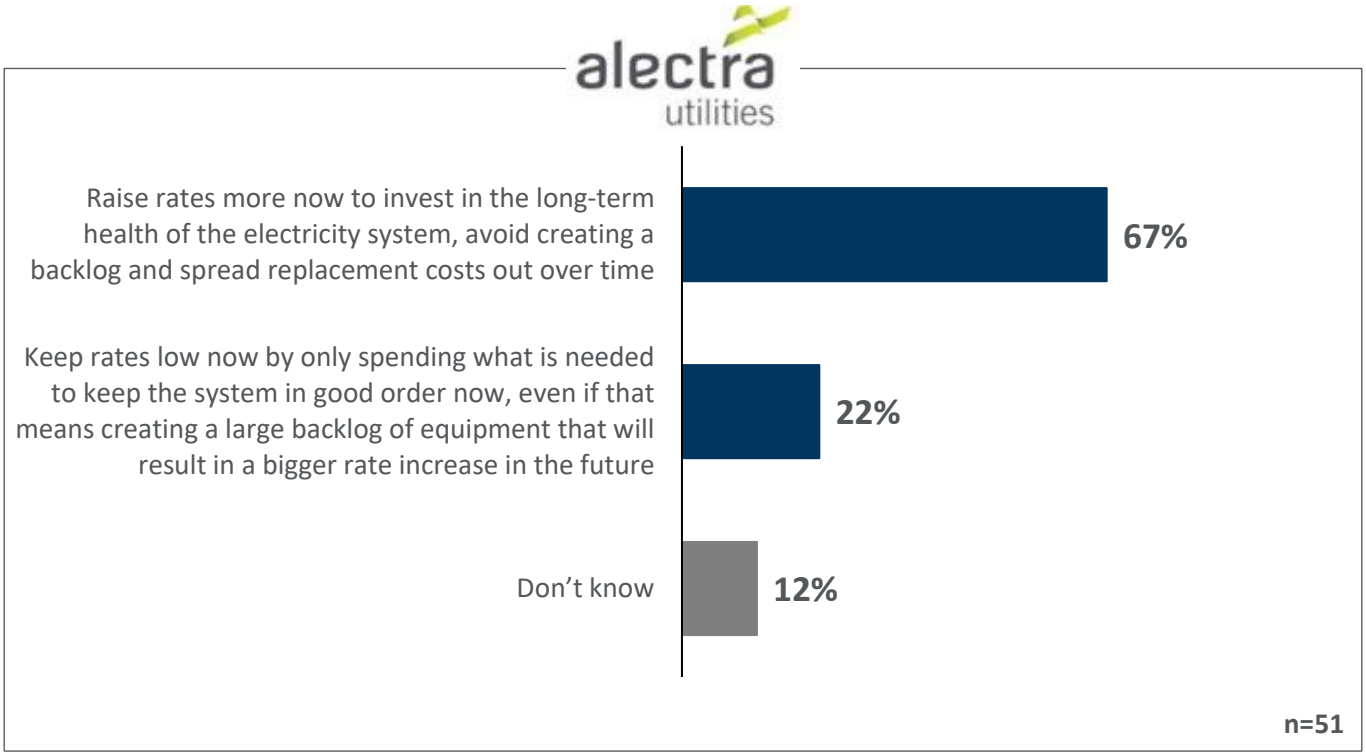
Q Which of the following statements best represents your point of view about how much Alectra should spend on deteriorated assets?



Online Workbook
Perception on Replacing Deteriorated Equipment

Open Link Residential

Q Additional Feedback (Optional)

Did not give additional feedback, 78%

Gave additional feedback, 22%

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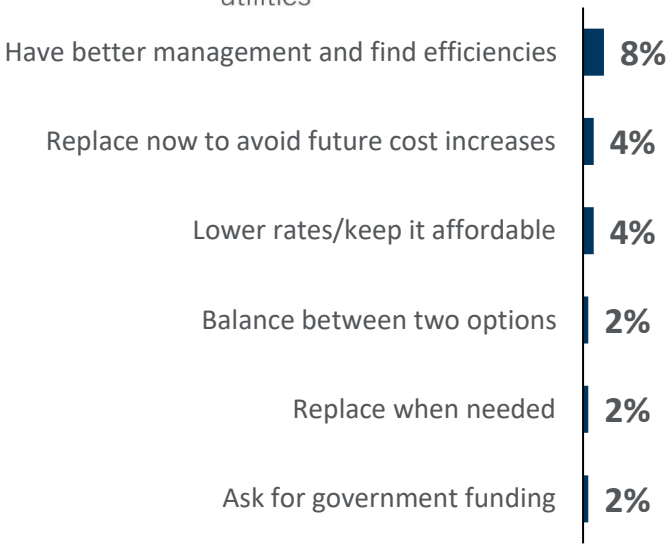

n=51

Verbatims
Have better management and find efficiencies
"A proper maintenance plan should allow for keeping the system in good order and keeping rates low."
"At same time, focus on removing excess waste and inefficiencies from all areas of Alectra operations and stop paying excessive wages to senior level employees."
"None of the above! Your choices are arbitrary and too few. Unfortunately, I had to tick one of your arbitrary comments to proceed with the survey! Use your existing revenue to improve the existing infrastructure."
"Perhaps current and past revenue or profits from previous years should be used to maintain infrastructure rather than ignoring it and making current and future clients pay for maintenance to the grid. If Alectra wants to be in business to make profits, they should reinvest into the product they sell, and not just because they are the only electrical option in a given region."
Replace now to avoid future cost increases
"Best just to raise rates enough to keep backlog from growing."
"Postponing problems for future generations to deal with is a fool's game."

Online Workbook
Perception on Replacing Deteriorated Equipment

Open Link Residential

Q Additional Feedback (Optional)

Verbatims (cont.)
Lower rates/keep it affordable
"Don't charge customers for this!"
"Electricity is already too expensive, every year we're paying more!"
Balance between two options
"It will take a little of both options to deal with issues going into the future!"
Replace when needed
"Focus on maintaining our current electrical grid. Replace failed equipment with similar. Plan for new technologies for future replacement."
Ask for government funding
"If rates are raised more now, this should involve the provincial government in terms of providing customer discounts e.g. through OESP program or some other such program."

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

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Dealing with Growth Uncertainty

The first of the new challenges for Alectra Utilities is dealing with uncertainty in electricity demand.
Alectra has a legislated responsibility to ensure it provides enough electricity to provide the peak demand of all customers. The challenge right now with new technologies and changing technology, is forecasting how fast demand will grow.

It takes time, usually years, to build new lines and increase sub-station capacity. Building and expanding power lines need time for design, working with impacted property owners, securing equipment that is in high demand right around the world, and recruiting electrical construction workers.

Growth in previous decades provided reasonably long lead times for utilities to prepare for growth in electricity demand. When there are firm plans to build a new electrified transit system or to build a new condo development, Alectra's planners have the lead time they need to increase major feeder lines, increase sub-station capacity and expand local cables and transformers.

Other types of demand are more fluid. No one knows for sure how many new electric vehicles will need to be charged in Alectra's operating area five years from now. No one knows for sure how many people will switch from natural gas to heat pumps.

- If Alectra builds too quickly, customers will be paying for poles and cables that are not yet needed.
- But if Alectra builds too slowly, local systems may become stretched by new demands.

This could result in equipment failures with the added costs of emergency repairs, limiting EV charging to certain hours of the day, or even rotating electricity outages.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

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Today roughly 48% of Alectra customers live on a street with at least one EV. Only 4% of those have multiple EVs on one street, but that can quickly change. Alectra is making their best efforts to be as accurate as possible in projecting growing demand. But they need your guidance on a value choice they must make.

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WORKBOOK PAGE

Online Workbook

Perception on Dealing with Growth Uncertainty

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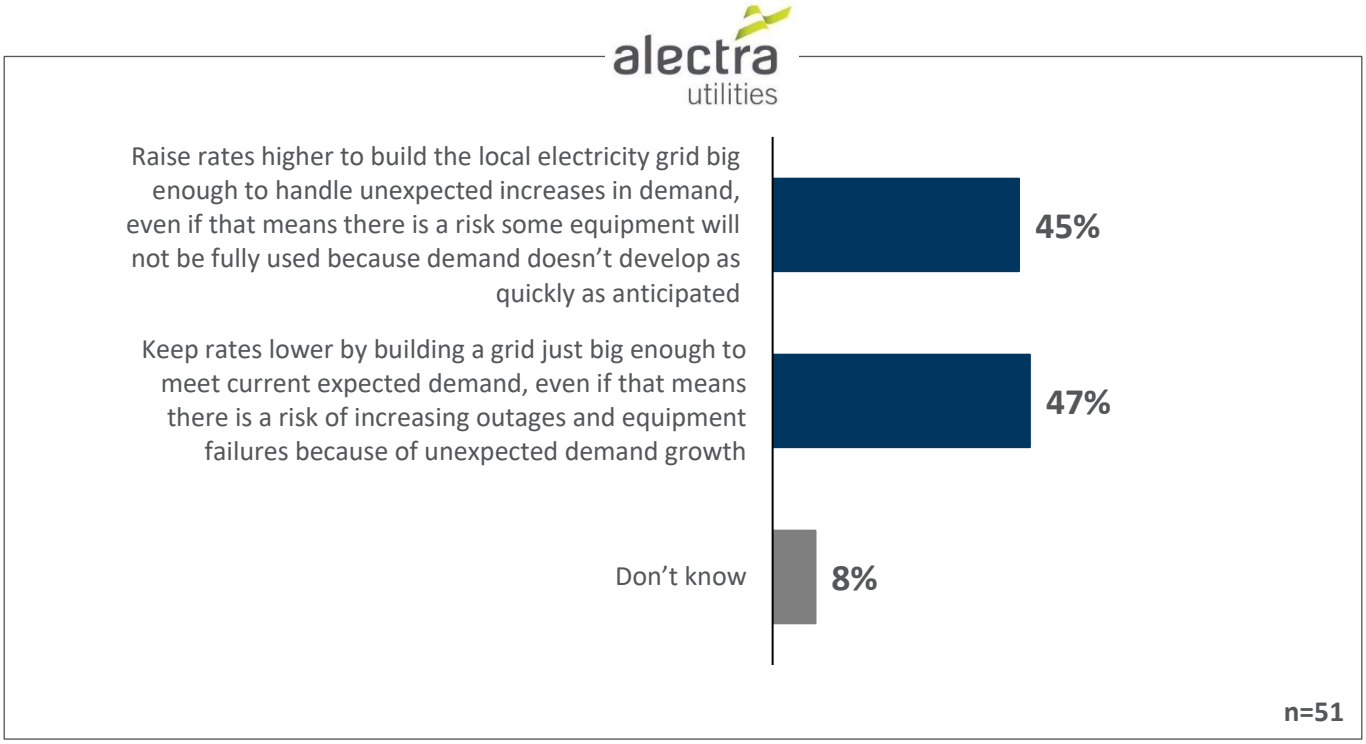
Q Which of the following statements best represents your point of view about how Alectra should deal with uncertain growth projections when looking ahead?



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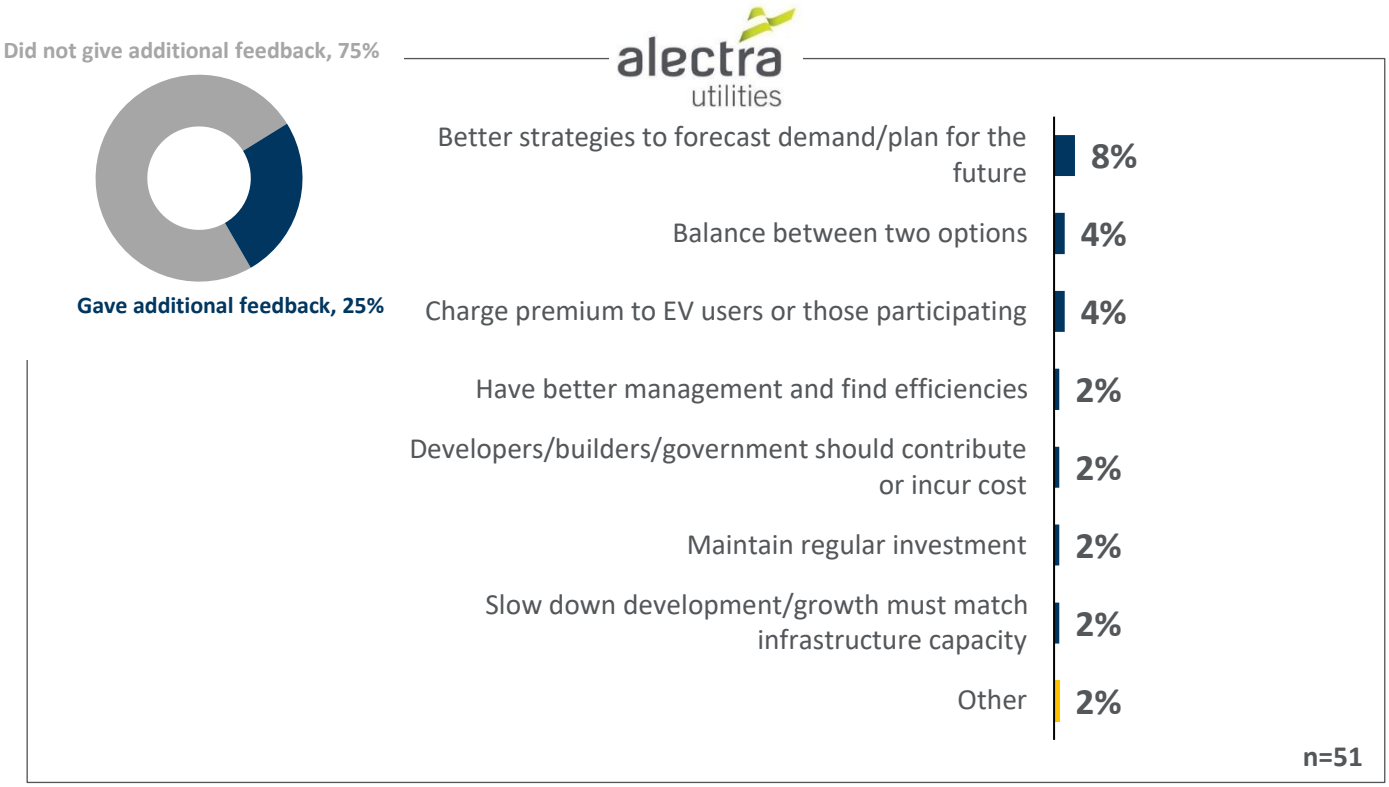
Online Workbook
Perception on Dealing with Growth Uncertainty

Open Link Residential

Q Additional Feedback (Optional)



Verbatims
Better strategies to forecast demand/plan for the future
"Plan for future growth. Trending past growth to predict future growth. Include a rating tolerance when selecting equipment."
"The key phase here is 'big enough to meet current expected demands.' Government policies are clearly dictating expected demands in particular concerning electric vehicles now and over coming years."
"Unexpected means just that. Plan for expectations not surprises."
"None of the above, but once again your biased survey forces me to tick a box to proceed. If you have uncertain growth projections, you should fire your accounting staff and hire people who know what they are doing."
Balance between two options
"Again, there needs to be a 'happy' medium between raising rates (that are unaffordable to some) and keeping rates as low as possible to meet demand!"
"Somewhere in the middle is best. Heat pumps are not truly meant for our environment and are cost prohibitive. I live in a 20-year-old neighborhood, and everyone has already replaced their HVAC equipment. I am not going to move to a heat pump because the government is going to cover 10-20%?"

Online Workbook
Perception on Dealing with Growth Uncertainty

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Q Additional Feedback (Optional)

Verbatims (cont.)
Charge premium to EV users or those participating
"Increase revenue by adding a surcharge for electrical vehicles. Let the consumers causing the increased demand pay for the grid expansion necessary to support it."
"The customers wanting more electric hook ups for their vehicles should pay more for the improvements to infrastructure to support their increased electricity use."
Have better management and find efficiencies
"Seriously? Who's running your company?"
Developers/builders/government should contribute or incur cost
"Make developers bear the cost of new electrical connections or grid infrastructure."
Maintain regular investment
"Investing in the system on a regular basis means capacity can be increased while keeping rates low."
Slow down development/growth must match infrastructure capacity
"I believe demand is predictable enough that you don't have to build for unexpected demand, but only build for current and predicted demand."
Other
"What happens when a house does not have a specified parking spot and no real access to house to put in a plug for EV?"

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

Open Link Residential

Using New Technology to enable Customer Choice

Another major change facing utilities is new equipment and technologies that change how customers participate in the system.

The old electricity system was built big enough to manage peak demand and required very little active management on a day-to-day basis. That is fundamentally changing. Customers are gaining far more control over their energy needs:

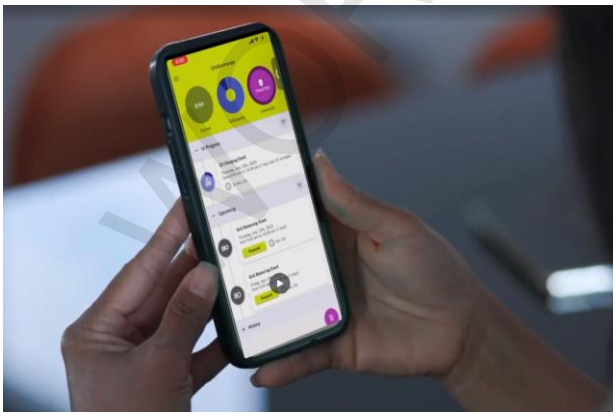
- Customers can now store their own electricity with batteries in their cars and homes.
- Customers can now generate their own electricity with small scale wind and solar.
- Customers now have electrical devices that can be remotely monitored and managed to identify inefficient appliances and to turn devices down or off to manage peak loads.

Not everyone is ready or able to employ these devices and technologies today, but the whole system can benefit from those that do.

In Ontario, electricity peaks on hot summer days when air conditioner use spikes. But now, you don't have to rely on Niagara Falls for that electricity, it can come from the neighbours on your street.

When the grid is modernized, you can sell stored energy to the grid, lower your thermostat or EV charge when demand is high, shift to your own solar generation, and more, all in return for financial rewards.

If you choose to enroll in a program that allows the electricity grid control room to turn down your air conditioner for a few minutes every hour, you can help to avoid building new transmission towers and generating stations just to serve the few hours in the year when demand spikes.



Alectra is already piloting these activities today.

To make these choices available to all customers will require investments in computers, software and smart devices throughout the grid. Alectra's planners need your direction on how fast to move towards this new, two-way flowing, distribution grid.

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WORKBOOK PAGE

Online Workbook

Perception on Transition to Customer-Engaged Grid

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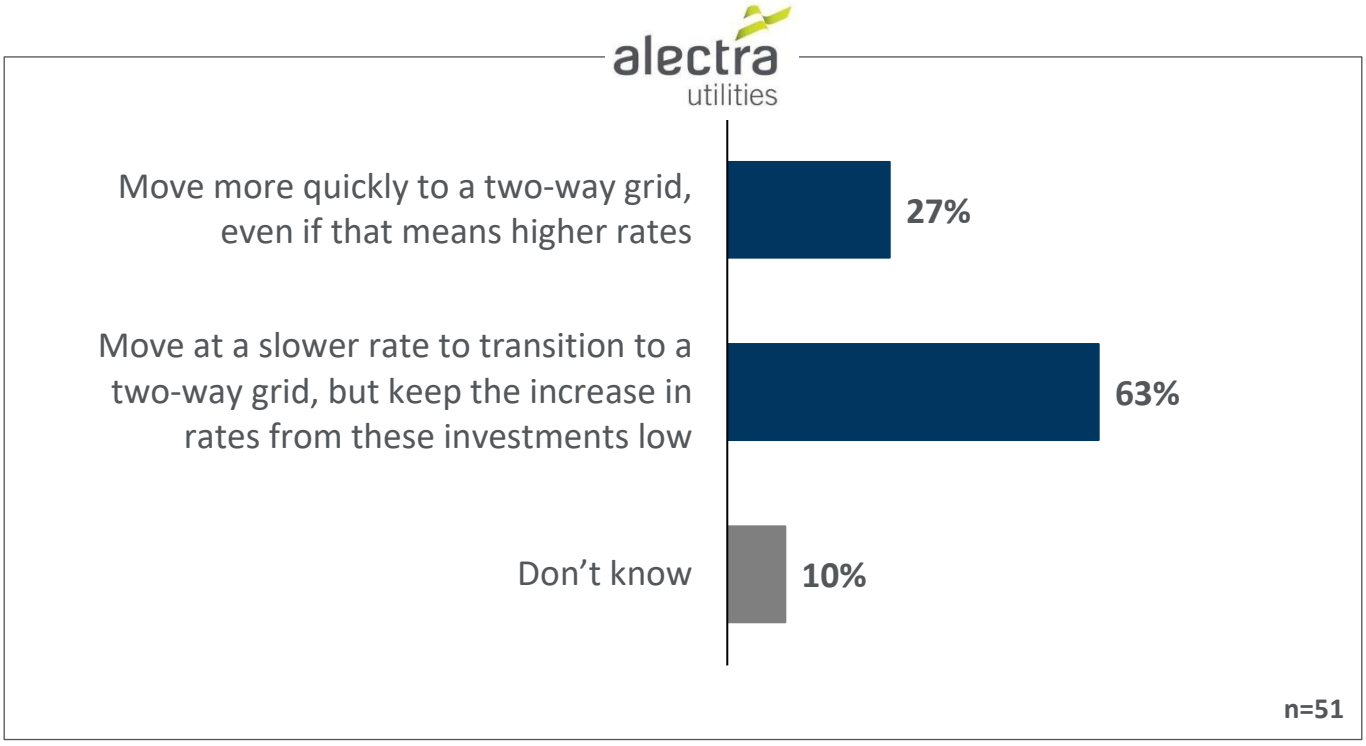
Q Which of the following statements best represents your point of view about how quickly Alectra should transition from the traditional distribution grid to the new customer-engaged grid?



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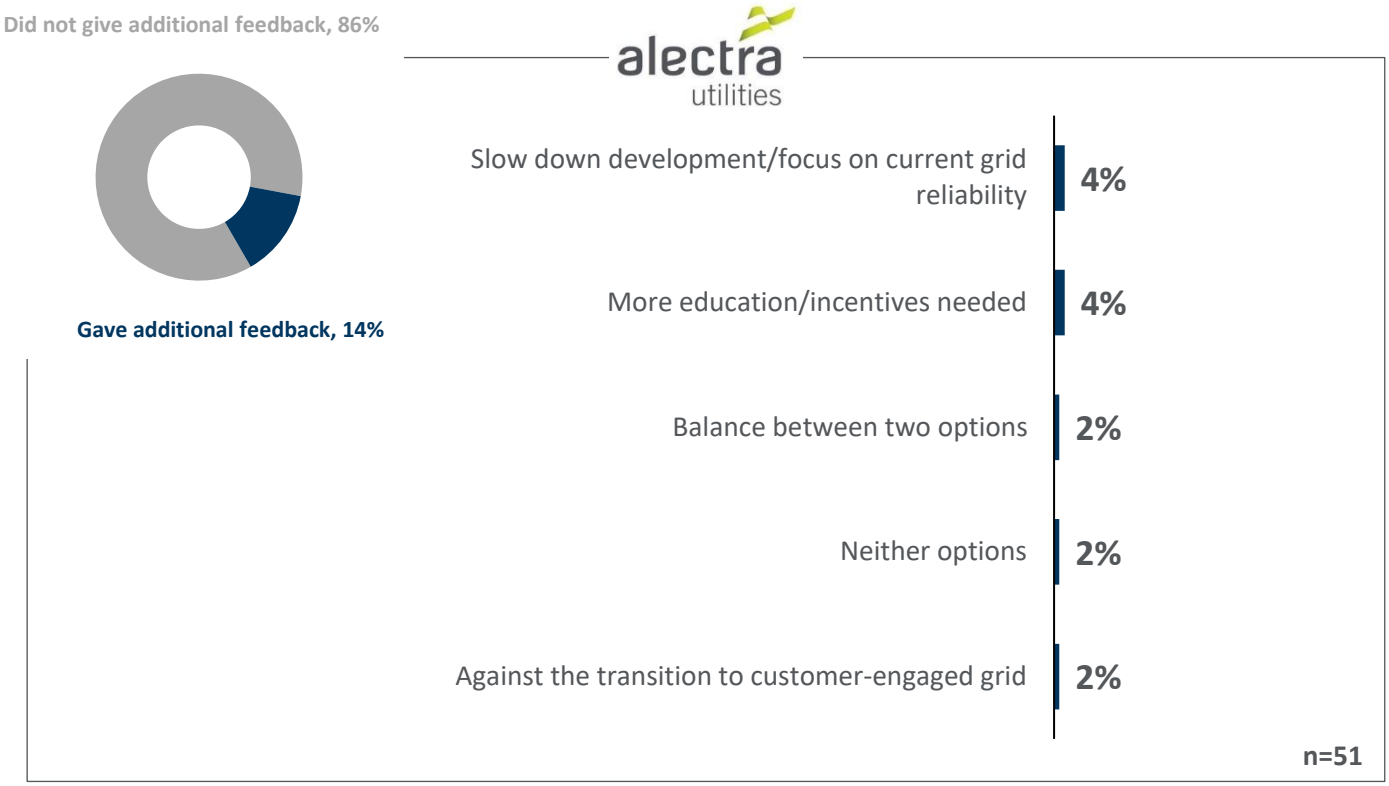
Online Workbook
Perception on Transition to Customer-Engaged Grid

Open Link Residential

Q Additional Feedback (Optional)



Verbatims
Slow down development/focus on current grid reliability
"Focus on maintenance activities for existing communities."
"Two-way grid should be a savings to the grid costs and reduce the peak demand costs. No need to rush the implementation if there are no savings."
More education/incentives needed
"I would love to add solar panels but don't want to pay a lot. Help?"
"The two-way grid seems to require more costs from individuals. If we are supposed to help Alectra, perhaps they could also help with the costs associated with business or household electricity production that would be available to them at peak times."
Balance between two options
"Balance again is best."

Online Workbook
Perception on Transition to Customer-Engaged Grid

Open Link Residential

Q Additional Feedback (Optional)

Verbatims (cont.)
Neither options
"Again with your arbitrary choices. None of the above solutions are appropriate! Give me a call and I'll put together a meaningful survey for you. You're wasting your money with whoever constructed this meaningless survey."
Against the transition to customer-engaged grid
"Do not want or need remote control of my thermostat. Already have a programmable thermostat to meet our household needs."

Grid Modernization

The last page talked about the impacts of new technology on how you interact with the grid. This page will talk about the impacts of new technology behind the scenes, changes that may not be obvious to customers, but will impact the reliability and quality of the service you receive.

In the grid of the last 100 years, once equipment such as cables, transformers or switches were installed, there was no means of monitoring or controlling that equipment. If the lights went out, a crew jumped in a truck and drove the line until they saw the break or broken piece of equipment, then they would manually open and close switches.

Today we can restore power faster using remote-controlled switches and sensors which tell the control room if an outage has occurred. This allows operators to remotely re-route electricity and restore power. **Remote-controlled switches can be automated** so all switching can take place in real-time, so customers like you will have their power restored even faster.

In circuits where automated devices have already been added, Alectra has identified improvement in reliability. While it is expected that Alectra generate savings from the more productive deployment of maintenance and repair crews and from avoided equipment failures, these savings are not sufficient to offset the added costs.

This change cannot happen overnight. It will take time. There is limited availability of new equipment and the crews to install them. The question is whether to place more emphasis on keeping rate increases low or placing more emphasis on moving quickly to modernize the grid.

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Online Workbook
Perception on Grid Modernization

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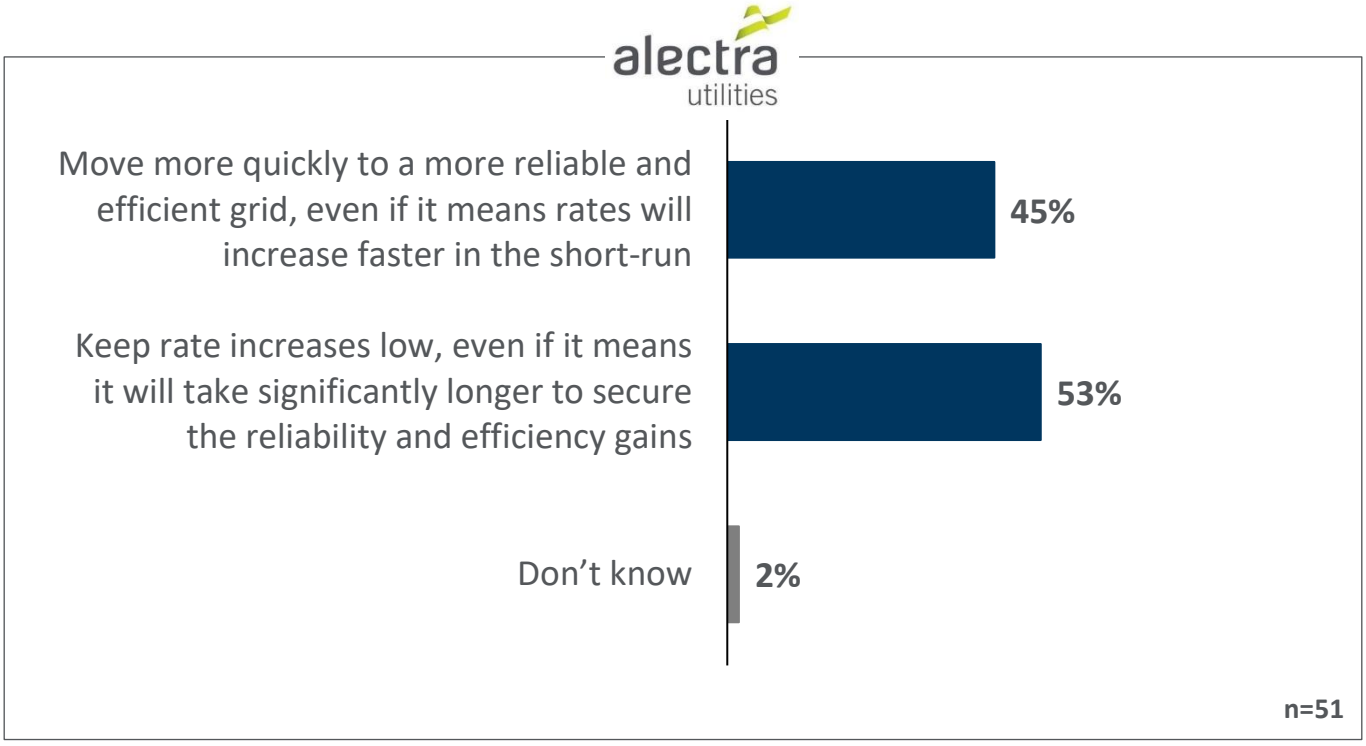
Q Which of the following statements best represents your point of view about how quickly Alectra should invest in grid modernization?



Online Workbook
Perception on Grid Modernization

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Q Additional Feedback (Optional)

Did not give additional feedback, 90%

Gave additional feedback, 10%

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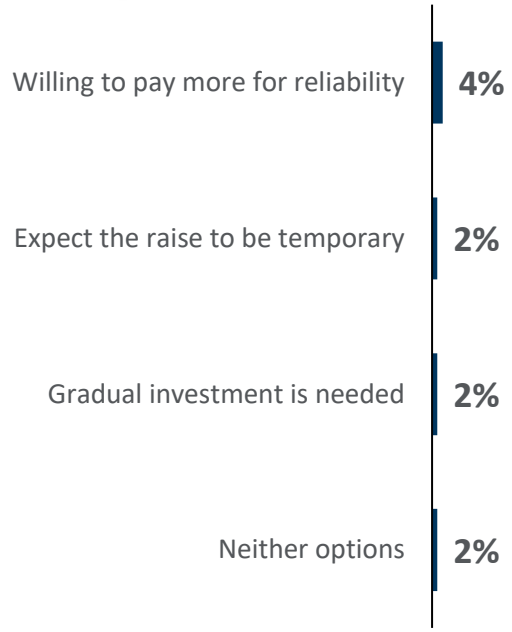

n=51

Verbatims
Willing to pay more for reliability
"I expect rates to rise to both maintain our existing grid and include modern technologies. Future growth should be included with modern technology before retrofitting existing customers."
"More reliable grid is a worthwhile investment."
Expect the raise to be temporary
"As long as increased rates are not adopted as being the new normal price and are lowered once the efficiencies are in place."
Gradual investment is needed
"Steady investing means you can modernize the grid while still keeping rates low."
Neither options
"Again with your arbitrary choices. None of the above solutions are appropriate!"

Grid Resilience

Most electricity customers have noticed their property insurance rates increasing faster than inflation for a number of years now as a result of the damage created by storms and extreme weather events on homes and business. Alectra is experiencing similar impacts from ice storms, micro-bursts, extreme heat and other extreme weather. Sometimes with events such as micro-bursts, the damage is limited. But often the damage is widespread and impacts tens of thousands of Alectra customers for extended periods of time.

In addition to modernizing the grid, which enables power to be restored after a power outage occurs, **Alectra can increase its system's resilience**. Increasing resilience reduces the chances that extreme weather events would result in power outages. This is typically done by upgrading key equipment in the system to withstand storms better.

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WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Customer Preferences

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Here are examples of Grid Resilience projects:

- **The major North-South overhead feeder lines that are most exposed to wind can be reinforced** to increase their ability to withstand storm events.
- **Alectra can speed up the replacement of overhead lines** in customers' backyards. These lines are more exposed to falling branches and trees, they often take longer to repair because of restricted access, and fallen lines can pose greater safety risks should they occur in customers' backyards.
- **Alectra can increase the budget for identifying and removing hazardous trees** to allow for more frequent monitoring and tree removal. This is not something that can be automated. There are approximately 18,000 km (11,000 miles) of overhead circuit power lines in Alectra's system.

Alectra would like to understand your views when it comes to raising rates to improve resilience to extreme weather.

WORKBOOK PAGE

Online Workbook

Perception on Approach to Grid Resilience

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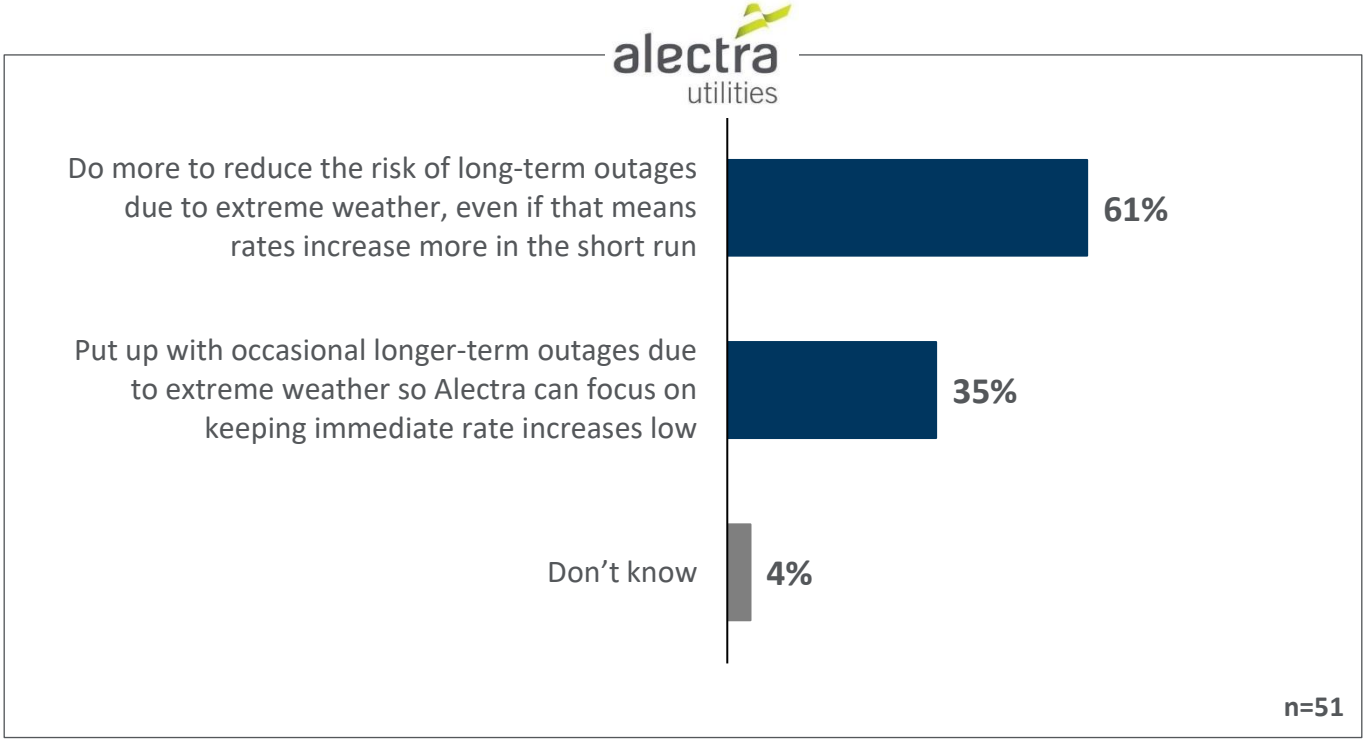
Q Which of the following statements best represents your point of view about Alectra's approach to grid resilience?



Online Workbook
Perception on Approach to Grid Resilience

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Q Additional Feedback (Optional)

Did not give additional feedback, 86%

Gave additional feedback, 14%

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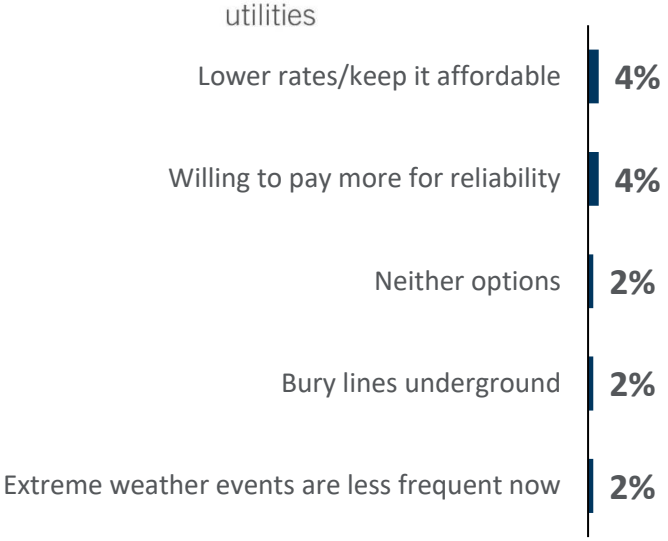

n=51

Verbatims
Lower rates/keep it affordable
"No rate increase but improve outages. We pay you enough."
"Weather-related outages have not been much of an issue for many years, so no big need to increase the budget in this area."
Willing to pay more for reliability
"Emergency response is critical within all utilities. Our lives stop with these services. It will cost more."
"There is a trend towards more extreme weather so better to prepare for that now!"
Neither options
"Again with your arbitrary choices. None of the above solutions are appropriate!"
Bury lines underground
"Bury the lines so that weather is less of an issue like in a residential area."
Extreme weather events are less frequent now
"Extreme weather events seemed to be fewer this past year (very little winter storms). [Alectra] needs to understand [the] changing weather patterns."

Alectra Utilities Customer Survey
Planning for the Future

Summing It Up

Once your views on the questions in this survey are collected:

- **Alectra will develop a more detailed plan** that identifies the specific investments and costs to deliver particular benefits.
- **Alectra will ask for your feedback on those investment options** in Phase 2 of this customer consultation.

But before the planners start developing those options, **Alectra would like to hear how you feel about this general approach.**

The plan includes some basic table stakes for electrical utilities including:

- A systematic review of Alectra's costs conducted mostly by experts working for the OEB and customer groups, but open to anyone in the public who is interested. The plan must deliver value to customers and demonstrate how Alectra seeks to control costs and related rate increases of proposed investments.
- A program to replace deteriorating equipment that gives priority to areas currently at the greatest risk of outages while addressing the backlog of deteriorated assets.

It also includes initiatives to deal with developments that are changing the electricity system as we have known it.

- Alectra is implementing new technologies that allow customers more control including generating their own electricity, storing their own electricity, identifying opportunities for efficiencies and providing financial incentives to customers willing to help the grid manage periods of peak demand.
- Alectra is also using new technology to modernize the grid, using remote-controlled sensors and switches to identify outages in real time to re-route electricity and restore power more quickly.
- When it comes to the growing number of unusual weather events, new technology can only do so much. Alectra is upgrading key equipment to "harden" the system in order to reduce the severity of outages caused by unusual weather.
- Finally, Alectra is managing the uncertainty in demand for electricity by identifying critical investments to meet unexpected surges in demand.

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WORKBOOK PAGE

Online Workbook
Approach to Future Investments

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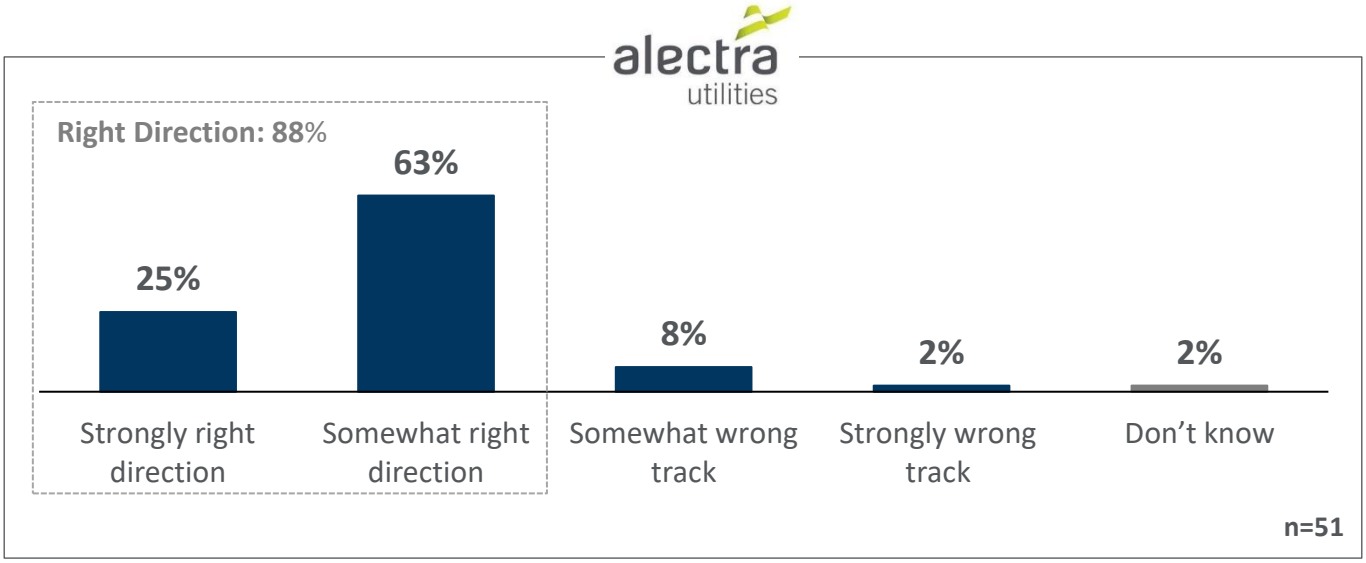
Q Looking at the summary on this page, how do you feel about Alectra's overall approach to its future investments?



Online Workbook
Approach to Future Investments

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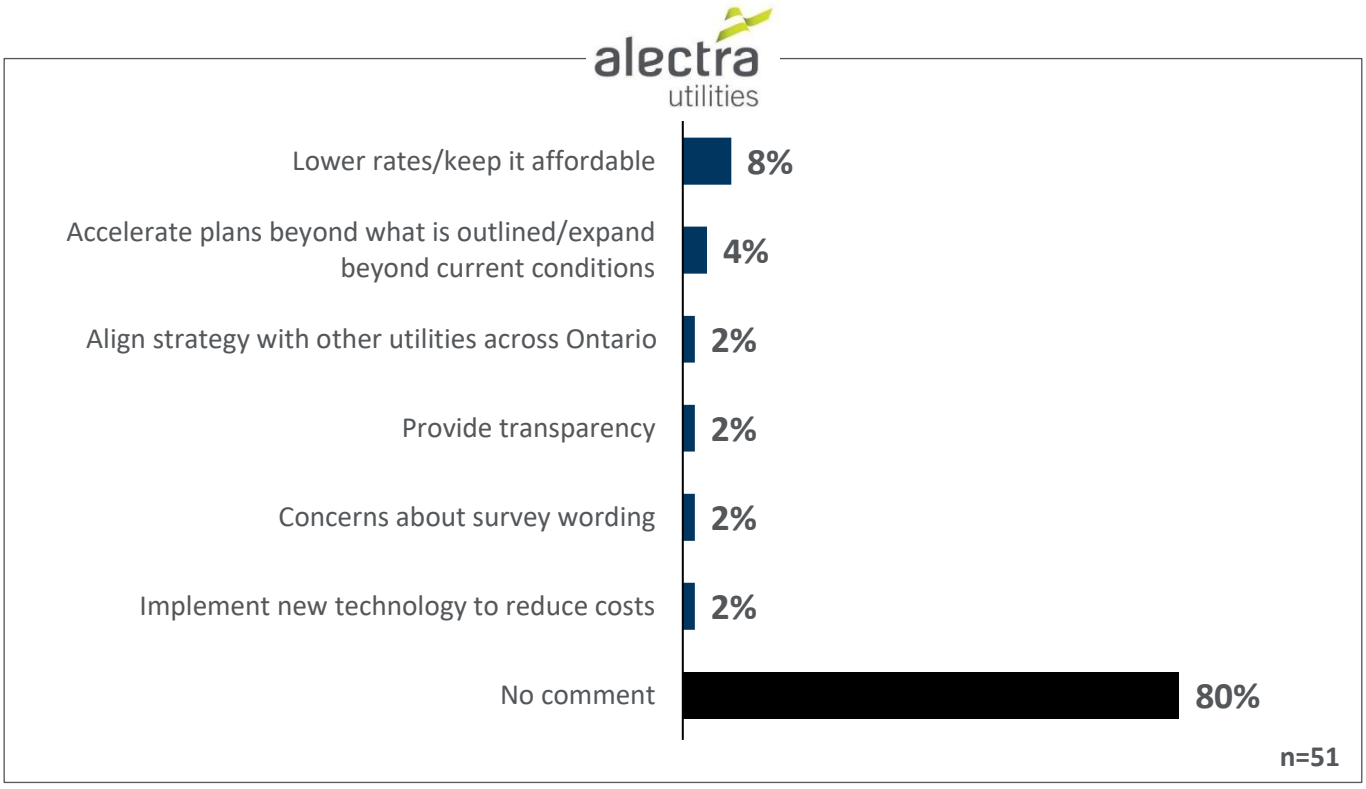
Q Do you have any specific suggestions about how Alectra can improve the approach laid out above?[OPEN]



Verbatims
Lower rates/keep it affordable
"Household budgets are at a tipping point. You have to find a balance. Our electricity is very reliable and goes down less frequently than our Internet and we can deal with the odd short outage. I don't want to pay too much more for the 'what ifs'. Understanding that, we have to look at how we can build to withstand more and stronger storms."
"Keep prices low. Keep the grid as is and make improvements slowly. When we have outages respond and restore power immediately."
"Number one priority should be keeping electricity affordable."
"Stick with providing safe and reliable electricity at a low cost."
Accelerate plans beyond what is outlined/expand beyond current conditions
"Do more in all the planned buckets."
"You need a workforce to increase instead of overworking your existing workforce. Planned work is consistently rescheduled because of shortages of manpower. If you expect to survive in the future you will need to change."

Online Workbook
Approach to Future Investments

Open Link
Residential

Q Do you have any specific suggestions about how Alectra can improve the approach laid out above?[OPEN]

Verbatims (cont.)
Align strategy with other utilities across Ontario
"Ensure that there is consistency across the province with other utilities when it comes to overall policies and strategic direction."
Provide transparency
"Looking forward to the budget and costing information."
Concerns about survey wording
"Hire better consultants to construct your surveys and get some actual meaningful feedback!"
Implement new technology to reduce costs
"Make Meter socket adapters available to reduce costs for EV and solar charging."

Online Workbook

Impact of Electricity Bill on Finances

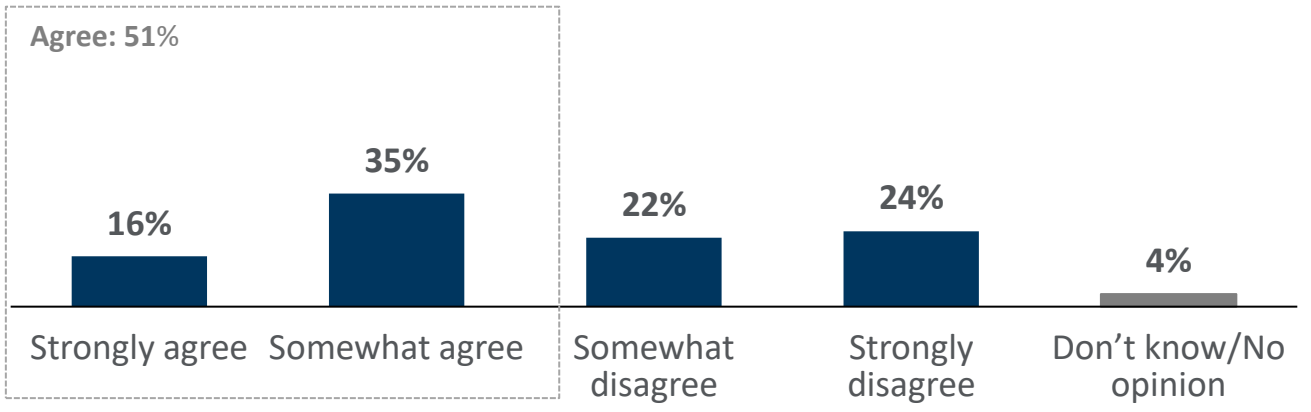
Open Link Residential

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities

alectra utilities



n=51

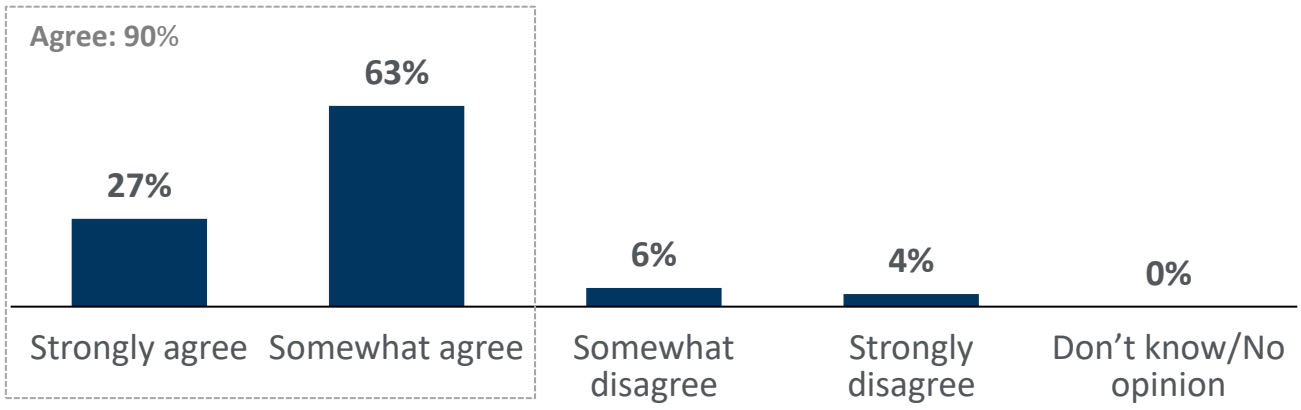
INNOVATIVE RESEARCH GROUP

Online Workbook
Electricity System in Ontario

Open Link
Residential

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

alectra utilities



n=51

INNOVATIVE RESEARCH GROUP

Alectra Utilities Customer Survey

Planning for the Future: Final Thoughts

Feedback on Alectra's survey

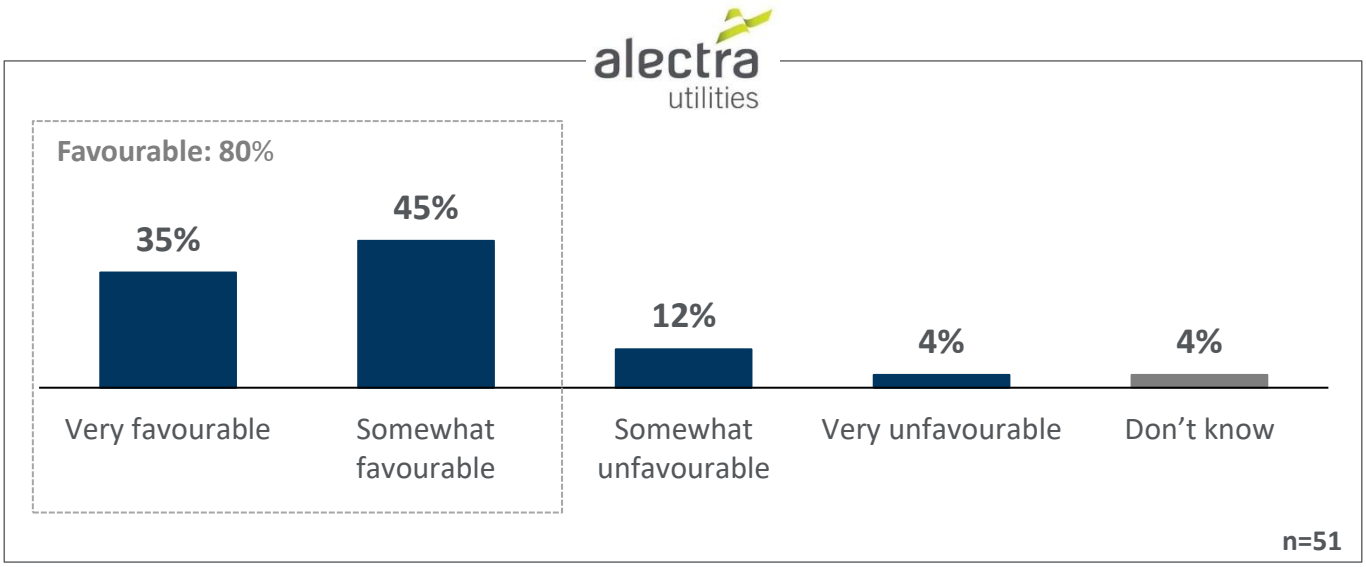
These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

WORKBOOK PAGE

Online Workbook
Impression of Survey

Open Link
Residential

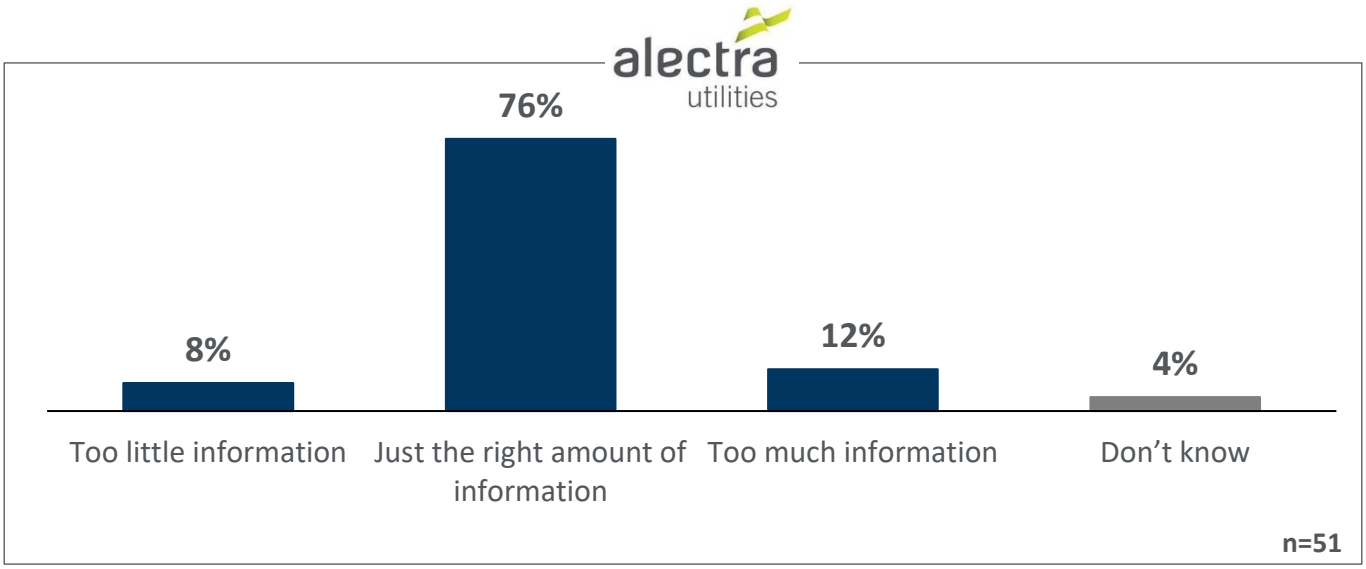
Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



Online Workbook
Level of Information

Open Link Residential

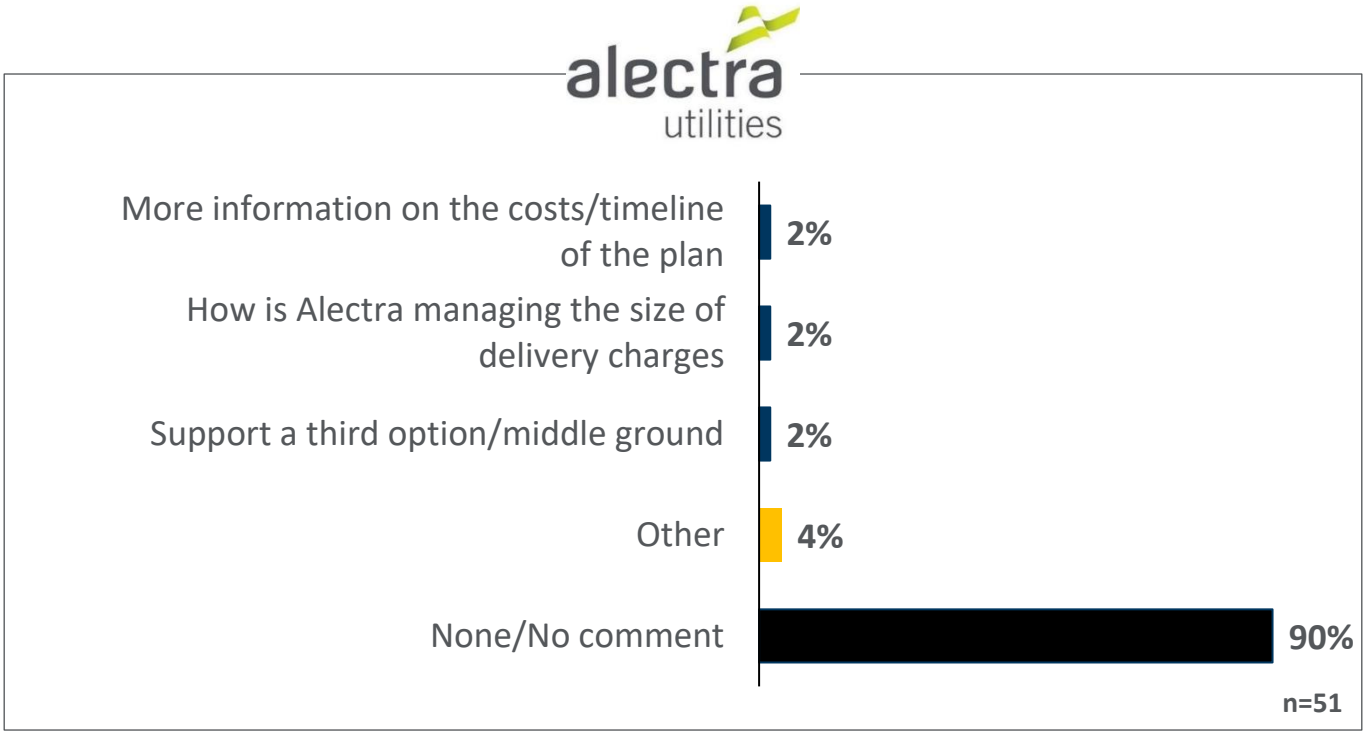
Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



Online Workbook
Final Thoughts

Open Link Residential

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]



Verbatims
More information on the costs/timeline of the plan
"I would like to be informed of changes or opportunities to participate in changes throughout the process."
How is Alectra managing the size of delivery charges
"My bill shows a "Delivery Charge" of [amount]… all utilities keep going up and up!"
Support a third option/middle ground
"I understand the grid and equipment needs to be upgraded, I answered not to raise rates as it's too black and white, but I think raising rates slower over time may be better than all or nothing."
Other
"Why isn't provincial government using our taxpaying dollars to give us a credit on our hydro bills?"

Alectra Utilities Customer Survey

Planning for the Future: Final Thoughts

Open Link
Residential

Thank you

Thank you for taking the time to provide feedback.

By completing this survey, you will automatically enter into a draw for **one of ten $250 gift cards***. In order to make sure we are entering the correct person, can you provide your full name and mailing address?

□ *Yes, I would like to be enrolled in the draw.*

□ *No, I would not like to participate.*

ALL OE
□ FIRST NAME □ LAST NAME □ EMAIL ADDRESS

If you would like Alectra to share the findings of this survey and let you know how it will be responding to your input, please check the box below and confirm what email address is best used to contact you.

□ *I would like to learn about the findings of this survey.*

OE
□ EMAIL ADDRESS

If you have any additional questions or comments about this survey, please email:
survey@innovativeresearch.ca

*Click on Contest Rules below for more details.

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Building Understanding.

Personalized research to connect you and your audiences.

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Carmen Hui, Consultant
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INNOVATIVE RESEARCH GROUP

Online Workbook Report

Appendix

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
BRZ TIER

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

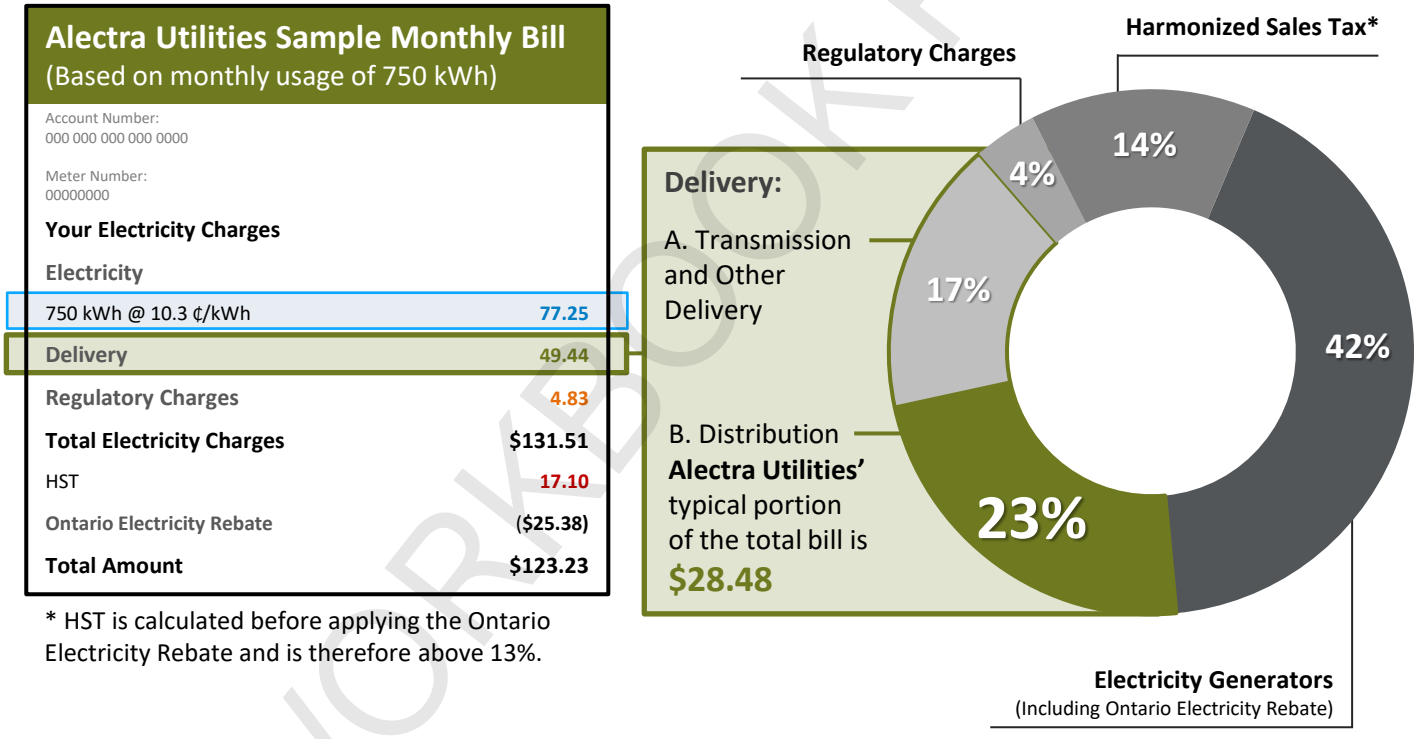
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	49.44
Regulatory Charges	4.83
Total Electricity Charges	**$131.51**
HST	17.10
Ontario Electricity Rebate	($25.38)
Total Amount	**$123.23**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
BRZ ULO

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- Alectra's distribution costs make up about 21% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

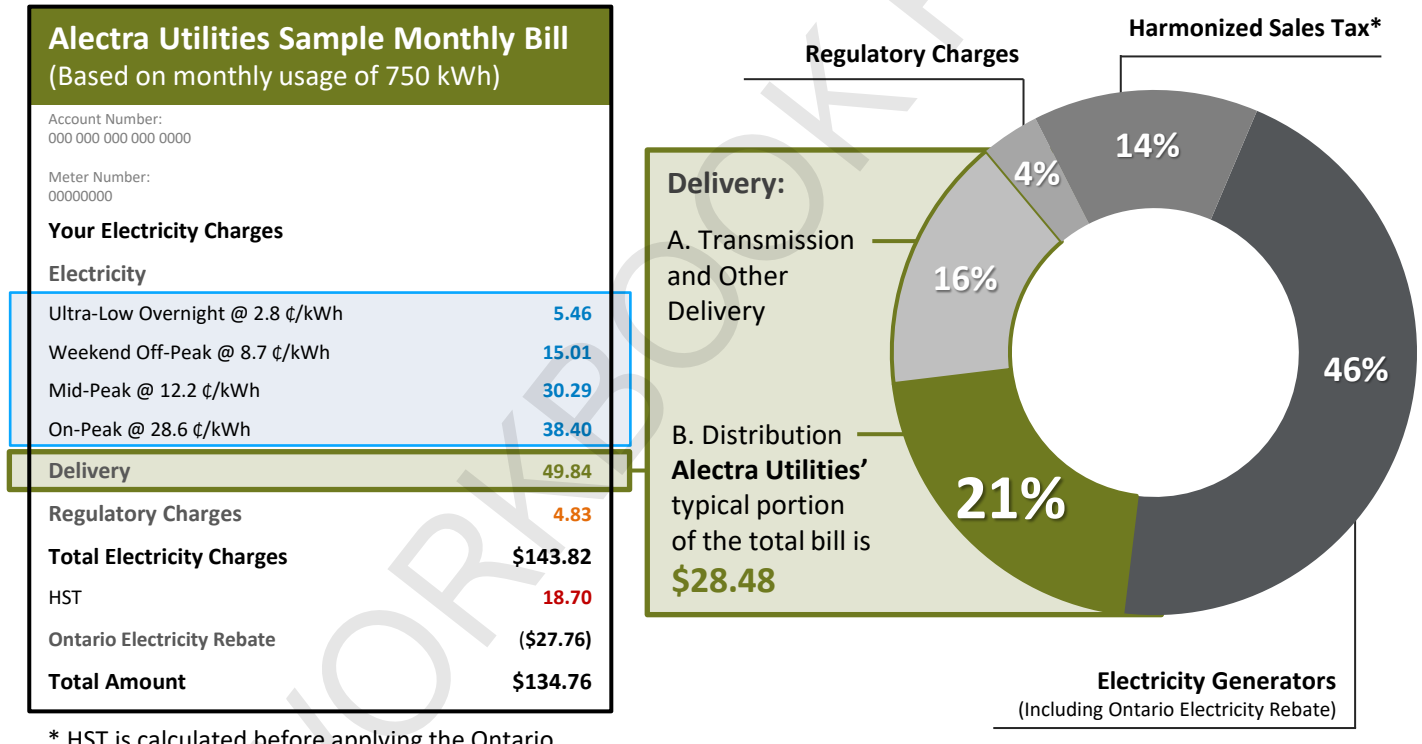
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	49.84
Regulatory Charges	4.83
Total Electricity Charges	**$143.82**
HST	18.70
Ontario Electricity Rebate	**($27.76)**
Total Amount	**$134.76**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
ERZ TIER

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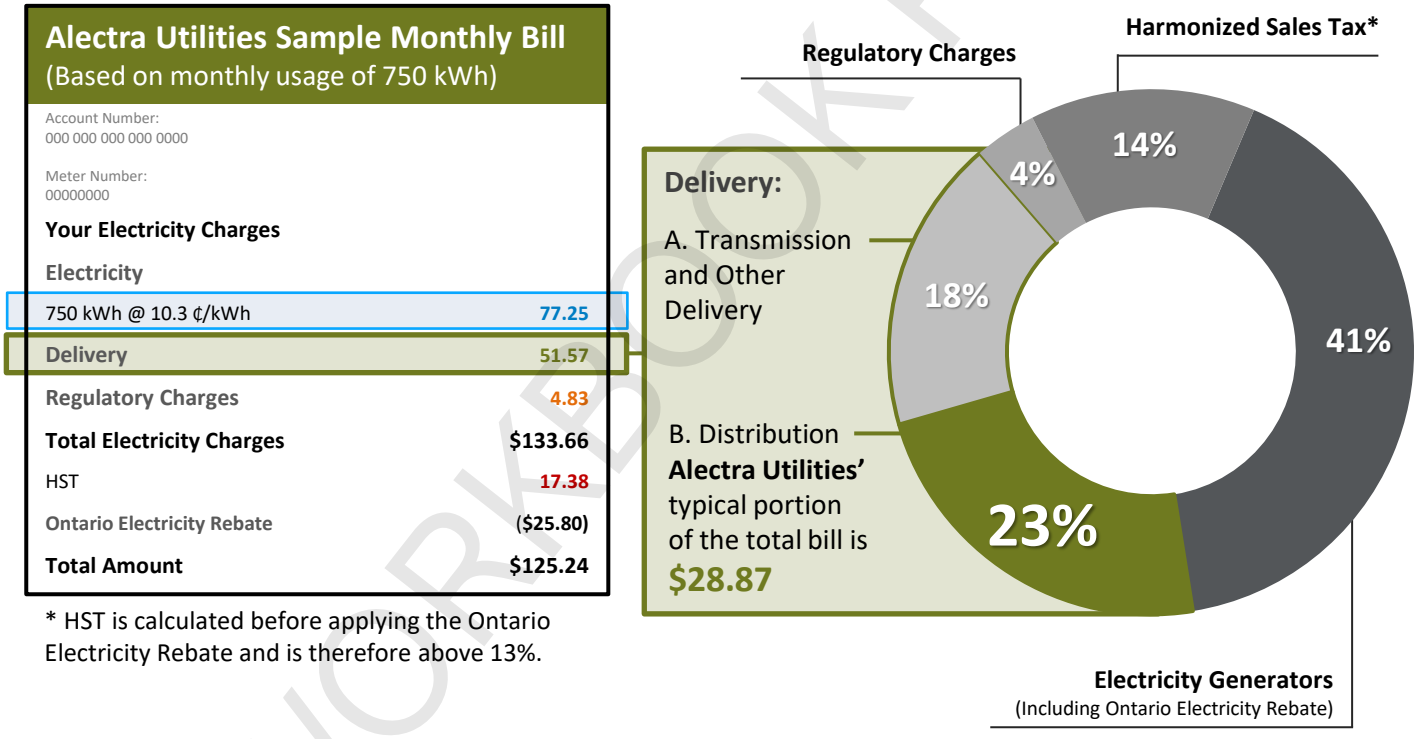
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	51.57
Regulatory Charges	4.83
Total Electricity Charges	**$133.66**
HST	17.38
Ontario Electricity Rebate	($25.80)
Total Amount	**$125.24**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
ERZ ULO

How much of my electricity bill goes to Alectra?

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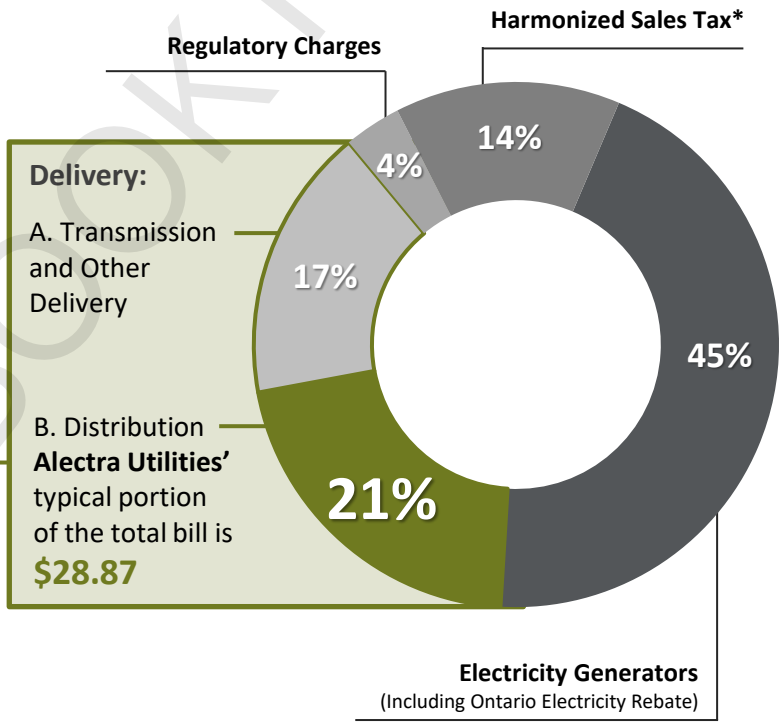
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	52.00
Regulatory Charges	4.83
Total Electricity Charges	**$145.98**
HST	18.98
Ontario Electricity Rebate	**($28.17)**
Total Amount	**$136.79**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
GRZ TIER

How much of my electricity bill goes to Alectra?

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- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 26% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

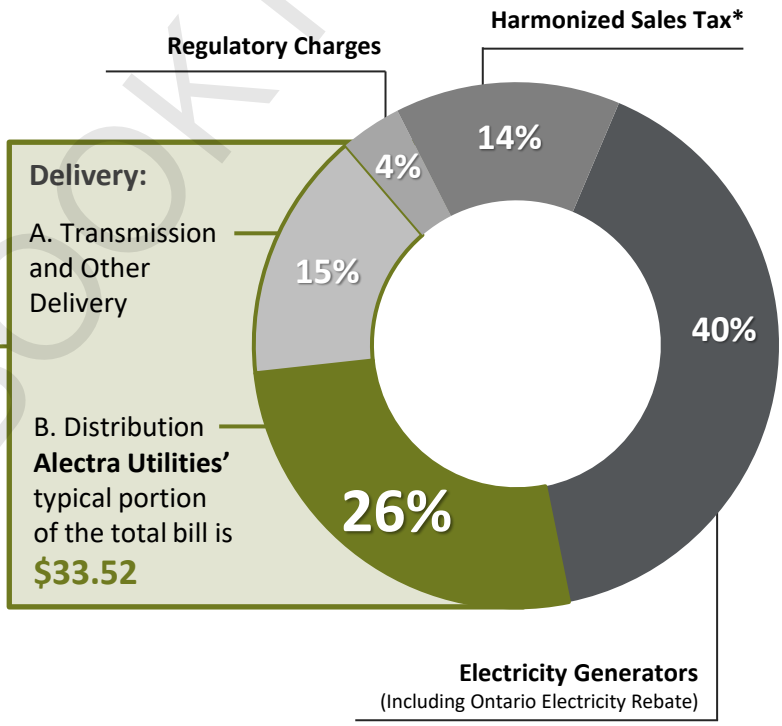
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	53.11
Regulatory Charges	4.79
Total Electricity Charges	**$135.15**
HST	17.57
Ontario Electricity Rebate	($26.08)
Total Amount	**$126.63**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
GRZ ULO

How much of my electricity bill goes to Alectra?

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- Alectra's distribution costs make up about 24% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

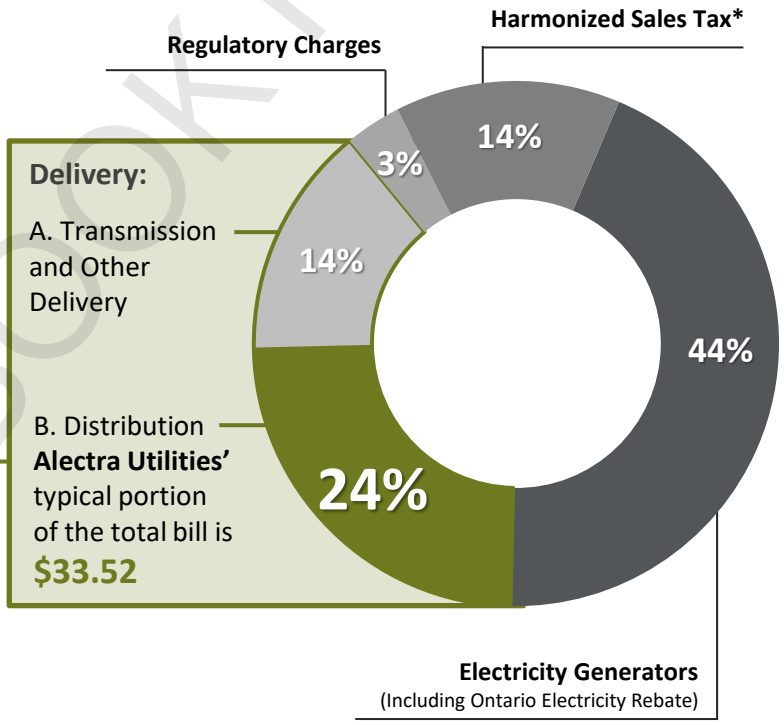
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	53.42
Regulatory Charges	4.79
Total Electricity Charges	**$147.36**
HST	19.16
Ontario Electricity Rebate	**($28.44)**
Total Amount	**$138.07**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
HRZ TIER

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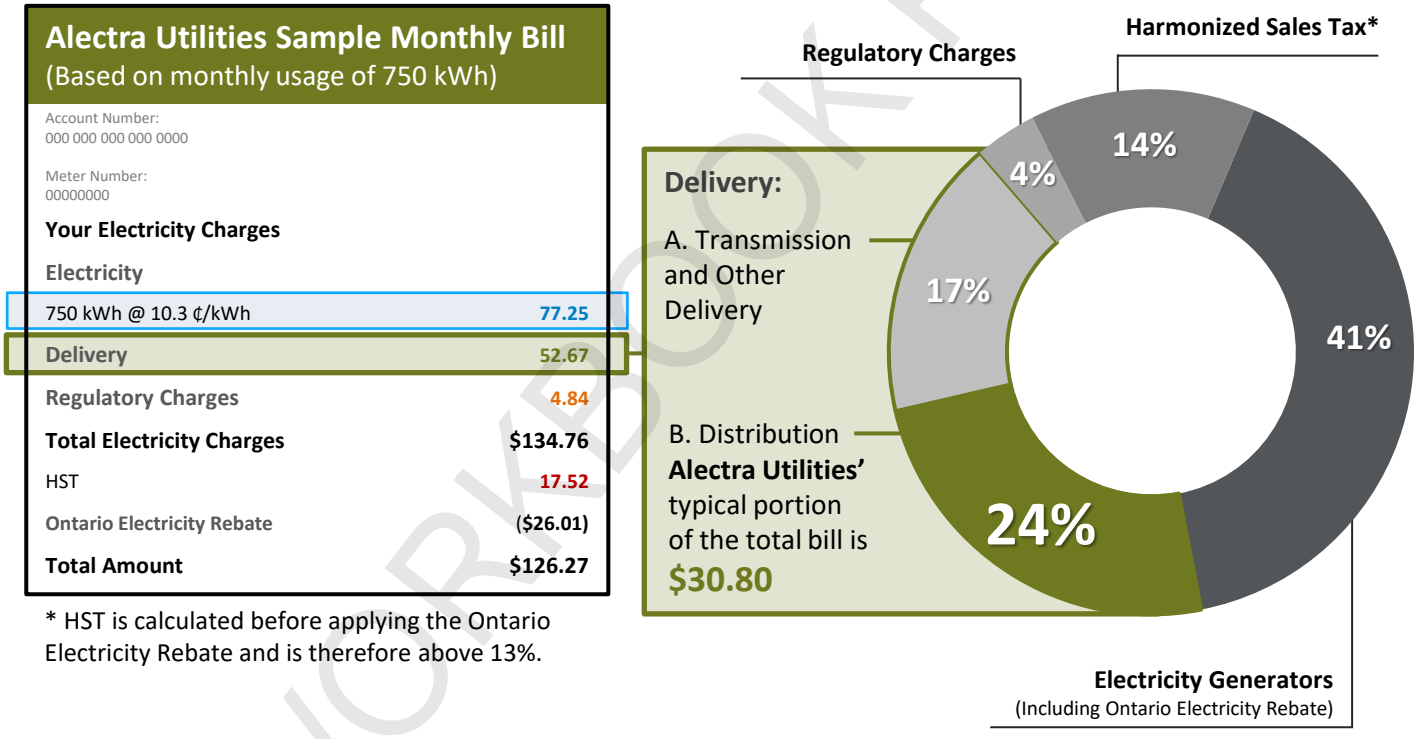
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	52.67
Regulatory Charges	4.84
Total Electricity Charges	**$134.76**
HST	17.52
Ontario Electricity Rebate	($26.01)
Total Amount	**$126.27**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
HRZ ULO

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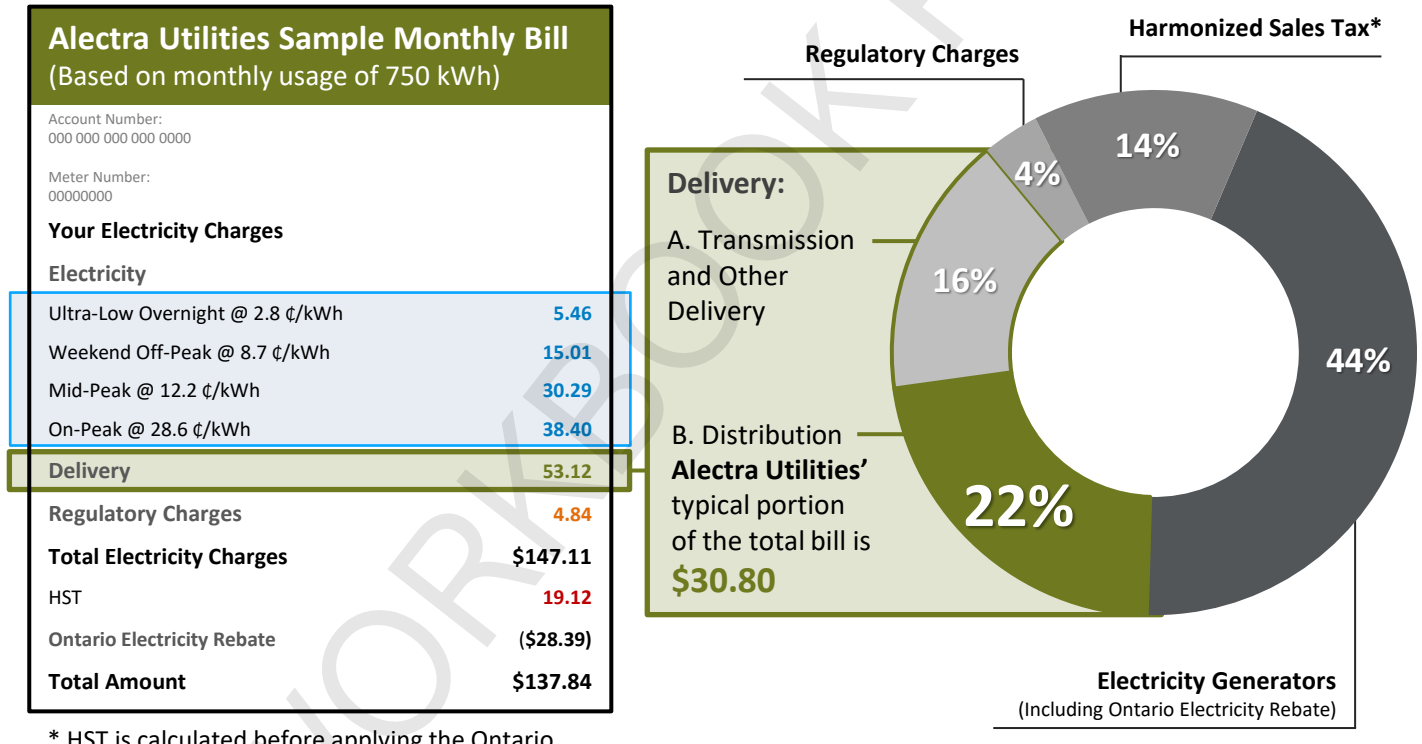
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	53.12
Regulatory Charges	4.84
Total Electricity Charges	**$147.11**
HST	19.12
Ontario Electricity Rebate	**($28.39)**
Total Amount	**$137.84**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
PRZ TIER

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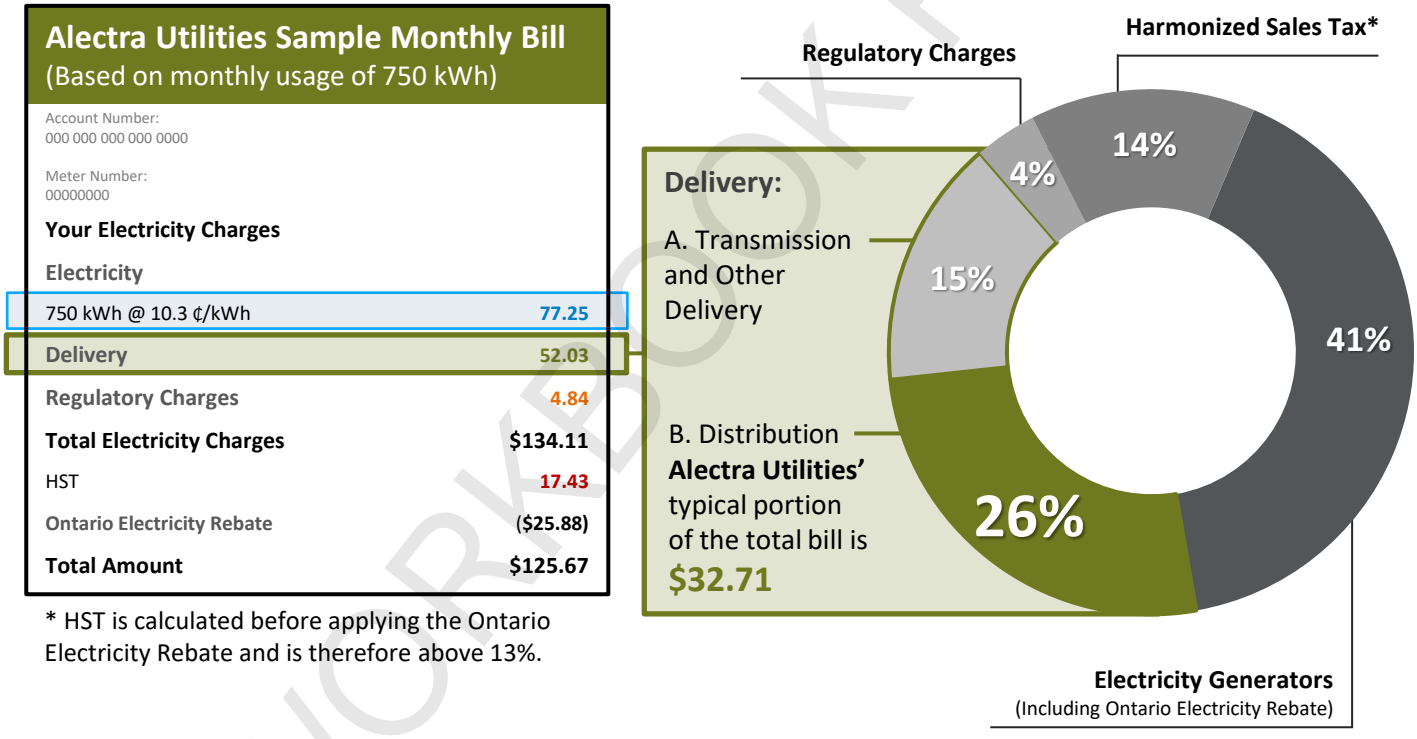
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
750 kWh @ 10.3 ¢/kWh	77.25
Delivery	52.03
Regulatory Charges	4.84
Total Electricity Charges	**$134.11**
HST	17.43
Ontario Electricity Rebate	($25.88)
Total Amount	**$125.67**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Rates 101

Open Link
Residential
PRZ ULO

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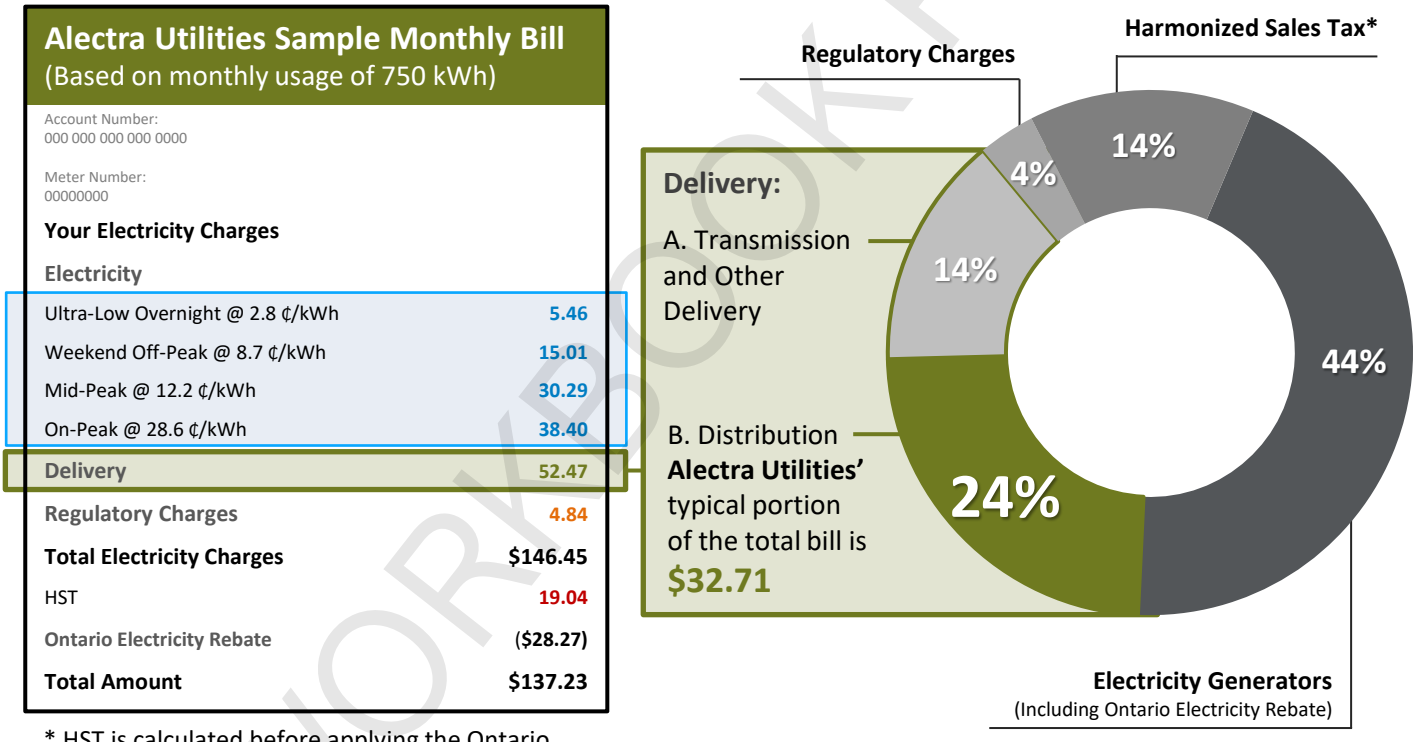
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Ultra-Low Overnight @ 2.8 ¢/kWh	5.46
Weekend Off-Peak @ 8.7 ¢/kWh	15.01
Mid-Peak @ 12.2 ¢/kWh	30.29
On-Peak @ 28.6 ¢/kWh	38.40
Delivery	52.47
Regulatory Charges	4.84
Total Electricity Charges	**$146.45**
HST	19.04
Ontario Electricity Rebate	**($28.27)**
Total Amount	**$137.23**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



NOTE: Graph may not total 100% due to rounding.

WORKBOOK PAGE

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APPENDIX 08

alectra utilities | Discover the possibilities

INNOVATIVE RESEARCH GROUP

Phase II Customer Engagement
2027 Rebasing Application

Residential Online Workbook Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

January 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Phase II Online Survey Completes

69% (675,615) of all 974,307 residential customer accounts provided Alectra with an email address. After removing duplicate email addresses, 612,864 unique email addresses remained.

After excluding unsubscribed and email opt-outs, all residential customers with an email address on Alectra's file received an email invitation to the **Phase II Residential Online Survey**. The email invitation included a unique survey URL that linked back to their rate class, rate zone, and rate option. INNOVATIVE administered all email invitations and reminders. Each customer was only permitted to complete the survey once through the unique URL.

This report includes data from residential customers who completed the survey between **November 15th and December 23rd, 2024**. Residential customers who completed the survey between December 23rd, 2024, and January 20th, 2025, were included in the voluntary sample.

A total of 47,102 (unweighted) residential customers completed the Phase II online survey.

Analysis of the Open-Ended Questions

The survey included ten open-ended questions, eight of which were coded using a trained AI model. To ensure accuracy, the first 1,000 responses for each of these questions were manually coded to train the model, which was then used to code the remaining responses. The other two open-ended questions were coded entirely manually. All responses were proofed to ensure quality and consistency.

Incentives

Customers who completed the survey were entered into a draw to win one of ten prizes. Each prize consisted of a $1,500 credit towards their electricity bill.

Sample Weighting

The Residential online survey sample has been weighted proportionately by consumption quartile and rate zone in order to be representative of the broader Alectra service territory.

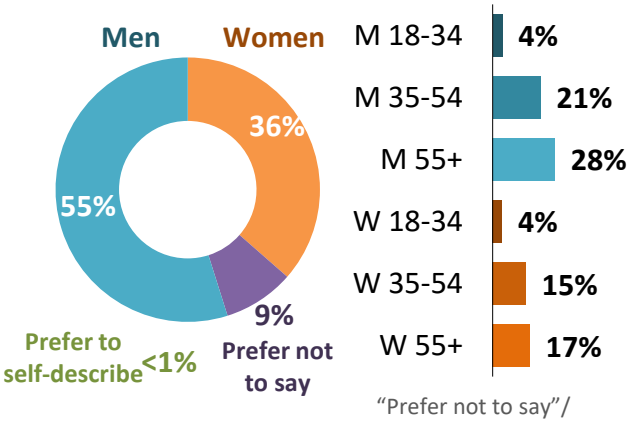
The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile.

Rate Zones	Total	Consumption Quartiles			
		Low	Medium-Low	Medium-High	High
Hydro One Brampton (BRZ)	5,583 (7,672)	1,707 (1,918)	1,461 (1,918)	1,315 (1,918)	1,100 (1,918)
Enersource (ERZ)	8,464 (9,010)	2,353 (2,252)	2,138 (2,252)	2,046 (2,252)	1,927 (2,252)
Guelph Hydro (GRZ)	1,686 (2,263)	489 (566)	420 (566)	407 (566)	370 (566)
Horizon (HRZ)	13,238 (11,063)	2,981 (2,766)	3,382 (2,766)	3,460 (2,766)	3,415 (2,766)
PowerStream (PRZ)	18,131 (17,094)	4,915 (4,274)	4,574 (4,274)	4,389 (4,274)	4,253 (4,274)
Entire Service Area (Total)	47,102 (47,102)	12,445 (11,775)	11,975 (11,776)	11,617 (11,775)	11,065 (11,775)

Phase II Online Survey
Demographic Breakdown

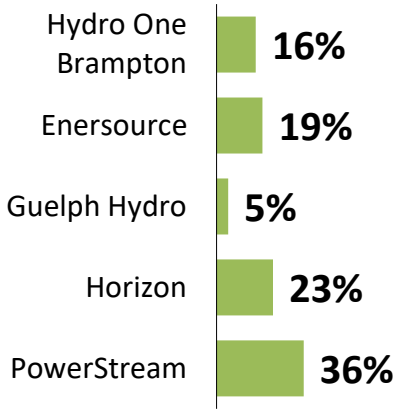
Residential

Gender & Age

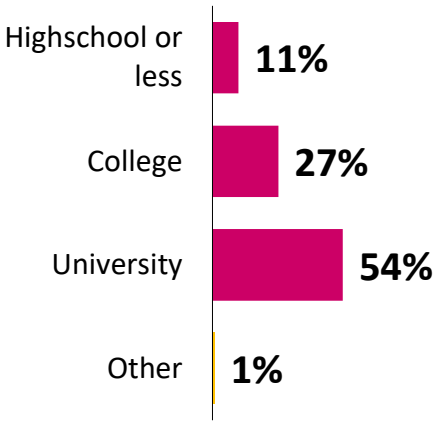


"Prefer not to say"/ "Prefer to self-describe" (10%) not shown.

Rate Zone

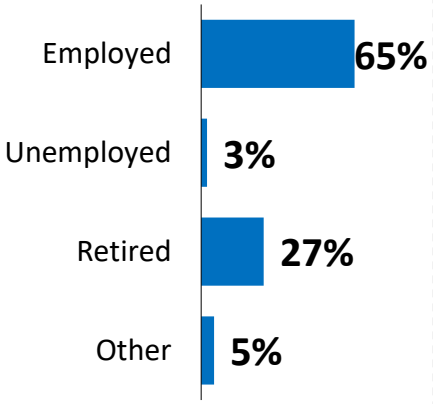


Education Level

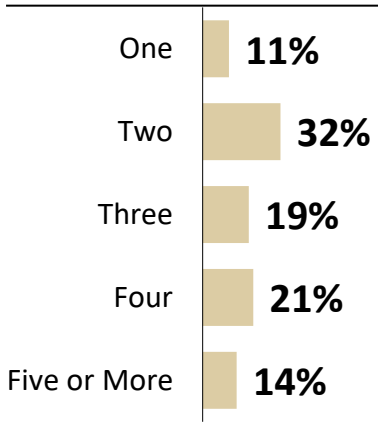


"Prefer not to say" (6%) not shown.

Employment Status

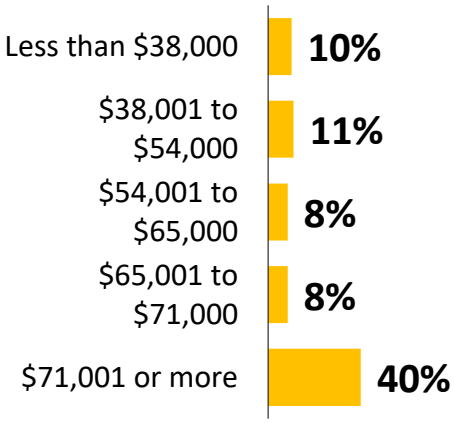


Household Size



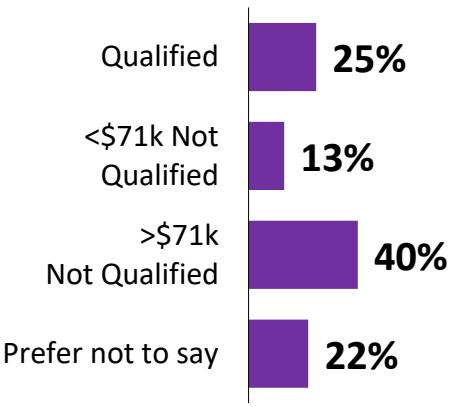
"Prefer not to say" (2%) not shown.

After Tax Household Income



"Prefer not to say" (22%) not shown.

LEAP/OESP Qualification*



*Calculation based on household size and after-tax income.

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

alectra

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. Your experience with Alectra and how they can do better.
2. What investments and spending decisions matter most to you.

Those who complete the survey will be automatically entered into a draw to win 1 of 10 prizes of $1,500 in free electricity!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOK PAGE

CONTINUED FROM PREVIOUS PAGE

How will this survey work?

- This survey explains what Alectra does, how much of your electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services you receive and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

alectra

To start, here is a little background on Alectra

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.

Alectra provides service to customers across multiple areas.

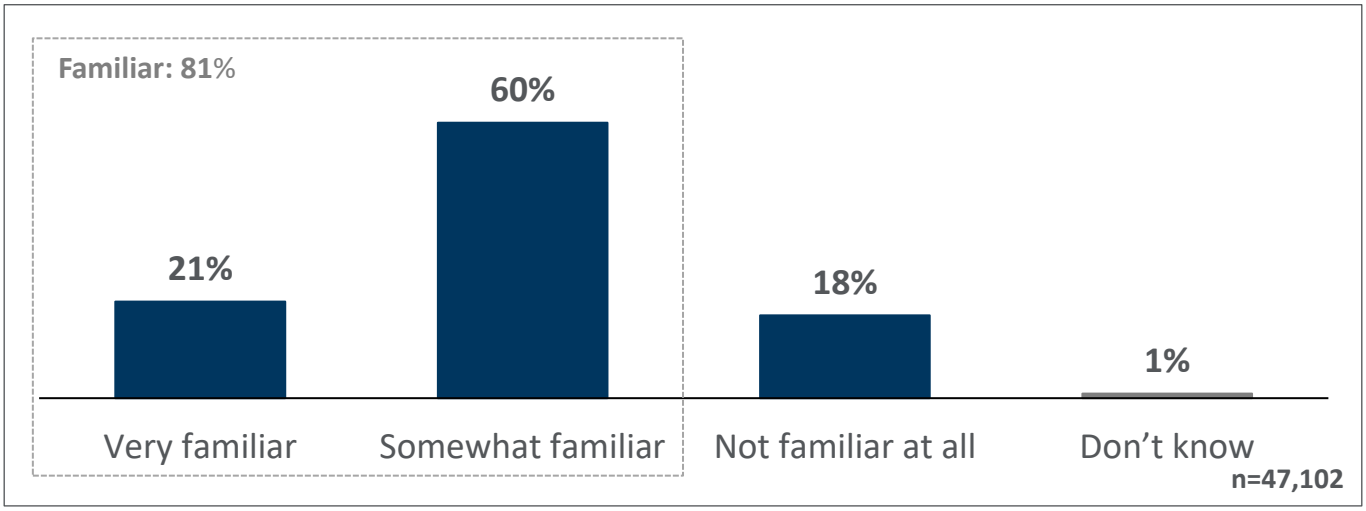
The rates you pay today were determined by the electrical utility that once served your area prior to the merger.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	21%	30%	21%	12%	18%	20%
Somewhat familiar	60%	55%	60%	64%	62%	60%
Not familiar at all	18%	13%	17%	23%	18%	19%
Don't know	1%	1%	2%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**81%**	**86%**	**81%**	**76%**	**81%**	**80%**

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Familiarity with the Electricity System

Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	21%	19%	20%	22%	23%
Somewhat familiar	60%	60%	61%	60%	59%
Not familiar at all	18%	19%	18%	17%	16%
Don't know	1%	2%	1%	1%	1%
Familiar (Very + Somewhat Familiar)	**81%**	**79%**	**81%**	**82%**	**82%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	21%	26%	19%	21%	18%
Somewhat familiar	60%	54%	61%	62%	61%
Not familiar at all	18%	17%	19%	16%	19%
Don't know	1%	2%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**81%**	**80%**	**80%**	**83%**	**79%**

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

alectra
Discover the possibilities

What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

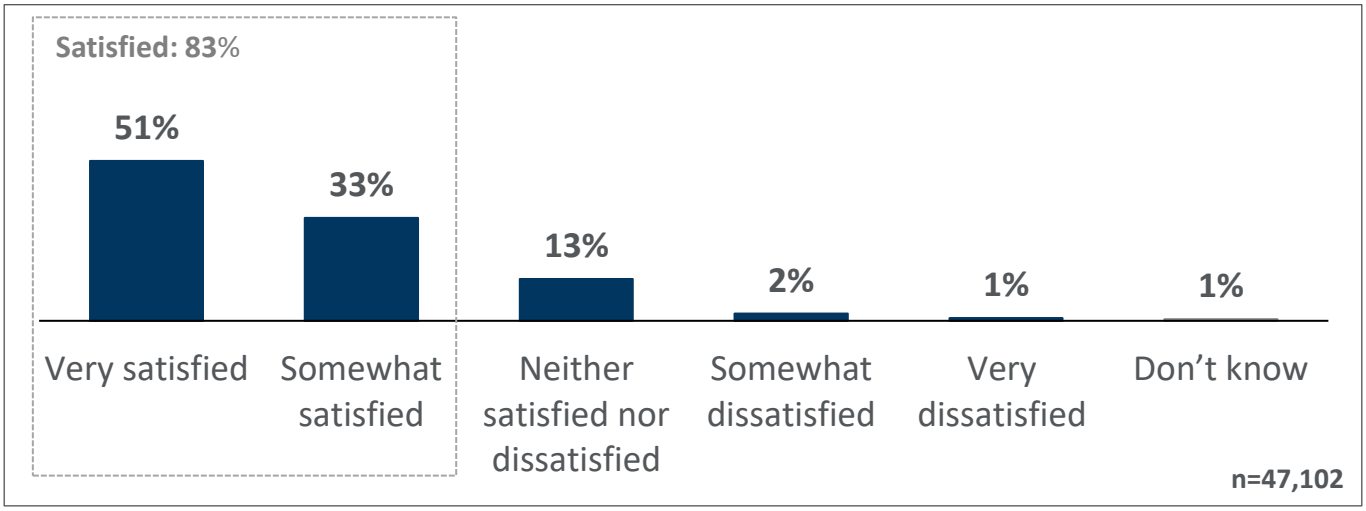
- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

Residential

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very satisfied	51%	55%	53%	48%	51%	47%
Somewhat satisfied	33%	31%	31%	31%	31%	35%
Neither satisfied nor dissatisfied	13%	11%	13%	16%	14%	14%
Somewhat dissatisfied	2%	2%	2%	3%	3%	2%
Very dissatisfied	1%	1%	1%	1%	1%	1%
Don't know	1%	1%	<1%	1%	<1%	1%
Satisfied (Very + Somewhat)	**83%**	**86%**	**84%**	**79%**	**82%**	**83%**

Phase II Online Survey
Satisfaction with Alectra Utilities

Residential

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very satisfied	51%	51%	51%	51%	49%
Somewhat satisfied	33%	32%	33%	33%	32%
Neither satisfied nor dissatisfied	13%	13%	13%	13%	15%
Somewhat dissatisfied	2%	2%	2%	2%	2%
Very dissatisfied	1%	1%	1%	1%	1%
Don't know	1%	1%	<1%	<1%	1%
Satisfied (Very + Somewhat Satisfied)	**83%**	**84%**	**84%**	**83%**	**81%**

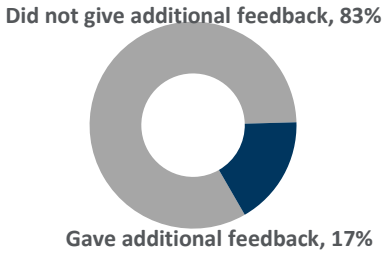
LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very satisfied	51%	53%	54%	52%	44%
Somewhat satisfied	33%	31%	31%	33%	34%
Neither satisfied nor dissatisfied	13%	12%	13%	12%	17%
Somewhat dissatisfied	2%	3%	2%	2%	3%
Very dissatisfied	1%	1%	1%	1%	1%
Don't know	1%	1%	<1%	<1%	1%
Satisfied (Very + Somewhat Satisfied)	**83%**	**84%**	**84%**	**85%**	**78%**

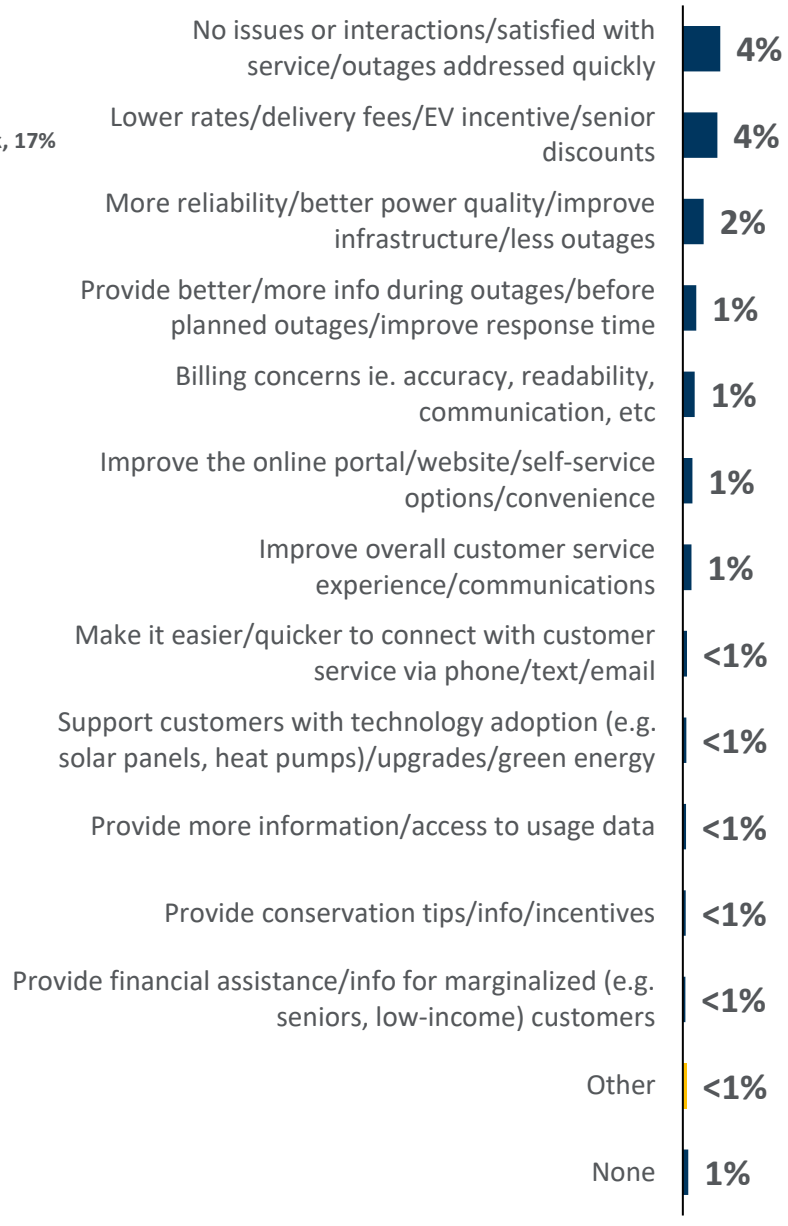
Phase II Online Survey
Areas of Improvement

Residential

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]



alectra utilities



n= 47,102

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Areas of Improvement

Residential

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]

Sample Verbatims
No issues or interactions/satisfied with service/outages addressed quickly
"So far it has been great service. Every issue and concern that I have had it has been addressed, and customer service has been diligent and helpful. All issues with the power grid in the area had been dealt with in a timely manner to my opinion."
Lower rates/delivery fees/EV incentive/senior discounts
"I have no problems with the service other than the cost is high. The actual cost of the power I use is dwarfed by service fees."
More reliability/better power quality/improve infrastructure/less outages
"More reliable electricity in Southern Aurora. Many times, our pocket goes down while the majority of surrounding areas have electricity. It seems the lines in our little neighbourhood are old and above ground as our neighbourhood seems to easily lose electricity more often than the surrounding neighbourhood."
Provide better/more info during outages/before planned outages/improve response time
"Proactive communication – sending timely notifications and updates about planned maintenance outages or any changes in service through SMS or email can keep customers informed and reduce frustration."
Billing concerns i.e. accuracy, readability, communication, etc.
"My bills are emailed, but I need passwords to get in. As a senior I want to open my bills directly. Too confusing and too much red tape."
Improve the online portal/website/self-service options/convenience
"To have more features for the online portal, i.e., when my father passed away, I have to have the account closed and open another account for my widowed mom. But the house is jointly owned by them all the OSEP credits cannot be transferred and cancelled due to that."
Improve overall customer service experience/communications
"Customer service is almost nonexistent very difficult to reach anyone. The people who we do get are not helpful or lack knowledge."

Phase II Online Survey
Areas of Improvement

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]

Sample Verbatims (cont.)
Make it easier/quicker to connect with customer service via phone/text/email
"It's very hard to contact support through their website. It should be easier to reach someone for help."
Support customers with technology adoption (e.g. solar panels, heat pumps)/upgrades/green energy
"It would be nice to have the option to purchase small wind and / or solar generating systems that could be tied into the grid to reduce the cost of our electrical bills."
Provide more information/access to usage data
"I wish I could have a report / graph in Alectra application which can show me how much electricity units are being consumed in a particular month / day."
Provide conservation tips/info/incentives
"Provide advice on energy efficiency and savings based on a personalized experience. I.e., Alectra would be the first to know based on a customer's baseline if something seems off about usage and could notify them."
Provide financial assistance/info for marginalized (e.g. seniors, low-income) customers
"I would love if persons below an annual income determined could have a reduction in their hourly rates."
Other
"Offer subscribers in condominium, townhouses semi-detached and single detached residences back-up power systems that they can buy or lease from you."

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

alectra
Discover the possibilities

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

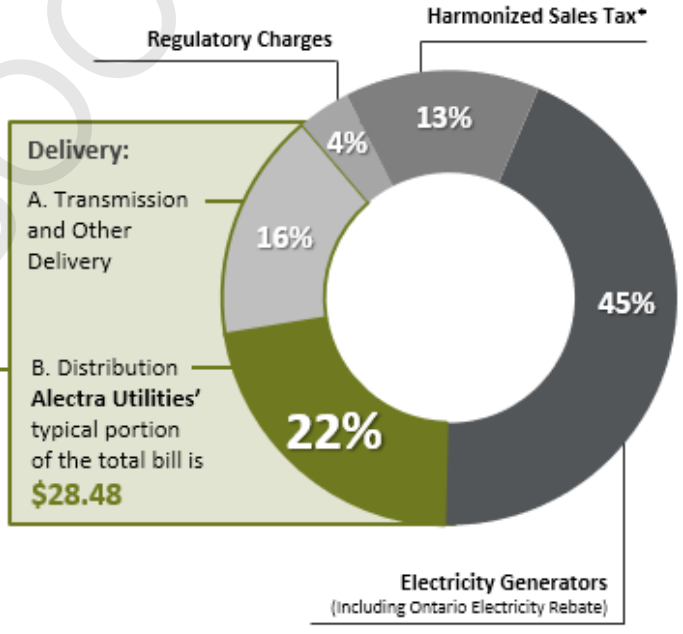
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	49.33
Regulatory Charges	4.83
Total Electricity Charges	**$128.44**
HST	16.70
Ontario Electricity Rebate	($16.83)
Total Amount	**$128.31**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

Whether you rent or own your home, if you are struggling to pay your electricity bills, you may qualify for financial assistance to help pay your bills. You can go to Payment-Assistance on the Alectra website to learn more.

WORKBOOK PAGE

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(Based on monthly usage of 750 kWh)

Account Number:
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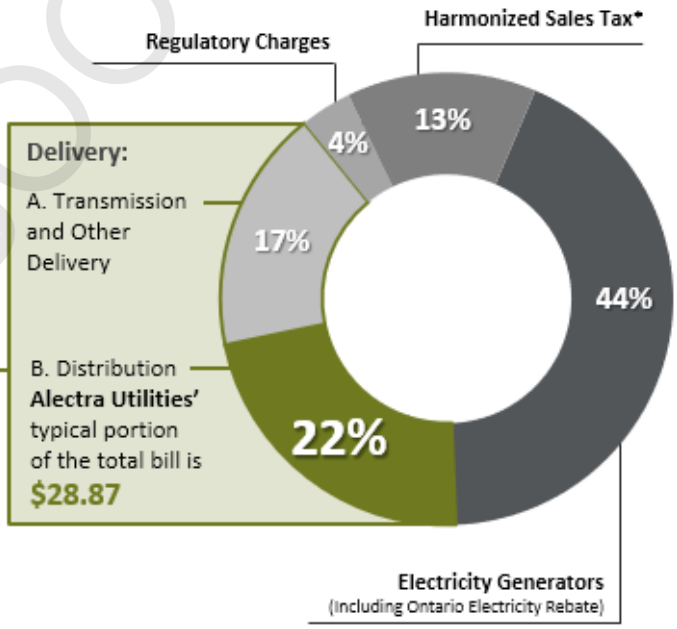
Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	51.46
Regulatory Charges	4.83
Total Electricity Charges	$130.58
HST	16.98
Ontario Electricity Rebate	($17.11)
Total Amount	$130.45

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
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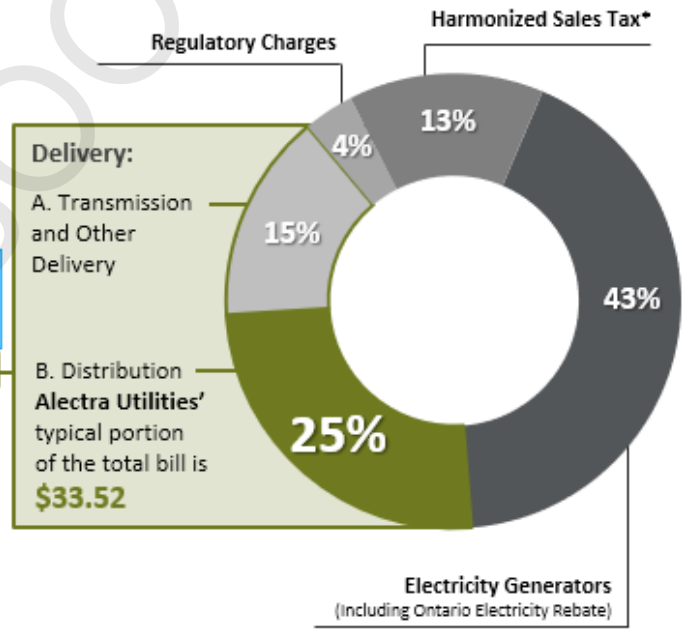
Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	53.03
Regulatory Charges	4.79
Total Electricity Charges	$132.10
HST	17.17
Ontario Electricity Rebate	($17.31)
Total Amount	$131.97

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Electricity	
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Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	52.56
Regulatory Charges	4.84
Total Electricity Charges	$131.68
HST	17.12
Ontario Electricity Rebate	($17.25)
Total Amount	$131.55

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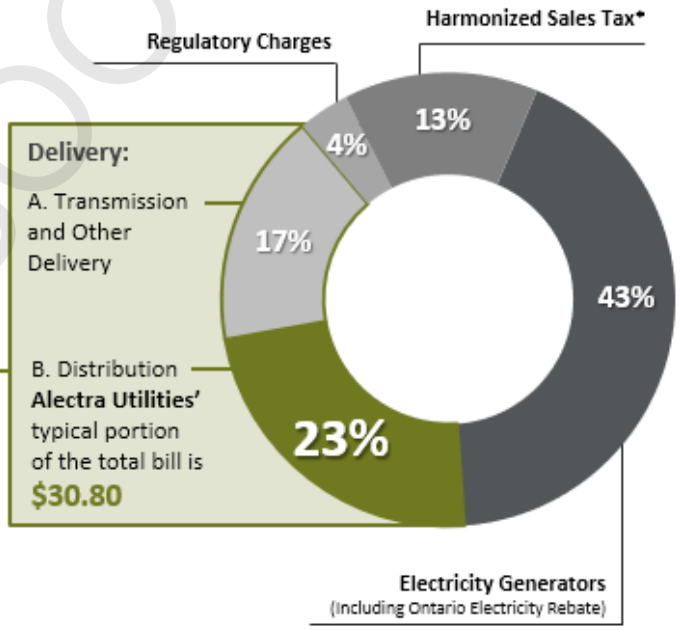

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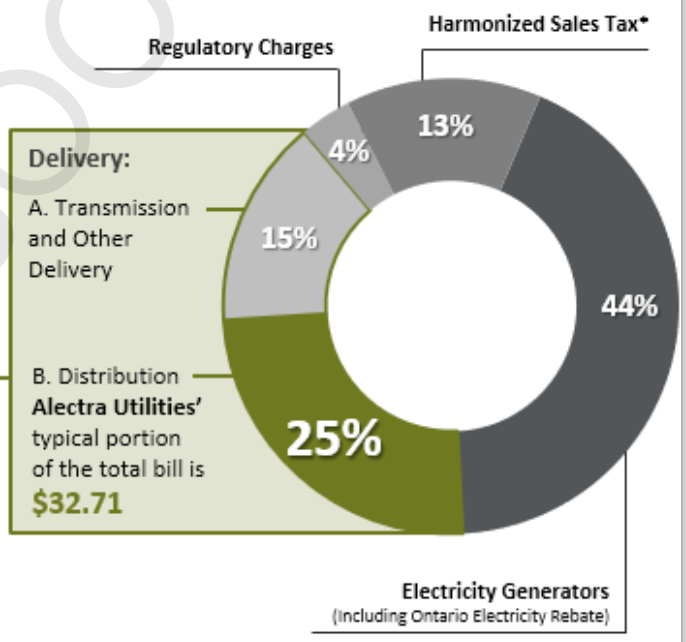
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	51.92
Regulatory Charges	4.84
Total Electricity Charges	$131.03
HST	17.03
Ontario Electricity Rebate	($17.17)
Total Amount	$130.90

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

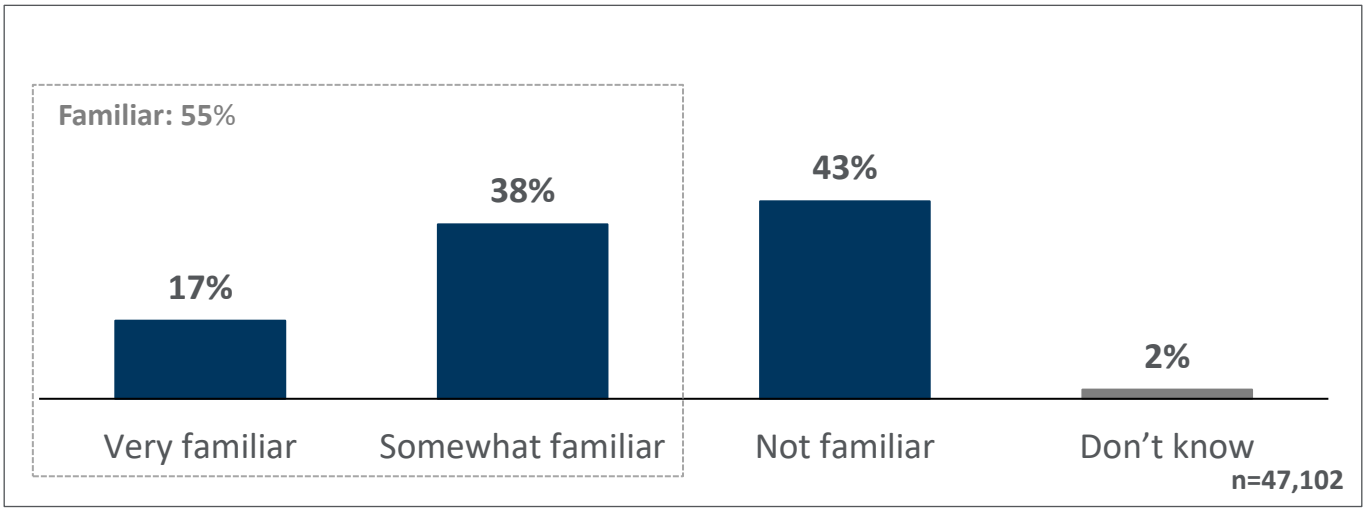
Whether you rent or own your home, if you are struggling to pay your electricity bills, you may qualify for financial assistance to help pay your bills. You can go to Payment-Assistance on the Alectra website to learn more.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

Residential

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?



	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Very familiar	17%	24%	17%	13%	15%	17%
Somewhat familiar	38%	38%	38%	33%	35%	39%
Not familiar	43%	36%	43%	53%	48%	42%
Don't know	2%	2%	2%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**55%**	**62%**	**55%**	**46%**	**50%**	**56%**

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Phase II Online Survey
Familiarity with Electricity Bill

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	17%	16%	16%	18%	19%
Somewhat familiar	38%	37%	37%	38%	38%
Not familiar	43%	44%	44%	43%	42%
Don't know	2%	2%	2%	2%	2%
Familiar (Very + Somewhat Familiar)	**55%**	**54%**	**54%**	**55%**	**57%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	17%	22%	15%	16%	15%
Somewhat familiar	38%	38%	37%	37%	39%
Not familiar	43%	38%	46%	45%	44%
Don't know	2%	3%	2%	1%	2%
Familiar (Very + Somewhat Familiar)	**55%**	**60%**	**52%**	**53%**	**53%**

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ **1. Customers Identify Needs, Preferences and Priorities**
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ **2. Use Customer Feedback to Guide the Draft Plan**
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

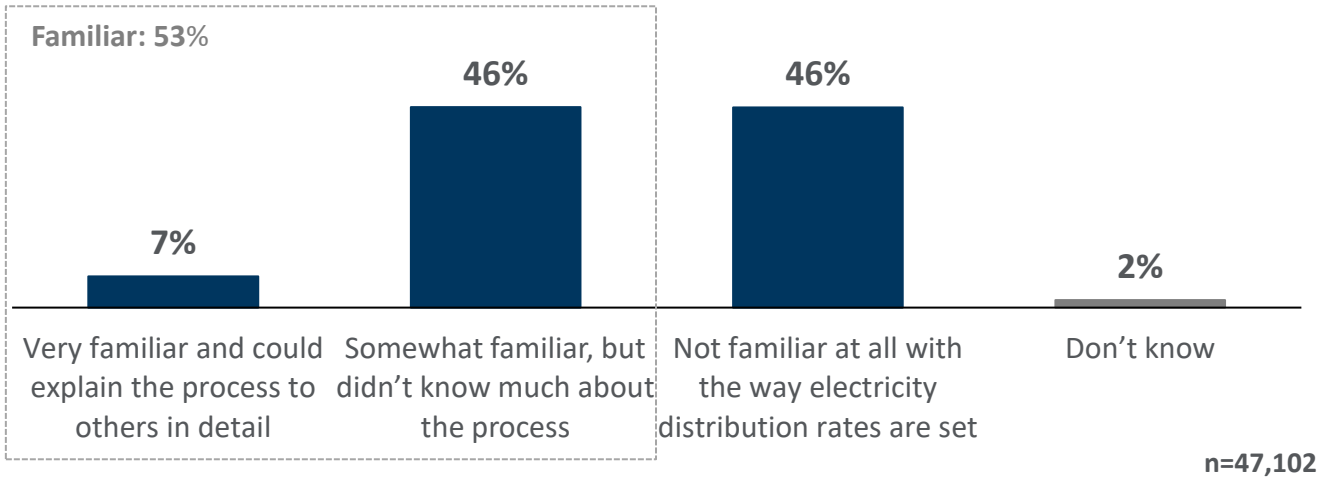
WORKBOOK PAGE

Phase II Online Survey

Familiarity with how Electricity Rates are set

Residential

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very familiar	7%	11%	7%	5%	5%	7%
Somewhat familiar	46%	47%	47%	46%	44%	45%
Not familiar at all	46%	40%	44%	48%	49%	46%
Don't know	2%	2%	2%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**53%**	**58%**	**54%**	**51%**	**49%**	**52%**

Phase II Online Survey

Familiarity with how Electricity Rates are set

Residential

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very familiar	7%	7%	6%	7%	8%
Somewhat familiar	46%	45%	46%	46%	46%
Not familiar at all	46%	47%	46%	45%	44%
Don't know	2%	2%	2%	2%	2%
Familiar (Very + Somewhat Familiar)	**53%**	**51%**	**52%**	**53%**	**54%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Very familiar	7%	10%	7%	6%	6%
Somewhat familiar	46%	45%	45%	47%	45%
Not familiar at all	46%	42%	47%	46%	48%
Don't know	2%	3%	1%	1%	2%
Familiar (Very + Somewhat Familiar)	**53%**	**55%**	**51%**	**53%**	**50%**

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

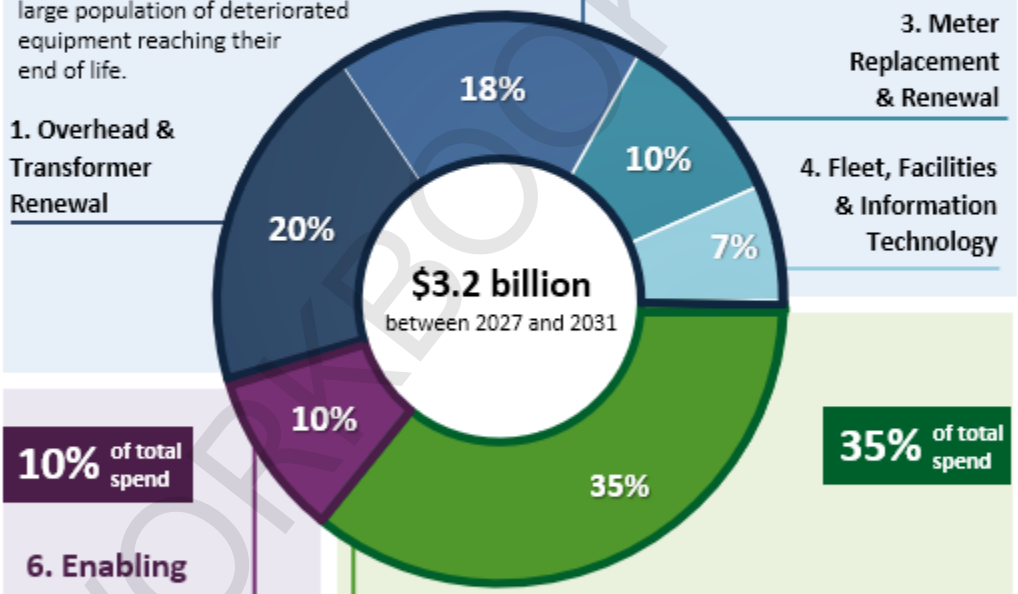
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $29.62 in 2026 to **$44.18 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$129.90	$29.62	$44.18	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $29.54 in 2026 to **$44.10 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$132.03	$29.54	$44.10	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $35.61 in 2026 to **$50.17 by 2031.**

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$133.88	$35.61	$50.17	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $32.55 in 2026 to **$47.11 by 2031.**

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$133.30	$32.55	$47.11	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $34.07 in 2026 to **$48.63 by 2031.**

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$132.73	$34.07	$48.63	**$14.56**

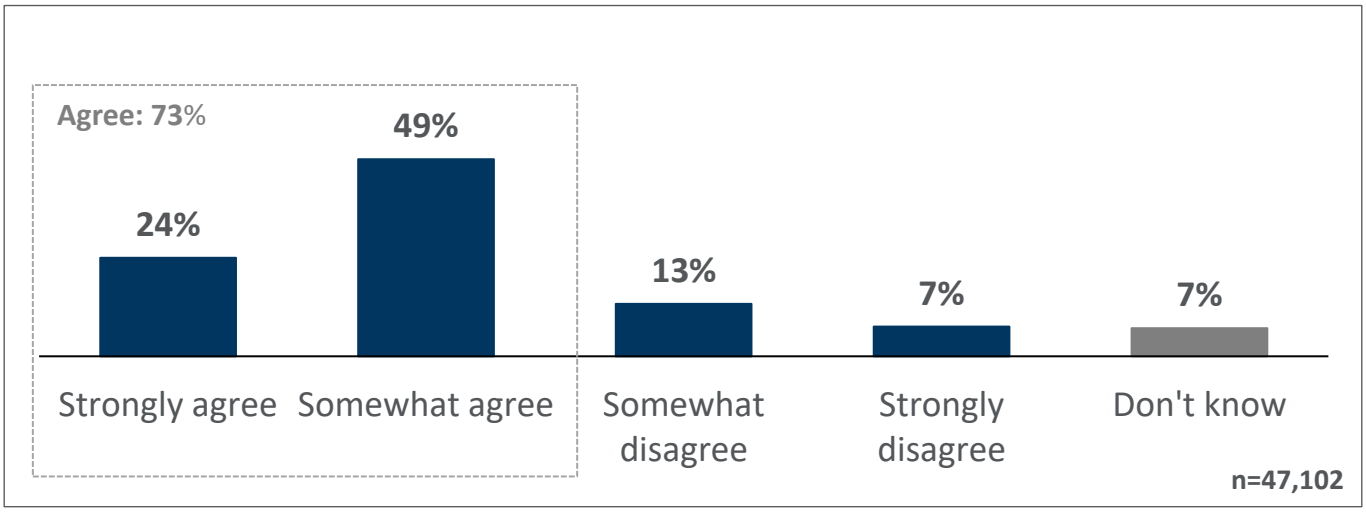
Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

Phase II Online Survey
Cost of the Draft Plan

Residential

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost me.



		Rate Zone				
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Strongly agree	24%	22%	24%	33%	27%	22%
Somewhat agree	49%	48%	47%	49%	49%	49%
Somewhat disagree	13%	14%	13%	9%	11%	14%
Strongly disagree	7%	8%	8%	5%	7%	7%
Don't know	7%	8%	7%	5%	7%	7%
Agree (Strongly + Somewhat agree)	**73%**	**70%**	**72%**	**81%**	**76%**	**71%**

Phase II Online Survey
Cost of the Draft Plan

Residential

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost me.

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	24%	22%	24%	25%	26%
Somewhat agree	49%	49%	49%	48%	48%
Somewhat disagree	13%	14%	13%	13%	12%
Strongly disagree	7%	7%	7%	7%	8%
Don't know	7%	8%	7%	7%	6%
Agree (Strongly + Somewhat agree)	**73%**	**72%**	**73%**	**73%**	**74%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly agree	24%	20%	24%	30%	19%
Somewhat agree	49%	48%	50%	49%	47%
Somewhat disagree	13%	14%	13%	11%	15%
Strongly disagree	7%	8%	7%	6%	9%
Don't know	7%	9%	6%	4%	10%
Agree (Strongly + Somewhat agree)	**73%**	**68%**	**74%**	**79%**	**66%**

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.

$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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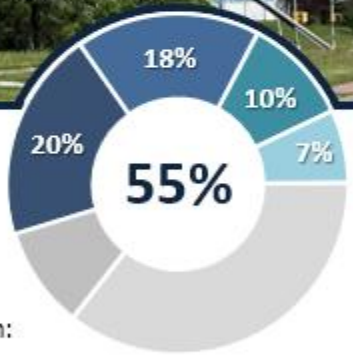
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

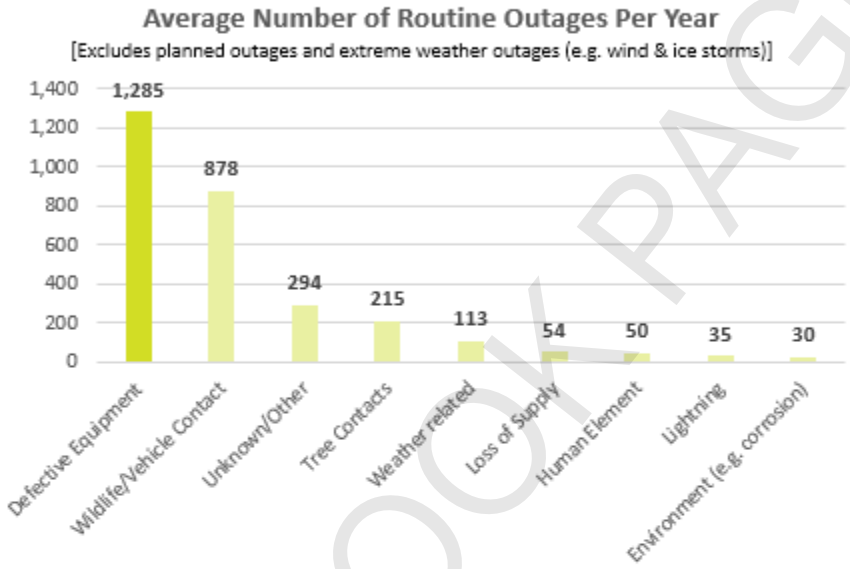
Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

WORKBOOK PAGE

Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. Next

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

1 Overhead & Transformer Renewal

Overview

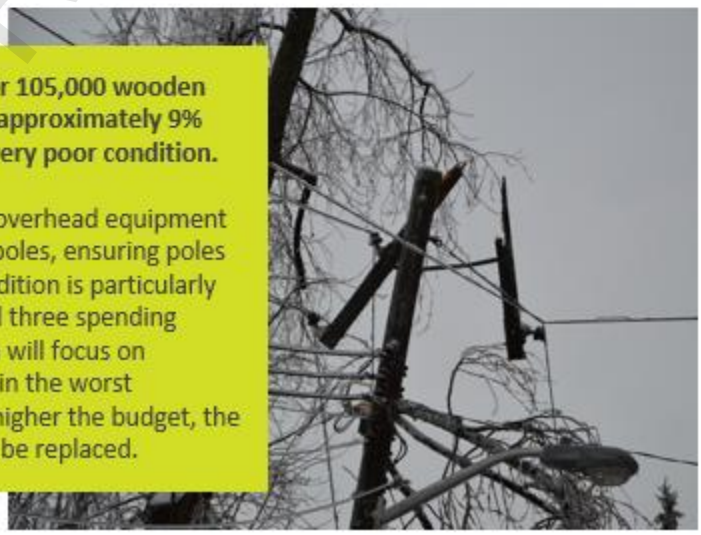
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK PAGE

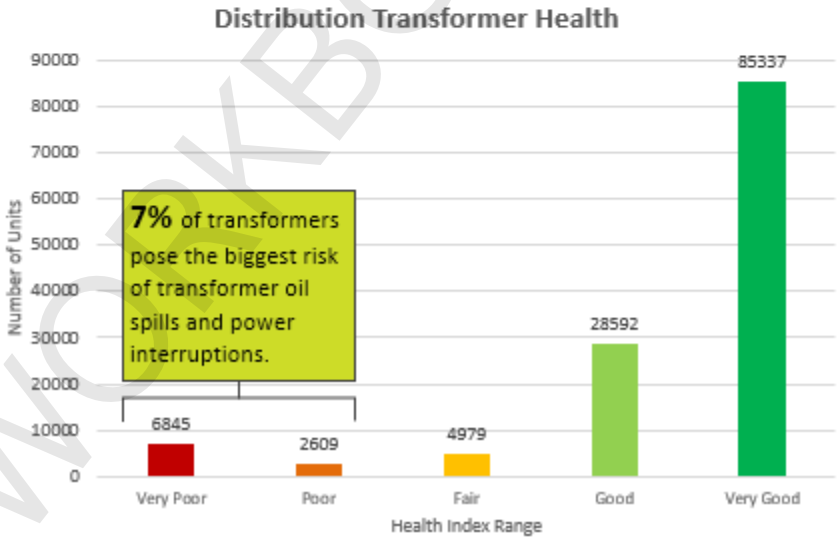
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

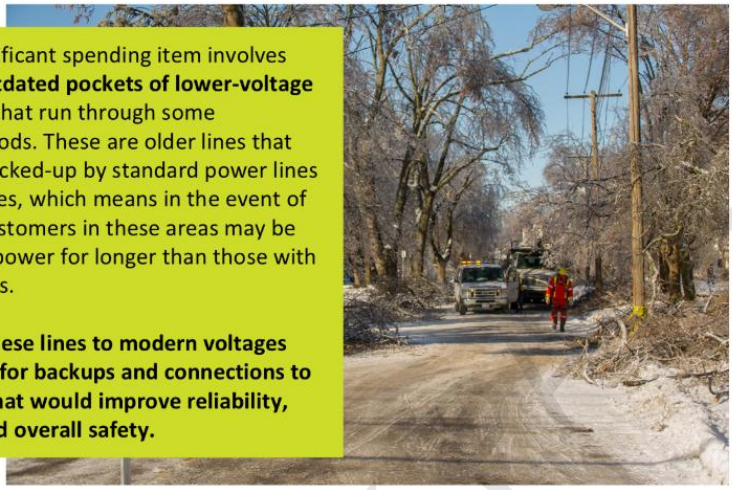
The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.



WORKBOOK PAGE

Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.



Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$2.67	$2.88	$3.42

Reduced Pace $2.67 | Draft Plan $2.88 | Accelerated Pace $3.42

Make a selection

$2.80 $2.93 $3.05 $3.17 $3.30 Don't know

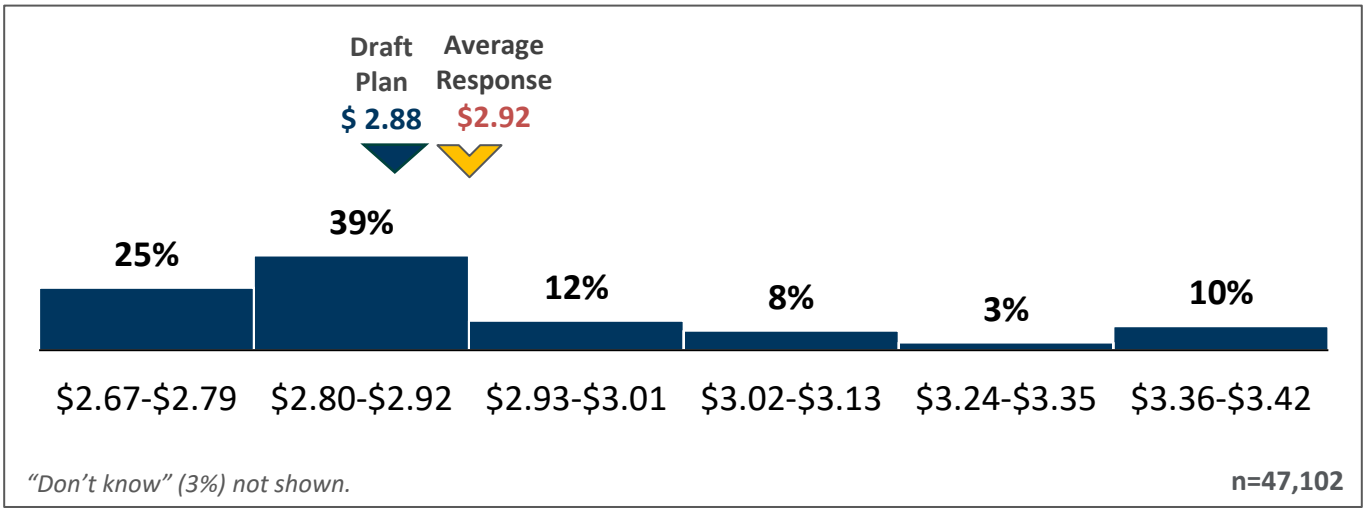
Your selection: $ --.--

WORKBOOK

Phase II Online Survey
Spending on Overhead Renewal

Residential

Q How much should Alectra spend on Overhead Renewal?



"Don't know" (3%) not shown.

n=47,102

	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	32%	27%	32%	39%	35%	31%
On plan	32%	29%	31%	33%	33%	32%
Below plan	34%	40%	34%	26%	29%	34%
Don't know	3%	4%	3%	2%	3%	3%
TOTAL On plan + Above plan	**63%**	**56%**	**63%**	**73%**	**68%**	**63%**

NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Spending on Overhead Renewal

Residential

Q How much should Alectra spend on Overhead Renewal?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	32%	30%	31%	32%	33%
On plan	32%	32%	32%	32%	31%
Below plan	34%	35%	33%	33%	34%
Don't know	3%	3%	3%	3%	3%
TOTAL On Plan + Above Plan	**63%**	**62%**	**64%**	**64%**	**64%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	32%	26%	33%	38%	26%
On plan	32%	28%	34%	33%	31%
Below plan	34%	41%	30%	27%	39%
Don't know	3%	5%	3%	2%	4%
TOTAL On Plan + Above Plan	**63%**	**54%**	**67%**	**71%**	**57%**

NOTE:

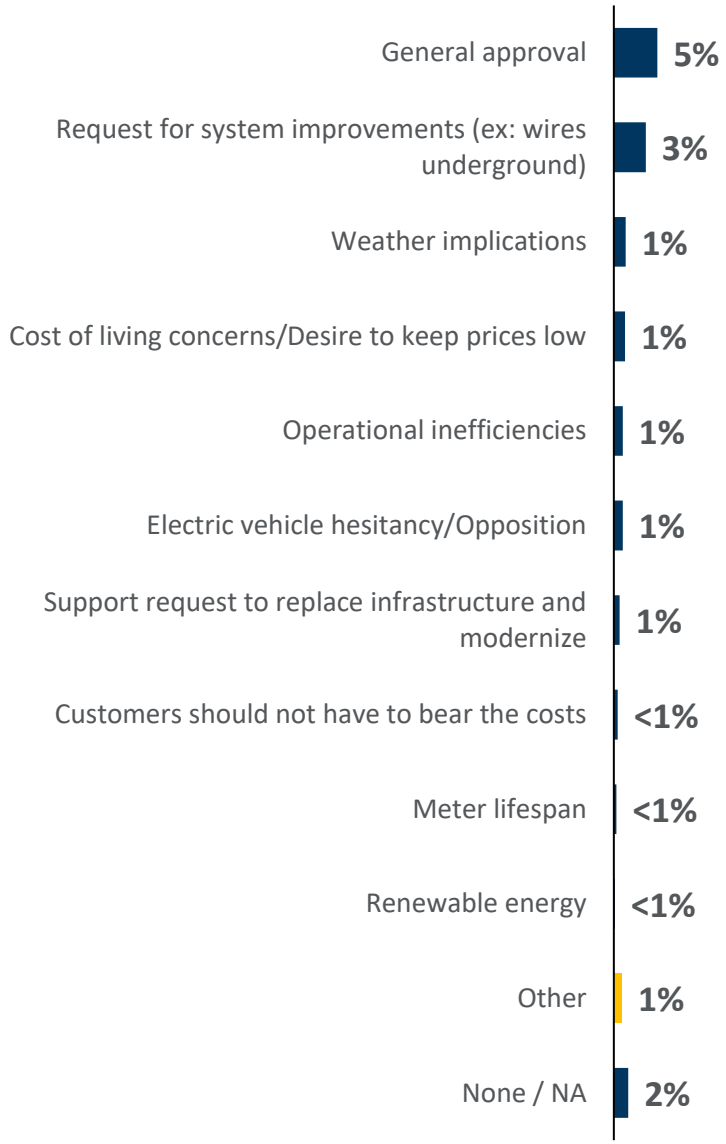
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Overhead Renewal

Residential

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

alectra utilities



n= 47,102

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Overhead Renewal

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims
General approval
"Too many people are short-sighted when it comes to infrastructure renewal. I understand why but we need to help people see beyond the immediate impact on themselves and towards sustainability for their children and grandchildren."
Request for system improvements (ex: wires underground)
"I don't understand why you don't bury more transmission lines. It eliminates weather problems, tree and animal damage, etc. Such cost will be somewhat significant but will save money in the long run."
Weather implications
"Why do we have overhead power lines on a continent that has weather like ours!!!"
Cost of living concerns/Desire to keep prices low
"Energy cost is becoming too high and food cost is not helping the extra spending."
Operational inefficiencies
"Find operational efficiency to keep maintenance cost low. Do not overpay for equipment when sourcing."
Electric vehicle hesitancy/Opposition
"EV customers should not be subsidized by all rate payers. They need to pay their fair share."
Support request to replace Infrastructure and Modernize
"This shouldn't even be a question - replace equipment ASAP. With inflation and emergency repairs that cost more money long term, it also is jeopardizing civilian's safety and adding to environmental pollution."

Phase II Online Survey
Feedback on Overhead Renewal

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims (Cont.)
Customers should not have to bear the costs
"I understand all the costs associated with upgrades and maintenance but not sure why this is deferred to customers instead of the government funding the infrastructure costs."
Meter lifespan
"It isn't made clear. What is the average lifetime of a transformer? Are 7% becoming poor every year. What is the timeframe for replacing the poor ones."
Renewable energy
"Scrap the windmills and go more nuclear. And for transformer spills do better preventative maintenance to avoid negative environmental impacts."
Other
"I think the transformers are going to be a lot of work and money. Has there been any consideration for allowing some of the talented local artists to create murals on the transformers?"

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

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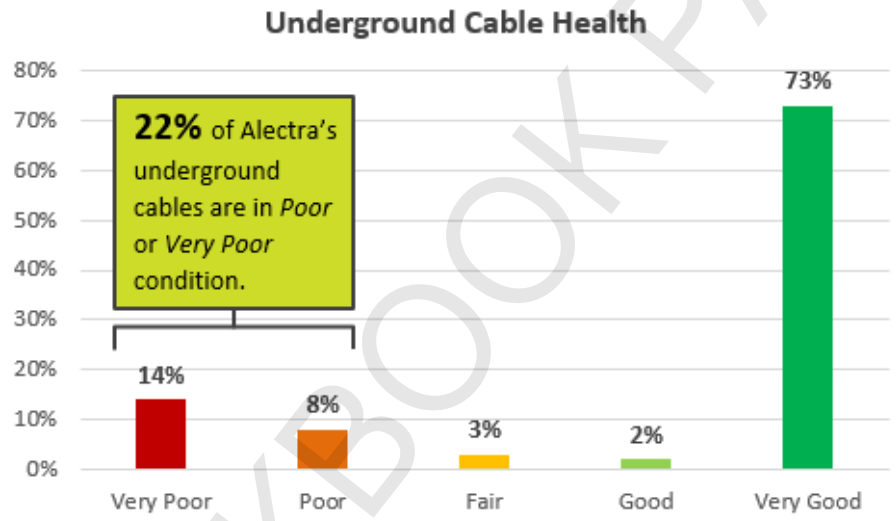
Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

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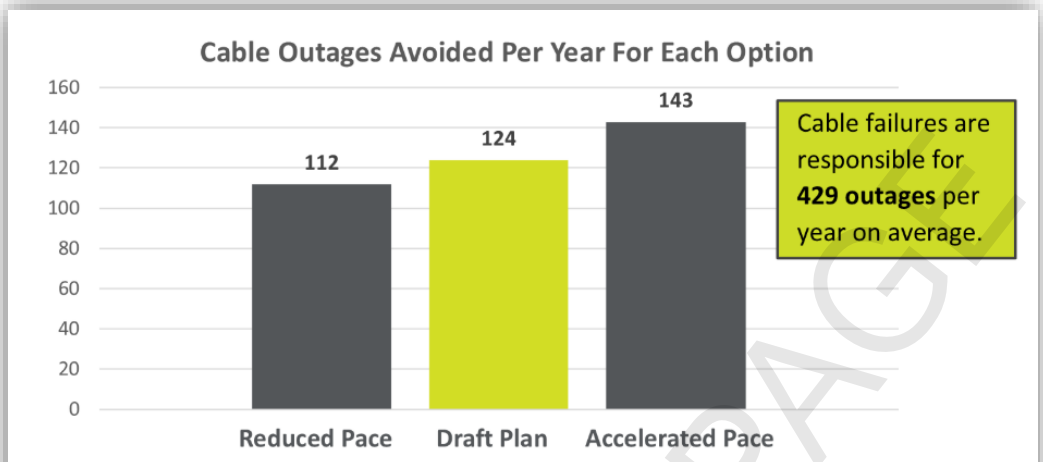
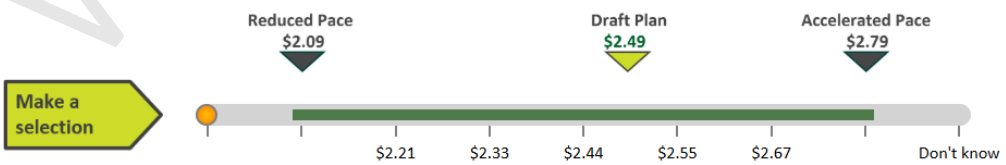


Choice 2 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Replace **517 km (10%)** of cables in poor and very poor condition to improve customer reliability by avoiding **112 outages**	Replace **683 km (13%)** of cables in poor and very poor condition to improve customer reliability by avoiding **124 outages**	Replace **900 km (17%)** of cables in poor and very poor condition to improve customer reliability by avoiding **143 outages**
Future Costs	Risk of higher future costs (**up to 45% higher**) to replace underground equipment in poor and very poor condition that will need to be addressed in the future	Lower future costs by addressing underground equipment in poor and very poor condition now	Significantly lower future costs by addressing more underground equipment in poor and very poor condition as Alectra will be able to do more work at a lower cost
Disruptions	Risk of frequent and unplanned disruptions for customers as crews address some backlog while focusing most of the budget on emergency repairs	Proactive approach to reducing the backlog of deteriorated cables, meaning less frequent disruptions for customers	A more proactive approach to reducing the backlog, as crews plan to replace large areas of cables, leading to fewer disruptions for customers
Rate Impact *per month by 2031*	$2.09	$2.49	$2.79



Your selection: $ --.--

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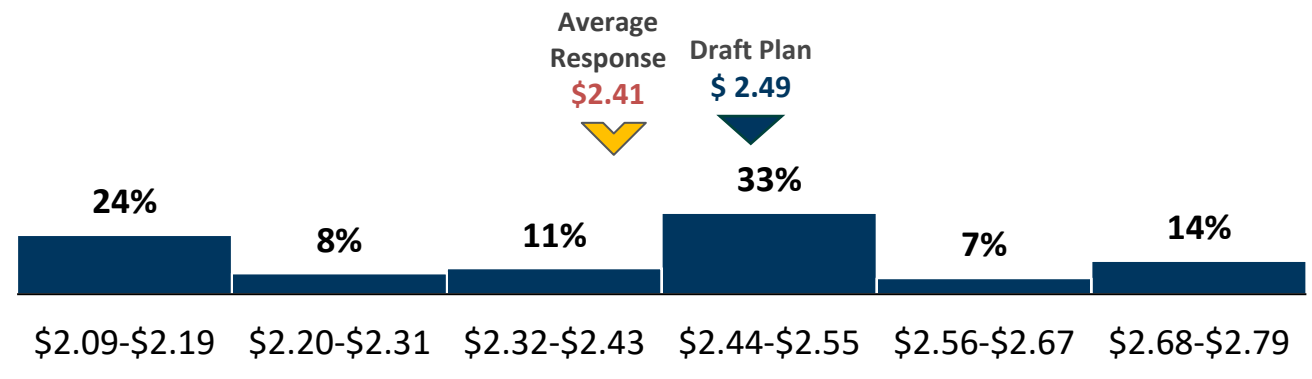
Phase II Online Survey
Spending on Underground Renewal

Residential

Q How much should Alectra spend on Underground Renewal?



"Don't know" (4%) not shown.

n=47,102

	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	22%	17%	23%	30%	24%	22%
On plan	28%	23%	27%	31%	31%	28%
Below plan	46%	55%	47%	37%	42%	47%
Don't know	4%	4%	4%	3%	4%	3%
TOTAL On plan + Above plan	**50%**	**41%**	**50%**	**60%**	**55%**	**50%**

NOTE:
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Phase II Online Survey
Spending on Underground Renewal

Residential

Q How much should Alectra spend on Underground Renewal?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	22%	21%	22%	22%	23%
On plan	28%	28%	28%	28%	27%
Below plan	46%	48%	45%	46%	46%
Don't know	4%	4%	4%	3%	4%
TOTAL On Plan + Above Plan	**50%**	**48%**	**51%**	**50%**	**50%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	22%	16%	23%	28%	19%
On plan	28%	23%	30%	30%	27%
Below plan	46%	55%	44%	40%	50%
Don't know	4%	5%	3%	2%	4%
TOTAL On Plan + Above Plan	**50%**	**39%**	**53%**	**58%**	**46%**

NOTE:
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Phase II Online Survey
Feedback on Underground Renewal

Residential

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

alectra utilities

General approval	2%
Request for system improvements (ex: wires underground)	2%
Cost of living concerns/Desire to keep prices low	1%
Operational Inefficiencies	<1%
Customers should not have to bear the costs	<1%
Support/request to replace infrastructure and modernize	<1%
Survey criticism	<1%
General disapproval	<1%
Weather implications	<1%
Government should assist	<1%
Renewable energy	<1%
Other	<1%
None / NA	1%

n= 47,102

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Underground Renewal

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims
General approval
"Go for it. our infrastructure is sadly lacking compared to other nations."
Request for system improvements (ex: wires underground)
"More cables should be moved underground. […] Looks better, less damage. Weather is not getting better, it is getting worse, more storms, higher winds."
Cost of living concerns/Desire to keep prices low
"Nowadays is very difficult to pay the bill amount. Please do not increase your expenses."
Operational Inefficiencies
"My frustration is ... why was it allowed to get to this point where over 1/5 of the supply is in poor condition? This doesn't really seem like the right approach and doesn't actually offer customers much in terms of choice."
Customers should not have to bear the costs
"I don't think these costs should be passed to the consumer. Upgrade to cable health costs should come from an emergency fund."
Support/request to replace infrastructure and modernize
"Please replace old infrastructure sooner rather than later to avoid emergency situations."
Survey criticism
"All this is confusing and like all surveys. They are designed to get a specific result!!"
General disapproval
"Are all of these issues currently being taken care of and how much are we spending on this now... Why have these items been allowed to get to this point."
Weather implications
"The weather is getting wilder every year. Wires should be underground and maintained properly."

Phase II Online Survey
Feedback on Underground Renewal

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims (cont.)
Government should assist
"Seek additional infrastructure support from Federal and Provincial."
Renewable energy
"Put the money into solar and wind."
Other
"What happens if we take the middle approach and the 'lower future' costs aren't seen?"

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

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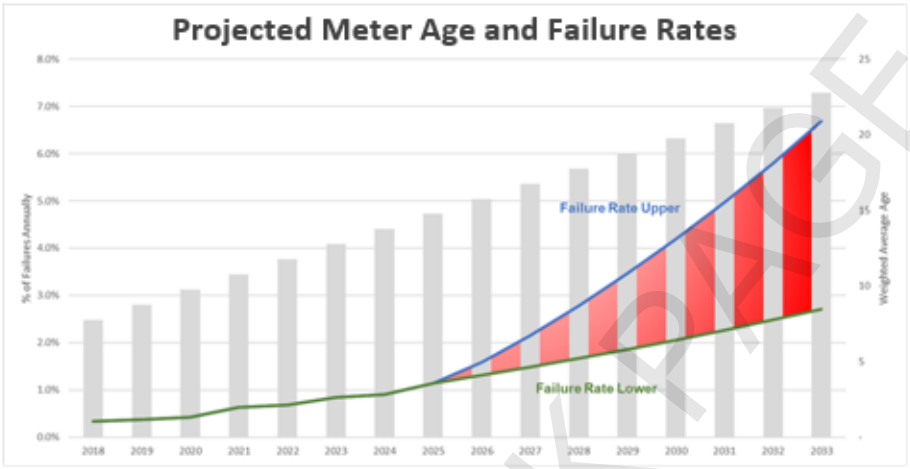

Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

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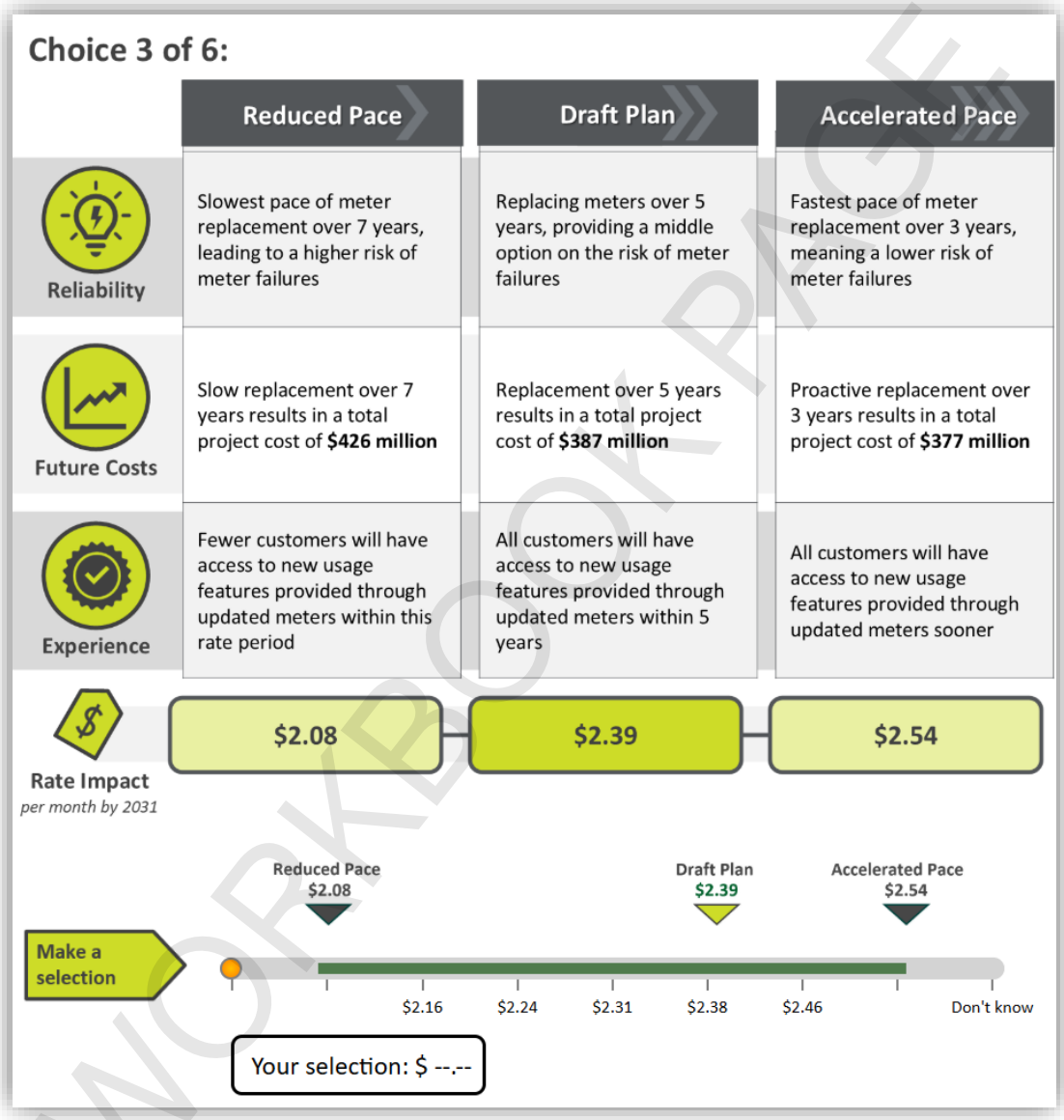

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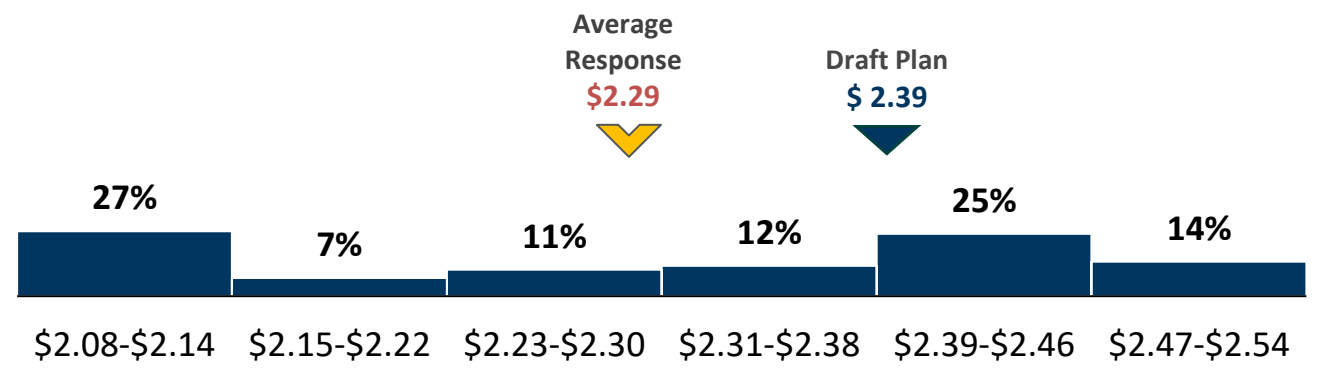
Phase II Online Survey
Spending on Meter Replacement and Renewal

Residential

Q How much should Alectra spend on Meter Replacement and Renewal?



"Don't know" (3%) not shown.

n=47,102

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	17%	14%	18%	23%	19%	16%
On plan	26%	22%	26%	31%	29%	26%
Below plan	53%	60%	53%	44%	48%	54%
Don't know	3%	4%	3%	2%	3%	3%
TOTAL On plan + Above plan	**44%**	**36%**	**43%**	**54%**	**49%**	**43%**

NOTE:

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Phase II Online Survey
Spending on Meter Replacement and Renewal

Residential

Q How much should Alectra spend on Meter Replacement and Renewal?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	17%	16%	17%	17%	17%
On plan	26%	26%	27%	27%	26%
Below plan	53%	54%	52%	52%	54%
Don't know	3%	4%	3%	3%	3%
TOTAL On Plan + Above Plan	**44%**	**42%**	**45%**	**44%**	**43%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	17%	13%	19%	21%	14%
On plan	26%	22%	29%	29%	25%
Below plan	53%	60%	50%	48%	56%
Don't know	3%	5%	3%	2%	4%
TOTAL On Plan + Above Plan	**44%**	**35%**	**48%**	**50%**	**40%**

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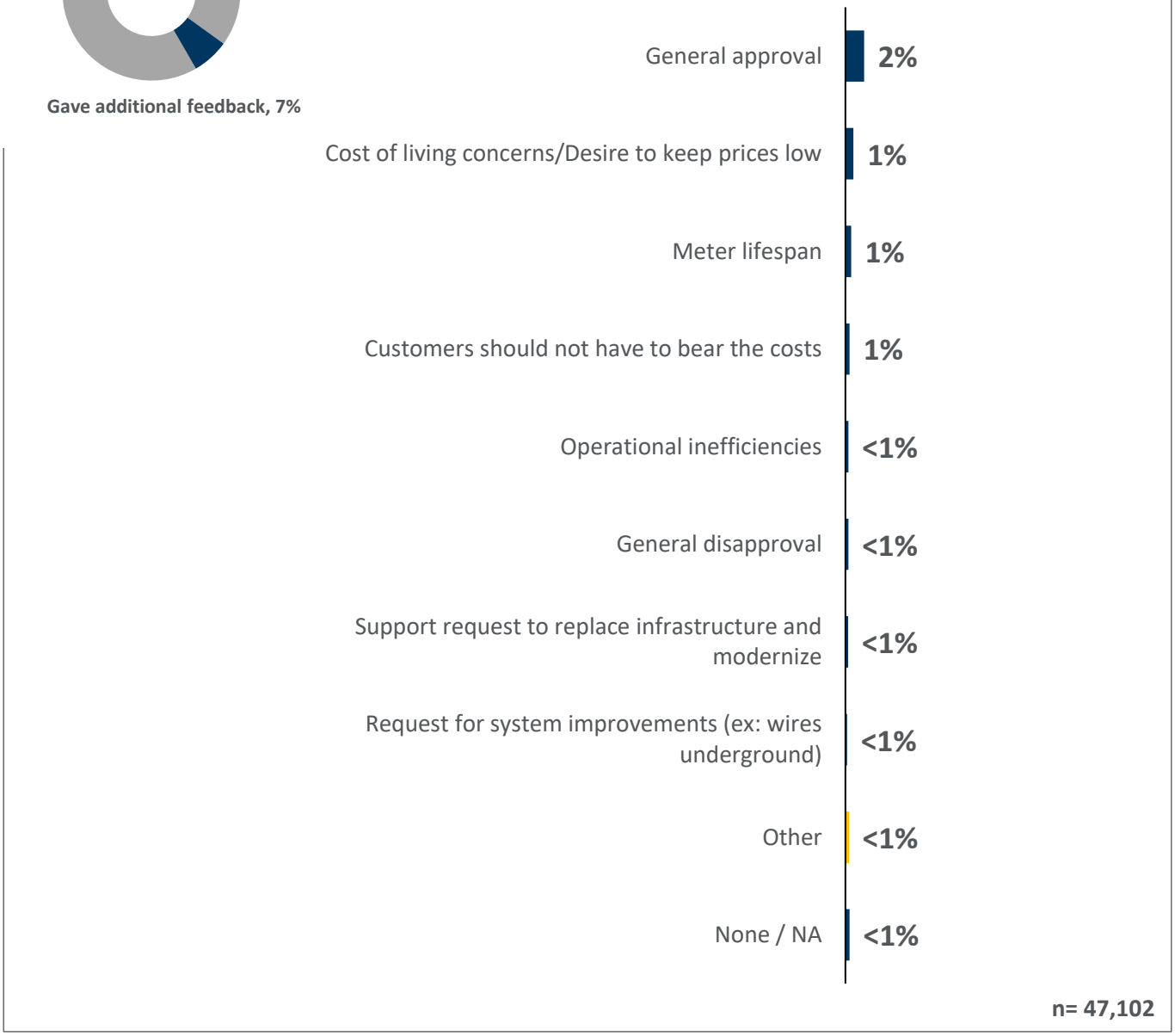
Phase II Online Survey
Feedback on Meter Replacement and Renewal

Residential

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

alectra utilities



n= 47,102

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Phase II Online Survey
Feedback on Meter Replacement and Renewal

Residential

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

Sample Verbatims
General approval
"Important but not as important as fixing above and below ground infrastructure. Getting reliable electricity is more important to me than measuring it."
Cost of living concerns/Desire to keep prices low
"Customers like me are already struggling with day-to-day expenses. Work with your partners to get these meters replaced without having to transfer costs back to us."
Meter lifespan
"Need to explore finding a more reliable meter so that service life is higher than 15 years."
Customers should not have to bear the costs
"Why are the meter vendors not helping to offset cost of meters failing early? Why are customers being held responsible?"
Operational inefficiencies
"All the meters weren't installed at the same time. Why not replace the oldest 1st but in batches?"
General disapproval
"Don't like the smart meters it gives the provider the ability to turn off the utility."
Support request to replace infrastructure and modernize
"New technology is important. Our electricity is far to cheap. We are not paying the real cost to the environment."
Request for system improvements (ex: wires underground)
"Easy access meters through network and some sort of alarm overuse, leakage detection."
Other
"Other jurisdictions I am very familiar with (UK) have experienced high rates of failure, inconsistency with smart meters. You have not provided any data on the consistency and reliability of the smart meters you have already installed. Our internet in a community 12 Kms outside of Hamilton is patchy at best. How is this going to affect my smart meter data. How can I rely on it?"

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

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WORKBOOK PAGE

Key priorities in Information Technology include:

Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

Maintaining the Fleet

Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.

Choice 4 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Security	Same as Draft Plan	Cyber and physical security is a top priority for Alectra. Alectra will make the necessary investment in protective technology to address critical threats	Same as Draft Plan
Reliability	Fleet equipment and vehicles would continue to deteriorate, impacting operations and increasing operating costs	This allows Alectra to match industry norms on information technology	This will result in further improvement in customer experience and reducing impact of fleet and facility breakdowns on staff productivity
Efficiency	Reduces efforts to use IT to generate efficiencies. Pushes some fleet renewal and replacement costs into the future	Matches industry norms in using IT to enhance efficiency and customer experience. Also follows industry norms for fleet maintenance	This will result in additional efforts to use IT to gain efficiency and to improve customer experience. Reduces long term fleet and facility costs
Rate Impact *per month by 2031*	$1.59	$1.68	$1.78

Reduced Pace $1.59 | Draft Plan $1.68 | Accelerated Pace $1.78

Make a selection

$1.62 | $1.65 | $1.69 | $1.72 | $1.75 | Don't know

Your selection: $ --.--

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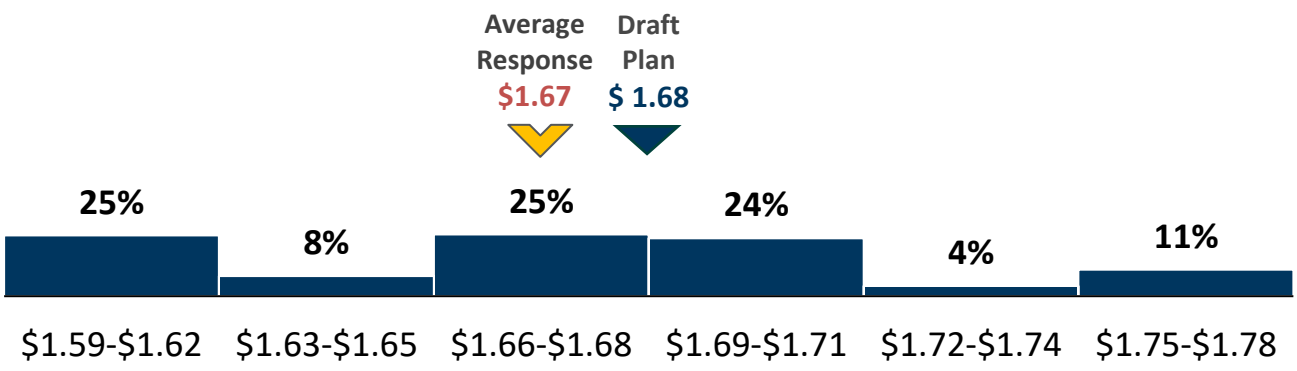
Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

Residential

Q How much should Alectra spend on Fleet, Facilities and Information Technology?



"Don't know" (3%) not shown.

n=47,102

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	20%	17%	20%	23%	22%	19%
On plan	36%	31%	35%	41%	39%	36%
Below plan	41%	47%	41%	34%	36%	42%
Don't know	3%	4%	3%	2%	3%	3%
TOTAL On plan + Above plan	**56%**	**49%**	**56%**	**64%**	**61%**	**55%**

NOTE:

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Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

Residential

Q How much should Alectra spend on Fleet, Facilities and Information Technology?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	20%	19%	19%	20%	20%
On plan	36%	35%	37%	37%	36%
Below plan	41%	43%	40%	40%	41%
Don't know	3%	3%	3%	3%	3%
TOTAL On Plan + Above Plan	**56%**	**54%**	**56%**	**57%**	**56%**

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	20%	17%	21%	23%	16%
On plan	36%	31%	38%	40%	34%
Below plan	41%	48%	38%	36%	45%
Don't know	3%	5%	3%	2%	4%
TOTAL On Plan + Above Plan	**56%**	**47%**	**59%**	**63%**	**51%**

NOTE:
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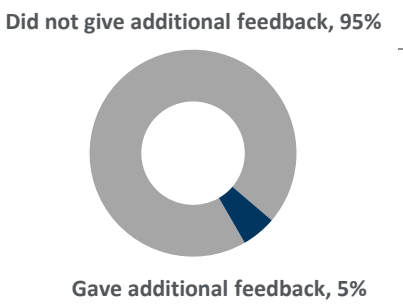
Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

Residential

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]



alectra utilities

General approval	2%
Operational inefficiencies	1%
Support/request to replace infrastructure and modernize	<1%
Cost of living concerns/desire to keep prices low	<1%
Customers should not have to bear the costs	<1%
General disapproval	<1%
Request for system improvements - put wires underground	<1%
Renewable energy/EV adoption	<1%
Survey criticism	<1%
Other	<1%
None / NA	0%

n= 47,102

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Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

Residential

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims
General approval
"Investments in technology should improve reliability and potentially reduce operating costs hence are important."
Operational inefficiencies
"I buy used cars and drive them until their annual cost climbs towards that of a car payment - 10-15yrs. How old is the fleet? Does it have any electric vehicles? If so, you are proving you can't manage your budget and that you believe increasing your rates is the right thing to do in 2024 Canada."
Support/request to replace infrastructure and modernize
"I think cybersecurity is paramount. But software is only as good as the cybersecurity analysts you have monitoring the alerts. Make sure you invest in strong analysts as well as software and that you have a strong incident response plan in place."
Cost of living concerns/desire to keep prices low
"Again, I would prefer zero increase. Yes, digital tech and cyber attacks are new. But in my household, we must absorb these additional costs - because we do not get an increase in our pension every time we have a need or a problem."
Customers should not have to bear the costs
"It's a cost of doing business and always calculated in expenses each year. Shouldn't go to customer for new vehicles."

Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims (Cont.)
General disapproval
"I don't see this as a high priority. This can be segmented further to essential fleets, facilities vs non-essential, with a focus on safety."
Request for system improvements - put wires underground
"Please update the outage web site to be more mobile friendly. Most often, during a power outage, people can only rely on their smartphones for updates, and it is extremely slow."
Renewable energy/EV adoption
"Given the existential climatic threat of Global Warming caused by greenhouse gas emissions - including from trucks - I would strongly suggest that all new Alectra vehicle purchases be electric."
Survey criticism
"I have no idea questions you asked. It is not [a] survey. It is preparation for bigger bills, poor PR."
Other
"What is the service life of the fleet? Alectra should use the same logic as meter replacement."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

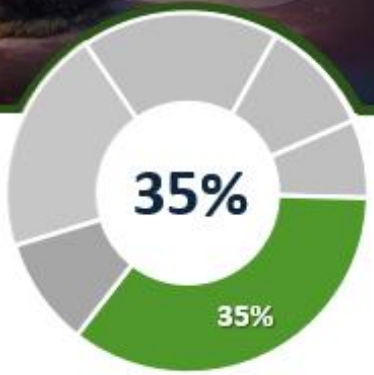
alectra
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

WORKBOOK ONLY

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

WORKBOOK PAGE

Phase II Online Survey
Workbook Page 14 (cont.)

Residential

Choice 5 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Mandatory investment required to address expansion needs, without any back-up projects	Further investment to address required expansion needs and many of the back-up projects	Additional investment to address required expansion needs, and all back-up projects to ensure greater reliability
Experience	Potential for significant delays when connecting customers to the grid	No delays when connecting customers to the grid	Same as Draft Plan
Efficiency	Funding for **10 new distribution stations**, providing **395MW** of electric capacity	Funding for **11 new distribution stations**, providing **414MW** of electric capacity	Funding for **12 new distribution stations** and a battery storage project, providing **585MW** of electric capacity

Rate Impact
per month by 2031

$3.50	$3.68	$3.72

Make a selection

Reduced Pace $3.50 | Draft Plan $3.68 | Accelerated Pace $3.72

$3.54 | $3.58 | $3.61 | $3.64 | $3.68 | Don't know

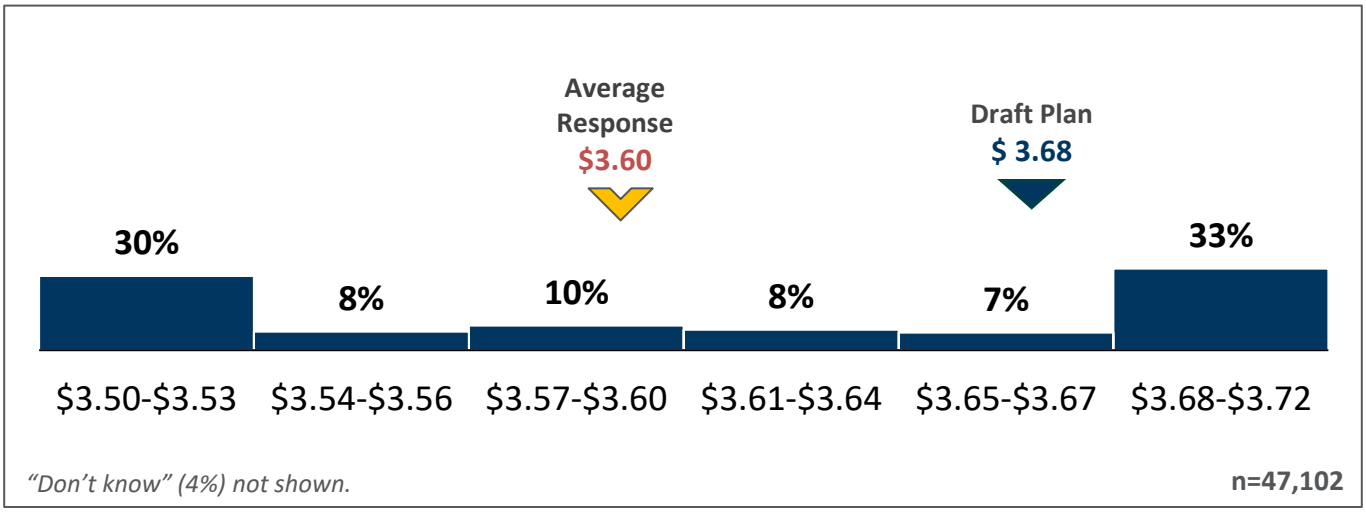
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Meeting Growing Electricity Demand

Residential

Q How much should Alectra spend on Meeting Growing Electricity Demand?



"Don't know" (4%) not shown.

n=47,102

	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	13%	9%	14%	21%	14%	12%
On plan	23%	20%	22%	27%	26%	23%
Below plan	60%	67%	61%	50%	56%	61%
Don't know	4%	4%	4%	2%	4%	3%
TOTAL On plan + Above plan	**36%**	**29%**	**36%**	**48%**	**40%**	**35%**

NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Spending on Meeting Growing Electricity Demand

Residential

Q How much should Alectra spend on Meeting Growing Electricity Demand?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	13%	11%	13%	13%	15%
On plan	23%	22%	23%	24%	23%
Below plan	60%	63%	60%	59%	59%
Don't know	4%	4%	3%	4%	3%
TOTAL On Plan + Above Plan	**36%**	**34%**	**36%**	**37%**	**38%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	13%	8%	12%	18%	11%
On plan	23%	19%	25%	26%	21%
Below plan	60%	68%	59%	54%	64%
Don't know	4%	5%	3%	2%	5%
TOTAL On Plan + Above Plan	**36%**	**27%**	**38%**	**44%**	**32%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

Residential

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Did not give additional feedback, 93%

Gave additional feedback, 7%

Electric vehicle hesitancy/Opposition	3%
General approval	1%
Cost of living concerns/Desire to keep prices low	1%
Customers should not have to bear the costs	1%
Renewable energy	<1%
Request for system improvements (ex: wires underground)	<1%
General disapproval	<1%
Operational inefficiencies	<1%
Government should assist	<1%
Other	<1%
None / NA	<1%

n= 47,102

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims
Electric vehicle hesitancy/Opposition
"The government will have to change its mind about electric vehicles and home heating via electricity - it is not possible to make such a huge change from an oil and gas economy in such a short time."
General approval
"We will definitely need more power. Is this a true estimate of what we would need to meet the growing demand?"
Cost of living concerns/Desire to keep prices low
"I was encouraged by government plan to support clean energy, which I did. How much does my electrical cost goes up vs. my gas cost. [It] looks like you are about to put increases through to support your cost, which probably means a net negative for me??"
Customers should not have to bear the costs
"You as the profit-earning corporation should be the one footing the bill for improving your own infrastructures. For shame on you for trying to download this onto consumers already strapped by the prior increases."
Renewable energy
"I'd like to see our grid allow for households to store and generate power as well through solar or wind."
Request for system improvements (ex: wires underground)
"There needs to be a program to upgrade the wire feeds to the meter to support 200A."

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims (cont.)
General disapproval
"Not convinced we will need 11 new distribution stations."
Operational inefficiencies
"The delivery charge has been on the accounts for years, if not decades. Why have you not maintained and up-graded the system over those years and decades?"
Government should assist
"Provincial, municipal, and federal governments should participate in these investments, not residents, as these are new areas of homes and part of our taxation."
Other
"With the future possibility of customers being able to store their own electricity for personal use, has Alectra taken this into consideration?"

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

alectra
Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

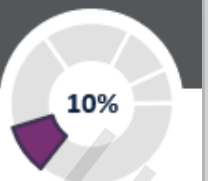
Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

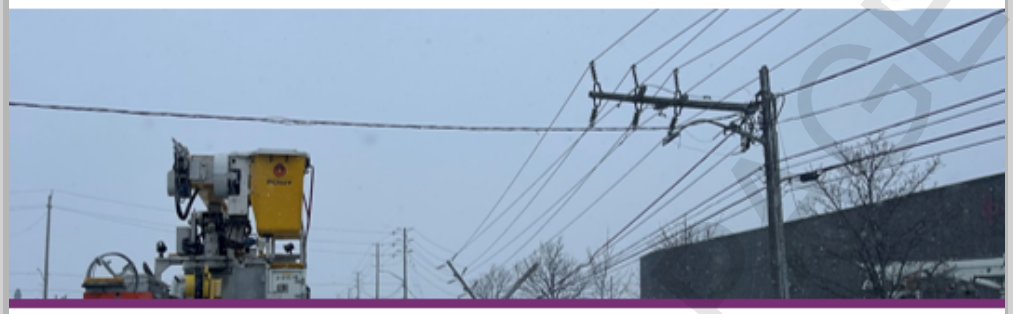
WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices



6 Enabling Resiliency and Modernization



Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

WORKBOOK PAGE

Enhancing Customer Communication and Choice

- Between electric cars and power walls, customers today are connecting to the grid with technology that wasn't so common 10 years ago.
- With these recent adoptions, some customers are looking to become more active participants in the grid at difference paces.

Choice 6 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	**Invest in 27** weather-related adaption projects, which could lead to longer outages during extreme weather events	**Invest in 33** weather-related adaptation projects to reduce the risk of outages 24 hours or longer during extreme weather events	**Invest in 41** weather-related adaptation projects to further reduce the risk of outages
Experience	Maintain customer service investment without expanding customer choice	Moderate investment in new customer service solutions, expanding the options for customer choice and participation in the grid	Same as Draft Plan
Efficiency	Same as Draft Plan	Moderate investment in communication infrastructure, installation of 427 automatic switches to enable remote power restoration	Increased investment in communication infrastructure, installation of 502 automatic switches to enable faster and greater remote power restoration

Rate Impact
per month by 2031

$1.34 | $1.44 | $1.61

Reduced Pace $1.34
Draft Plan $1.44
Accelerated Pace $1.61

Make a selection

$1.39 $1.44 $1.48 $1.51 $1.56 Don't know

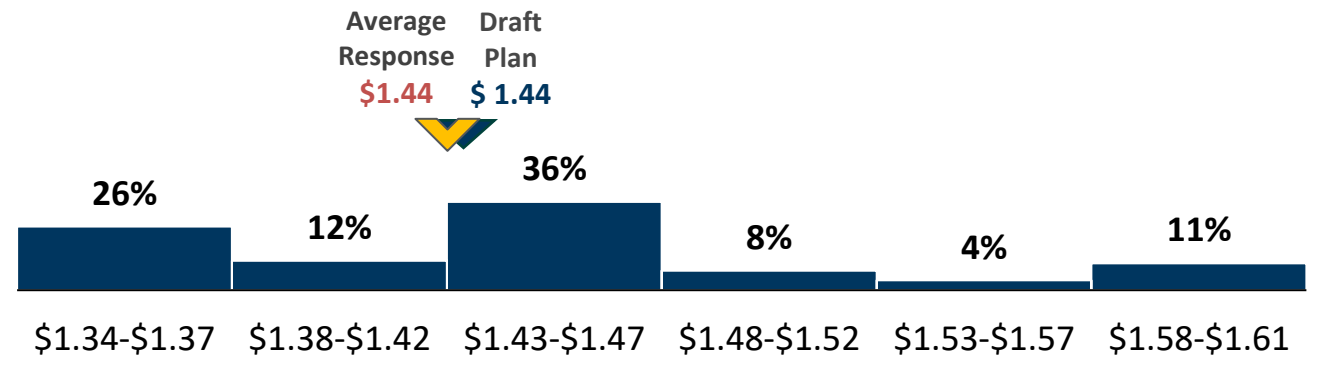
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Enabling Resiliency and Modernization

Residential

Q How much should Alectra spend on Enabling Resiliency and Modernization?



"Don't know" (3%) not shown.

n=47,102

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	26%	21%	26%	31%	28%	26%
On plan	33%	29%	32%	36%	35%	33%
Below plan	38%	46%	39%	31%	34%	39%
Don't know	3%	4%	3%	2%	3%	3%
TOTAL On plan + Above plan	**58%**	**50%**	**58%**	**68%**	**63%**	**58%**

NOTE:

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Phase II Online Survey
Spending on Enabling Resiliency and Modernization

Residential

Q How much should Alectra spend on Enabling Resiliency and Modernization?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	26%	25%	25%	26%	27%
On plan	33%	33%	34%	33%	32%
Below plan	38%	40%	38%	38%	38%
Don't know	3%	3%	3%	3%	3%
TOTAL On Plan + Above Plan	**58%**	**57%**	**59%**	**59%**	**59%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	26%	22%	26%	30%	21%
On plan	33%	29%	36%	35%	31%
Below plan	38%	45%	36%	32%	44%
Don't know	3%	5%	3%	2%	4%
TOTAL On Plan + Above Plan	**58%**	**50%**	**62%**	**66%**	**52%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

Residential

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

alectra utilities

General approval	1%
Weather implications	1%
Request for system improvements (ex: wires underground)	1%
Cost of living concerns/Desire to keep prices low	1%
Customers should not have to bear the costs	<1%
Operational inefficiencies	<1%
Electric vehicle hesitancy/Opposition	<1%
Other	<1%
None / NA	<1%

n= 47,102

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

Sample Verbatims
General approval
"All the choices that you are illustrating have to do with degrees of proactivity. Be as proactive as possible."
Weather implications
"Winter is becoming weaker every year. It makes more sense to discuss more environmental solutions so that winter is actually cause for concern. It doesn't seem like a priority at all right now."
Request for system improvements (ex: wires underground)
"Alectra must invest in system upgrades linked to critical infrastructure such as OH switchgear and protection systems."
Cost of living concerns/Desire to keep prices low
"Infrastructure resiliency and modernization are important. But at this point in time, Canadians cannot afford higher energy costs. […] We want reliable energy, but we also want affordable energy. Right now wages are stagnant and the cost of living has gone up. We need a break, not to pay more."
Customers should not have to bear the costs
"All this is costing way too much. The company should be paying for these upgrades from their profits."
Operational inefficiencies
"Why is modernization only 10% of the plan? Shouldn't it be higher to make the system more effective?"
Electric vehicle hesitancy/Opposition
"I think that customers should not be forced to subsidize others in upgrading their communication needs. For those that choose to purchase electric vehicles etc. they should bear the cost individually."
Other
"Is this the solution to the problem in all cases? Would it make more sense to actually have an alternative solution for certain problematic areas? e.g., encourage / subsidize backup generators in the worst areas."

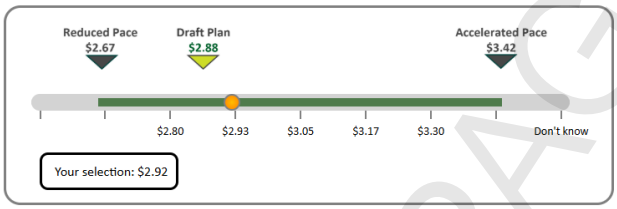
Choices Calculator

Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

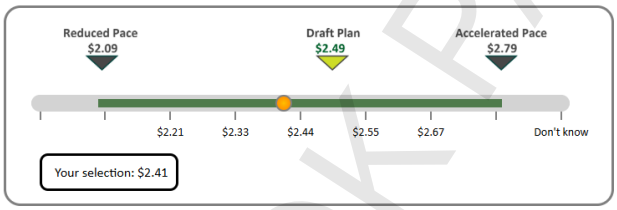
At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

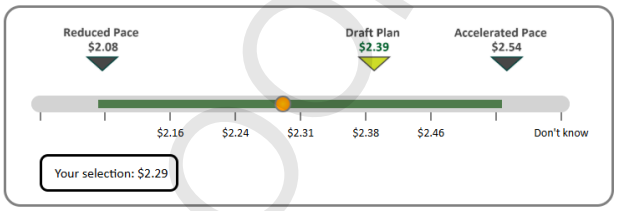
Overhead & Transformer Renewal



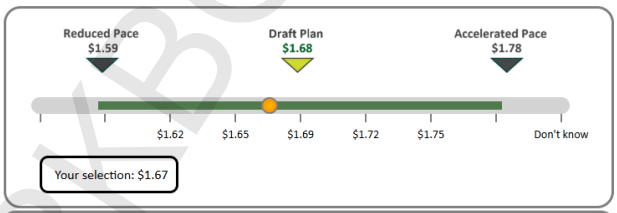
Underground Renewal



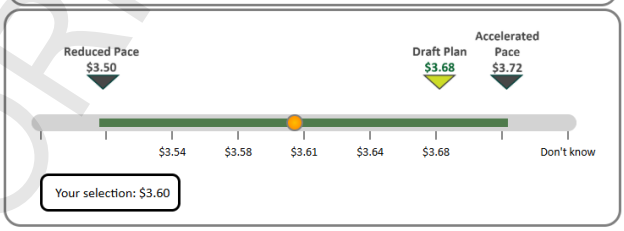
Meter Replacement & Renewal



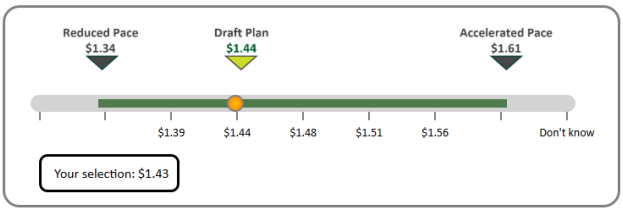
Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand



Enabling Resiliency & Modernization

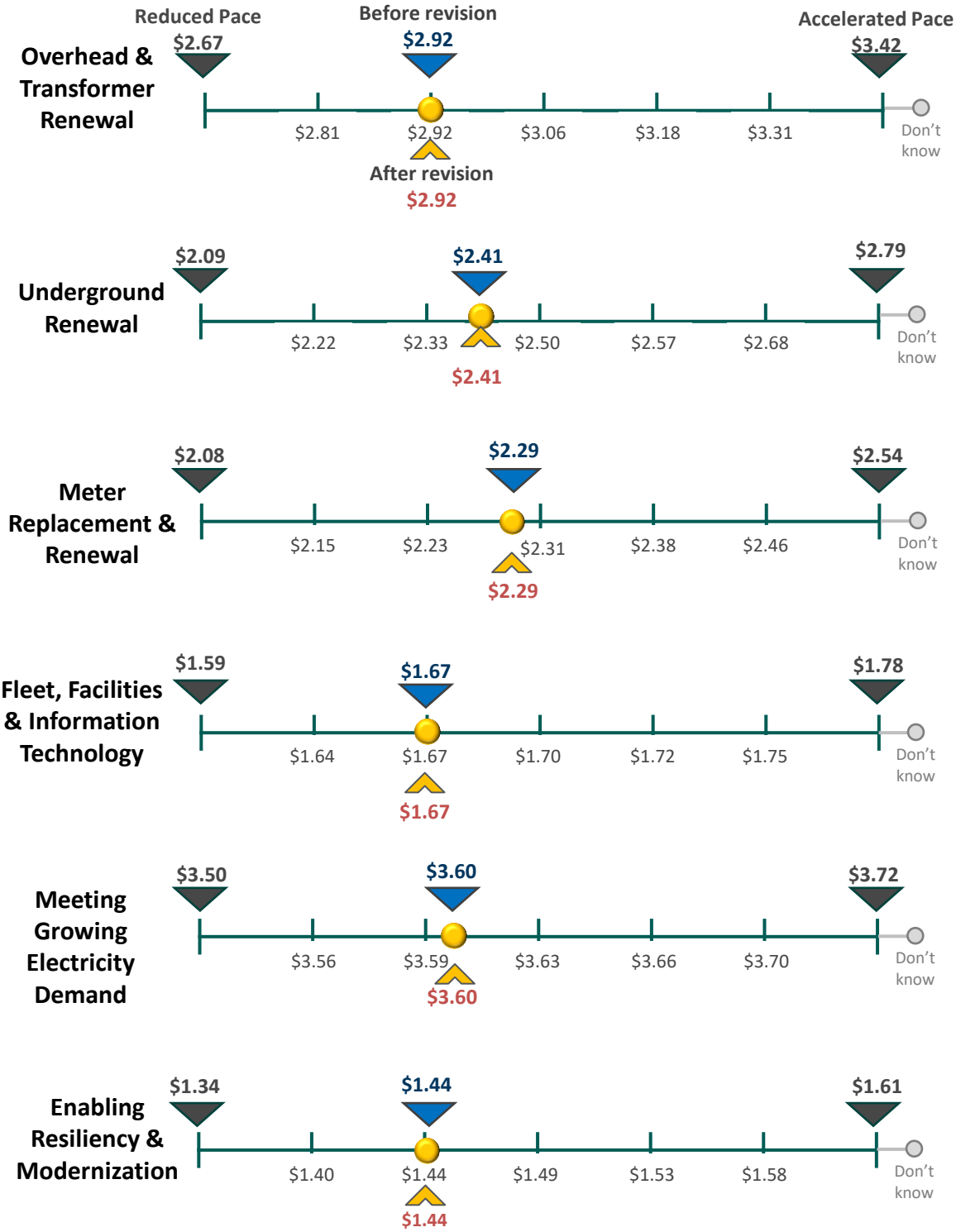


Next

The total impact of your choices would result in an estimated:
$14.32 more on your monthly bill by 2031.

WORKBOOK PAGE

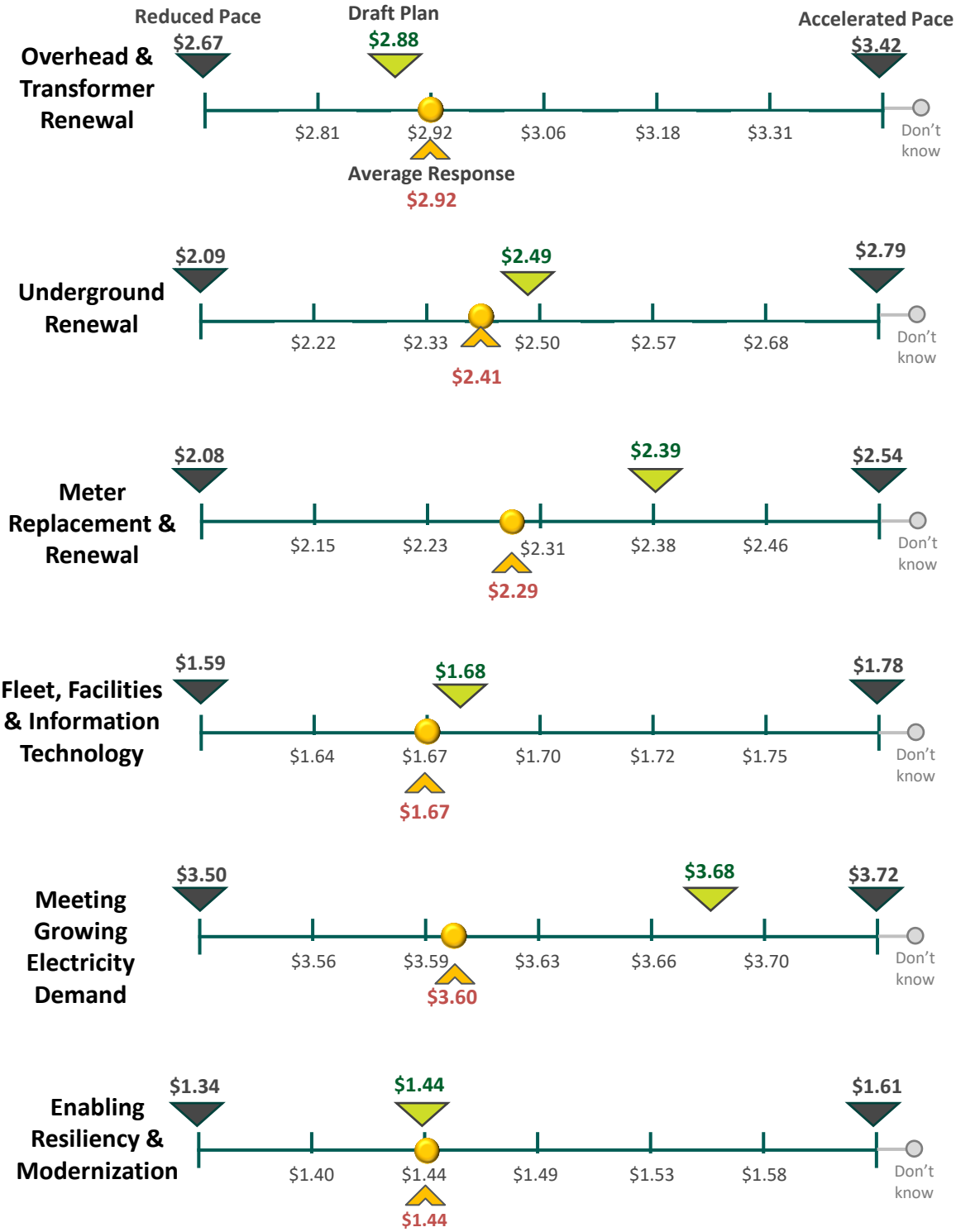
This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.



Phase II Online Survey
Calculator Values

Residential

This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.

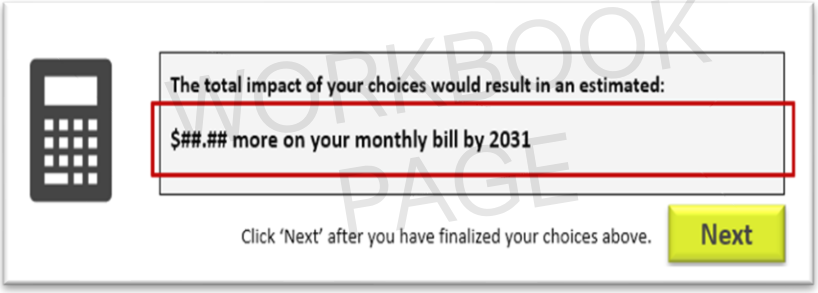


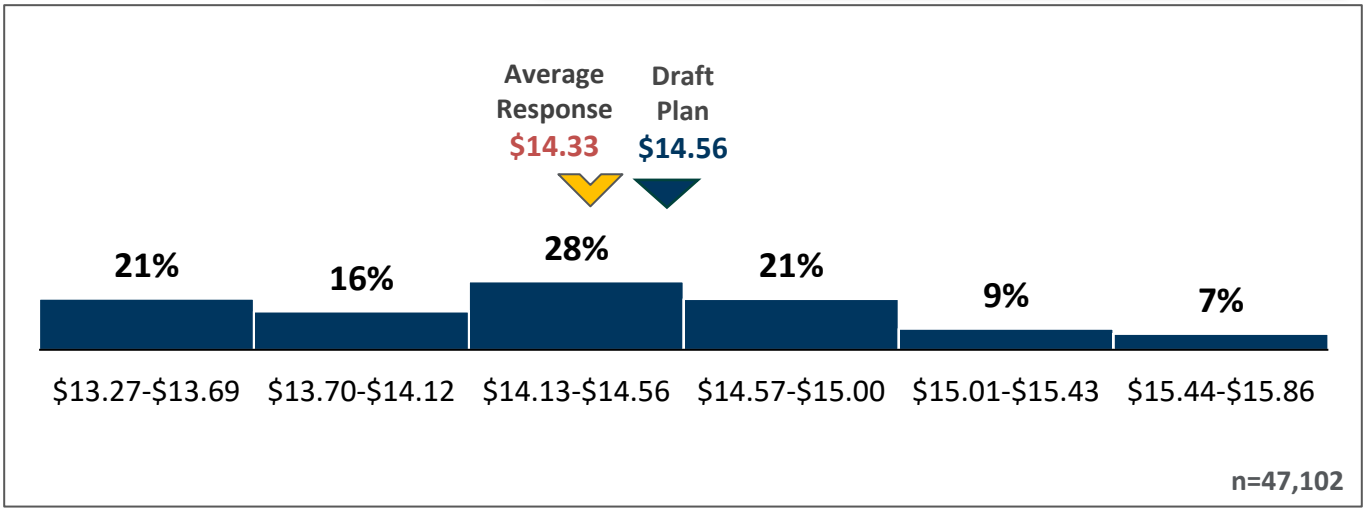
Phase II Online Survey
Calculator Values

Residential

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

The chart below shows the distribution of the draft plan options, highlighting the frequency by ranges.





	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	26%	20%	27%	38%	29%	25%
On plan	23%	22%	22%	22%	25%	24%
Below plan	50%	57%	51%	40%	45%	51%
TOTAL On plan + Above plan	**50%**	**43%**	**49%**	**60%**	**55%**	**49%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Calculator Values

Residential

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	26%	25%	26%	26%	27%
On plan	23%	23%	24%	24%	23%
Below plan	50%	52%	50%	50%	50%
TOTAL On Plan + Above Plan	**50%**	**48%**	**50%**	**50%**	**50%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Above plan	26%	19%	28%	32%	22%
On plan	23%	23%	24%	24%	23%
Below plan	50%	58%	47%	43%	56%
TOTAL On Plan + Above Plan	**50%**	**42%**	**53%**	**57%**	**44%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

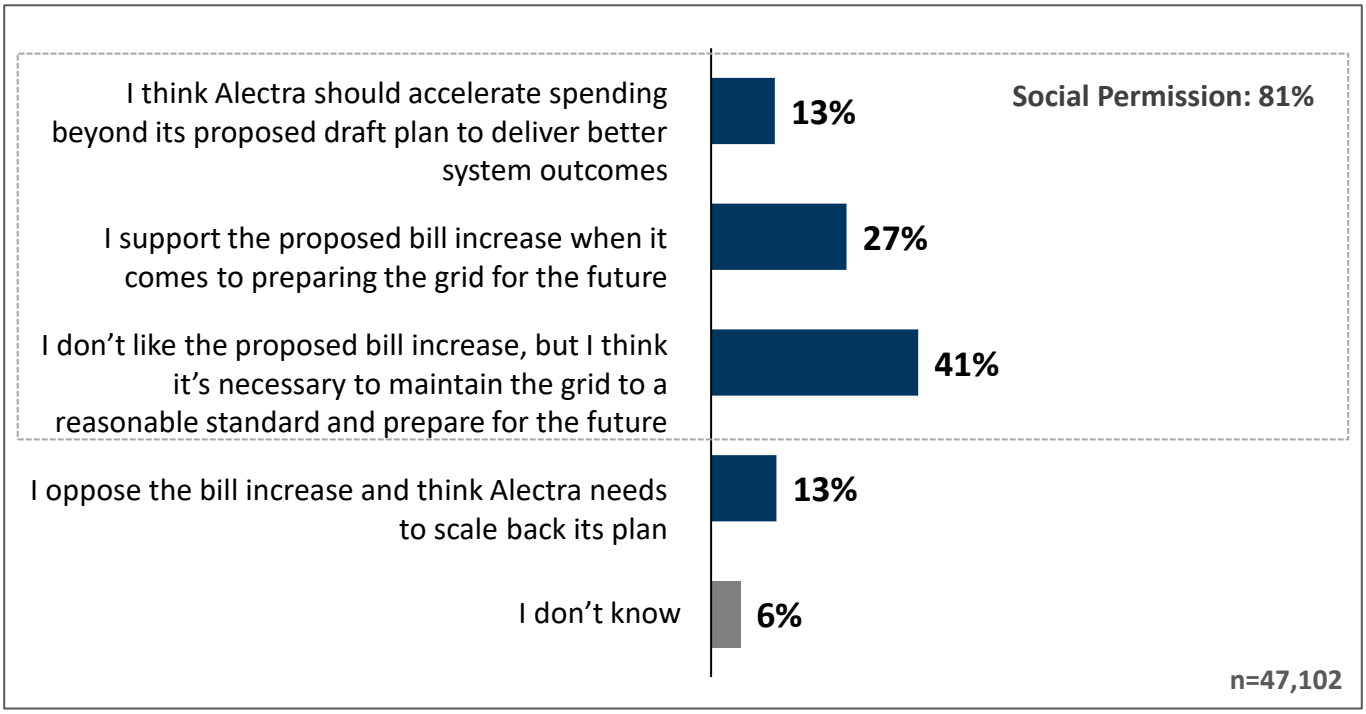
Phase II Online Survey
Social Permission

Residential

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$14.33 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



		Rate Zone				
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Accelerate spending	13%	13%	14%	15%	12%	12%
Support proposed bill	27%	24%	27%	31%	28%	27%
Necessary to maintain the grid	41%	41%	41%	40%	41%	42%
Oppose the bill increase	13%	15%	13%	10%	13%	13%
Don't know	6%	7%	5%	4%	6%	6%
Social Permission	**81%**	**78%**	**82%**	**86%**	**82%**	**81%**

Phase II Online Survey
Social Permission

Residential

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$14.33 average increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Accelerate spending	13%	11%	12%	13%	15%
Support proposed bill	27%	26%	28%	27%	27%
Necessary to maintain the grid	41%	43%	42%	42%	39%
Oppose the bill increase	13%	13%	13%	13%	13%
Don't know	6%	6%	6%	6%	6%
Social Permission	**81%**	**81%**	**82%**	**81%**	**81%**

LEAP/OESP Qualification

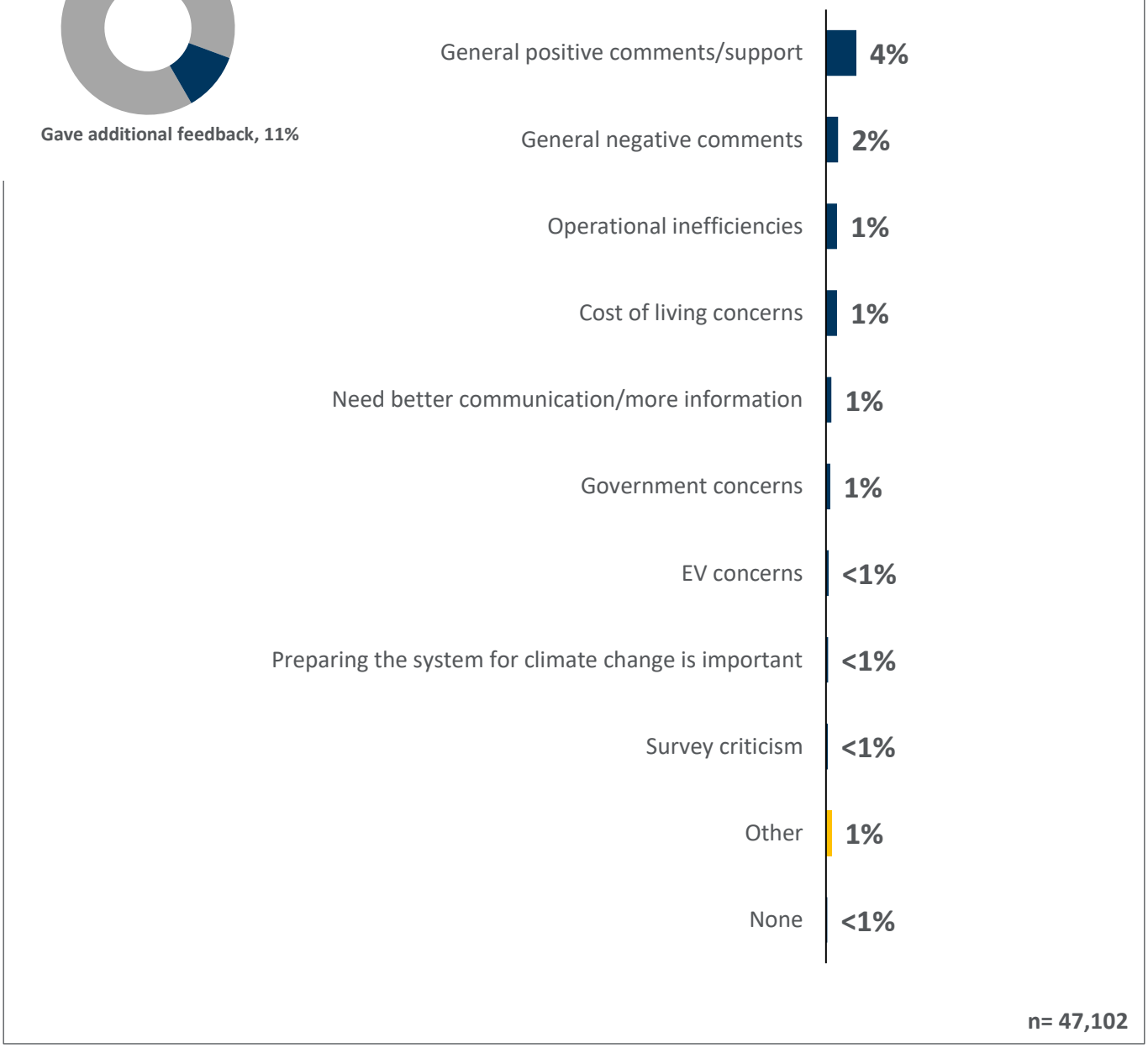
	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Accelerate spending	13%	12%	11%	17%	8%
Support proposed bill	27%	22%	30%	33%	22%
Necessary to maintain the grid	41%	42%	42%	38%	45%
Oppose the bill increase	13%	16%	12%	9%	17%
Don't know	6%	9%	5%	3%	8%
Social Permission	**81%**	**76%**	**83%**	**88%**	**75%**

Phase II Online Survey
Social Permission

Residential

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

alectra utilities



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INNOVATIVE RESEARCH GROUP

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims
General positive comments/support
"The services you provide are essential and I expect that most clients would agree. No one likes higher bills but I support the need for improvements and modernization. You did a great job on this survey. I learned a lot."
General negative comments
"The estimated amount is not even close to what I will end up paying given the proposed plan. I have no choice. If you don't do what is proposed then I don't have any services."
Operational inefficiencies
"Propose the inclusion of a financial sustainability strategy to ensure that Alectra can continue to invest in infrastructure without burdening customers with continuous rate hikes."
Cost of living concerns
"I understand the importance of the planed upgrades and replacement of failing infrastructure. However, so many of us are barely able to get by now. Canadians are being squeezed financially everywhere."
Need better communication/more information
"There is not enough information presented to provide an informed approval of this plan. I don't think the plan needs to be scaled back. I think Alectra should review innovative solutions to pay for it."
Government concerns
"In a world full of inflation having yet another bill increase is tough despite the very valid reasons for it. It's a shame that customers have to foot that bill vs government provincial or federal."

Phase II Online Survey
Social Permission

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims (Cont.)
EV concerns
"I have no issue with front line investments in electricity infrastructure. […] More costs should be passed on to EV drivers also vs being spread proportionately across all residents."
Preparing the system for climate change is important
"I don't think there's enough focus on the environment throughout the entire plan."
Survey criticism
"I find this presentation to be not entirely transparent. I get the distinct impression that this has been crafted in a way to give the appearance of transparency while funneling responses towards an outcome that has largely been predetermined. I am disappointed by that."
Other
"I think we should benchmark with other companies for cost-effective investment plans."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

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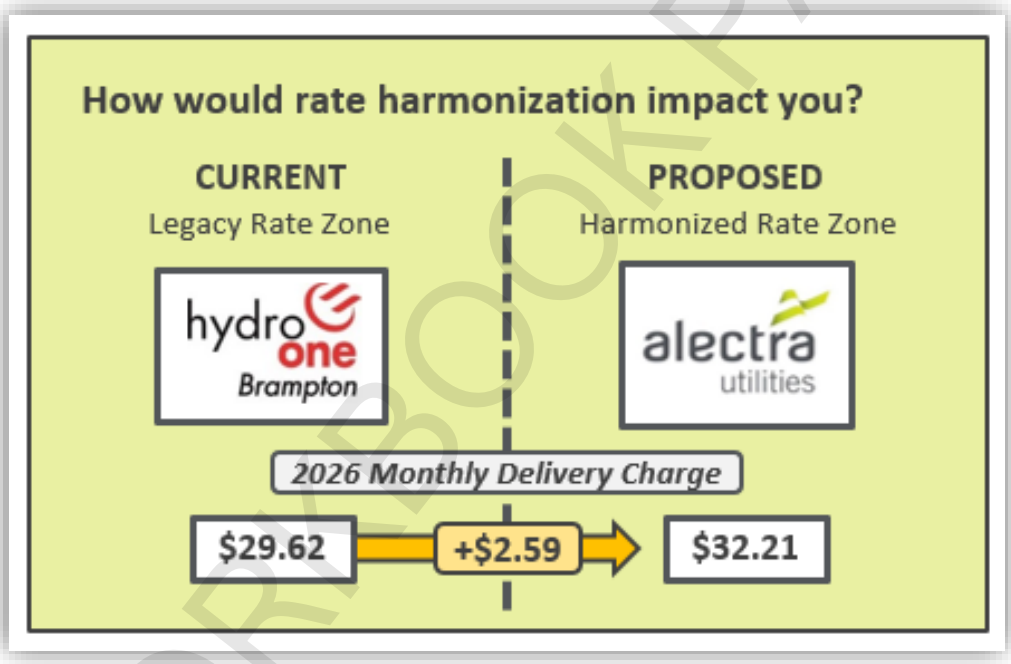

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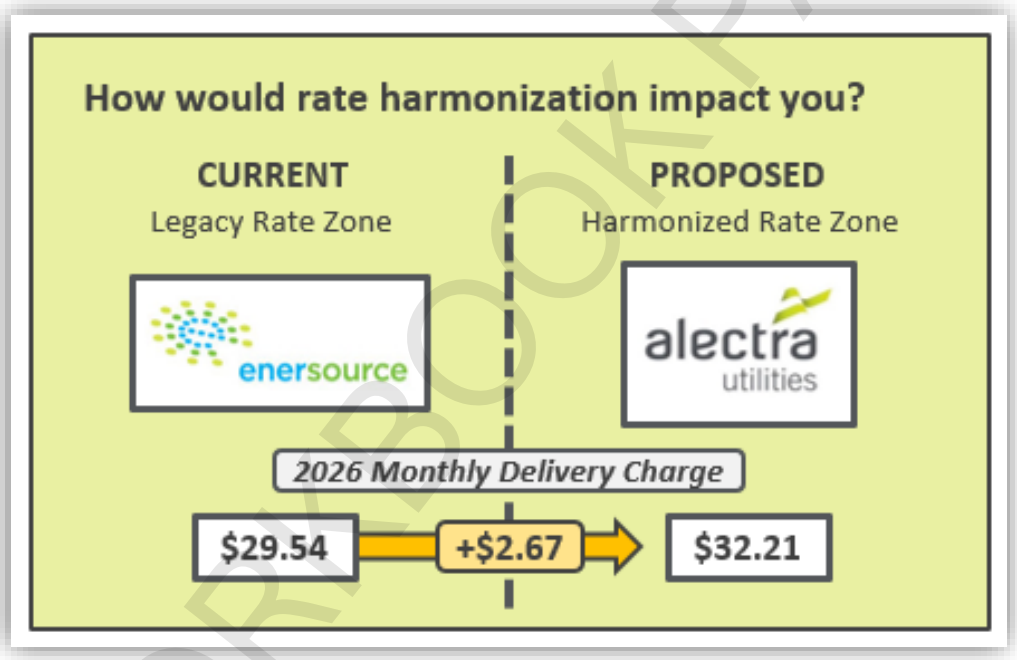

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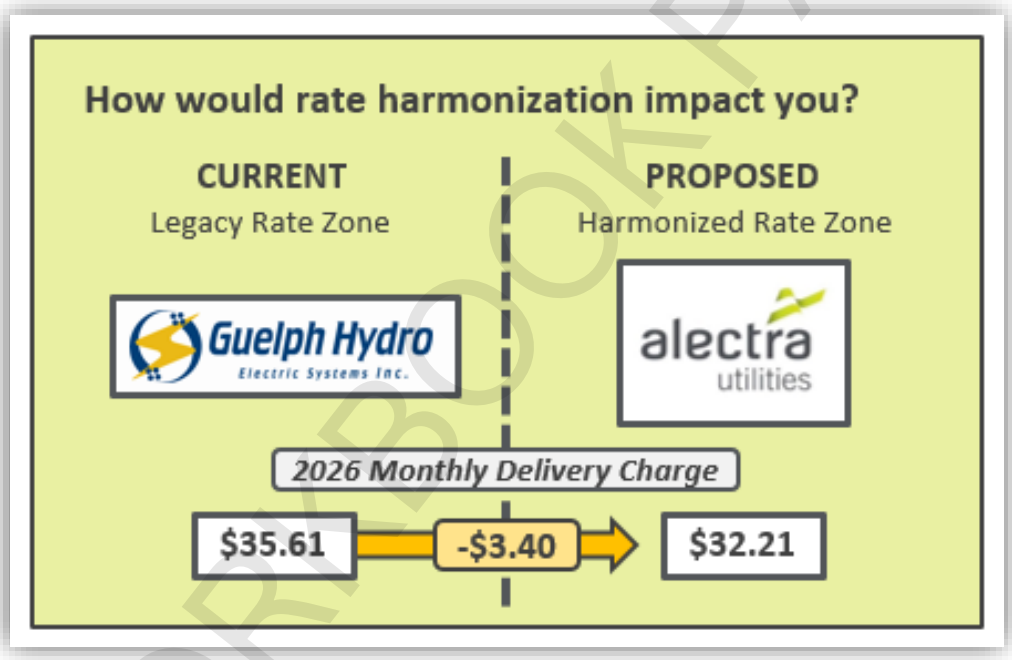

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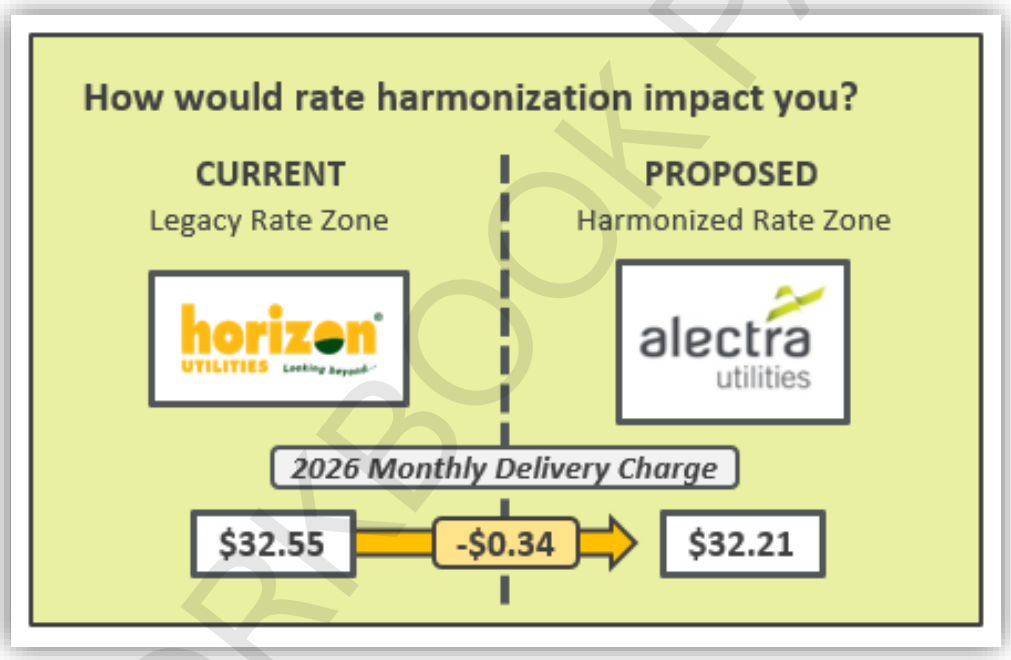

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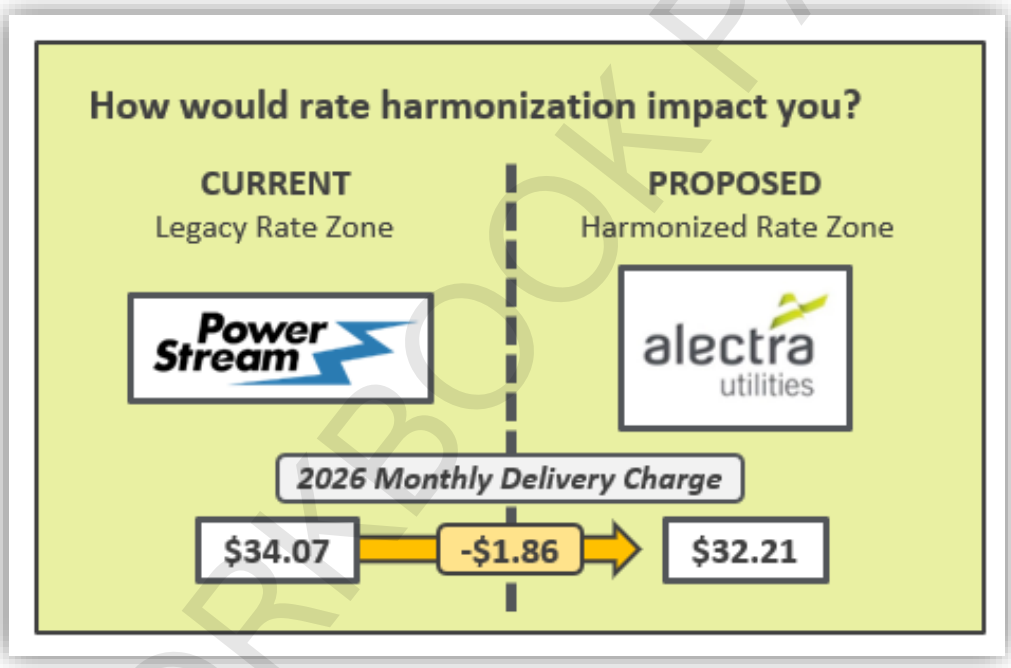

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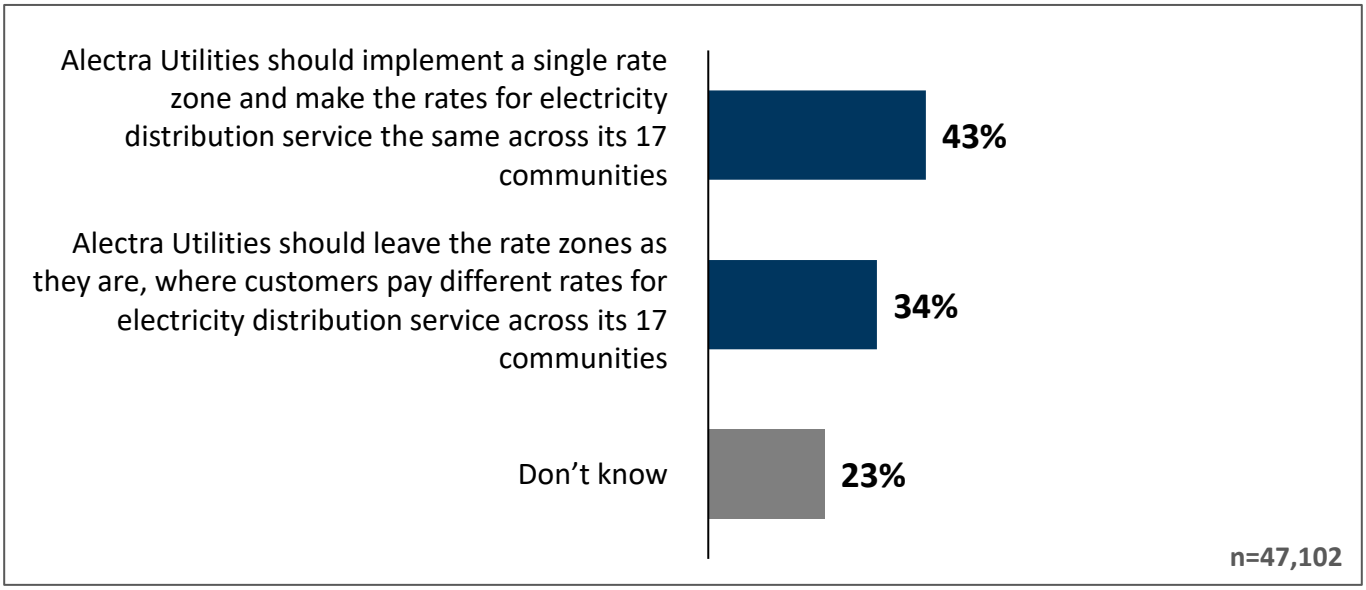
Phase II Online Survey
Rate Harmonization

Residential

Q When it comes to Rate Harmonization, which statement is closest to your view?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Implement a single rate zone	43%	39%	34%	55%	48%	46%
Leave the rate zones as they are	34%	39%	44%	23%	27%	31%
Don't know	23%	22%	22%	22%	25%	23%

Q When it comes to Rate Harmonization, which statement is closest to your view?

		Consumption Quartiles			
	Overall	Low	Medium-Low	Medium-High	High
Implement a single rate zone	43%	40%	43%	44%	46%
Leave the rate zones as they are	34%	36%	34%	33%	31%
Don't know	23%	24%	23%	23%	23%

		LEAP/OESP Qualification			
	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Implement a single rate zone	43%	39%	44%	49%	38%
Leave the rate zones as they are	34%	35%	33%	33%	33%
Don't know	23%	26%	23%	18%	29%

Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

WORKBOOK PAGE

Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

Note: These estimated charges are preliminary and subject to change

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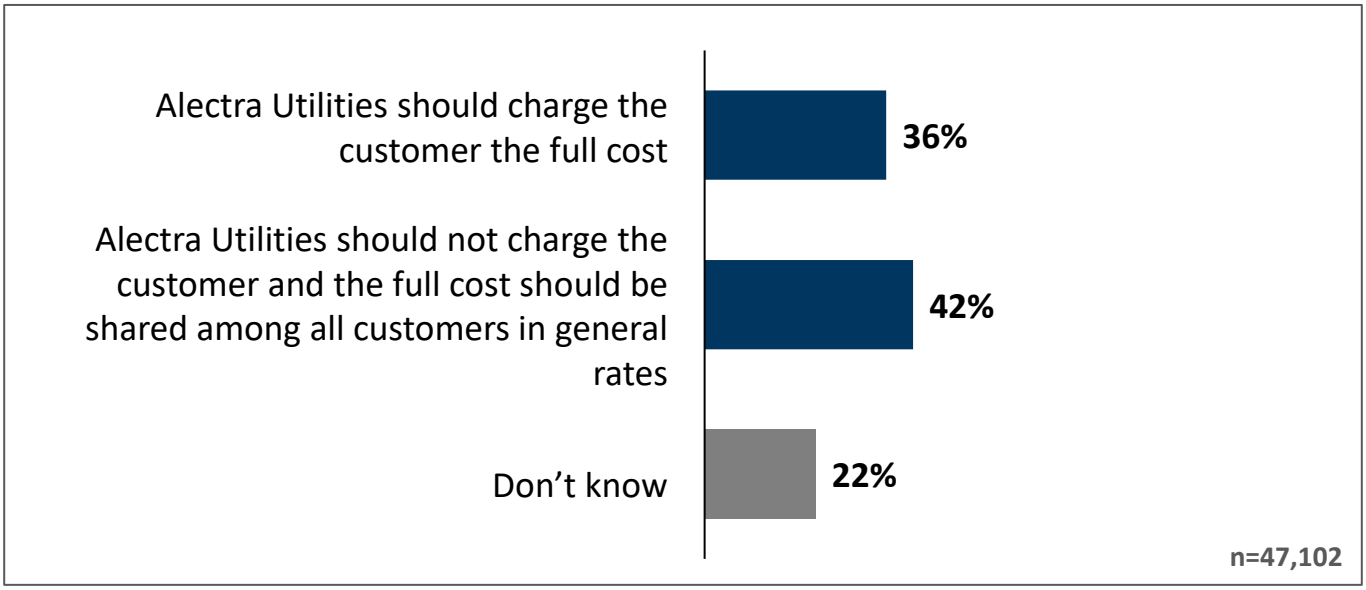
Phase II Online Survey
Specific Service Charges

Residential

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Charge the customer the full cost	36%	30%	37%	43%	36%	38%
Share the full cost among all customers	42%	49%	42%	32%	40%	41%
Don't know	22%	21%	20%	25%	25%	22%

Phase II Online Survey
Specific Service Charges

Residential

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?

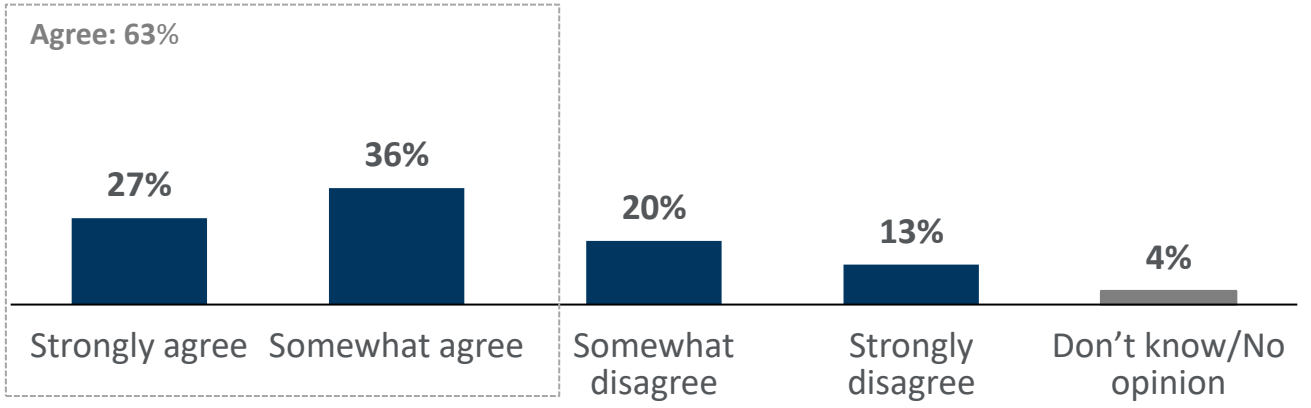
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Charge the customer the full cost	36%	36%	37%	36%	36%
Share the full cost among all customers	42%	41%	41%	42%	42%
Don't know	22%	23%	22%	22%	21%

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Charge the customer the full cost	36%	25%	35%	45%	34%
Share the full cost among all customers	42%	49%	42%	39%	38%
Don't know	22%	25%	23%	17%	28%

Phase II Online Survey
Impact of Electricity Bill on Finances

Residential

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities



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	Overall	Rate Zone: BRZ	ERZ	GRZ	HRZ	PRZ
Strongly agree	27%	38%	26%	19%	25%	25%
Somewhat agree	36%	36%	36%	34%	36%	38%
Somewhat disagree	20%	14%	20%	23%	21%	21%
Strongly disagree	13%	8%	13%	21%	14%	12%
Don't know/No opinion	4%	4%	5%	3%	4%	5%
Agree (Strongly + Somewhat Agree)	**63%**	**74%**	**62%**	**53%**	**61%**	**63%**

Phase II Online Survey
Impact of Electricity Bill on Finances

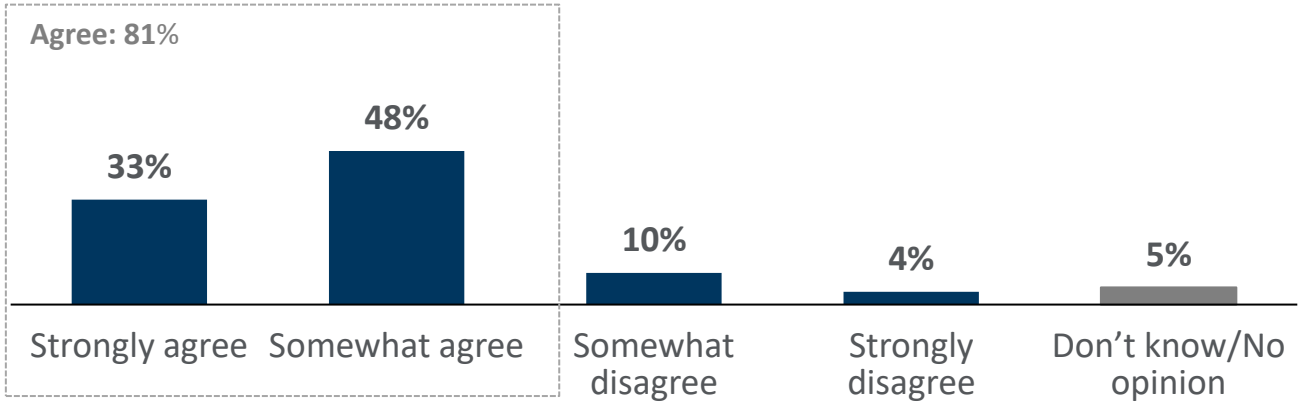
Residential

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	27%	24%	25%	27%	32%
Somewhat agree	36%	36%	37%	36%	36%
Somewhat disagree	20%	21%	21%	20%	18%
Strongly disagree	13%	13%	13%	13%	11%
Don't know/No opinion	4%	5%	4%	4%	4%
Agree (Strongly + Somewhat Agree)	**63%**	**60%**	**62%**	**64%**	**68%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly agree	27%	40%	26%	19%	26%
Somewhat agree	36%	37%	38%	35%	37%
Somewhat disagree	20%	13%	21%	24%	19%
Strongly disagree	13%	5%	12%	19%	10%
Don't know/No opinion	4%	5%	3%	3%	7%
Agree (Strongly + Somewhat Agree)	**63%**	**78%**	**64%**	**54%**	**64%**

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



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	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Strongly agree	33%	39%	35%	32%	32%	29%
Somewhat agree	48%	43%	47%	49%	48%	50%
Somewhat disagree	10%	8%	9%	10%	10%	11%
Strongly disagree	4%	3%	4%	5%	5%	4%
Don't know/No opinion	5%	6%	5%	4%	6%	5%
Agree (Strongly + Somewhat Agree)	**81%**	**83%**	**82%**	**81%**	**80%**	**80%**

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	33%	33%	32%	33%	33%
Somewhat agree	48%	48%	49%	48%	48%
Somewhat disagree	10%	10%	10%	10%	10%
Strongly disagree	4%	4%	4%	4%	4%
Don't know/No opinion	5%	6%	5%	5%	5%
Agree (Strongly + Somewhat Agree)	**81%**	**80%**	**81%**	**81%**	**81%**

		LEAP/OESP Qualification			
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Strongly agree	33%	36%	34%	34%	27%
Somewhat agree	48%	44%	49%	50%	49%
Somewhat disagree	10%	10%	9%	10%	11%
Strongly disagree	4%	4%	4%	4%	5%
Don't know/No opinion	5%	6%	4%	4%	8%
Agree (Strongly + Somewhat Agree)	**81%**	**80%**	**83%**	**83%**	**76%**

WORKBOOK PAGE

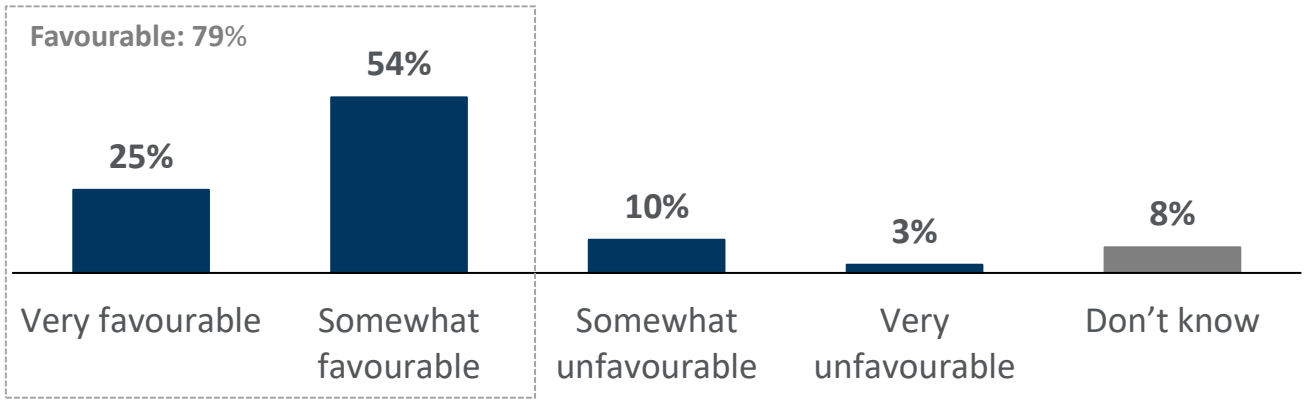
Alectra Utilities Customer Survey
Planning for the Future: Final thoughts

alectra
Discover the possibilities

Feedback on Alectra's survey

These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very favourable	25%	27%	27%	29%	25%	24%
Somewhat favourable	54%	53%	54%	52%	54%	55%
Somewhat unfavourable	10%	9%	10%	10%	11%	10%
Very unfavourable	3%	3%	2%	2%	3%	2%
Don't know	8%	8%	7%	6%	8%	8%
Favourable (Very + Somewhat Favourable)	**79%**	**79%**	**80%**	**82%**	**79%**	**79%**

Phase II Online Survey
Workbook Impression

Residential

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very favourable	25%	25%	25%	25%	26%
Somewhat favourable	54%	54%	55%	54%	53%
Somewhat unfavourable	10%	10%	10%	11%	10%
Very unfavourable	3%	2%	2%	3%	3%
Don't know	8%	8%	8%	8%	8%
Favourable (Very + Somewhat Favourable)	**79%**	**79%**	**80%**	**79%**	**80%**

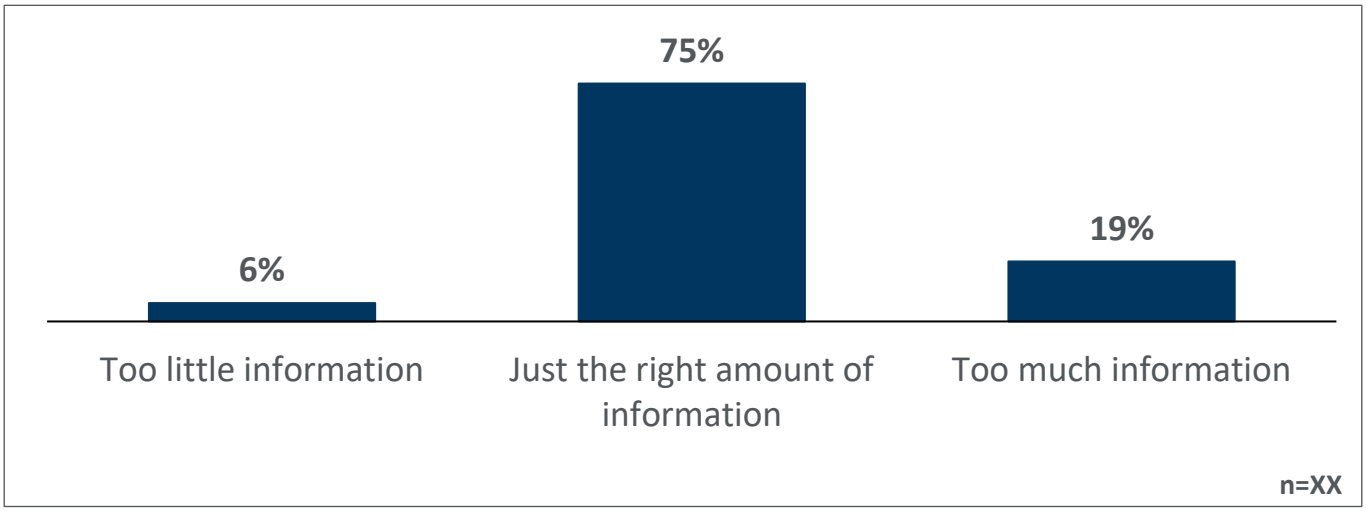
LEAP/OESP Qualification

	Overall	Qualified	<$71k Not Qualified	>$71k Not Qualified	Prefer not to say
Very favourable	25%	24%	26%	31%	17%
Somewhat favourable	54%	53%	56%	54%	53%
Somewhat unfavourable	10%	10%	10%	8%	14%
Very unfavourable	3%	3%	2%	2%	4%
Don't know	8%	10%	7%	5%	11%
Favourable (Very + Somewhat Favourable)	**79%**	**77%**	**81%**	**85%**	**71%**

Phase II Online Survey
Amount of Information

Residential

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Too little information	6%	7%	6%	4%	5%	6%
Just the right amount of information	75%	75%	75%	79%	76%	75%
Too much information	19%	18%	19%	17%	19%	19%

Phase II Online Survey
Amount of Information

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Too little information	6%	6%	6%	6%	6%
Just the right amount of information	75%	75%	75%	75%	75%
Too much information	19%	19%	19%	19%	19%

	LEAP/OESP Qualification				
	Overall	**Qualified**	**<$71k Not Qualified**	**>$71k Not Qualified**	**Prefer not to say**
Too little information	6%	7%	6%	4%	7%
Just the right amount of information	75%	74%	77%	78%	71%
Too much information	19%	18%	18%	18%	22%

Phase II Online Survey
Content Missing

Residential

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

More information/breakdown/examples on the costs/plan/bill, future incentives, past data	2%
Confusing navigation/unclear wording/bias towards rate increases/poorly designed survey	2%
Operational efficiencies (salaries, spending, profits) and accountability	1%
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact	1%
General approval	1%
Environmental sustainability, info/opinion about EVs/charging	1%
Information about energy sources and power generation	<1%
Issues with billing/communication/meter reading/customer service	<1%
Reliability (e.g. Plans for underground cables)/outage info	<1%
Energy rebate/incentive programs/benefits programs (seniors, retirees)	<1%
Comparison to other regions or utilities/services, local information	<1%
Other	<1%
NA	1%
No comment	<1%

n= 47,102

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Phase II Online Survey
Content Missing

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
More information/breakdown/examples on the costs/plan/bill, future incentives, past data
"It would be great to have this information available outside of the survey (or provide us with a link as to where it can be found). I appreciate Alectra's transparency and involving the community."
Confusing navigation/unclear wording/bias towards rate increases/poorly designed survey
"I said "too much information" because I felt it should be a little more concise. Sometimes I'd read and still be confused, sometimes it was too much to read because I don't have a lot of time to do a survey."
Operational efficiencies (salaries, spending, profits) and accountability
"Information on administrative spending was not included in the survey. It is hard to determine bills when only part of information is given."
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact
"As a consumer we like to hear of ways to reduce costs not increase costs. Why it is consumers responsibility for services that companies should providing free installations & maintaining equipment?"
General approval
"I thought the survey info was very interesting & informative. I appreciate that you are asking your customers for feedback!"
Environmental sustainability, info/opinion about EVs/charging
"I would have liked to see more information about how Alectra plans to support the growing use of electric vehicles As an EV owner, I think it's important to invest in infrastructure like public charging stations and upgrades to handle increased electricity demand from EVs."
Information about energy sources and power generation
"Impact of self generated electricity on the grid such as solar installations in residential and business settings. How does the projection of additional energy generated into the grid change the draft plan?"

Phase II Online Survey
Content Missing

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims (Cont.)
Issues with billing/communication/meter reading/customer service
"The electricity bill is confusing, and this should be addressed properly. Instead of giving us raw numbers and make us think about them, we need simpler bills."
Reliability (e.g. Plans for underground cables)/outage info
"Reliability is a key factor in overall satisfaction, and this would help identify areas of concern regarding outages and infrastructure resilience."
Energy rebate/incentive programs/benefits programs (seniors, retirees)
"There should be a system for determining financial assistance to qualified customers, such as seniors, retired people, who have very limited and shrinking pension incomes."
Comparison to other regions or utilities/services, local information
"No sure if you have stats on other providers from other Ontario regions but some comparisons to other may help with the bigger picture."
Other
"Very interested in Alectra's plans to electrify its vehicle fleet, which was not mentioned."

Phase II Online Survey
Final Questions

Residential

Q Is there anything that you would still like answered? [OPEN]

alectra utilities

General disapproval- costs	1%
Operational efficiencies (salaries, spending)	1%
Satisfied with service/information presented	1%
Information on EV/solar panel/heat pump adoption/renewables	1%
Questions about Rates/Billing	1%
Be transparent with survey results/outcome/more information	1%
Confusing, navigational issues in the survey	<1%
How Alectra plans to increase local/grid reliability/put wires underground	<1%
Seniors/Low-income concerns	<1%
Plans to improve customer service experience/outage communication	1%
Information on government funding/investment in the plan	<1%
Other	<1%
NA	2%

n= 47,102

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Final Questions

Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims
General disapproval- costs
"Why should people that are home in the day required to pay higher rates for being at home? Absolutely disagree with this."
Operational efficiencies (salaries, spending)
"I want to see comparative cost structures, assets and investment plan of your competitors. What or how are the best in class operating? Where is Alectra vs the best in class?"
Satisfied with service/information presented
"I was very impressed with the survey. I was aware of our electricity and what sources we use. However, the survey educated me on some things I was not aware of."
Information on EV/solar panel/heat pump adoption/renewables
"Is there going to be a program to help with the cost and installation of home charging stations for electric cars?"
Questions about Rates/Billing
"Does this apply to or how will it affect equal bill payments? Will those go up by the same amount?"
Be transparent with survey results/outcome/more information
"I would like to learn more about the actual electricity rates and how it is set through the OEB. Perhaps additional transparency on how this rate is set or how the procedure goes will be a good addition to this survey to see how sensitive people are to changes on actual electricity rates."

Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims (Cont.)
Confusing, navigational issues in the survey
"Just a bit too much information. The pages are well organized, but the volume of info is sometimes too much. It's educational though, if you have the time to read through it."
How Alectra plans to increase local/grid reliability/put wires underground
"What would the cost be in the long-term to have installed underground wiring vs replacing polls and overhead lines in locations such as Hamilton factoring in replacement costs and maintenance over the life expectancy?"
Seniors/Low-income concerns
"How about reduced electricity bills/rates for seniors who are struggling to survive?"
Plans to improve customer service experience/outage communication
"Clients will continue to call into service reps for help. Answering phones in a timely manner without putting them through a rabbit hole with precise information will help streamline the call center."
Information on government funding/investment in the plan
"Involve people and representative of the constituencies and see how the government can provide aide to your 'expenses.'"
Other
"Some reference to the supply side issue would have been of interest, even though that is not Alectra's responsibility."

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DRAFT

APPENDIX 09

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INNOVATIVE RESEARCH GROUP

Phase II Customer Engagement
2027 Rebasing Application

GS<50 kW Online Workbook Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

February 2025

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2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Phase II Online Survey
Survey Design & Methodology

GS<50

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Small Business Online Survey Completes

69,397 of all 86,018 (81%) GS<50kW small business customer accounts provided Alectra with an email address. Removing duplicate email addresses leaves 37,531 unique email addresses.

After excluding unsubscribed and email opt-outs, all small business customers with an email address on Alectra's file received an email invitation to the **Phase II Small Business Online Survey**. The email invitation included a unique survey URL that linked back to their rate class, rate zone, and rate option. INNOVATIVE administered all email invitations and reminders. Each customer was only permitted to complete the survey once through the unique URL. Small business customers had the opportunity to complete the survey between **November 15th and January 23rd 2025**.

A total of **1,476** (unweighted) small business customers completed the Phase II online survey.

Analysis of the Open-Ended Questions

The survey included ten open-ended questions, all of which were manually coded. To ensure consistency and accuracy, the initial code list was informed by the code list developed for the residential report. However, the coding process was adapted as needed to account for new themes that emerged from the small business responses. All responses were carefully reviewed and proofed to maintain quality and consistency throughout the analysis.

Incentives

Customers who completed the survey were entered into a draw to win one of ten prizes. Each prize consisted of a $1,500 credit towards their electricity bill.

Sample Weighting

The small business online survey sample has been weighted proportionately by consumption quartile and rate zone in order to be representative of the broader Alectra service territory.

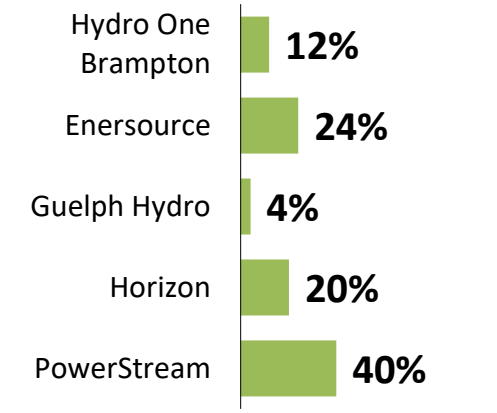
The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile.

Rate Zones		Consumption Quartiles			
	Total	**Low**	**Medium-Low**	**Medium-High**	**High**
Hydro One Brampton (BRZ)	186 (175)	56 (44)	50 (44)	34 (44)	46 (4446)
Enersource (ERZ)	319 (354)	81 (88)	81 (88)	73 (88)	84 (88)
Guelph Hydro (GRZ)	55 (61)	12 (15)	14 (15)	14 (15)	15 (15)
Horizon (HRZ)	305 (297)	79 (74)	67 (74)	86 (74)	73 (74)
PowerStream (PRZ)	611 (589)	169 (147)	165 (147)	144 (147)	133 (147)
Entire Service Area (Total)	**1,476 (1,476)**	**397 (369)**	**377 (369)**	**351 (369)**	**351 (369)**

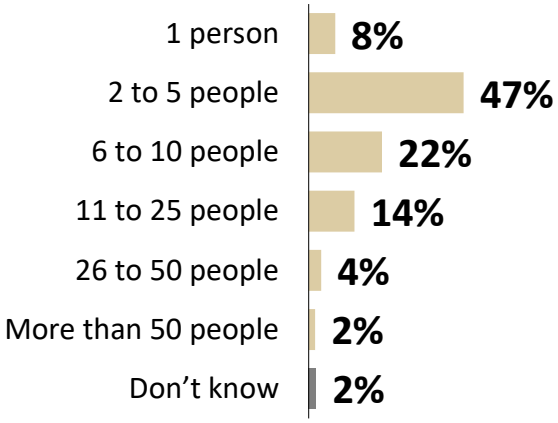
Phase II Online Survey
Firmographic Breakdown

GS<50

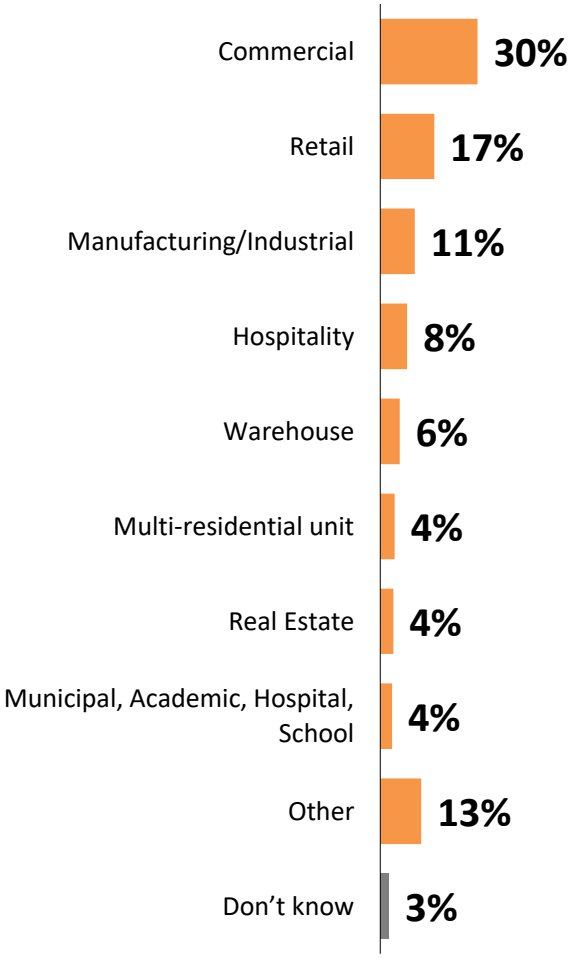
Rate Zone



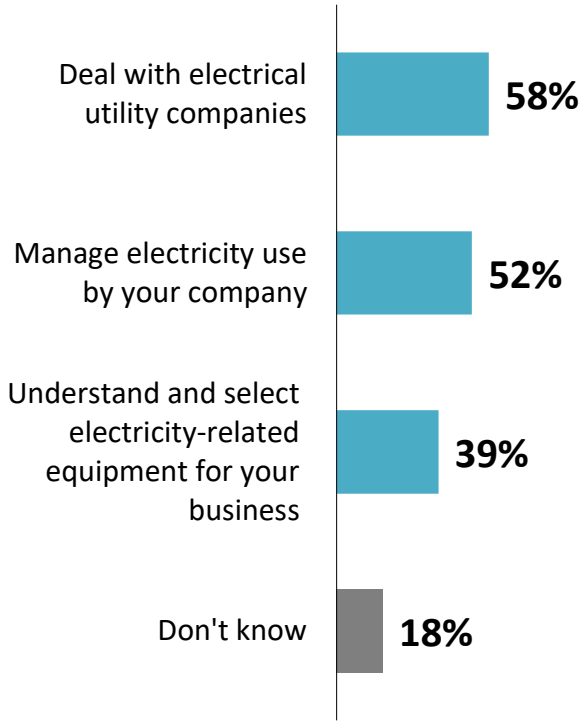
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total percentages in the chart add up to over 100%.

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services your organization receives and the rates that you pay.

Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. **Your experience with Alectra and how they can do better.**
2. **What investments and spending decisions matter most to your organization.**

Those who complete the survey will be automatically entered into a draw to win 1 of 10 prizes of $1,500 in free electricity!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOKPAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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CONTINUED FROM PREVIOUS

How will this survey work?

- This survey explains what Alectra does, how much of your organization's electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services your organization receives and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

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To start, here is a little background on Alectra

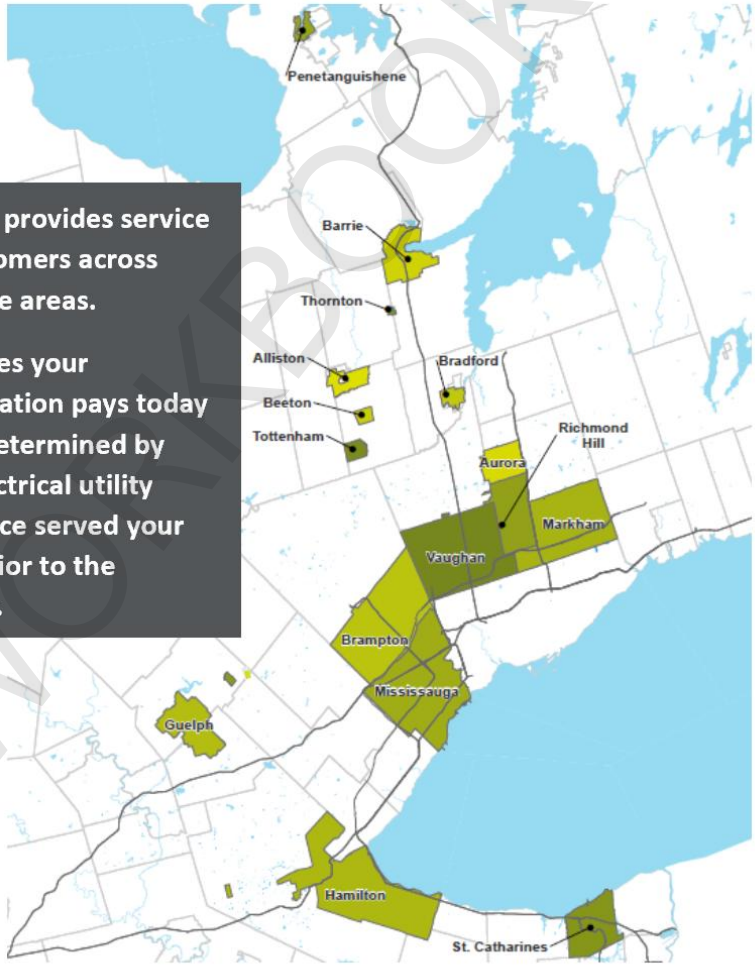
Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.

Alectra provides service to customers across multiple areas.

The rates your organization pays today were determined by the electrical utility that once served your area prior to the merger.

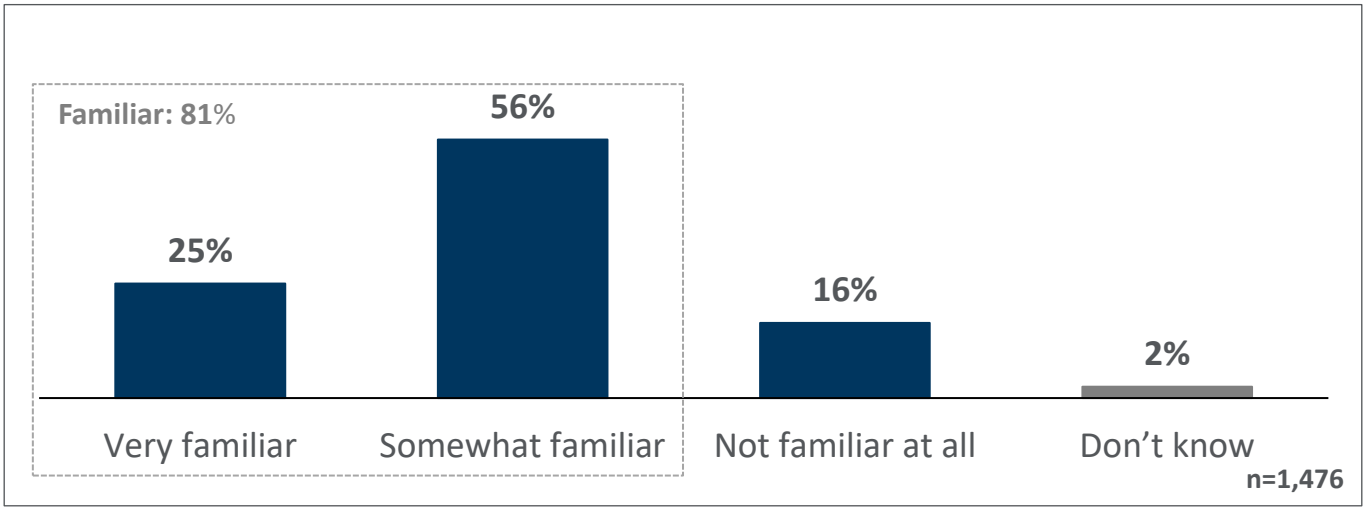


WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

GS<50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



Rate Zone

	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Very familiar	25%	40%	29%	14%	20%	21%
Somewhat familiar	56%	47%	53%	59%	62%	58%
Not familiar at all	16%	11%	16%	25%	17%	17%
Don't know	2%	2%	3%	2%	1%	3%
Familiar (Very + Somewhat Familiar)	**81%**	**87%**	**81%**	**73%**	**82%**	**80%**

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very familiar	25%	24%	24%	24%	27%
Somewhat familiar	56%	57%	55%	56%	57%
Not familiar at all	16%	15%	19%	18%	14%
Don't know	2%	3%	2%	3%	2%
Familiar (Very + Somewhat Familiar)	**81%**	**82%**	**79%**	**80%**	**84%**

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

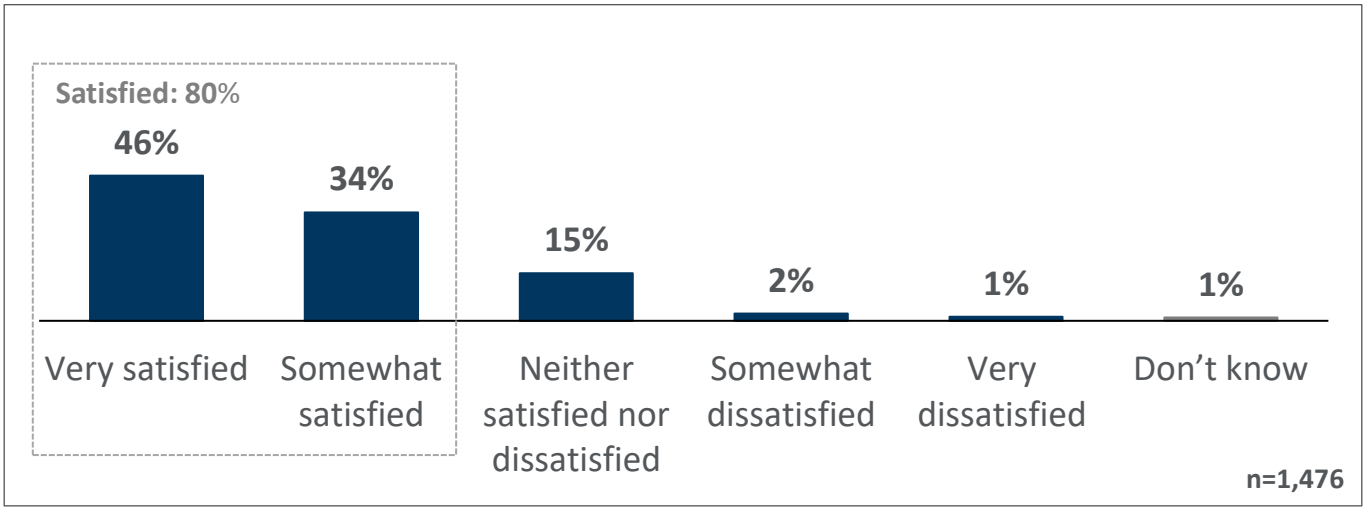
- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

GS<50

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very satisfied	46%	53%	51%	42%	40%	44%
Somewhat satisfied	34%	29%	32%	40%	40%	34%
Neither satisfied nor dissatisfied	15%	14%	12%	16%	16%	17%
Somewhat dissatisfied	2%	2%	2%	0%	3%	2%
Very dissatisfied	1%	2%	1%	0%	1%	2%
Don't know	1%	0%	2%	2%	1%	1%
Satisfied (Very + Somewhat)	**80%**	**82%**	**84%**	**83%**	**80%**	**78%**

Phase II Online Survey
Satisfaction with Alectra Utilities

GS<50

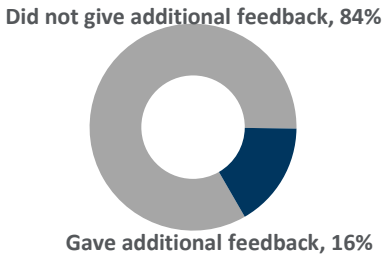
Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?

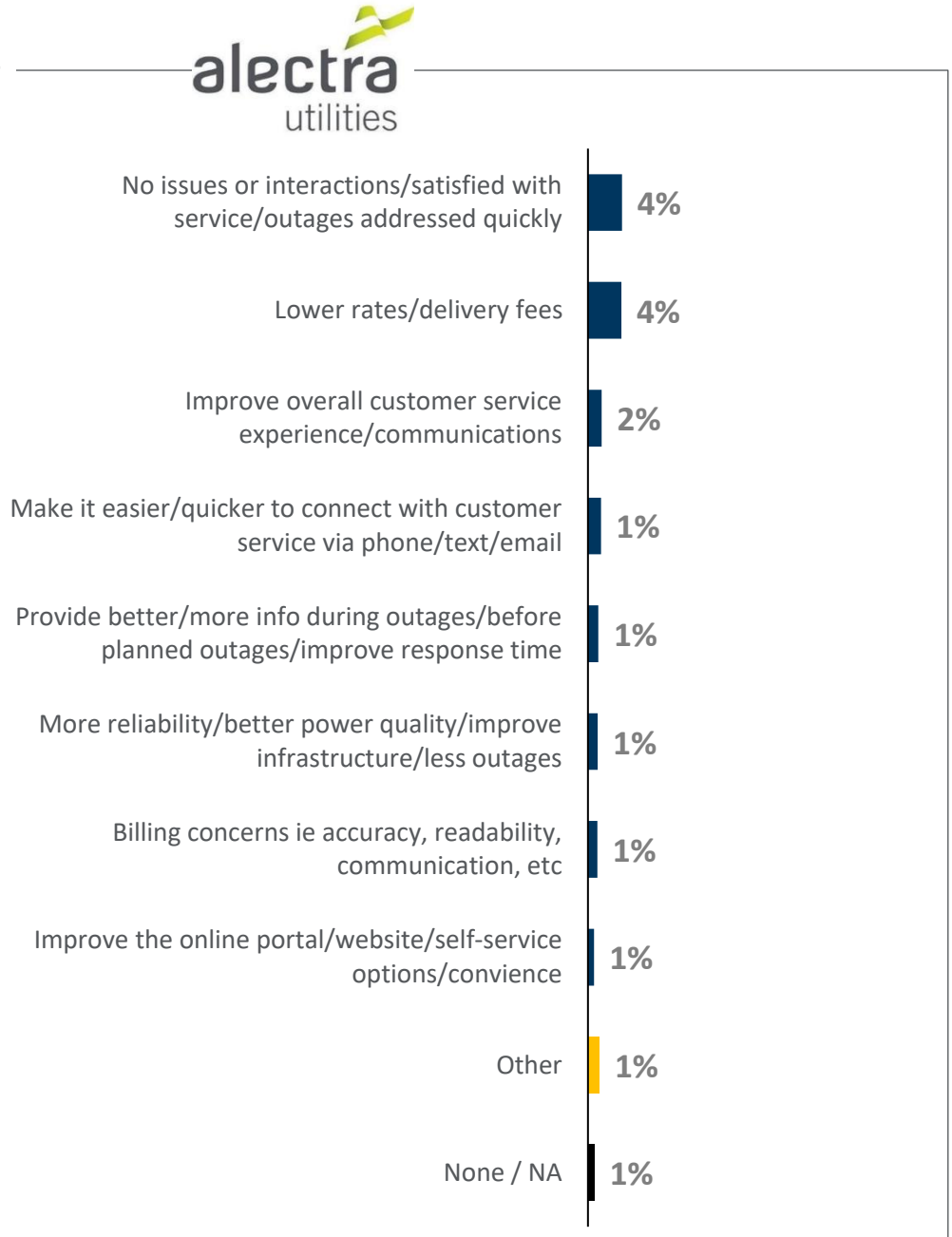
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very satisfied	46%	47%	46%	48%	43%
Somewhat satisfied	34%	33%	35%	33%	36%
Neither satisfied nor dissatisfied	15%	16%	15%	13%	16%
Somewhat dissatisfied	2%	2%	1%	4%	3%
Very dissatisfied	1%	1%	2%	1%	1%
Don't know	1%	1%	1%	1%	1%
Satisfied (Very + Somewhat Satisfied)	**80%**	**80%**	**81%**	**81%**	**79%**

Phase II Online Survey
Areas of Improvement

GS<50

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your organization's needs? [OPEN]





n= 1,476

Phase II Online Survey
Areas of Improvement

GS<50

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your/your organization's needs? [OPEN]

Sample Verbatims
No issues or interactions/satisfied with service/outages addressed quickly
"Great Company. Amazing Customer Service!"
Lower rates/delivery fees
"Lower costs to allow payments to be manageable."
Improve overall customer service experience/communications
"Customer service lacks professionalism. It is difficult to connect with an Alectra representative who can help you and more importantly, provide you with the correct information."
Make it easier/quicker to connect with customer service via phone/text/email
"Quick response time to inquiries regarding my account, as well as good response times to reported outages."
Provide better/more info during outages/before planned outages/improve response time
"When there is a power failure - need response or automate to say the timeline."
More reliability/better power quality/improve infrastructure/less outages
"It would be good to have more stability in the grid. We get quite a lot of glitches and short power interruptions, so having a more resilient grid is important."
Billing concerns ie accuracy, readability, communication, etc.
"My concern is about billing and punctuality not always having all bills sent to the customer."
Improve the online portal/website/self-service options/convivence
"Make it easy to access online services, like login page."

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

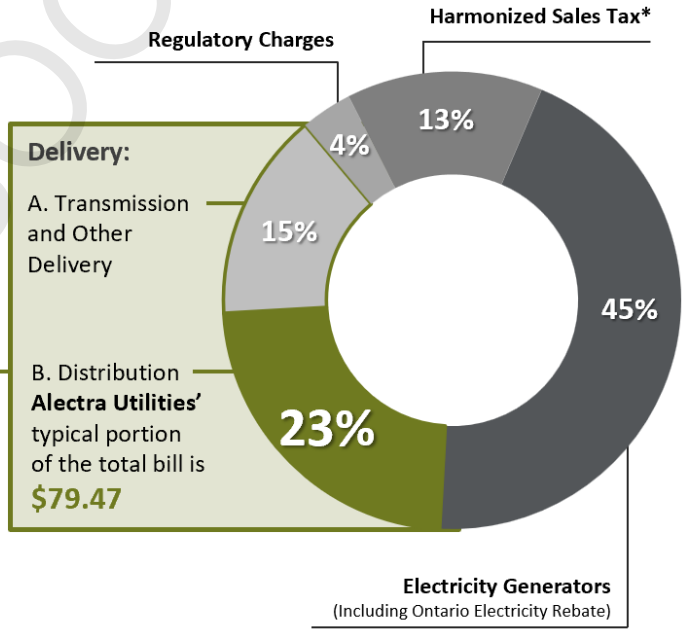
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	129.20
Regulatory Charges	12.45
Total Electricity Charges	$339.73
HST	44.16
Ontario Electricity Rebate	($44.50)
Total Amount	$339.39

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Engagement

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- Alectra's distribution costs make up about 24% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

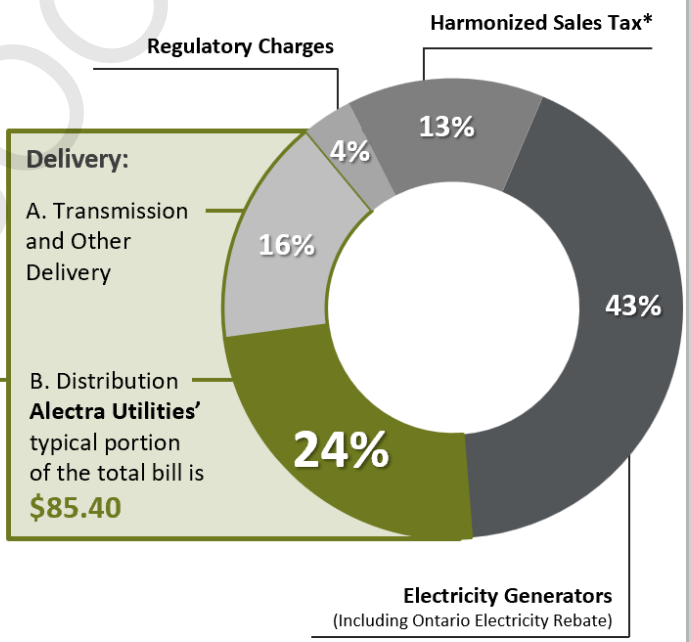
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	141.55
Regulatory Charges	12.47
Total Electricity Charges	**$352.11**
HST	45.77
Ontario Electricity Rebate	($46.13)
Total Amount	**$351.75**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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WORKBOOK PAGE

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- Alectra's distribution costs make up about 18% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

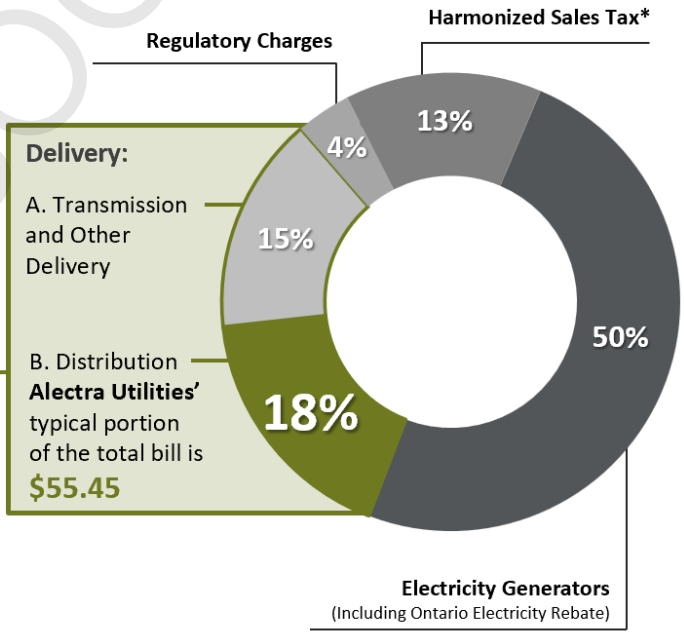
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	103.69
Regulatory Charges	12.36
Total Electricity Charges	**$314.13**
HST	40.84
Ontario Electricity Rebate	($41.15)
Total Amount	**$313.81**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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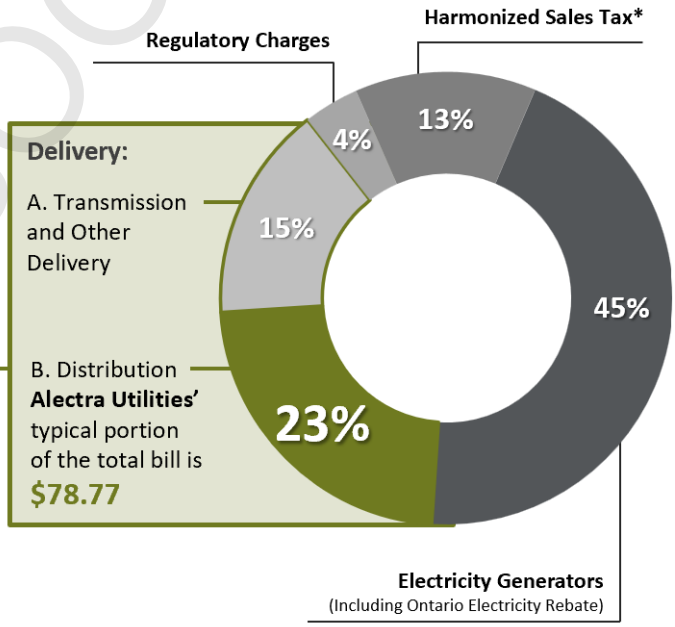
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	131.69
Regulatory Charges	12.50
Total Electricity Charges	**$342.26**
HST	44.49
Ontario Electricity Rebate	($44.84)
Total Amount	**$341.92**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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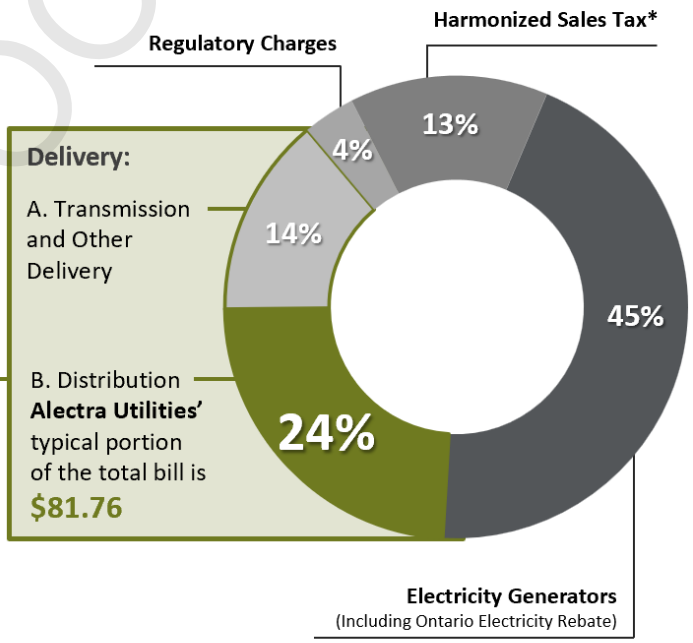
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	128.74
Regulatory Charges	12.49
Total Electricity Charges	$339.31
HST	44.11
Ontario Electricity Rebate	($44.45)
Total Amount	$338.97

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



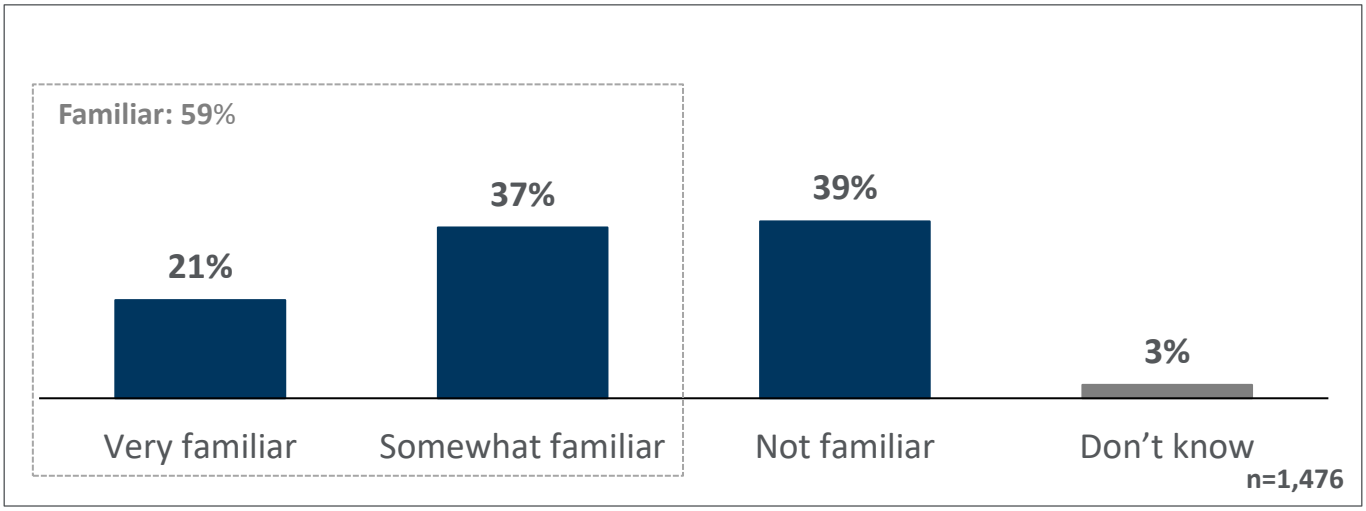
Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

GS<50

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



Rate Zone

	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Very familiar	21%	27%	26%	22%	16%	20%
Somewhat familiar	37%	38%	37%	34%	38%	37%
Not familiar	39%	32%	33%	42%	44%	41%
Don't know	3%	3%	3%	2%	2%	3%
Familiar (Very + Somewhat Familiar)	**59%**	**65%**	**63%**	**56%**	**54%**	**56%**

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very familiar	21%	22%	21%	22%	21%
Somewhat familiar	37%	34%	40%	34%	40%
Not familiar	39%	41%	36%	40%	37%
Don't know	3%	3%	2%	4%	3%
Familiar (Very + Somewhat Familiar)	**59%**	**56%**	**61%**	**57%**	**60%**

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ 1. Customers Identify Needs, Preferences and Priorities
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ 2. Use Customer Feedback to Guide the Draft Plan
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

We are here

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

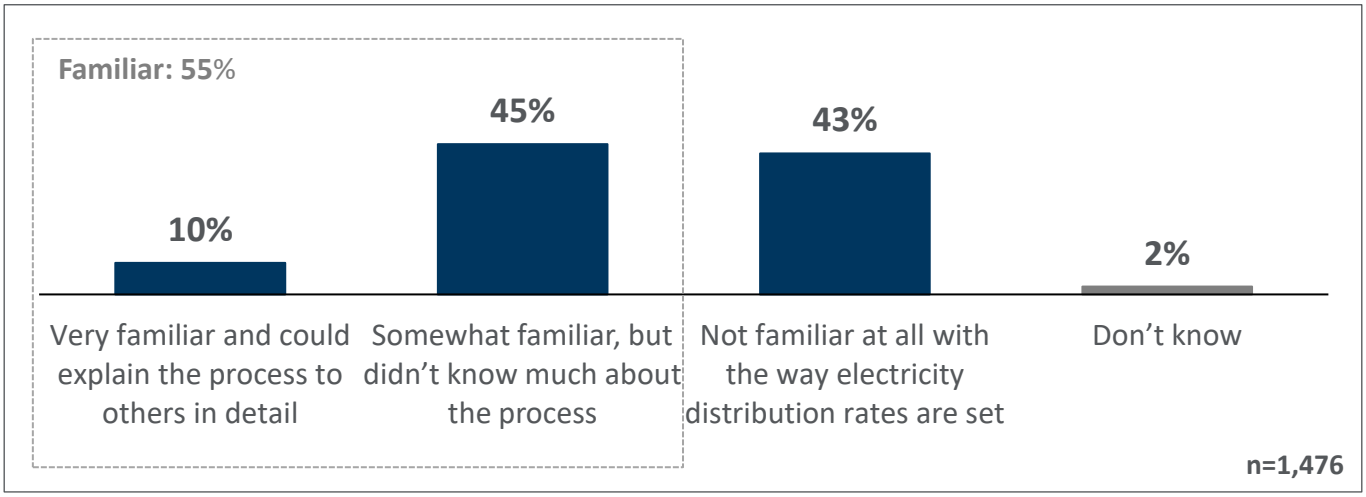
Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with how Electricity Rates are set

GS<50

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Rate Zone

	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Very familiar	10%	18%	12%	6%	7%	7%
Somewhat familiar	45%	43%	46%	46%	46%	46%
Not familiar at all	43%	34%	39%	47%	46%	45%
Don't know	2%	4%	3%	2%	1%	2%
Familiar (Very + Somewhat Familiar)	**55%**	**62%**	**57%**	**51%**	**53%**	**53%**

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Very familiar	10%	6%	10%	9%	13%
Somewhat familiar	45%	46%	48%	44%	44%
Not familiar at all	43%	45%	41%	44%	41%
Don't know	2%	2%	2%	2%	3%
Familiar (Very + Somewhat Familiar)	**55%**	**52%**	**57%**	**54%**	**57%**

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

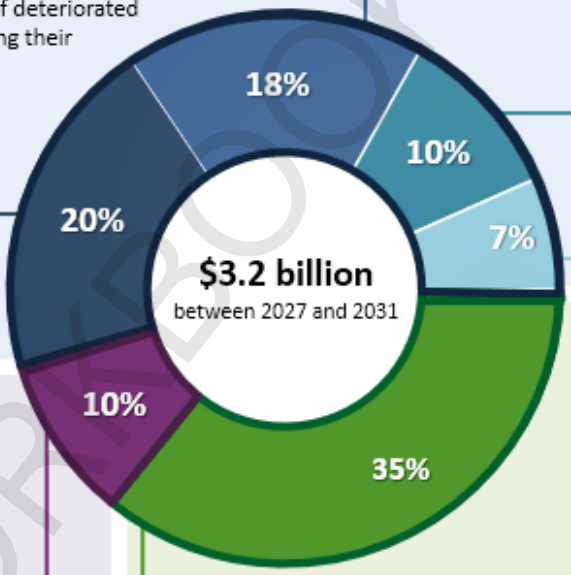
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



1. Overhead & Transformer Renewal
2. Underground Renewal
3. Meter Replacement & Renewal
4. Fleet, Facilities & Information Technology

10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $72.67 in 2026 to **$100.09 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$343.27	$72.67	$100.09	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $86.06 in 2026 to **$113.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$356.46	$86.06	$113.48	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 6 (cont.) – GRZ Version

GS<50

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $55.06 in 2026 to **$82.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$316.72	$55.06	$82.48	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $77.94 in 2026 to **$105.36 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$346.09	$77.94	$105.36	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $81.38 in 2026 to **$108.80 by 2031**.

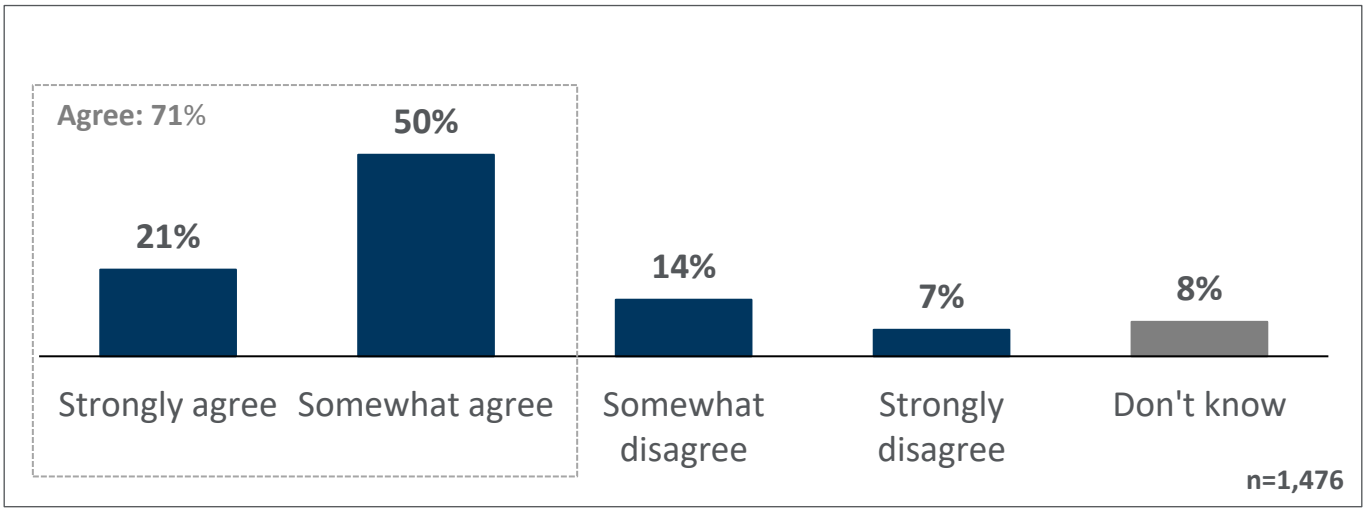
2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$343.29	$81.38	$108.80	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey
Cost of the Draft Plan

GS<50

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost my business.



	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Strongly agree	21%	27%	21%	31%	19%	20%
Somewhat agree	50%	44%	50%	51%	50%	51%
Somewhat disagree	14%	14%	16%	3%	14%	14%
Strongly disagree	7%	5%	7%	7%	7%	7%
Don't know	8%	11%	7%	8%	10%	8%
Agree (Strongly + Somewhat agree)	**71%**	**70%**	**71%**	**82%**	**69%**	**71%**

Phase II Online Survey
Cost of the Draft Plan

GS<50

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost my business.

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	21%	19%	23%	22%	22%
Somewhat agree	50%	46%	49%	51%	52%
Somewhat disagree	14%	18%	15%	13%	11%
Strongly disagree	7%	8%	4%	7%	7%
Don't know	8%	10%	9%	7%	9%
Agree (Strongly + Somewhat agree)	**71%**	**64%**	**72%**	**73%**	**74%**

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

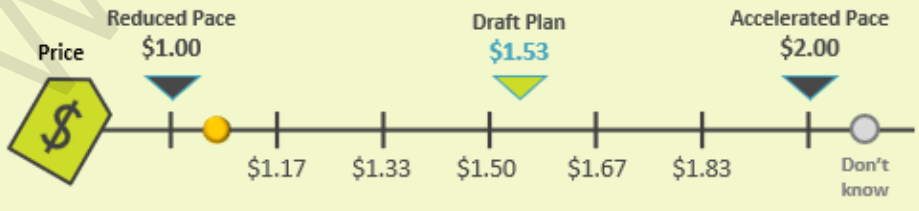
Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.



$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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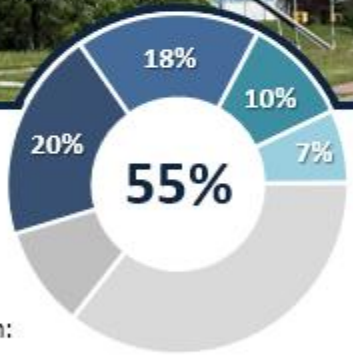
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

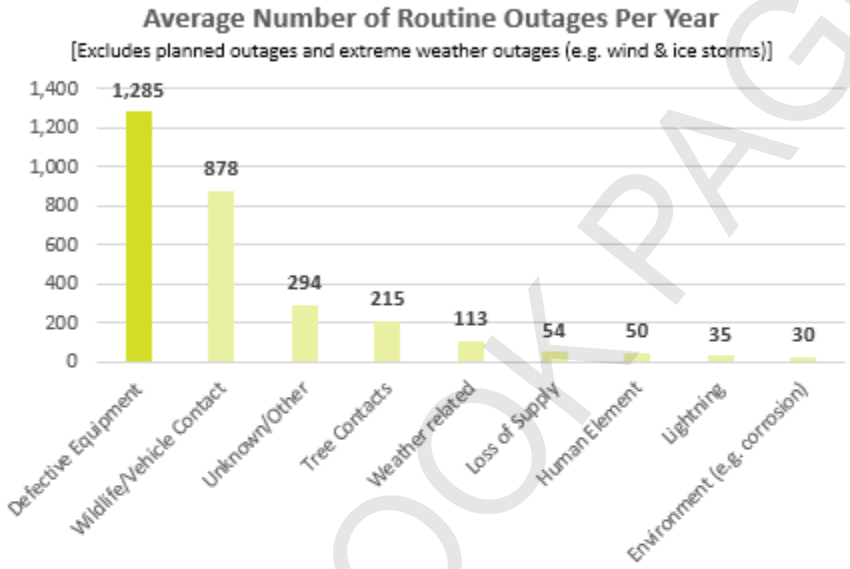
Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

WORKBOOK PAGE

Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. Next

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

1 Overhead & Transformer Renewal

Overview

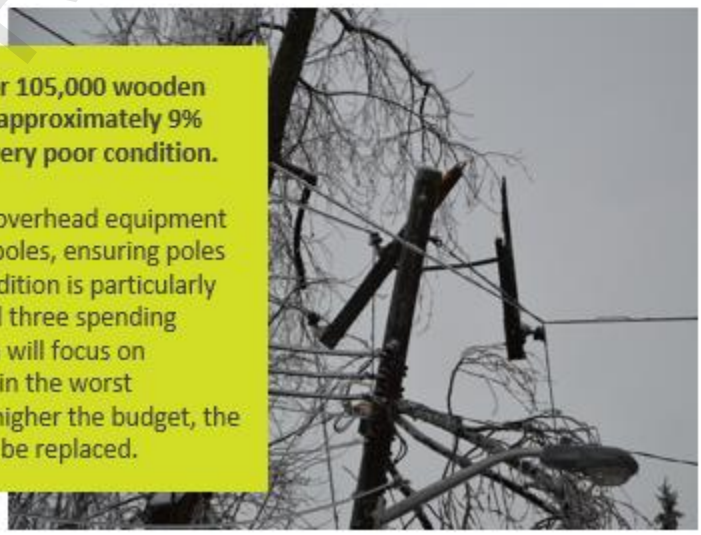
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK PAGE

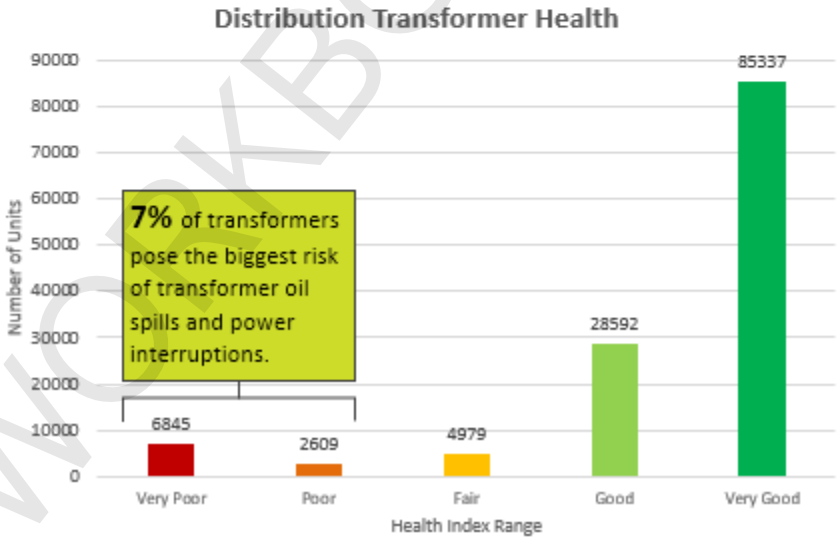
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.

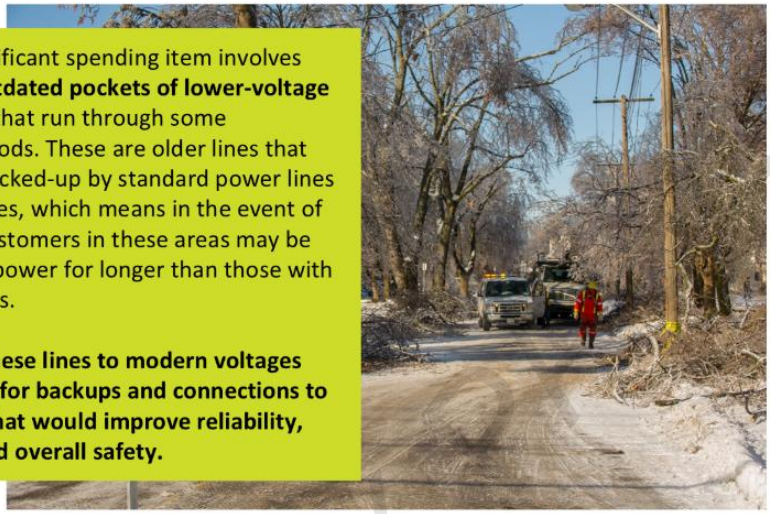


WORKBOOK PAGE

Phase II Online Survey

Workbook Page 9 (cont.)

GS<50



Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.

Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$4.97	$5.42	$6.51

Reduced Pace $4.97 | Draft Plan $5.42 | Accelerated Pace $6.51

Make a selection

$5.23 | $5.49 | $5.74 | $5.99 | $6.25 | Don't know

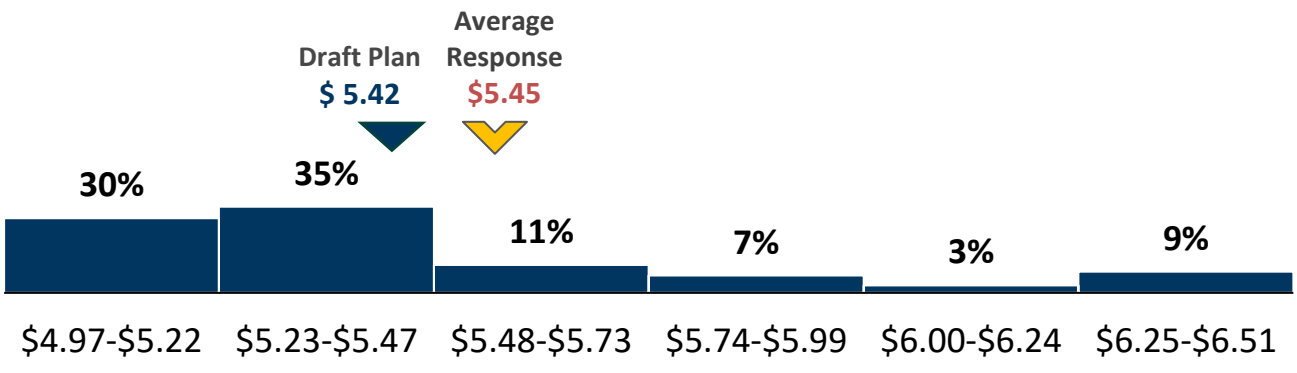
Your selection: $ --.--

WORKBOOK

Phase II Online Survey
Spending on Overhead Renewal

GS<50

Q How much should Alectra spend on Overhead Renewal?



"Don't know" (5%) not shown.

n=1,476

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	26%	19%	30%	35%	25%	24%
On plan	29%	26%	29%	21%	30%	31%
Below plan	40%	49%	38%	41%	39%	40%
Don't know	5%	6%	3%	3%	6%	4%
TOTAL On plan + Above plan	**55%**	**45%**	**60%**	**56%**	**55%**	**55%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Spending on Overhead Renewal

GS<50

Q How much should Alectra spend on Overhead Renewal?

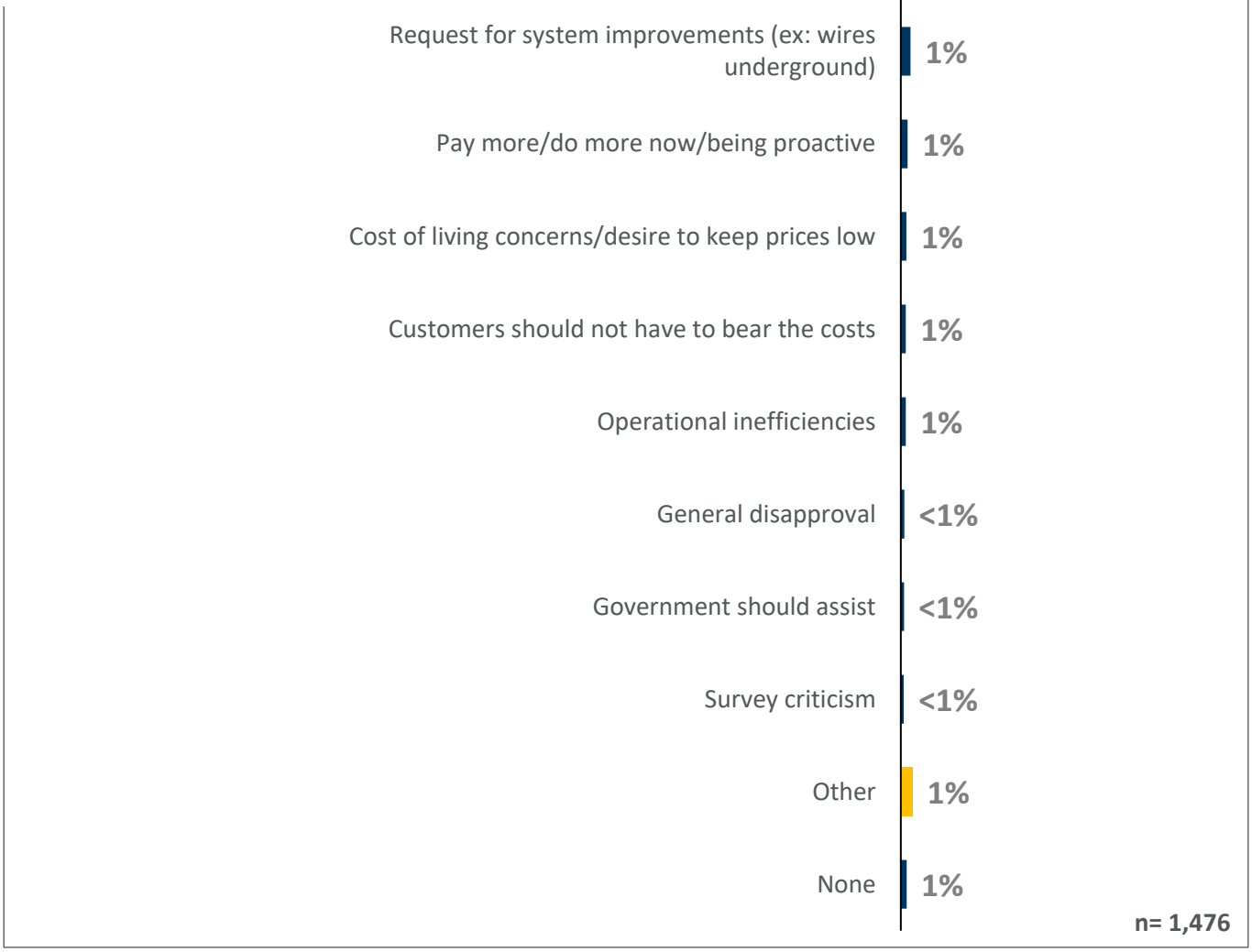
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	26%	26%	25%	26%	27%
On plan	29%	26%	34%	28%	30%
Below plan	40%	44%	34%	44%	40%
Don't know	5%	5%	7%	2%	4%
TOTAL On Plan + Above Plan	**55%**	**51%**	**59%**	**54%**	**57%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Overhead Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]



Phase II Online Survey
Feedback on Overhead Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims
Support/request to replace infrastructure and modernize
"The faster the damaged/obsolete units are replaced or repaired, will be more efficient and environmentally better."
General approval
"I have no complaints. Outages are few and so far you've responded in a timely manner."
Request for system improvements (ex: wires underground)
"More power lines should be below grade to minimize impacts to the built environment and make more beautiful urban spaces."
Pay more/do more now/being proactive
"Believer in maintenance Being proactive to failure costs less."
Cost of living concerns/desire to keep prices low
"I feel keeping costs down is much more important"
Customers should not have to bear the costs
"I don't think I should have to pay for it."
Operational inefficiencies
"Reduce your overhead Administration Costs. Bonus on customer satisfaction, not customer growth!"
General disapproval
"Too bad that renewal wasn't planned until the grid got so bad that huge increases are required for small business already struggling."
Government should assist
"Get money from the government, not consumers. Businesses will close, it's too expensive to operate when overhead costs increase."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

18%

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

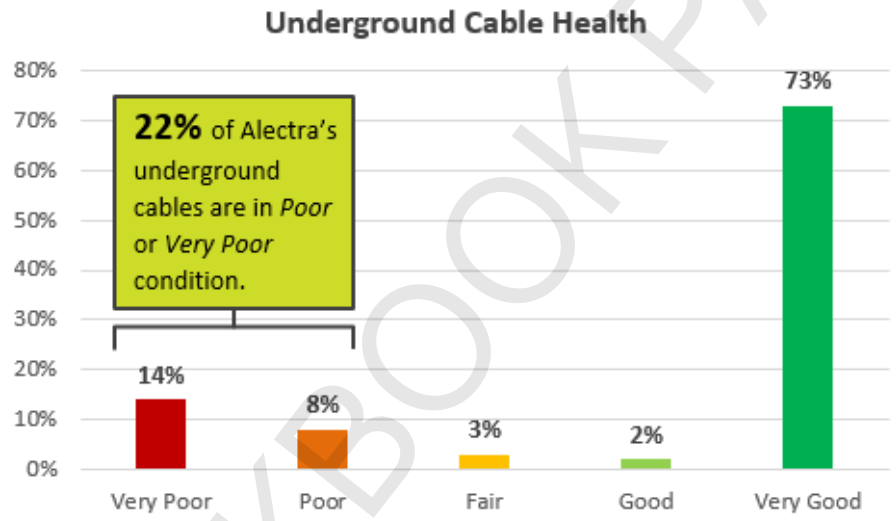
As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

WORKBOOK PAGE

Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

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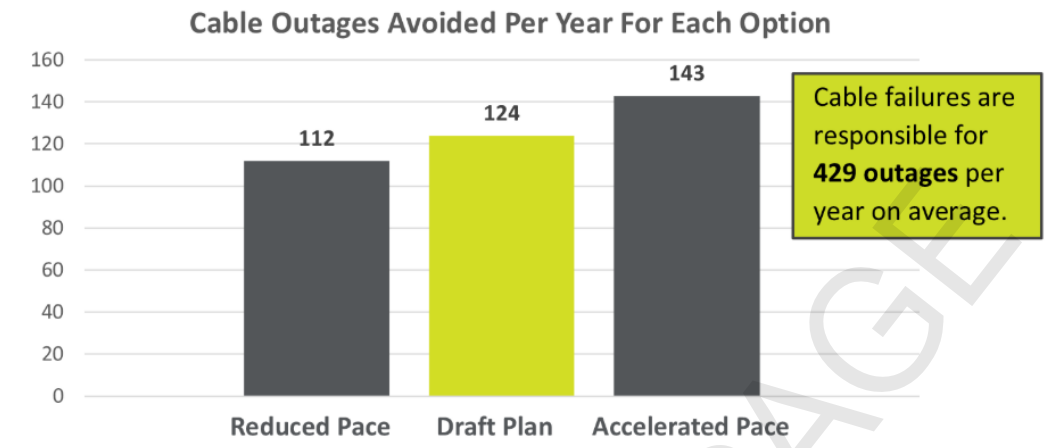
Phase II Online Survey

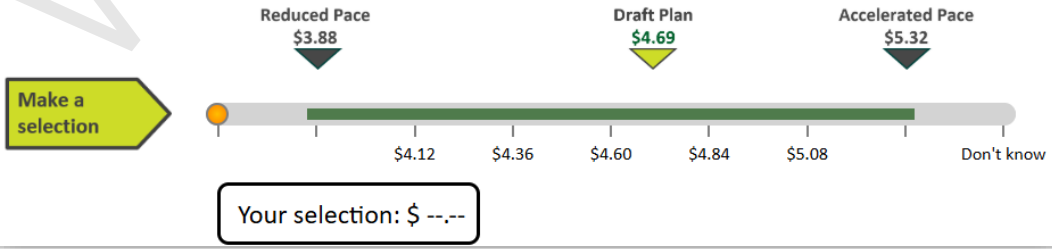
Workbook Page 10 (cont.)

GS<50



Choice 2 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Replace **517 km (10%)** of cables in poor and very poor condition to improve customer reliability by avoiding **112 outages**	Replace **683 km (13%)** of cables in poor and very poor condition to improve customer reliability by avoiding **124 outages**	Replace **900 km (17%)** of cables in poor and very poor condition to improve customer reliability by avoiding **143 outages**
Future Costs	Risk of higher future costs (**up to 45% higher**) to replace underground equipment in poor and very poor condition that will need to be addressed in the future	Lower future costs by addressing underground equipment in poor and very poor condition now	Significantly lower future costs by addressing more underground equipment in poor and very poor condition as Alectra will be able to do more work at a lower cost
Disruptions	Risk of frequent and unplanned disruptions for customers as crews address some backlog while focusing most of the budget on emergency repairs	Proactive approach to reducing the backlog of deteriorated cables, meaning less frequent disruptions for customers	A more proactive approach to reducing the backlog, as crews plan to replace large areas of cables, leading to fewer disruptions for customers
Rate Impact *per month by 2031*	$3.88	$4.69	$5.32



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Phase II Online Survey
Spending on Underground Renewal

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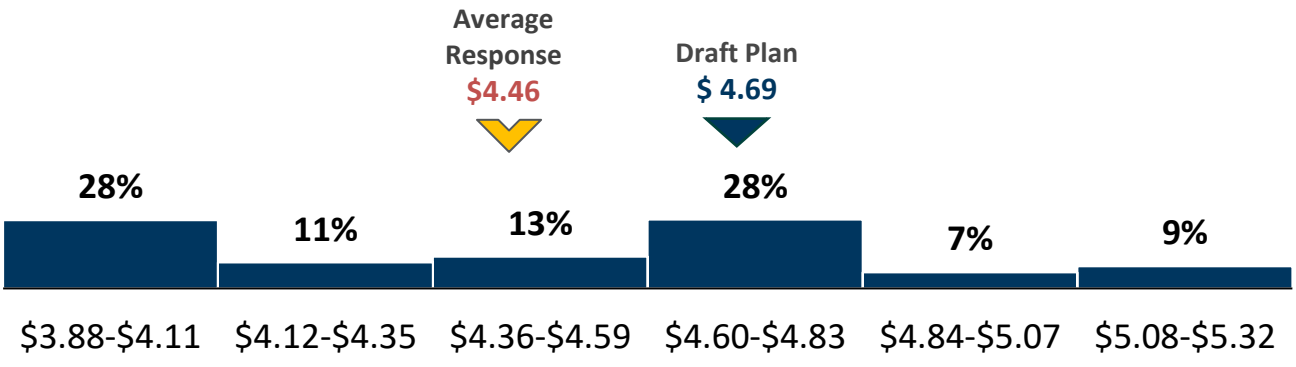
Q How much should Alectra spend on Underground Renewal?



"Don't know" (5%) not shown.

n=1,476

	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	18%	14%	20%	29%	19%	17%
On plan	23%	21%	21%	19%	23%	25%
Below plan	54%	59%	55%	48%	53%	53%
Don't know	5%	6%	3%	3%	6%	5%
TOTAL On plan + Above plan	**41%**	**35%**	**41%**	**49%**	**41%**	**42%**

NOTE:
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- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Spending on Underground Renewal

GS<50

Q How much should Alectra spend on Underground Renewal?

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	18%	18%	18%	17%	20%
On plan	23%	23%	23%	23%	22%
Below plan	54%	55%	51%	57%	53%
Don't know	5%	5%	7%	3%	5%
TOTAL On Plan + Above Plan	**41%**	**40%**	**42%**	**41%**	**42%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Underground Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Request for system improvements (ex: wires underground)	1%
General approval	1%
Cost of living concerns/desire to keep prices low	1%
Support/request to replace infrastructure and modernize	1%
Customers should not have to bear the costs	<1%
Survey criticism	<1%
Other	2%
None / NA	<1%

n= 1,476

Phase II Online Survey
Feedback on Underground Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims
Request for system improvements (ex: wires underground)
"All infrastructure should be underground."
General approval
"It should be done a long time ago."
Cost of living concerns/desire to keep prices low
"Only if the consumer see benefit and savings in our bill."
Support/request to replace infrastructure and modernize
"Please invest more in the short term to prevent future added costs of failure in transmission. Do NOT do the Reduced Pace."
Customers should not have to bear the costs
"Again, take get more money out of executive pay rather than customers."
Survey criticism
"Simplify the survey - everyday workers don't have the time to sit and digest this information."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

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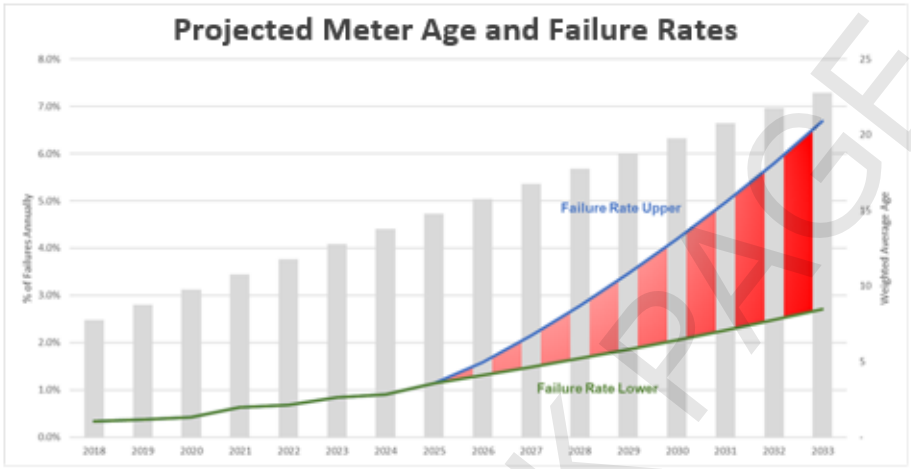

Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

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Phase II Online Survey
Workbook Page 11 (cont.)

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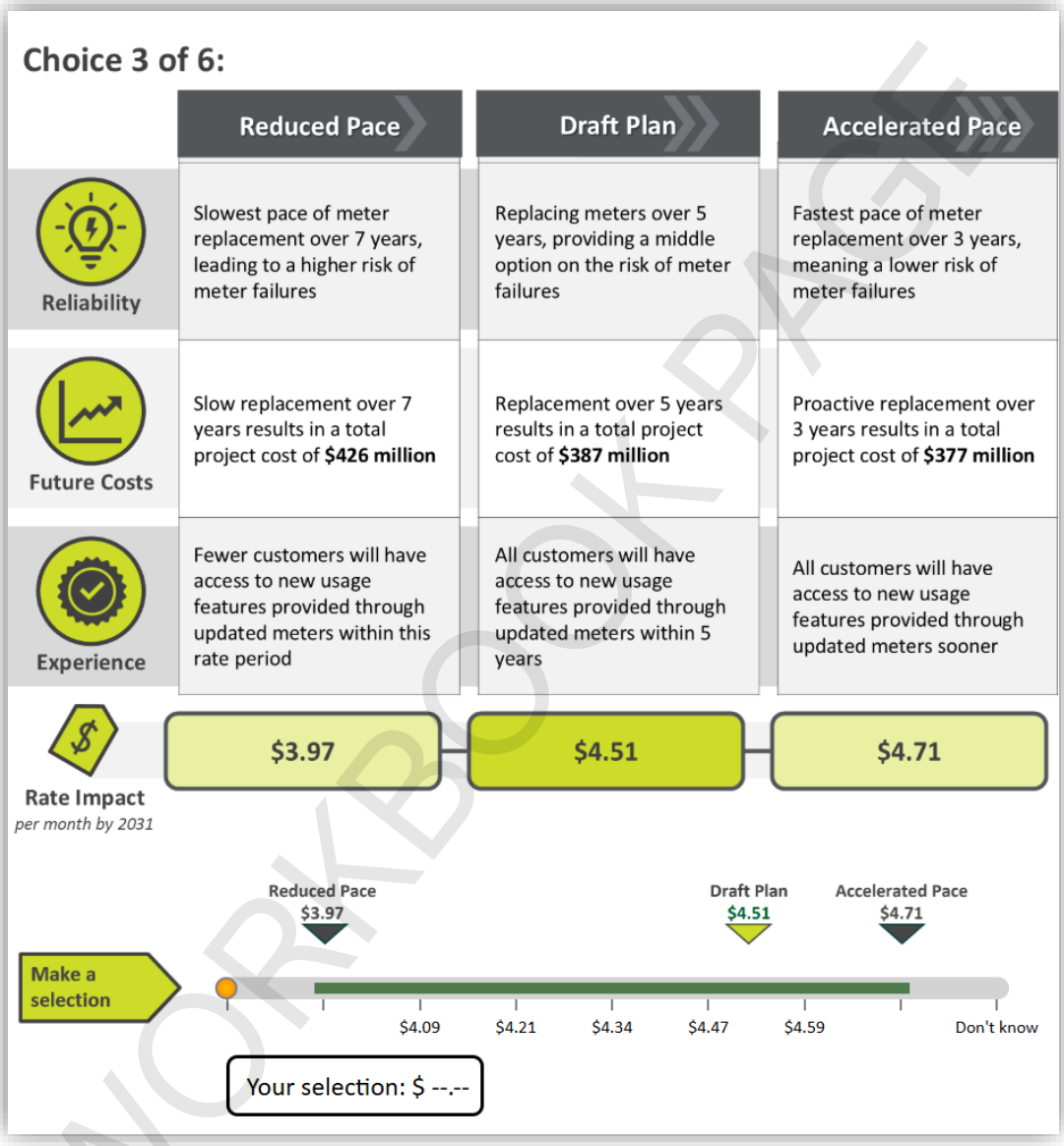

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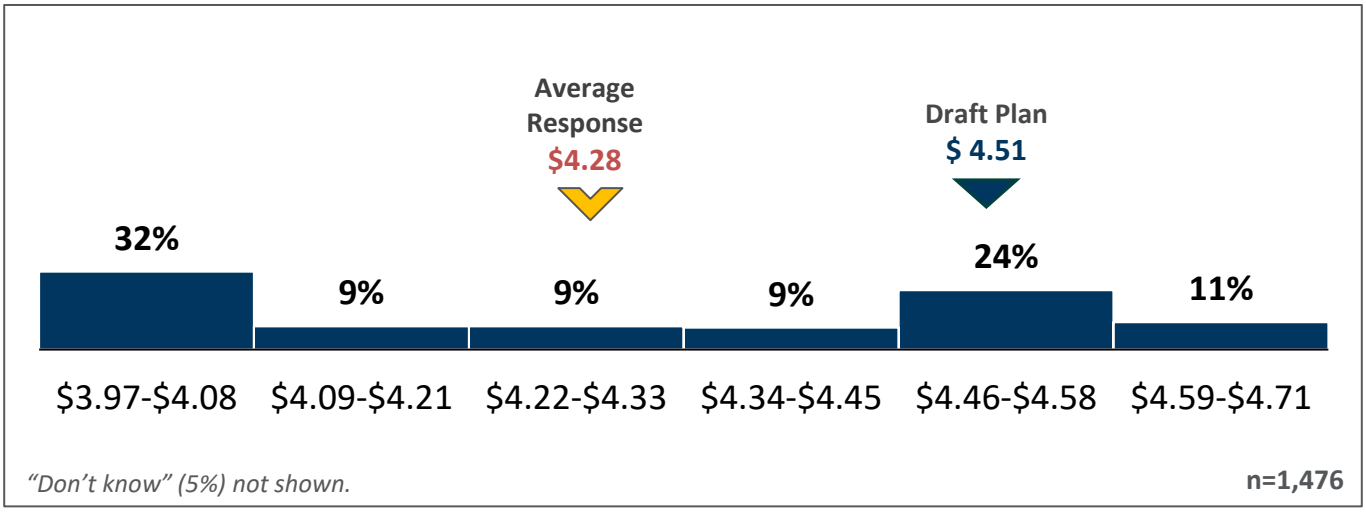
Phase II Online Survey
Spending on Meter Replacement and Renewal

GS<50

Q How much should Alectra spend on Meter Replacement and Renewal?



"Don't know" (5%) not shown.

n=1,476

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	13%	10%	14%	16%	11%	14%
On plan	21%	19%	18%	26%	23%	21%
Below plan	61%	64%	64%	55%	60%	60%
Don't know	5%	6%	4%	3%	5%	5%
TOTAL On plan + Above plan	**34%**	**29%**	**31%**	**42%**	**34%**	**35%**

NOTE:
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Phase II Online Survey
Spending on Meter Replacement and Renewal

GS<50

Q How much should Alectra spend on Meter Replacement and Renewal?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	13%	11%	15%	14%	12%
On plan	21%	23%	18%	21%	21%
Below plan	61%	61%	60%	62%	63%
Don't know	5%	5%	7%	4%	4%
TOTAL On Plan + Above Plan	**34%**	**34%**	**33%**	**35%**	**33%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Meter Replacement and Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

alectra utilities

Replacement is unnecessary/only replace the faulty ones and leave the ones that work/low priority	1%
Customers should not have to bear the costs	1%
General approval	1%
Meter lifespan	<1%
Cost of living concerns/desire to keep prices low	<1%
Support/request to replace infrastructure and modernize	<1%
Request for system improvements (ex: wires underground)	<1%
General disapproval	<1%
Other	1%
None / NA	<1%

n= 1,476

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Meter Replacement and Renewal

GS<50

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

Sample Verbatims
Replacement is unnecessary/only replace the faulty ones and leave the ones that work/low priority
"Proactive replacement doesn't prevent anything in any industry, it's a business strategy to make money."
Customers should not have to bear the costs
"It is your responsibility to pay for this. It is the cost of doing business"
General approval
"Renewal approved!"
Meter lifespan
"Make it out of material that isn't going to fall apart. New meters should mean less charges in power needs."
Cost of living concerns/desire to keep prices low
"Can't afford an increase."
Support/request to replace infrastructure and modernize
"Get everything up to speed and improve the infrastructure as soon as possible."
Request for system improvements (ex: wires underground)
"Infrastructure needs to be first, replacing meters after."
General disapproval
"I don't see the benefits of the additional expense with the Draft or Accelerate plans to my business or my clients."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

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Key priorities in Information Technology include:

Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

Maintaining the Fleet

Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.

Phase II Online Survey
Workbook Page 12 (cont.)

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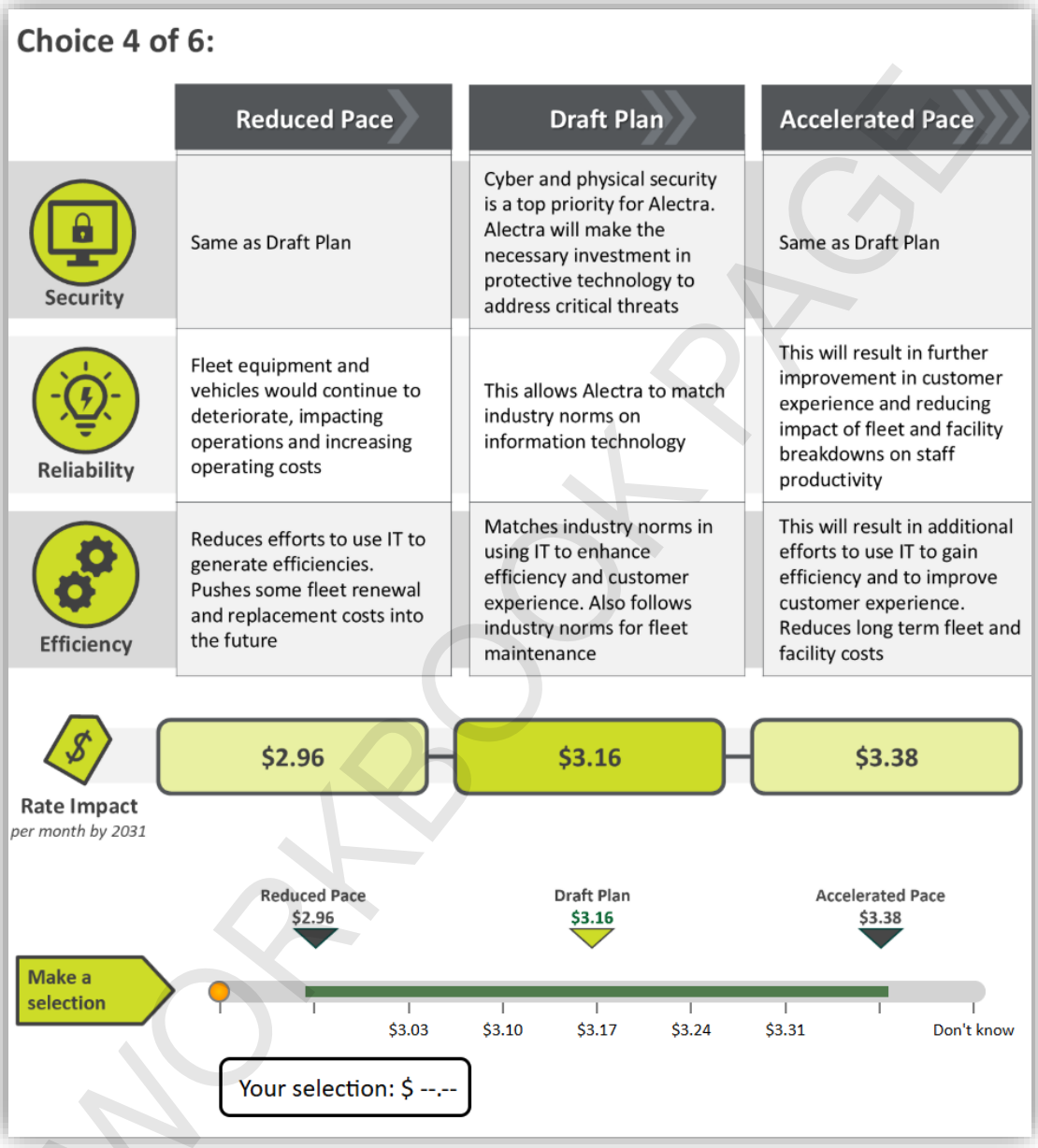

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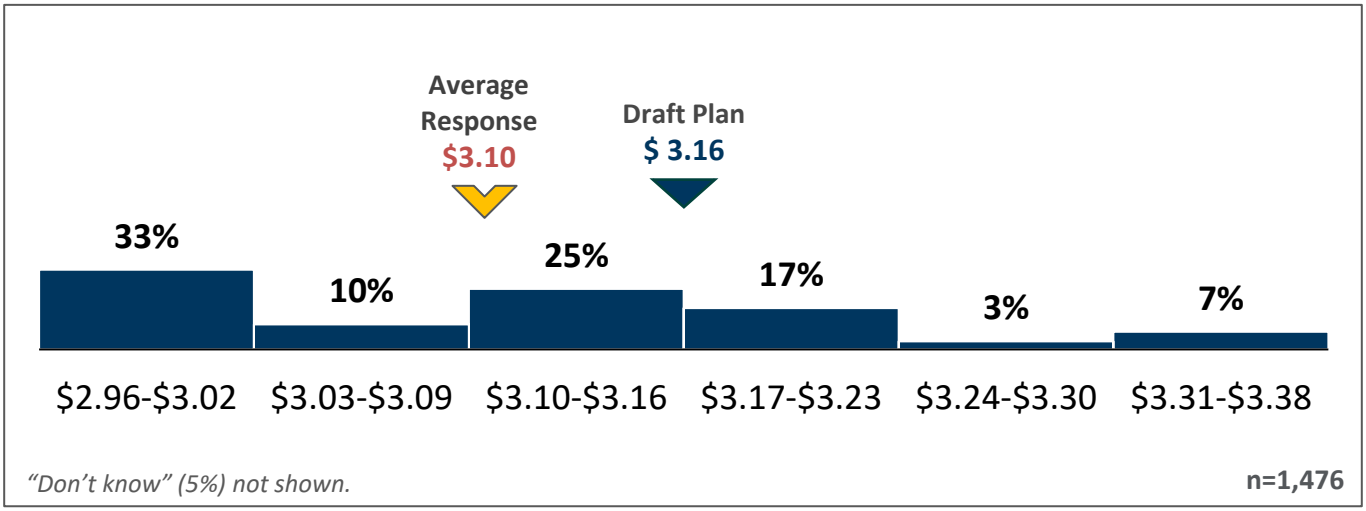
Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

GS<50

Q How much should Alectra spend on Fleet, Facilities and Information Technology?



"Don't know" (5%) not shown.

n=1,476

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	15%	14%	16%	21%	15%	15%
On plan	28%	24%	27%	39%	30%	28%
Below plan	52%	56%	53%	36%	50%	52%
Don't know	5%	7%	4%	3%	5%	5%
TOTAL On plan + Above plan	**43%**	**37%**	**43%**	**60%**	**45%**	**43%**

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Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

GS<50

Q How much should Alectra spend on Fleet, Facilities and Information Technology?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	15%	17%	14%	17%	14%
On plan	28%	29%	28%	26%	29%
Below plan	52%	50%	51%	53%	52%
Don't know	5%	4%	7%	4%	4%
TOTAL On Plan + Above Plan	**43%**	**46%**	**42%**	**43%**	**43%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

GS<50

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

alectra utilities

Cost of living concerns/desire to keep prices low	1%
Operational inefficencies	1%
Customers should not have to bear the costs/operational efficencies	1%
Support/request to replace infrastructure and modernize	<1%
Importance of cybersecurity	<1%
General approval	<1%
Prefers maintenance over upgrades	<1%
Other	1%
None	<1%

n= 1,476

Phase II Online Survey

Feedback on Fleet, Facilities and Information Technology

GS<50

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims
Cost of living concerns/desire to keep prices low
"The main goal always is we want lower cost of product and better quality of service."
Operational inefficiencies
"Learn to be more efficient with what you have. Customers do not have unlimited resources."
Customers should not have to bear the costs/operational efficiencies
"Why do consumers have to foot the bill for this? Use your profits."
Support/request to replace infrastructure and modernize
"Better equipment, better reliability."
Importance of cybersecurity
"Find means to keep cyber security to keep electricity networks separate from cyber network."
General approval
"Seems reasonable."
Prefers maintenance over upgrades
"Obviously the fleet needs to be maintained but as long as equipment is serviceable, it is usable."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

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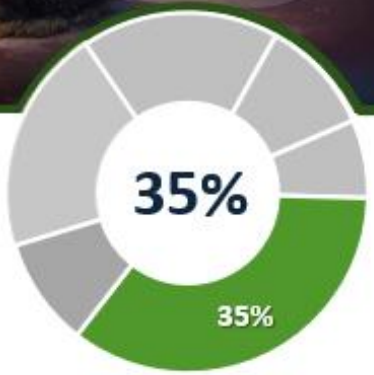
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

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Phase II Online Survey

Workbook Page 14 (cont.)

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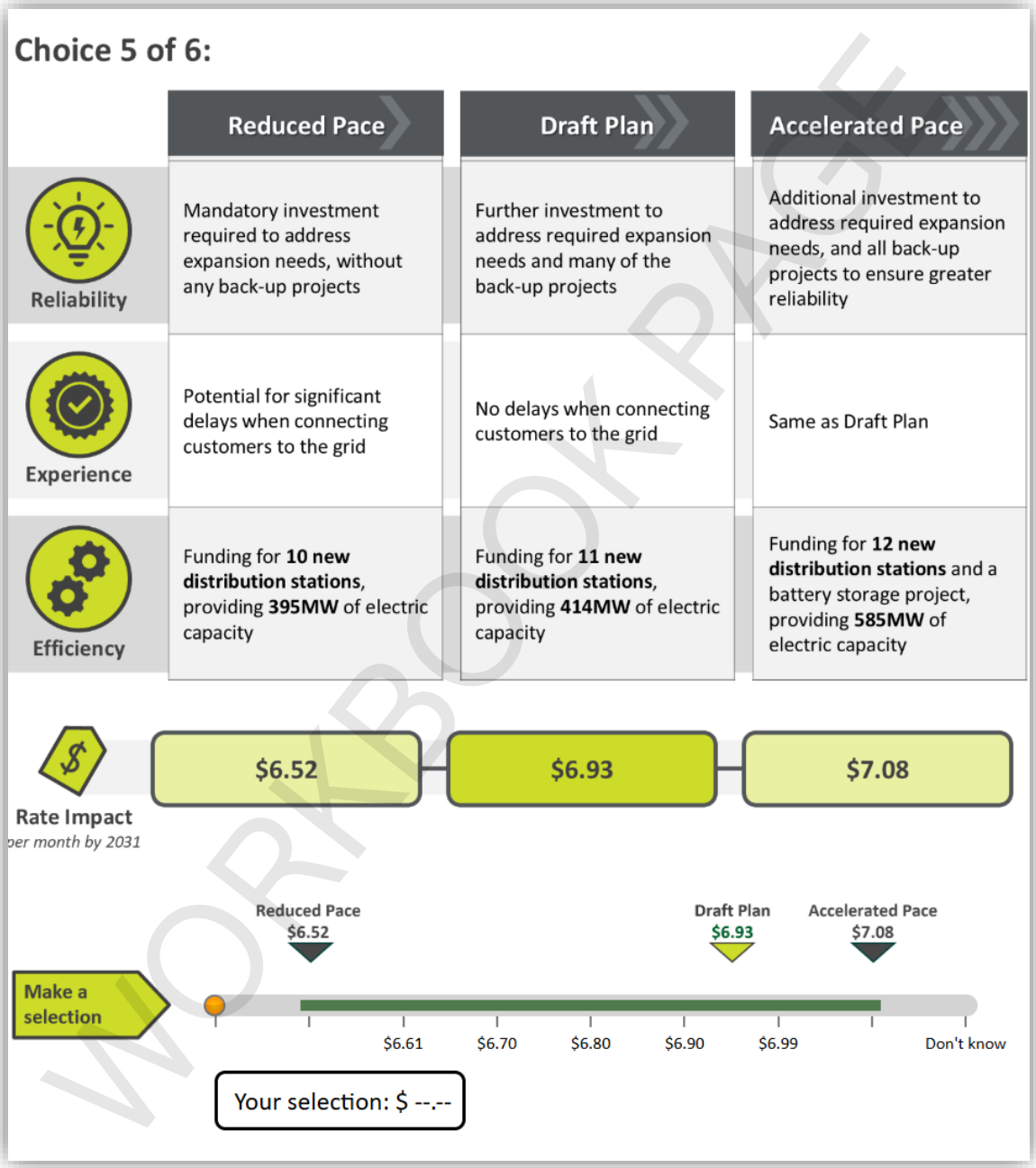

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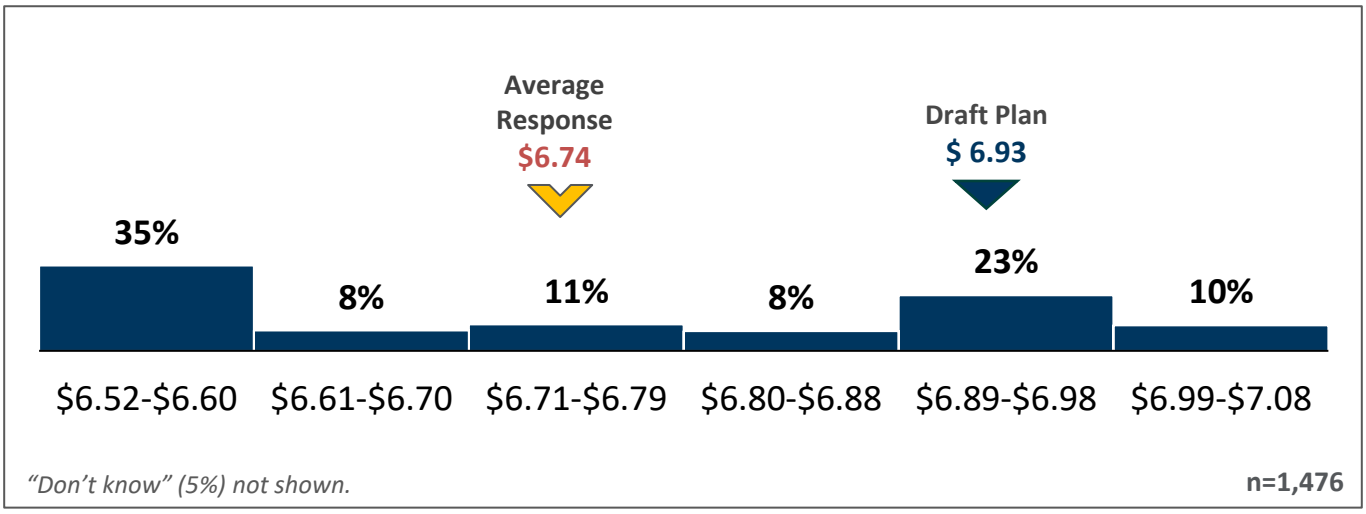
Phase II Online Survey
Spending on Meeting Growing Electricity Demand

GS<50

Q How much should Alectra spend on Meeting Growing Electricity Demand?



"Don't know" (5%) not shown.

n=1,476

	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	12%	7%	12%	18%	12%	12%
On plan	19%	16%	19%	18%	21%	20%
Below plan	64%	71%	65%	61%	61%	63%
Don't know	5%	6%	4%	3%	6%	5%
TOTAL On plan + Above plan	**31%**	**23%**	**31%**	**36%**	**33%**	**31%**

NOTE:
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Phase II Online Survey
Spending on Meeting Growing Electricity Demand

GS<50

Q How much should Alectra spend on Meeting Growing Electricity Demand?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	12%	11%	12%	12%	11%
On plan	19%	20%	17%	21%	19%
Below plan	65%	63%	64%	63%	66%
Don't know	4%	6%	7%	4%	3%
TOTAL On Plan + Above Plan	**31%**	**31%**	**29%**	**33%**	**30%**

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

GS<50

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Electric vehicle hesitancy/opposition	2%
Customers with higher usage should pay/EV owners support their own upgrades	1%
Proactively prepare for increased demand	1%
Cost of living concerns/desire to keep prices low	1%
Customers should not have to bear the costs	1%
Renewable energy	<1%
Support/request to replace infrastructure and modernize	<1%
General disapproval	<1%
General approval	<1%
Other	1%
None / NA	<1%

1,476

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

GS<50

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims
Electric vehicle hesitancy/opposition
"Don't promote Electric Vehicles as they increase carbon footprint rather than reducing as marketed."
Customers with higher usage should pay/EV owners support their own upgrades
"People who are charging vehicles should pay more at this time to help with expansion of infrastructure."
Proactively prepare for increased demand
"The modern world needs all the power we can make."
Cost of living concerns/desire to keep prices low
"The cost of living is already too high in Ontario."
Customers should not have to bear the costs
"I shouldn't be paying extra for others mistakes to repair or replace your equipment."
Renewable energy
"Incentives should be provided for green development."
Support/request to replace infrastructure and modernize
"Need the infrastructure ASAP."
General disapproval
"Not an essential."
General approval
"For the relatively smaller increase in cost over the Reduced plan, the Accelerate Pace plan makes sense."

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

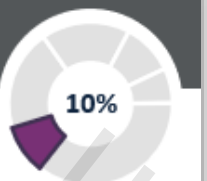
Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices



6 Enabling Resiliency and Modernization

Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

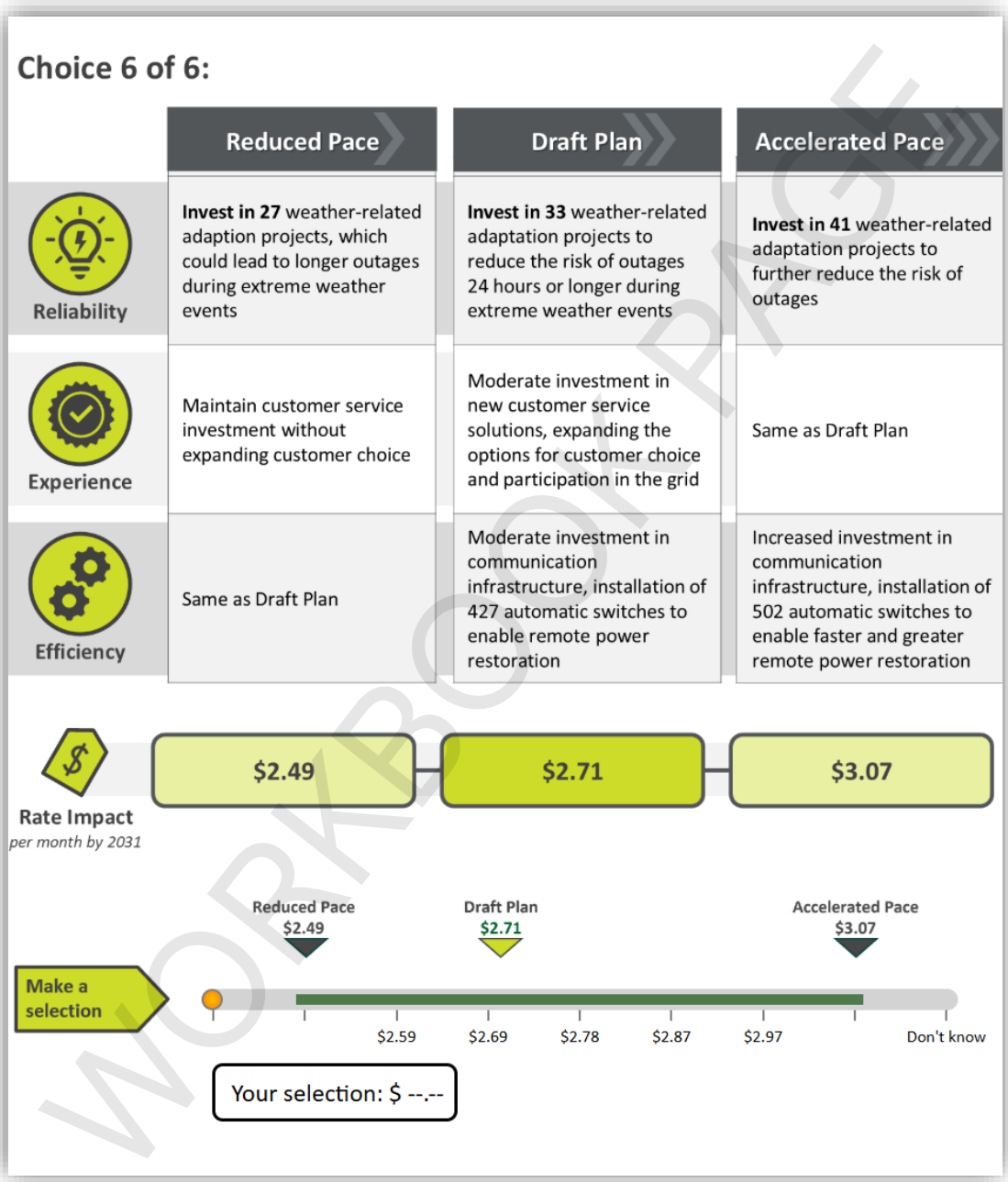
- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 16 (cont.)

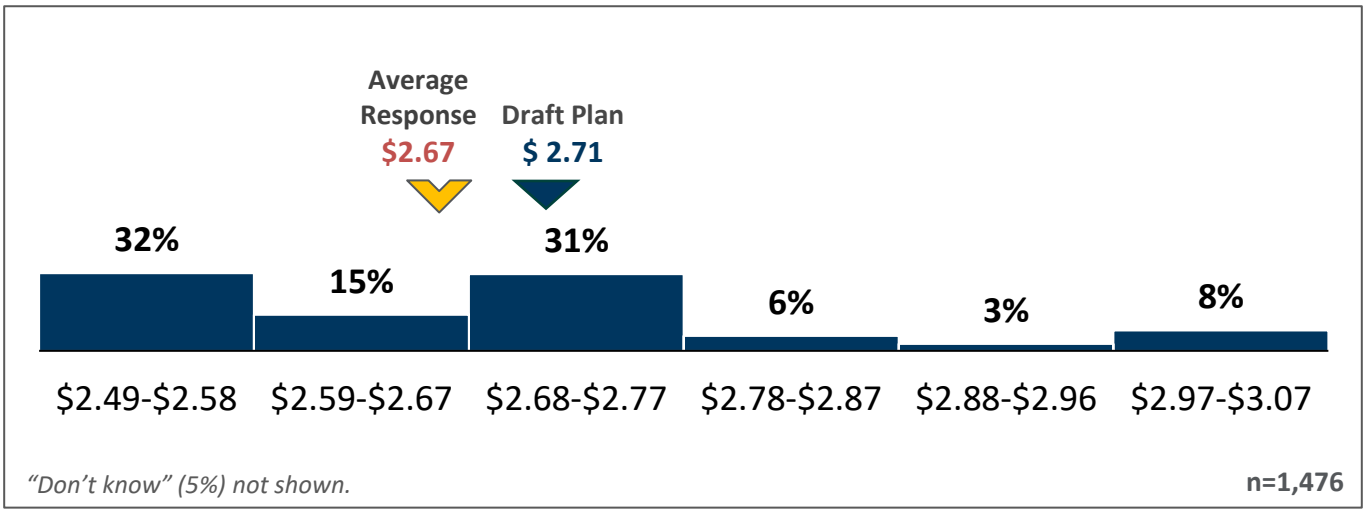
GS<50



Phase II Online Survey
Spending on Enabling Resiliency and Modernization

GS<50

Q How much should Alectra spend on Enabling Resiliency and Modernization?



"Don't know" (5%) not shown.

n=1,476

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Above plan	20%	20%	21%	26%	22%	18%
On plan	28%	21%	30%	34%	26%	31%
Below plan	46%	54%	45%	37%	47%	46%
Don't know	5%	6%	4%	3%	6%	5%
TOTAL On plan + Above plan	**49%**	**40%**	**51%**	**60%**	**47%**	**49%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Spending on Enabling Resiliency and Modernization

GS<50

Q How much should Alectra spend on Enabling Resiliency and Modernization?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	20%	21%	19%	21%	20%
On plan	28%	29%	29%	30%	26%
Below plan	46%	45%	45%	46%	50%
Don't know	5%	5%	7%	3%	5%
TOTAL On Plan + Above Plan	**49%**	**50%**	**48%**	**51%**	**46%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

GS<50

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

alectra utilities

Support/request to replace infrastructure and modernize	1%
Weather implications	1%
General approval	<1%
Request for system improvments (ex: wires underground)	<1%
Cost of living concerns/desire to keep prices low	<1%
General disapproval	<1%
Customers should not have to bear the costs	<1%
Other	1%
None	<1%

n= 1,476

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

GS<50

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

Sample Verbatims
Support/request to replace infrastructure and modernize
"Realistically demand will require modernization more efficiently so in this case the Accelerated option makes sense."
Weather implications
"Climate resiliency is vital."
General approval
"No, though makes it easier to save on the energy for the future."
Request for system improvements (ex: wires underground)
"All infrastructure should be underground, and it should be implemented by your current funding."
Cost of living concerns/desire to keep prices low
"Can't afford an increase."
General disapproval
"This is a redundant cost."
Customers should not have to bear the costs
"I don't think I should have to pay for it."

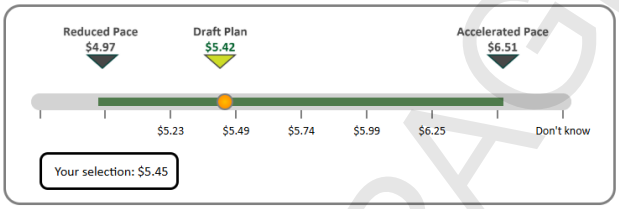
Choices Calculator

Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

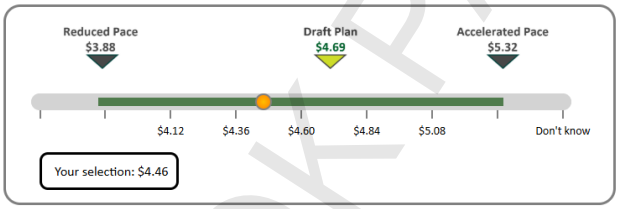
At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

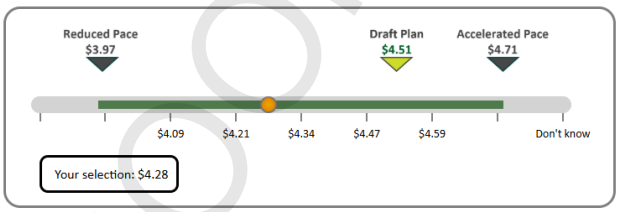
Overhead & Transformer Renewal



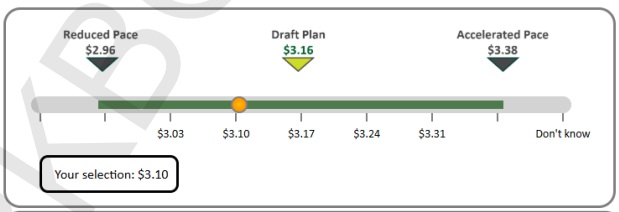
Underground Renewal



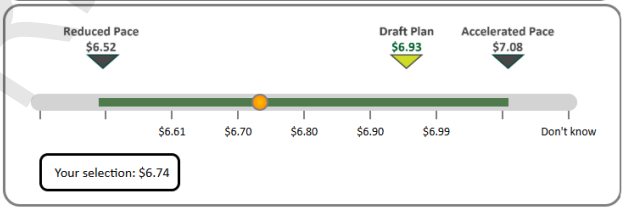
Meter Replacement & Renewal



Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand



Enabling Resiliency & Modernization

Next

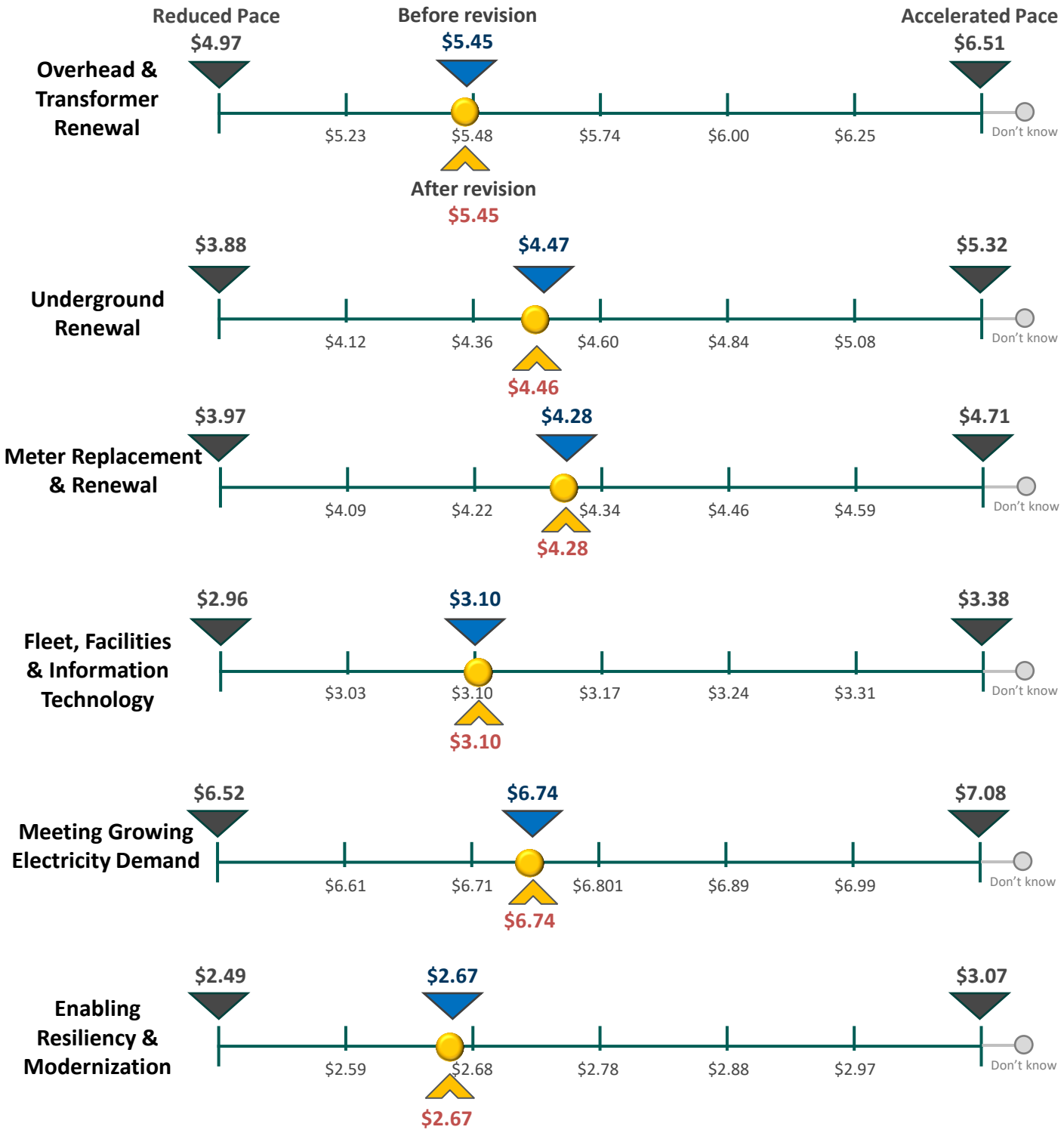
The total impact of your choices would result in an estimated:
$26.68 more on your monthly bill by 2031.

WORKBOOK PAGE

Phase II Online Survey
Calculator Values

GS<50

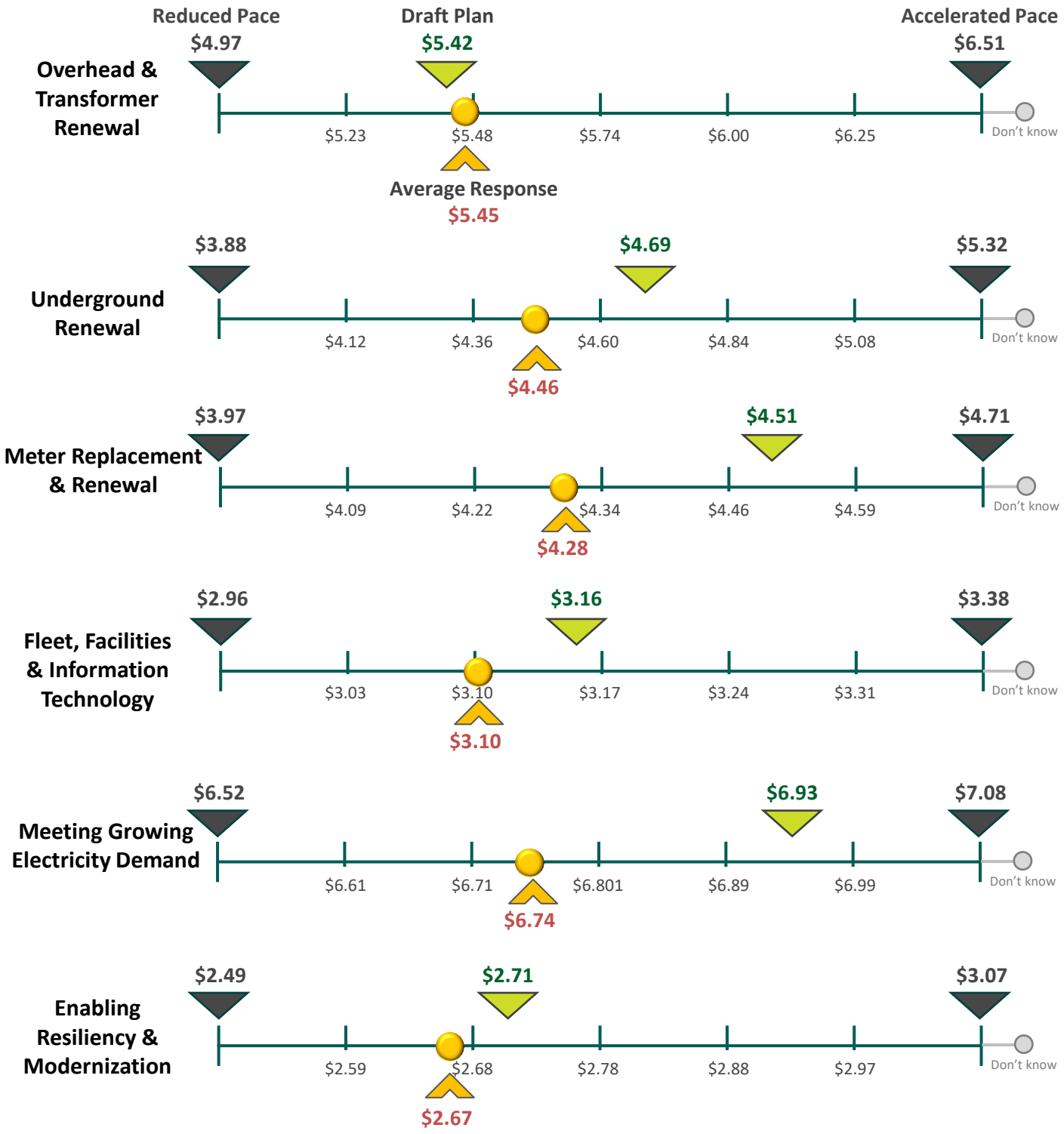
This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.



Phase II Online Survey
Calculator Values

GS<50

This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.

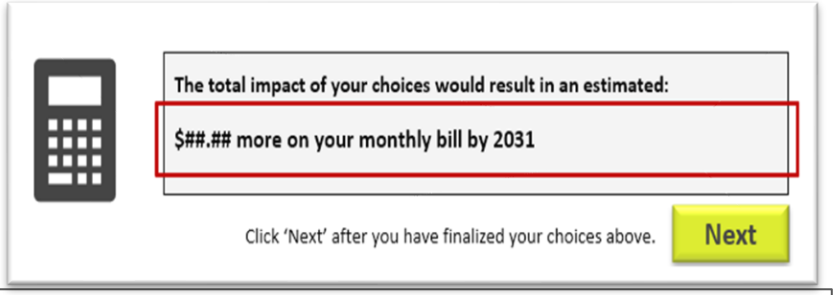


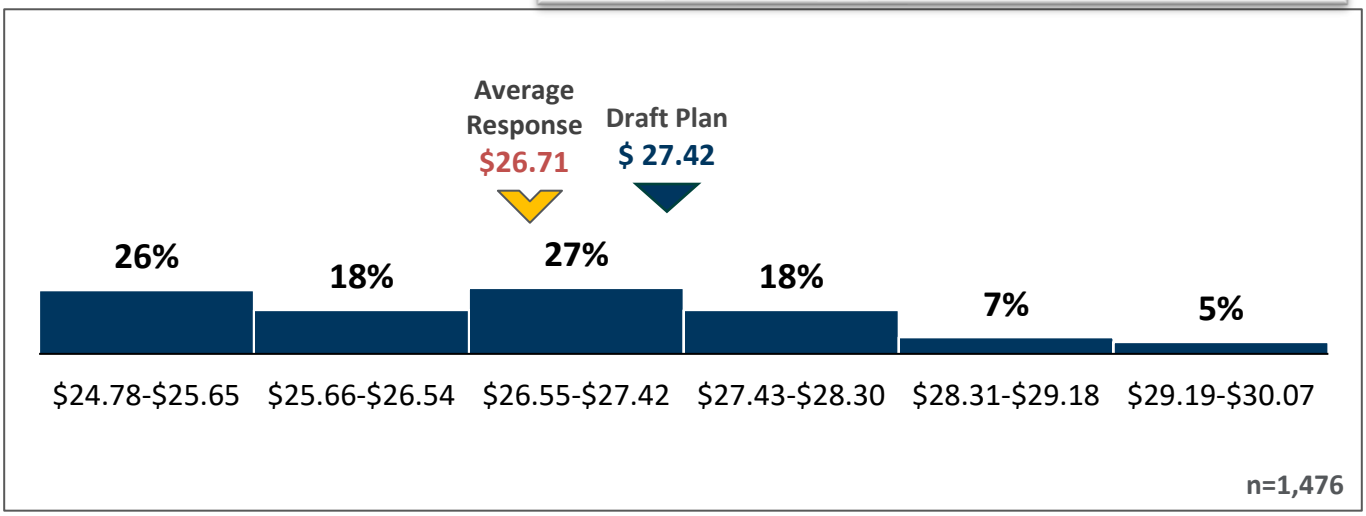
Phase II Online Survey
Calculator Values

GS<50

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

The chart below shows the distribution of the draft plan options, highlighting the frequency by ranges.





	Overall	Rate Zone BRZ	ERZ	GRZ	HRZ	PRZ
Above plan	20%	14%	23%	36%	20%	19%
On plan	22%	25%	18%	16%	20%	25%
Below plan	58%	62%	59%	48%	59%	57%
TOTAL On plan + Above plan	**42%**	**38%**	**41%**	**52%**	**41%**	**43%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Calculator Values

GS<50

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Above plan	20%	19%	20%	21%	22%
On plan	22%	22%	23%	19%	24%
Below plan	58%	59%	58%	60%	54%
TOTAL On Plan + Above Plan	**42%**	**41%**	**42%**	**40%**	**46%**

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

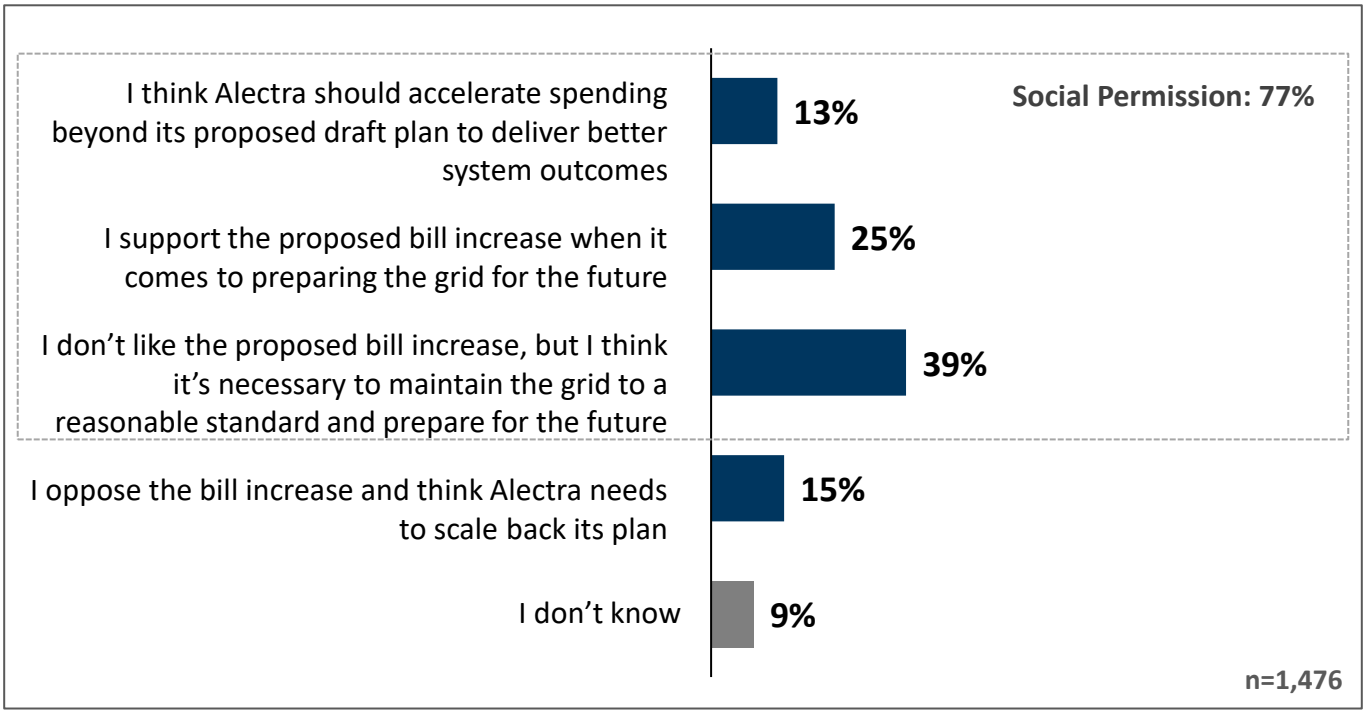
Phase II Online Survey
Social Permission

GS<50

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$26.71 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



	Overall	Rate Zone				
		BRZ	ERZ	GRZ	HRZ	PRZ
Accelerate spending	13%	19%	13%	17%	8%	14%
Support proposed bill	25%	20%	26%	36%	25%	24%
Necessary to maintain the grid	39%	36%	39%	22%	45%	39%
Oppose the bill increase	15%	15%	15%	19%	13%	15%
Don't know	9%	10%	8%	7%	10%	8%
Social Permission	**77%**	**75%**	**77%**	**74%**	**77%**	**77%**

Phase II Online Survey
Social Permission

GS<50

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

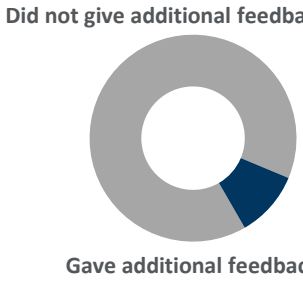
Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$26.71 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Accelerate spending	13%	12%	10%	13%	18%
Support proposed bill	25%	24%	26%	25%	23%
Necessary to maintain the grid	39%	40%	42%	39%	36%
Oppose the bill increase	15%	16%	13%	17%	12%
Don't know	9%	8%	9%	7%	11%
Social Permission	**77%**	**76%**	**78%**	**76%**	**78%**

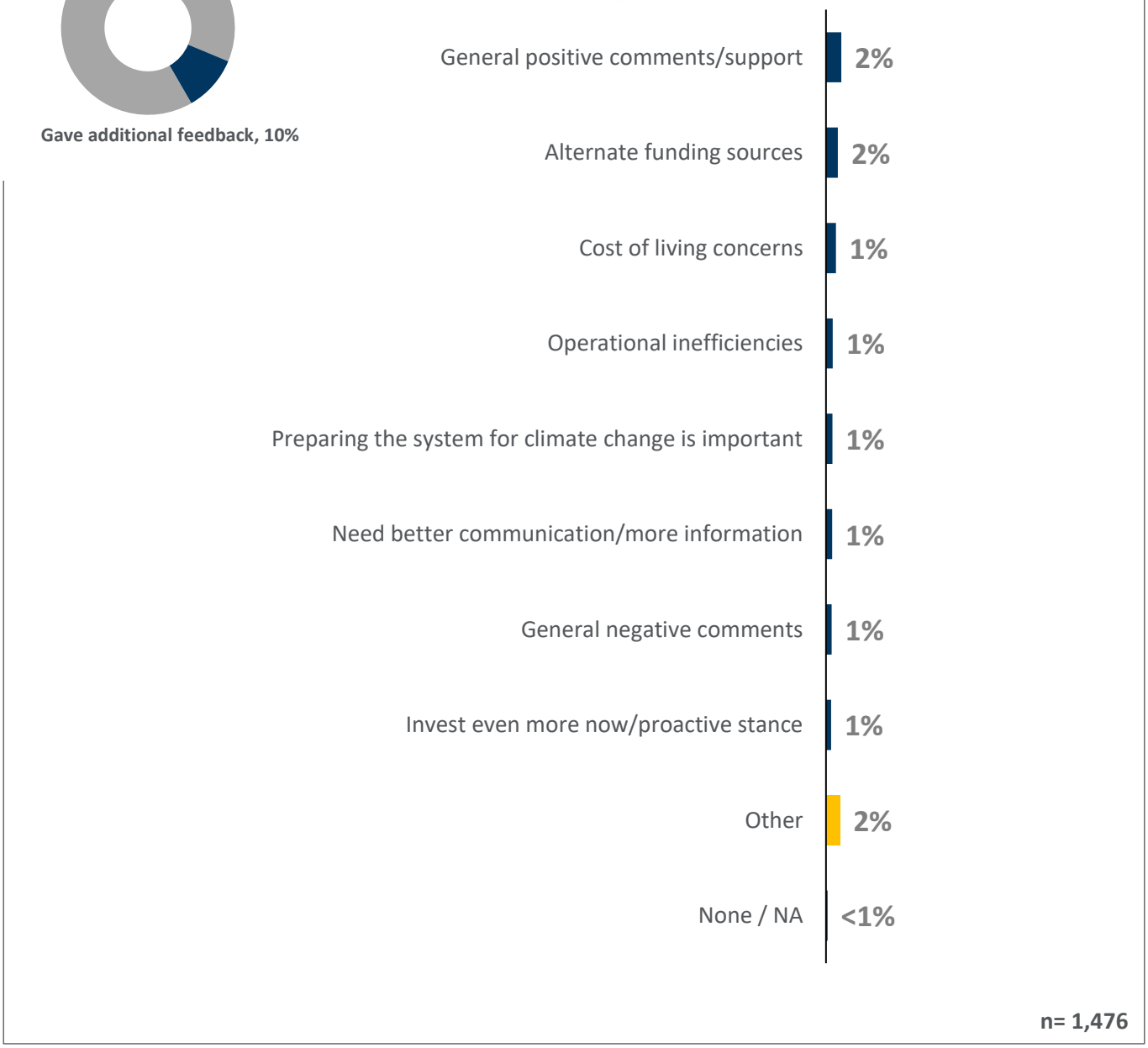
Phase II Online Survey
Social Permission

GS<50

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]



alectra utilities



INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Social Permission

GS<50

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims
General positive comments/support
"Get everything up to speed and improve the infrastructure as soon as possible."
Alternate funding sources
"Find another way to fund and stop downloading onto customers."
Cost of living concerns
"Ontarians are choking on prices. Many starve and have nothing to eat. I believe Alectra should be doing all the upgrades at own cost."
Operational inefficiencies
"You can fix things without raising prices. There are so many ways to reduce costs, look for efficiencies before raising prices."
Preparing the system for climate change is important
"We need our electricity to stand the test of time through any environmental factors, weather, storms, outages etc."
Need better communication/more information
"It is important for the company to be transparent and accountable for $'s spent on these projects. Make sure the outcomes are clearly laid and stick to the budgeted $'s. We all have budgets to live with and also have limited resources."
General negative comments
"I oppose the bill increase and think Alectra needs to scale back its plan."
Invest even more now/proactive stance
"It is better to perform above the draft plan in order to be more proactive. I support this enhanced spending."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

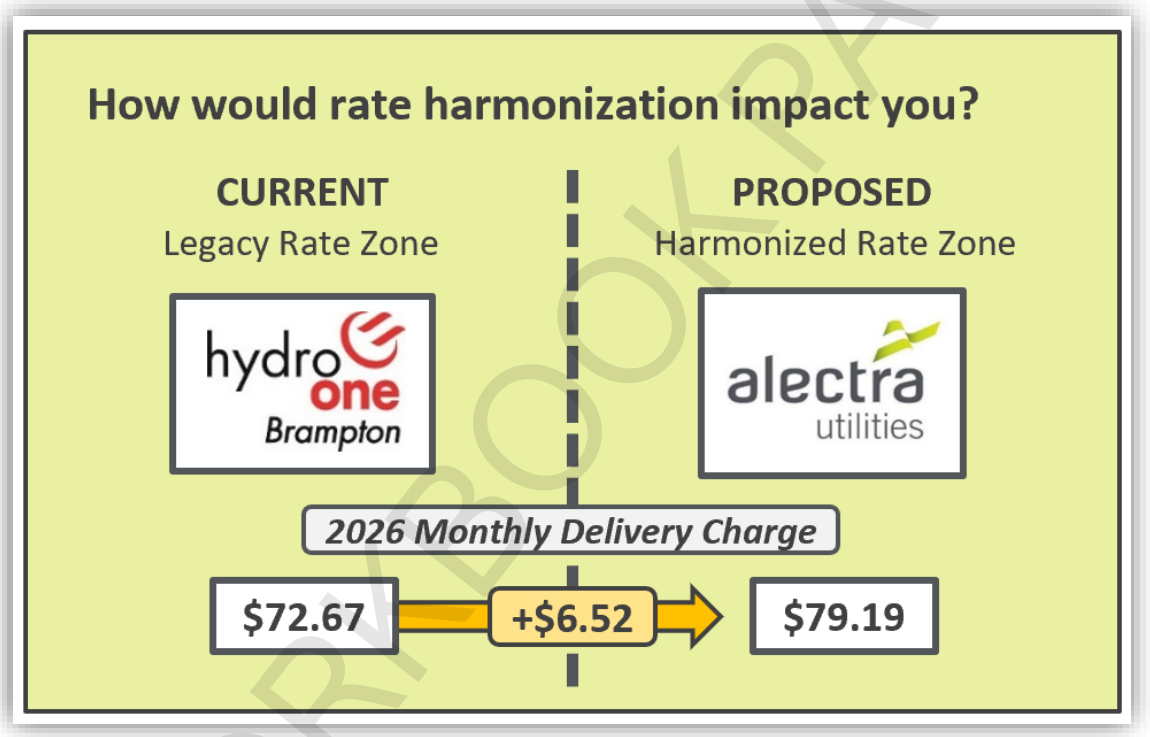
Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – BRZ Version

GS<50

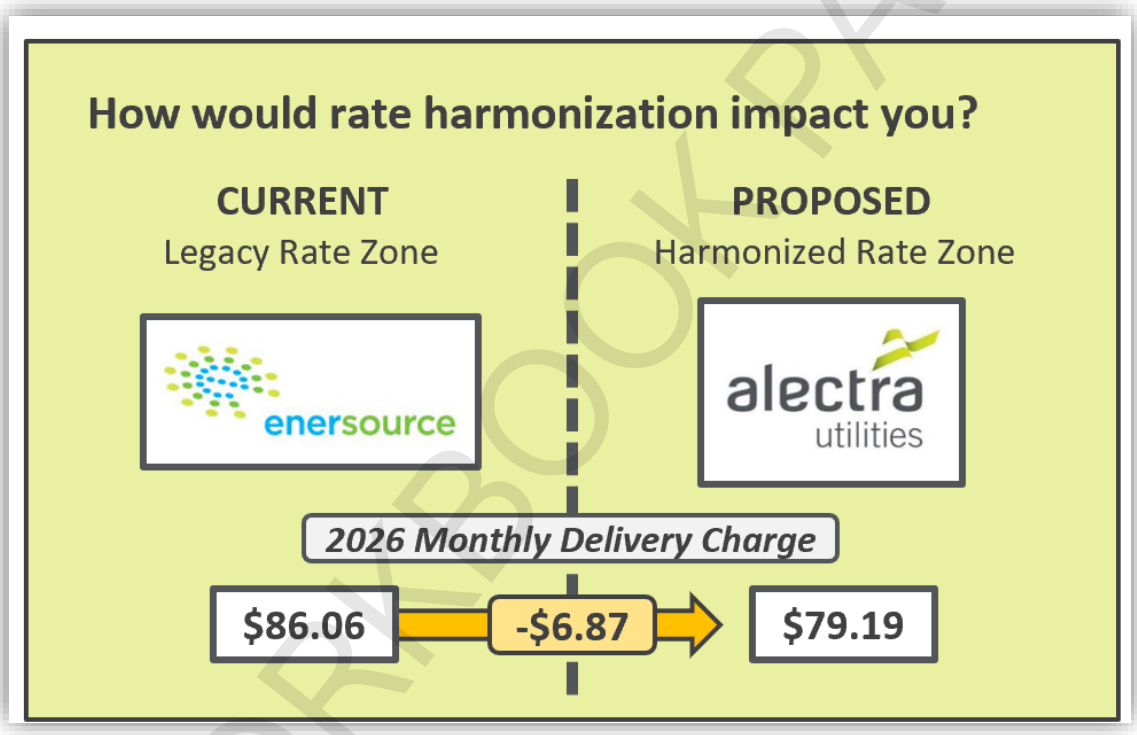


WORKBOOK PAGE

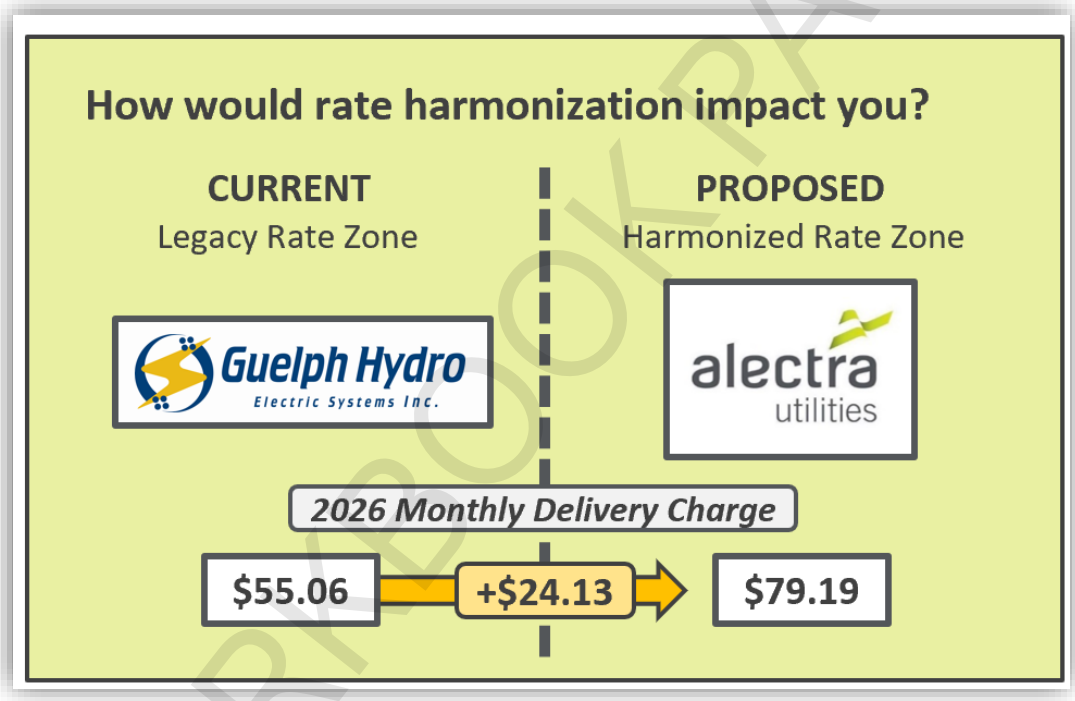
Phase II Online Survey

Workbook Page 17 (cont.) – ERZ Version

GS<50



WORKBOOK PAGE



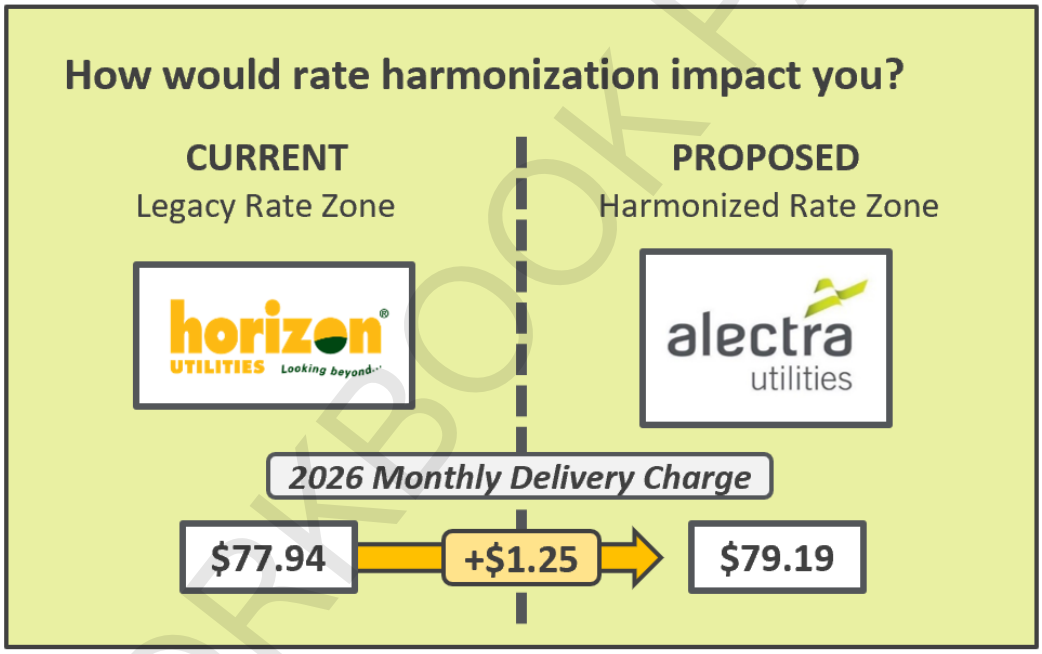
WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – HRZ Version

GS<50

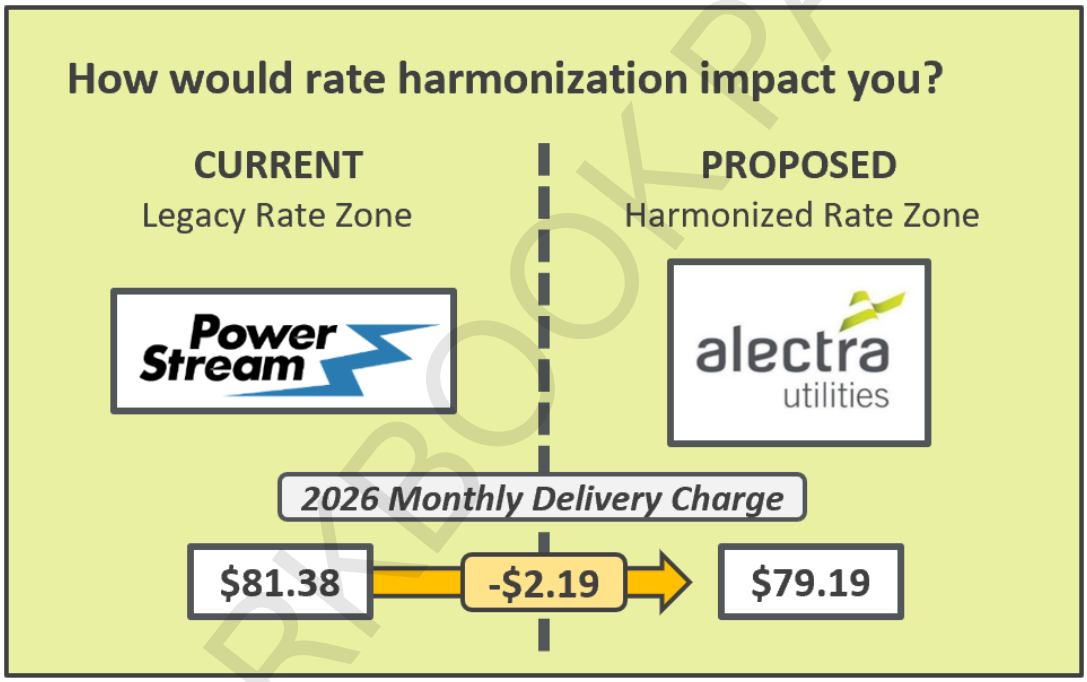
WORKBOOK PAGE



Phase II Online Survey

Workbook Page 17 (cont.) – PRZ Version

GS<50

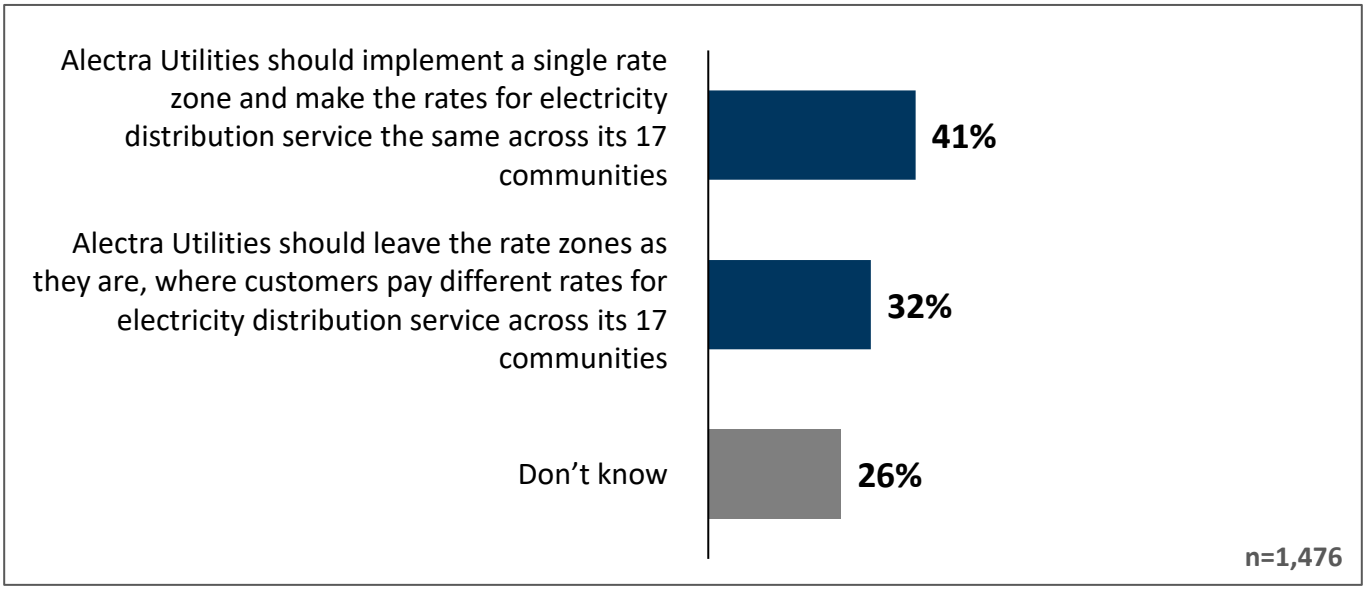


WORKBOOK PAGE

Phase II Online Survey
Rate Harmonization

GS<50

Q When it comes to Rate Harmonization, which statement is closest to your view?



	Overall	Rate Zone: BRZ	ERZ	GRZ	HRZ	PRZ
Implement a single rate zone	41%	42%	46%	20%	31%	45%
Leave the rate zones as they are	32%	31%	29%	59%	42%	27%
Don't know	26%	27%	25%	21%	28%	27%

	Overall	Consumption Quartiles: Low	Medium-Low	Medium-High	High
Implement a single rate zone	41%	38%	37%	46%	45%
Leave the rate zones as they are	32%	36%	33%	31%	30%
Don't know	26%	26%	30%	24%	26%

Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 18 (cont.)

GS<50

Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

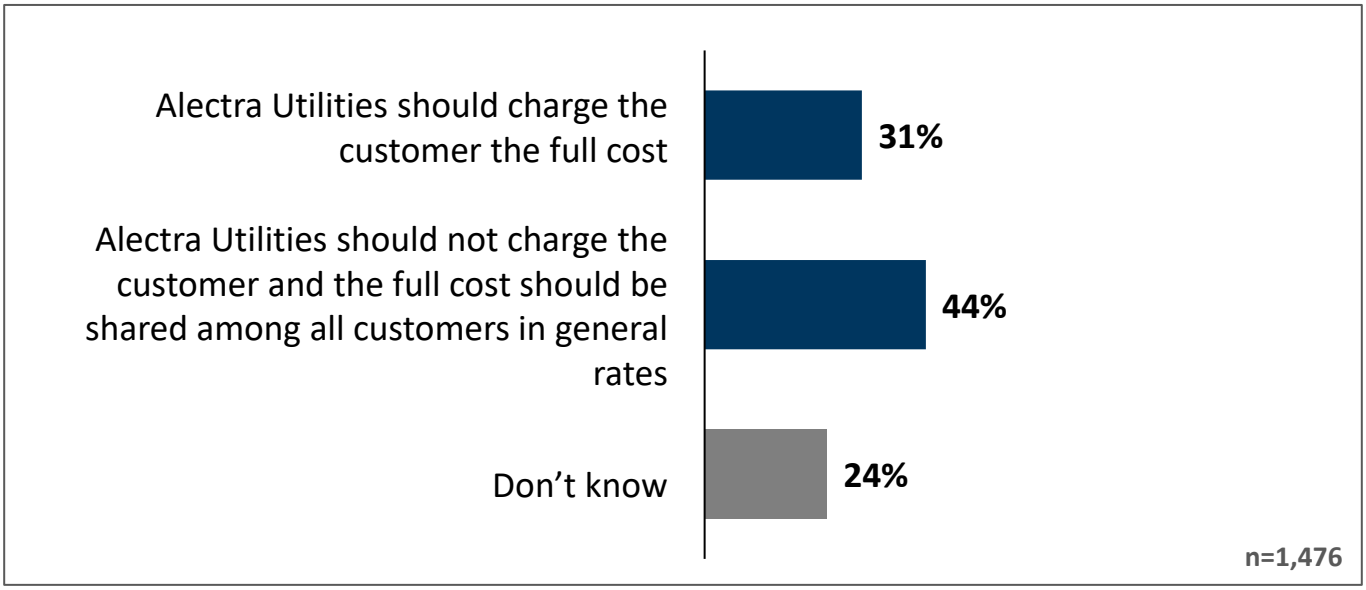
Note: These estimated charges are preliminary and subject to change

WORKBOOK PAGE

Phase II Online Survey
Specific Service Charges

GS<50

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?



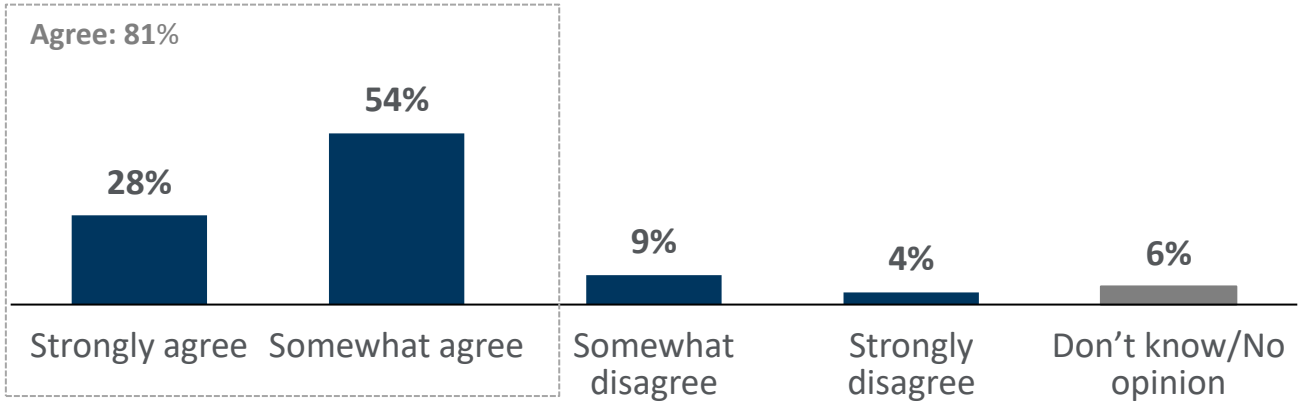
	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Charge the customer the full cost	31%	28%	30%	45%	35%	30%
Share the full cost among all customers	44%	49%	44%	30%	41%	46%
Don't know	24%	23%	26%	26%	24%	24%

	Consumption Quartiles				
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Charge the customer the full cost	31%	31%	34%	30%	31%
Share the full cost among all customers	44%	44%	43%	46%	44%
Don't know	24%	25%	23%	24%	25%

Phase II Online Survey
Customers and the Electricity System

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



n=1,476

	Overall	Rate Zone: BRZ	ERZ	GRZ	HRZ	PRZ
Strongly agree	28%	36%	35%	24%	24%	24%
Somewhat agree	54%	43%	49%	64%	57%	56%
Somewhat disagree	9%	10%	9%	2%	9%	10%
Strongly disagree	4%	6%	3%	4%	3%	4%
Don't know/No opinion	6%	4%	4%	7%	7%	6%
Agree (Strongly + Somewhat Agree)	**81%**	**79%**	**84%**	**87%**	**81%**	**80%**

Phase II Online Survey
Customers and the Electricity System

GS<50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

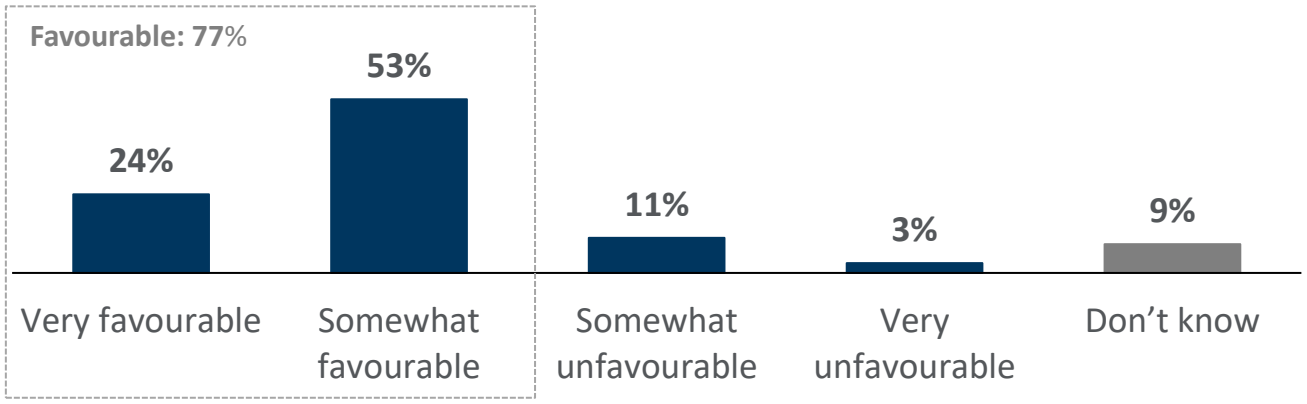
		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Strongly agree	28%	27%	27%	29%	28%
Somewhat agree	54%	52%	56%	52%	55%
Somewhat disagree	9%	11%	7%	10%	8%
Strongly disagree	4%	4%	3%	5%	3%
Don't know/No opinion	6%	6%	7%	4%	6%
Agree (Strongly + Somewhat Agree)	**81%**	**79%**	**83%**	**80%**	**83%**

WORKBOOK PAGE

Phase II Online Survey
Workbook Impression

GS<50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



n=1,476

	Rate Zone					
	Overall	**BRZ**	**ERZ**	**GRZ**	**HRZ**	**PRZ**
Very favourable	24%	27%	27%	16%	21%	23%
Somewhat favourable	53%	52%	52%	56%	57%	52%
Somewhat unfavourable	11%	8%	8%	13%	12%	12%
Very unfavourable	3%	2%	2%	5%	2%	4%
Don't know	9%	9%	11%	9%	7%	8%
Favourable (Very + Somewhat Favourable)	**77%**	**80%**	**79%**	**73%**	**79%**	**76%**

Phase II Online Survey
Workbook Impression

GS<50

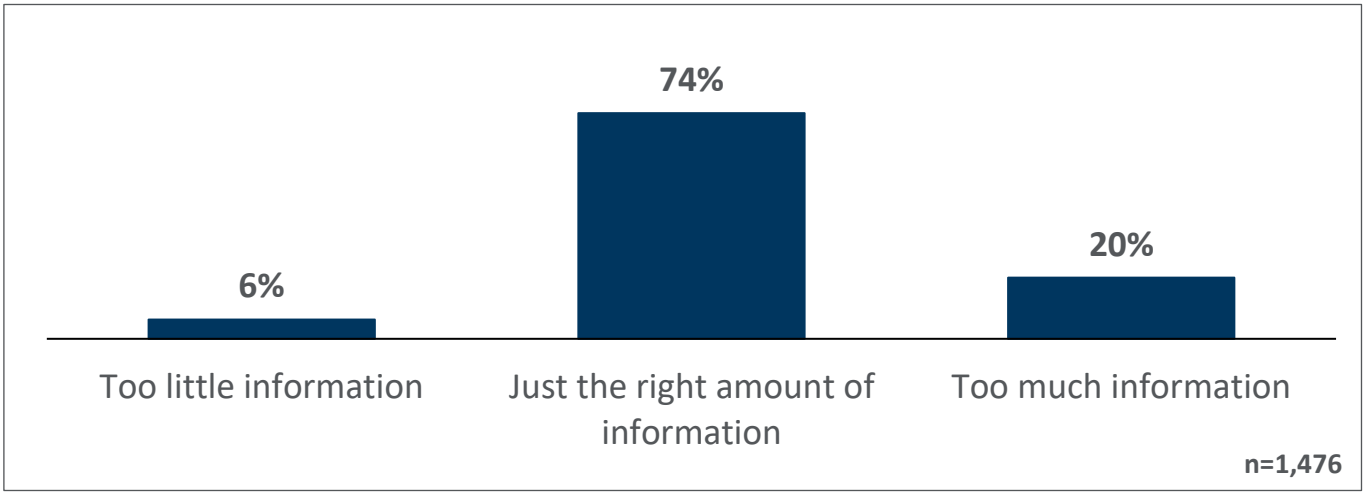
Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?

		Consumption Quartiles			
	Overall	**Low**	**Medium-Low**	**Medium-High**	**High**
Very favourable	24%	24%	21%	27%	25%
Somewhat favourable	53%	49%	57%	51%	57%
Somewhat unfavourable	11%	14%	9%	10%	10%
Very unfavourable	3%	4%	4%	2%	2%
Don't know	9%	9%	10%	10%	6%
Favourable (Very + Somewhat Favourable)	**77%**	**73%**	**77%**	**78%**	**82%**

Phase II Online Survey
Amount of Information

GS<50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



Rate Zone

	Overall	BRZ	ERZ	GRZ	HRZ	PRZ
Too little information	6%	7%	7%	2%	6%	7%
Just the right amount of information	74%	72%	75%	80%	74%	73%
Too much information	20%	21%	19%	18%	20%	20%

Consumption Quartiles

	Overall	Low	Medium-Low	Medium-High	High
Too little information	6%	6%	4%	6%	9%
Just the right amount of information	74%	70%	77%	73%	74%
Too much information	20%	23%	19%	21%	16%

Phase II Online Survey
Content Missing

GS<50

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

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More information/breakdown/examples on the costs/plan/bill, future incentives, past data	2%
Confusing navitation/unclear wording/bias towards rate increases/poorly designed survey	1%
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact	1%
Issues with billing/communication/meter reading/customer service	1%
General approval	1%
Operational efficiencies (salaries, spending, profits) and accountability	<1%
Environmental sustainability, info/opinion about EVs/charging	<1%
Energy rebate/incentive programs/benefits programs (seniors, retirees)	<1%
Other	1%
None / NA	1%

n= 1,476

Phase II Online Survey
Content Missing

GS<50

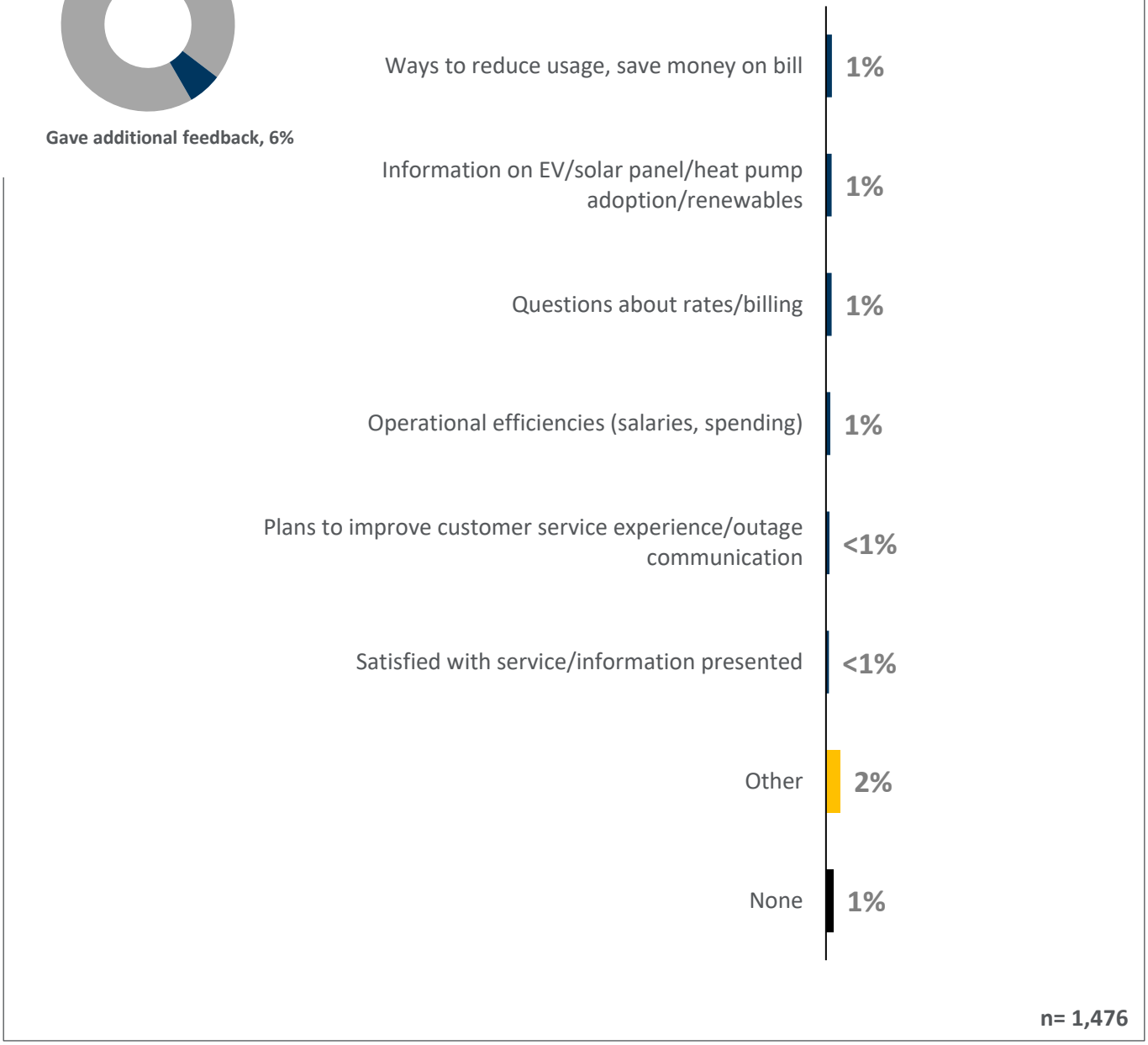
Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
More information/breakdown/examples on the costs/plan/bill, future incentives, past data
"We would like to know more about how you invest in technology to reduce the needs of energy in the next decade."
Confusing navigation/unclear wording/bias towards rate increases/poorly designed survey
"I think the survey background information was a bit biased toward the draft plan that Alectra has already put forward."
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact
"All we want to see is lower prices."
Issues with billing/communication/meter reading/customer service
"Communication is poor. It takes more than 2 weeks to get email answered. You need a live chat."
General approval
"I think all the valid and pertinent issues were well covered in this survey for future planning."
Operational efficiencies (salaries, spending, profits) and accountability
"Keeping the wage/employment costs down would help all your customers to pay less."
Environmental sustainability, info/opinion about EVs/charging
"I would like to know more about how Alectra plans to operate in more environmentally friendly ways."
Energy rebate/incentive programs/benefits programs (seniors, retirees)
"There is no consideration for promoting Solar Energy installations by customers."

Phase II Online Survey
Final Questions

GS<50

Q Is there anything that you would still like answered? [OPEN]



Phase II Online Survey
Final Questions

GS<50

Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims
Ways to reduce usage, save money on bill
"Help the businesses out. We are suffering big time."
Information on EV/solar panel/heat pump adoption/renewables
"Can Alectra provide insight into solar and net metering? I am still unclear, after speaking to providers, what the official stance is from Alectra?"
Questions about rates/billing
"Need more clarity on why the delivery charge is so high each month."
Operational efficiencies (salaries, spending)
"Projects that were started 3 or more years ago that are not completed in our area."
Plans to improve customer service experience/outage communication
"Training on your personnel customer service"
Satisfied with service/information presented
"No, it's a great initiative by Alectra to survey."

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APPENDIX 10

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Phase II Customer Engagement
2027 Rebasing Application

GS>50 kW Online Workbook Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027–2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Phase II Online Survey
Survey Design & Methodology

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

GS>50 Online Survey Completes

11,405 of all 12,354 (92%) GS>50kW customer accounts provided Alectra with an email address. Removing duplicate email addresses leaves 5,780 unique email addresses.

After excluding unsubscribed and email opt-outs, all GS>50kW customers with an email address on Alectra's file received an email invitation to the **Phase II GS>50kW Online Survey**. The email invitation included a unique survey URL that linked back to their rate class, rate zone, and rate option. INNOVATIVE administered all email invitations and sent reminder emails, while Alectra's Customer Insights team conducted follow-up phone calls to encourage participation. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **November 15th and January 23rd, 2025**.

A total of **202** (unweighted) GS>50kW customers completed the Phase II online survey.

Analysis of the Open-Ended Questions

Similarly to the small business report, the open-ended questions in the GS>50kW report were manually coded. All responses were carefully reviewed and proofed to ensure consistency and accuracy throughout the analysis.

Incentives

All large business customers, including GS>50kW, and Large Use customers, who completed the survey were invited to enter a draw to win one of three prizes. Each prize consisted of a team breakfast or lunch up to a maximum value of $500.

Sample Weighting

The GS>50 online survey sample has been weighted proportionately by consumption quartile and rate zone in order to be **representative** of the broader Alectra service territory.

The table below summarizes the unweighted and weighted (in brackets) sample breakdown by consumption quartile.

Rate Zones		Consumption Quartiles			
	Total	**Low**	**Medium-Low**	**Medium-High**	**High**
Hydro One Brampton (BRZ)	27 (23)	6 (6)	4 (4)	4 (3)	13 (10)
Enersource (ERZ)	70 (61)	19 (19)	11 (11)	24 (18)	16 (12)
Guelph Hydro (GRZ)	4 (4)	1 (1)	2 (2)	0 (0)	1 (1)
Horizon (HRZ)	41 (24)	12 (8)	7 (5)	8 (4)	14 (7)
PowerStream (PRZ)	60 (67)	13 (17)	12 (16)	12 (12)	23 (23)
Entire Service Area (Total)	202 (180)	51 (52)	36 (38)	48 (37)	67 (53)

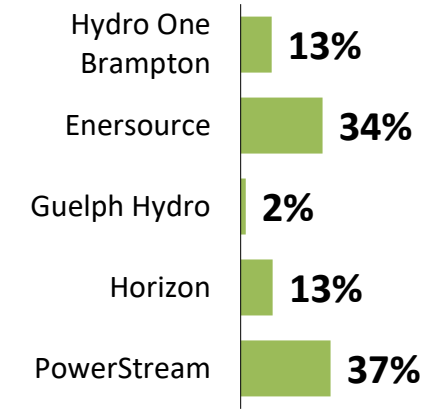
Crosstabulations

- For any weighted segment ≥ 30, results are generalizable. Readers are reminded that smaller subsamples have a greater margin of error than larger subsamples.
- For any weighted segments ≥ 10 and <30, results are directional. Results are reported in n sizes to remind readers they should use caution in generalising the results. Because the sample sizes of Hydro One Brampton and Horizon rate zones among GS>50 customers are limited (n=23 and n=24 respectively), the results by rate zone are presented in n sizes.
- For any weighted segments <10, results are suppressed. Because the sample size of Guelph Hydro rate zone among GS>50 customers is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

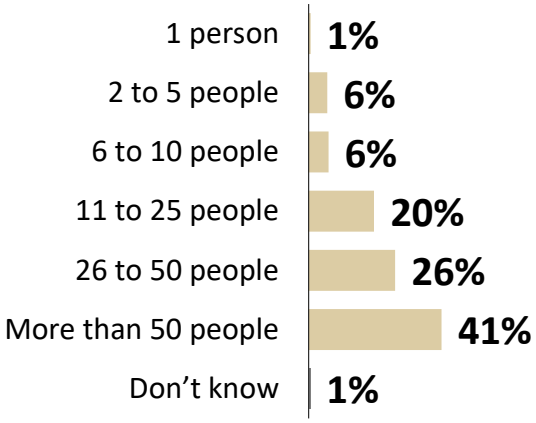
Phase II Online Survey
Firmographic Breakdown

GS>50

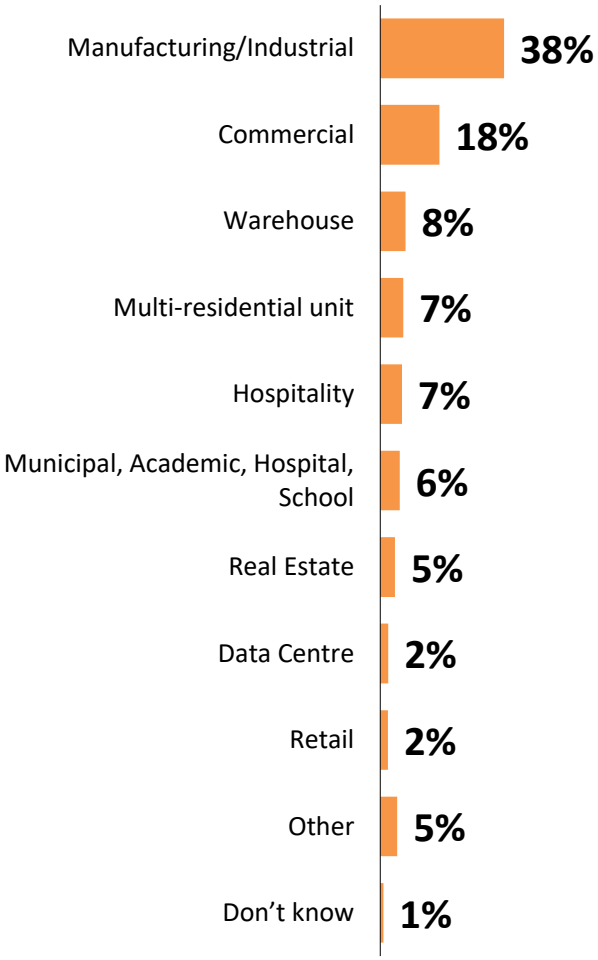
Rate Zone



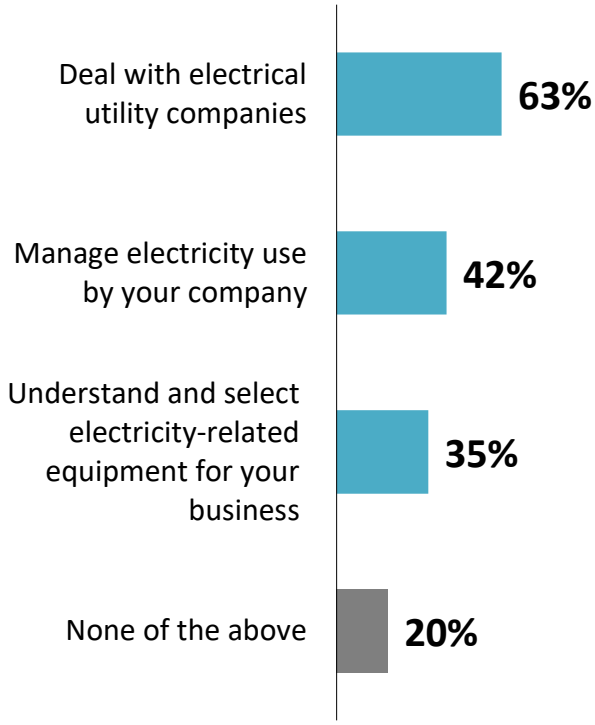
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total percentages in the chart add up to over 100%.

INNOVATIVE RESEARCH GROUP

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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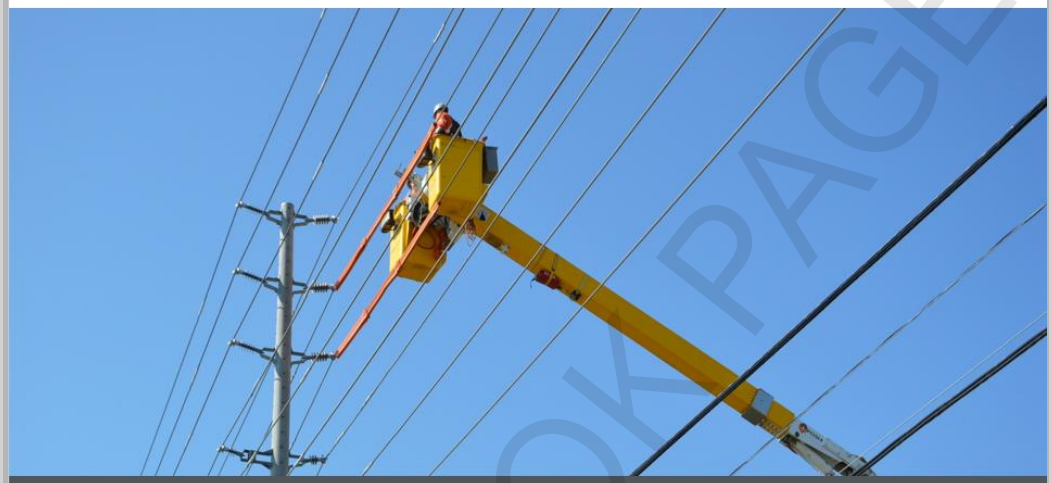
It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services your organization receives and the rates that you pay.



Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. **Your experience with Alectra and how they can do better.**
2. **What investments and spending decisions matter most to your organization.**

Those who complete the survey will be automatically entered into a draw to win 1 of 3 team breakfasts or lunches, each valued up to $500!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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CONTINUED FROM PREVIOUS

How will this survey work?

- This survey explains what Alectra does, how much of your organization's electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services your organization receives and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

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To start, here is a little background on Alectra

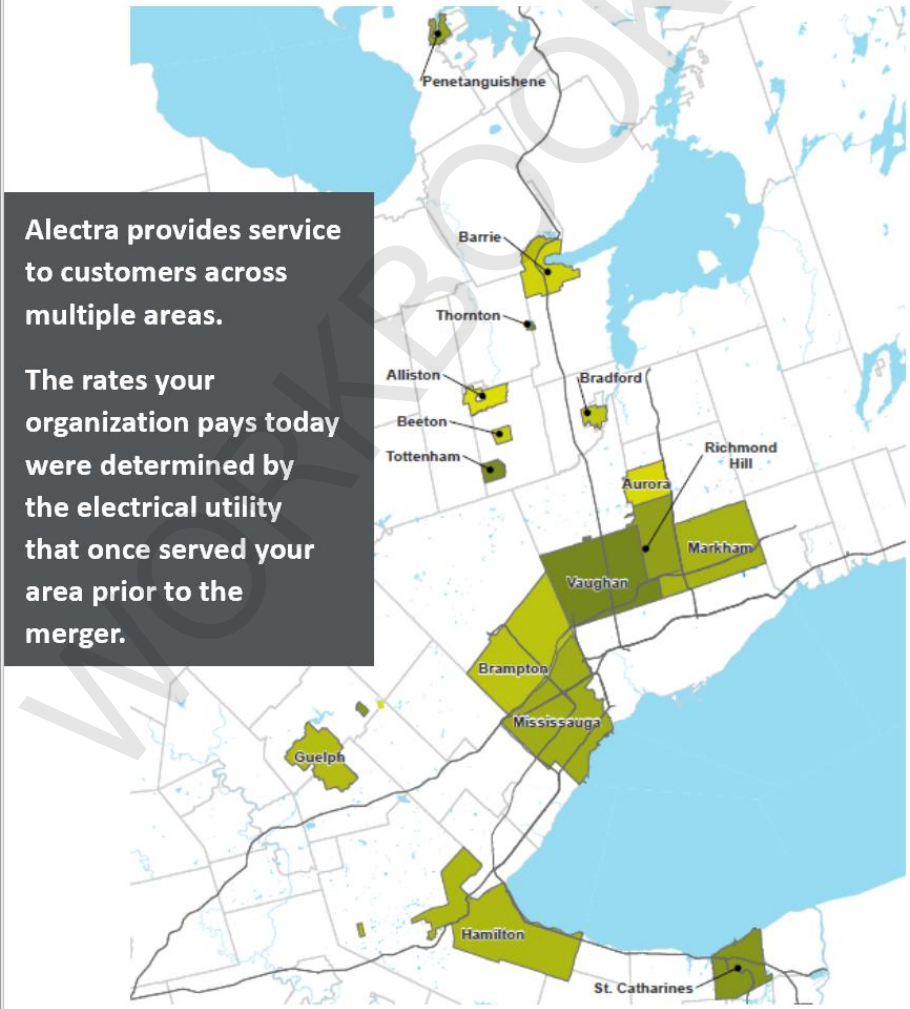
Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.

Alectra provides service to customers across multiple areas.

The rates your organization pays today were determined by the electrical utility that once served your area prior to the merger.

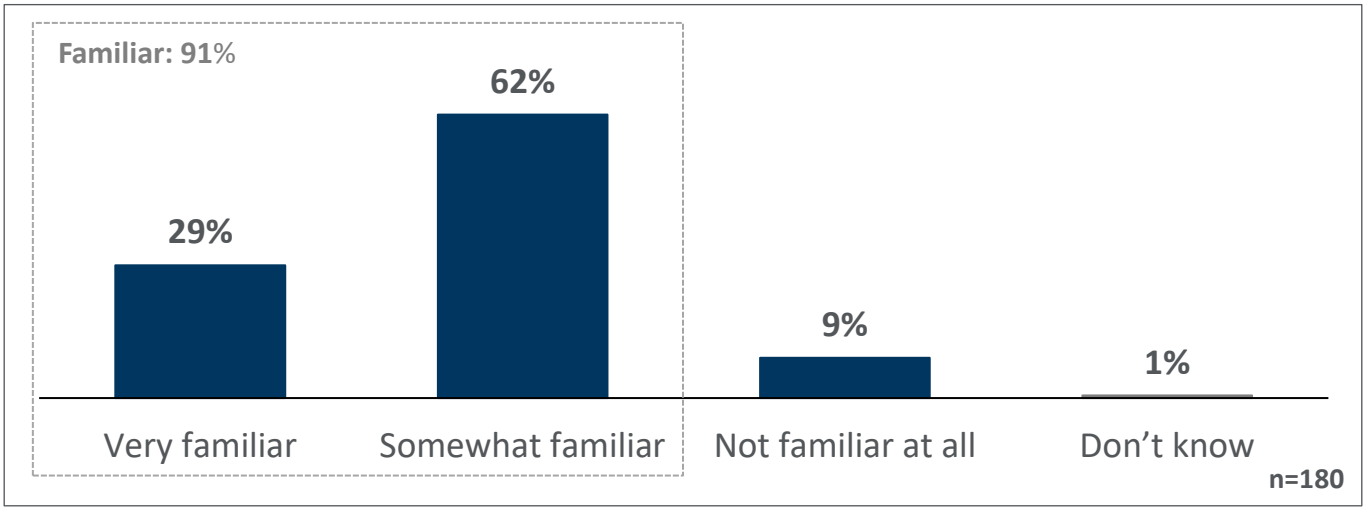


WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

GS>50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Very familiar	29%	10	19	3	19	30%	28%
Somewhat familiar	62%	12	37	20	40	57%	67%
Not familiar at all	9%	1	5	2	8	12%	5%
Don't know	1%	0	1	0	0	1%	0%
Familiar (Very + Somewhat Familiar)	**91%**	**22**	**55**	**22**	**59**	**87%**	**95%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

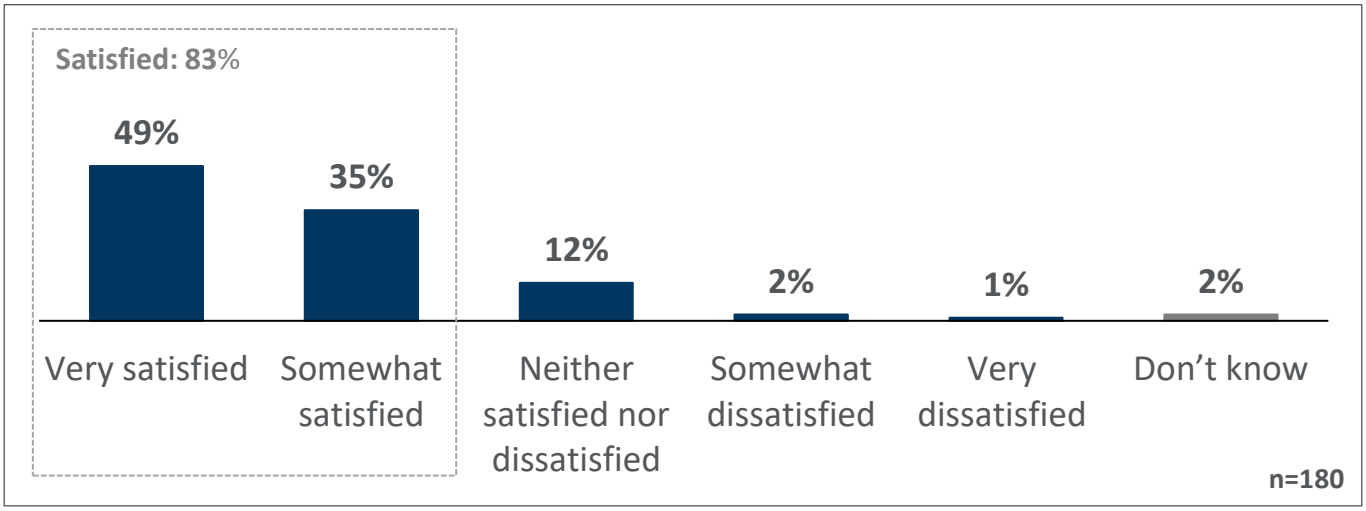
- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

GS>50

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



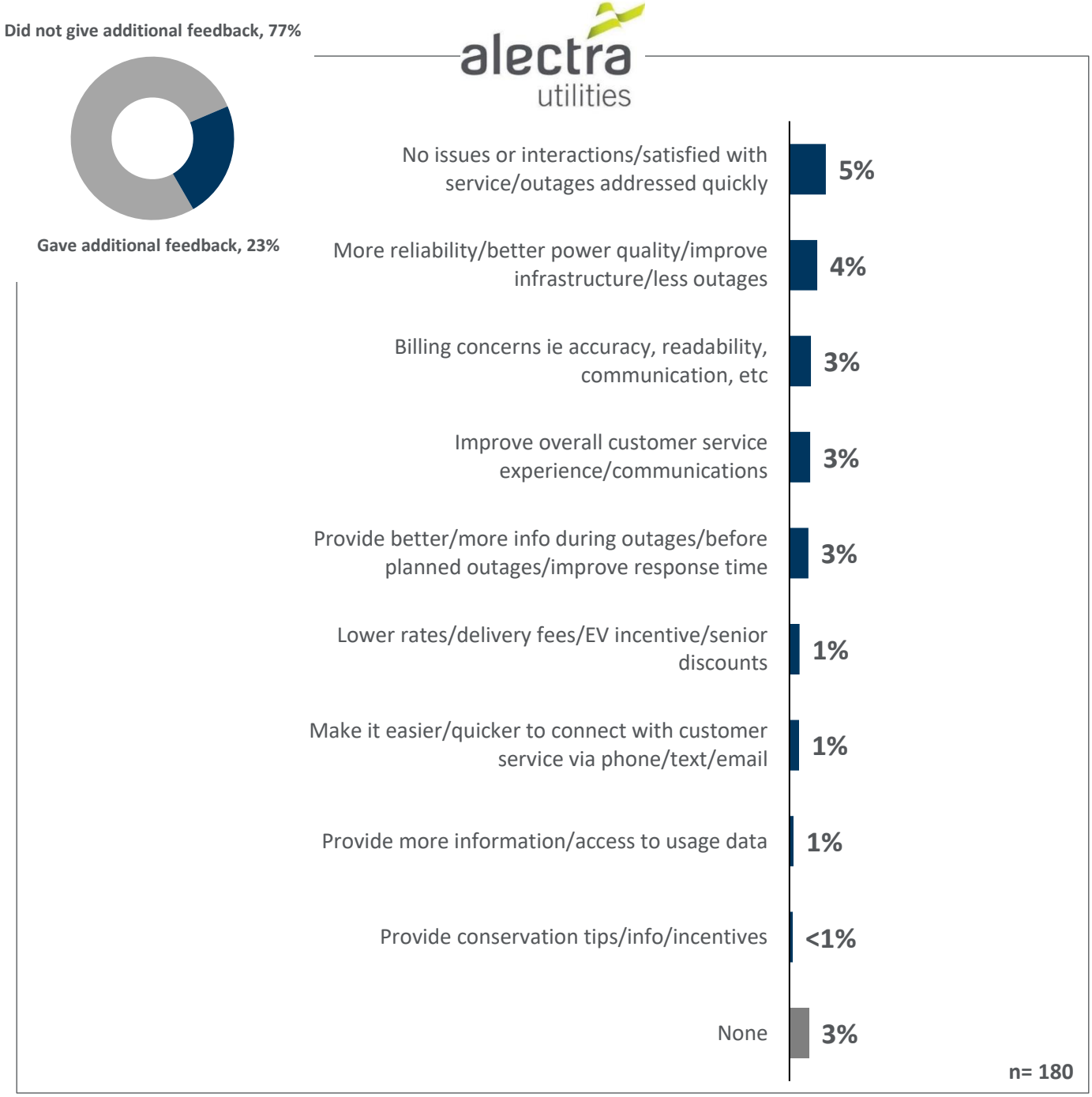
		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Very satisfied	49%	13	36	9	28	44%	53%
Somewhat satisfied	35%	5	18	11	26	37%	33%
Neither satisfied nor dissatisfied	12%	3	5	3	9	12%	12%
Somewhat dissatisfied	2%	1	0	1	1	1%	2%
Very dissatisfied	1%	0	1	0	1	1%	1%
Don't know	2%	1	1	0	1	4%	0%
Satisfied (Very + Somewhat)	**83%**	**18**	**54**	**20**	**54**	**81%**	**85%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Areas of Improvement

GS>50

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your organization's needs? [OPEN]



Phase II Online Survey
Areas of Improvement

GS>50

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your organization's needs? [OPEN]

Sample Verbatims
No issues or interactions/satisfied with service/outages addressed quickly
"So far it has been doing a good job. Hope it keeps up."
More reliability/better power quality/improve infrastructure/less outages
"It would be good to have more stability in the grid. We get quite a lot of glitches and short power interruptions, so having a more resilient grid is important."
Billing concerns ie accuracy, readability, communication, etc
"Many organizations are going to more complicated programs for billing etc. Our suggestion is that operations follow the KISS rule. Keep it simply simple to receive bills and correspondence."
Improve overall customer service experience/communications
"Commercial accounts should allow for notification to more than one email recipient. Transfer of authorization on accounts should be more practical so that you make it easier for businesses to receive bills and pay you."
Provide better/more info during outages/before planned outages/improve response time
"When there is a power failure – [we] need response or automation to say the timeline."
Lower rates/delivery fees/EV incentive/senior discounts
"More visibility to how Alectra can assist with rebates, just like Enbridge Gas."
Make it easier/quicker to connect with customer service via phone/text/email
"Better ways to reach customer service or supervisor. Very frustrating when calling."
Provide more information/access to usage data
"Better understanding of organizational structure for the purposes of contacting most appropriate individuals promptly when requiring assistance/guidance on operations or connections."
Provide conservation tips/info/incentives
"Develop peak demand notification. I like workshops regarding how we can partner to save energy."

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 4% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

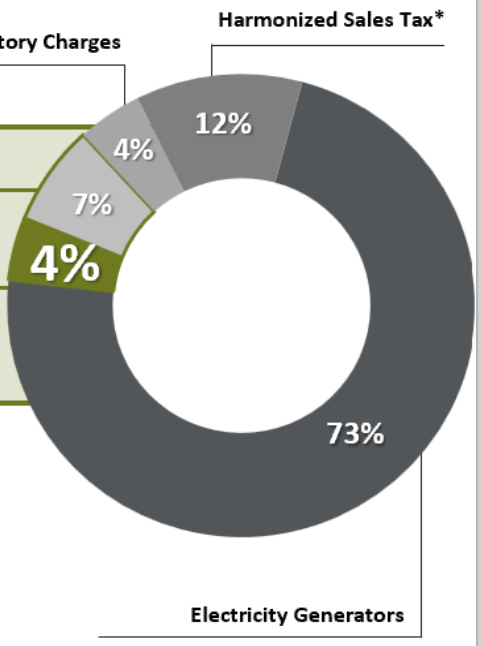
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 182,500 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	18,079.69
Delivery	2,839.48
Regulatory Charges	1,113.72
Total Electricity Charges	**$22,032.88**
HST	2,864.27
Total Amount	**$24,897.15**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,087.40



Note: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 11% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

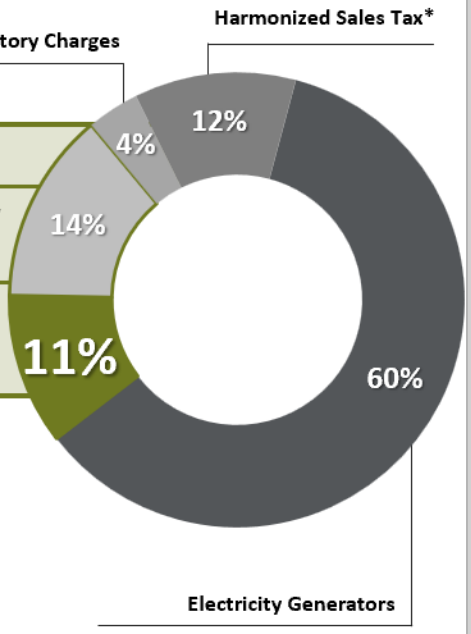
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 100,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	9,924.88
Delivery	4,005.40
Regulatory Charges	611.49
Total Electricity Charges	**$14,541.77**
HST	1,890.43
Total Amount	**$16,432.20**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,764.88



Note: Graph may not total 100% due to rounding.

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Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 4% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

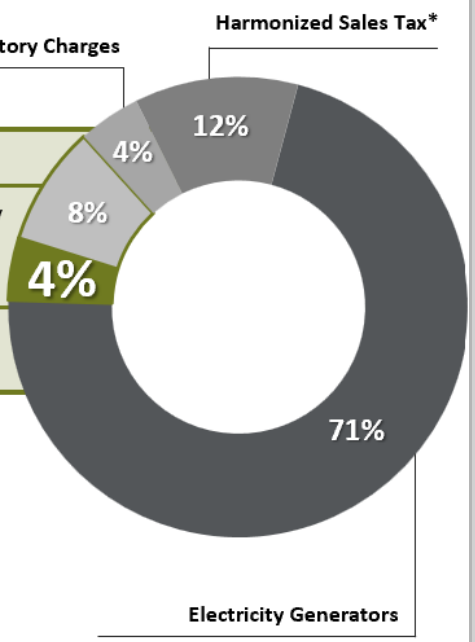
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 189,800 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	18,655.59
Delivery	3,345.35
Regulatory Charges	1,149.19
Total Electricity Charges	$23,150.12
HST	3,009.52
Total Amount	$26,159.64

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,141.51



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 7% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

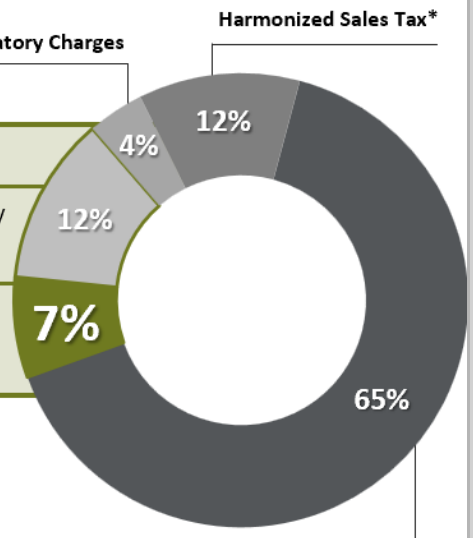
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 110,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	10,937.39
Delivery	3,203.61
Regulatory Charges	673.85
Total Electricity Charges	**$14,814.85**
HST	1,925.93
Total Amount	**$16,740.78**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,193.90



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 12% of the typical mid-sized or commercial/industrial customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 80,000 kWh)

Account Number:
000 000 000 000 0000

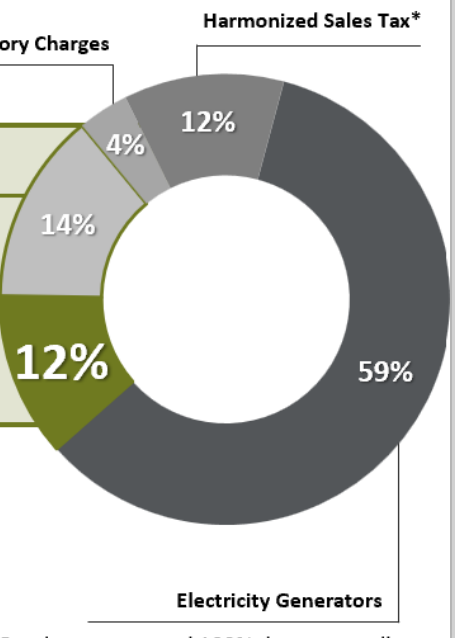
Meter Number:
00000000

Your Electricity Charges	
Electricity	7,946.80
Delivery	3,421.63
Regulatory Charges	489.67
Total Electricity Charges	$11,858.10
HST	1,541.55
Total Amount	$13,399.65

Delivery:

A. Transmission and Other Delivery

B. Distribution
Alectra Utilities' typical portion of the total bill is
$1,577.61

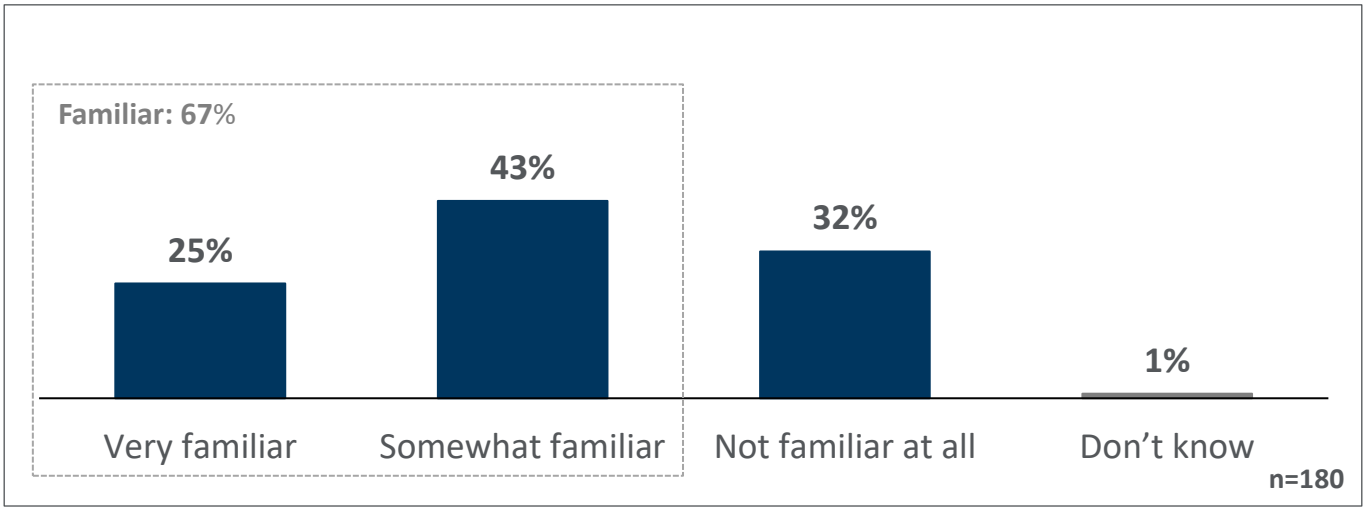


Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Very familiar	25%	5	16	4	19	21%	29%
Somewhat familiar	43%	10	24	12	29	38%	47%
Not familiar at all	32%	8	20	9	20	41%	23%
Don't know	1%	0	1	0	0	1%	0%
Familiar (Very + Somewhat Familiar)	**67%**	**15**	**40**	**15**	**48**	**58%**	**77%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ **1. Customers Identify Needs, Preferences and Priorities**
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ **2. Use Customer Feedback to Guide the Draft Plan**
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Phase II Online Survey

Familiarity with how Electricity Rates are set

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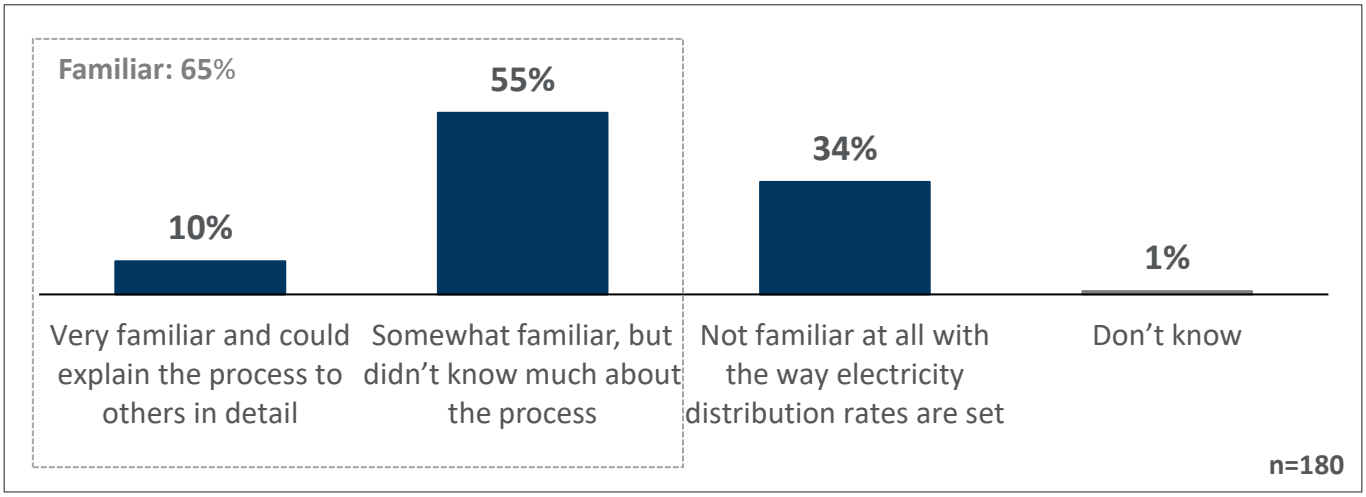
Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Very familiar	10%	4	6	1	9	9%	12%
Somewhat familiar	55%	9	30	18	37	48%	61%
Not familiar at all	34%	10	24	5	21	42%	26%
Don't know	1%	0	2	0	0	1%	1%
Familiar (Very + Somewhat Familiar)	**65%**	**13**	**36**	**19**	**46**	**57%**	**73%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

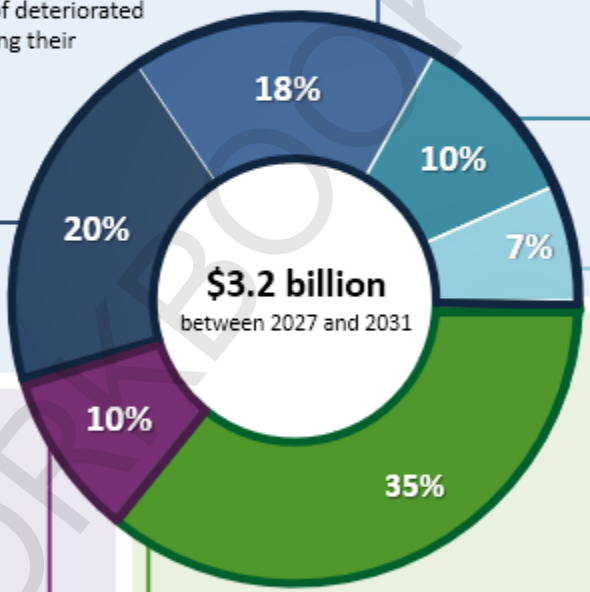
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



1. Overhead & Transformer Renewal
2. Underground Renewal
3. Meter Replacement & Renewal
4. Fleet, Facilities & Information Technology

10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,039.22 in 2026 to **$1,658.26 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$24,960.21	$1,039.22	$1,658.26	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

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2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$78,935.60	$2,432.70	$3,051.74	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

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Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,533.47 in 2026 to **$2,152.51 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$16,525.26	$1,533.47	$2,152.51	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

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2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$53,378.57	$2,916.21	$3,535.25	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,076.53 in 2026 to **$1,695.57 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$26,224.98	$1,076.53	$1,695.57	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,654.60 in 2026 to **$2,273.64 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$62,426.82	$1,654.60	$2,273.64	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,271.44 in 2026 to **$1,890.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$16,817.95	$1,271.44	$1,890.48	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average commercial customer** would see the distribution portion of their monthly electricity bill increase by **$619.04** from an estimated initial cost of $1,483.38 in 2026 to **$2,102.42 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$13,489.68	$1,483.38	$2,102.42	**$619.04**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical commercial customer is assumed to use 250kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

Phase II Online Survey
Cost of the Draft Plan

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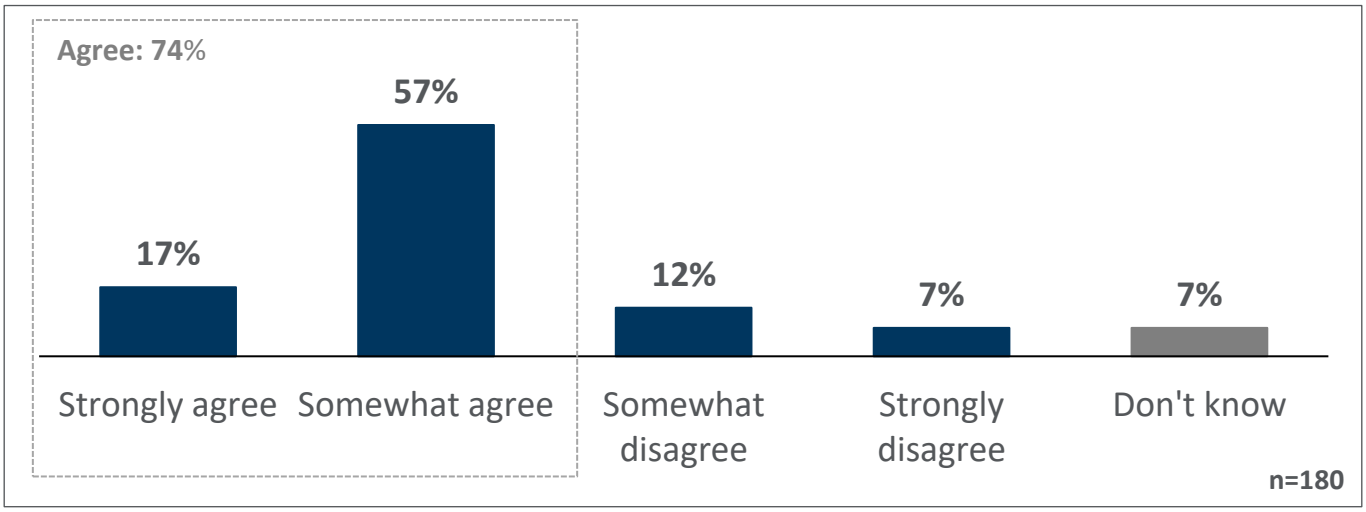
Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost my business.



		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Strongly agree	17%	5	8	4	12	14%	20%
Somewhat agree	57%	14	37	13	37	60%	55%
Somewhat disagree	12%	2	7	3	10	9%	16%
Strongly disagree	7%	2	3	3	5	8%	6%
Don't know /No opinion	7%	1	6	1	4	10%	4%
Agree (Strongly + Somewhat Agree)	**74%**	**19**	**46**	**17**	**49**	**74%**	**75%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.

$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

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Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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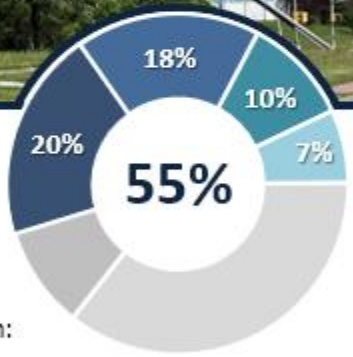
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

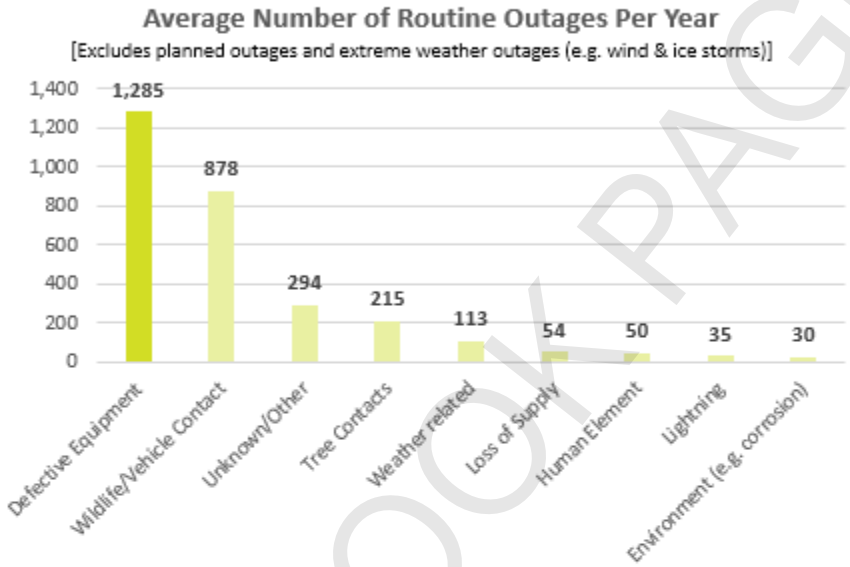
Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

WORKBOOK PAGE

Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. Next

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

1 Overhead & Transformer Renewal

Overview

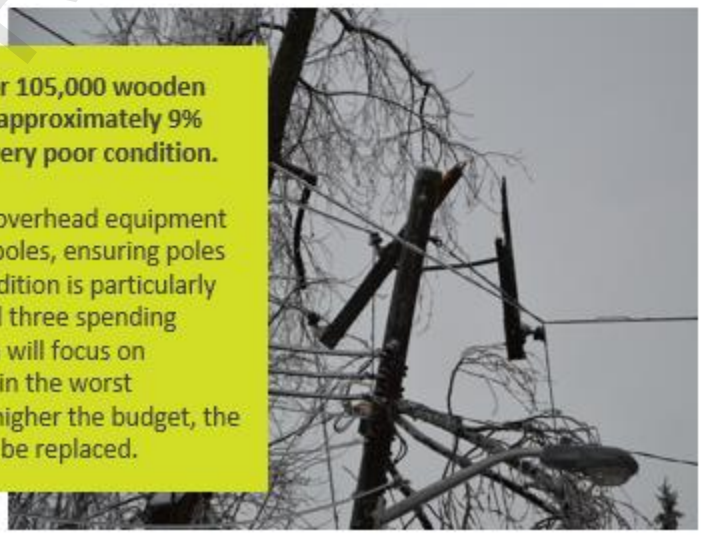
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK PAGE

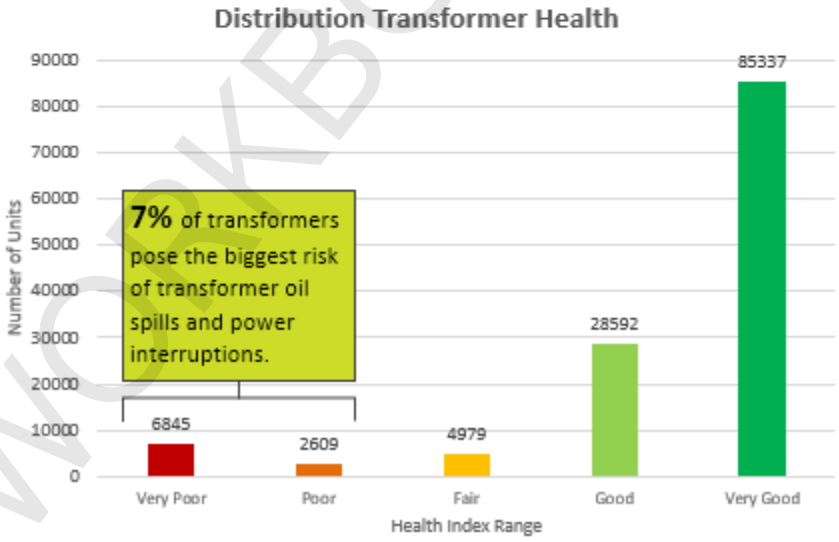
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.



WORKBOOK PAGE

Phase II Online Survey

Workbook Page 9 (cont.)

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Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.

Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$113.64	$122.39	$145.27

Reduced Pace $113.64 | Draft Plan $122.39 | Accelerated Pace $145.27

Make a selection

$118.91 | $124.18 | $129.46 | $134.73 | $140.00 | Don't know

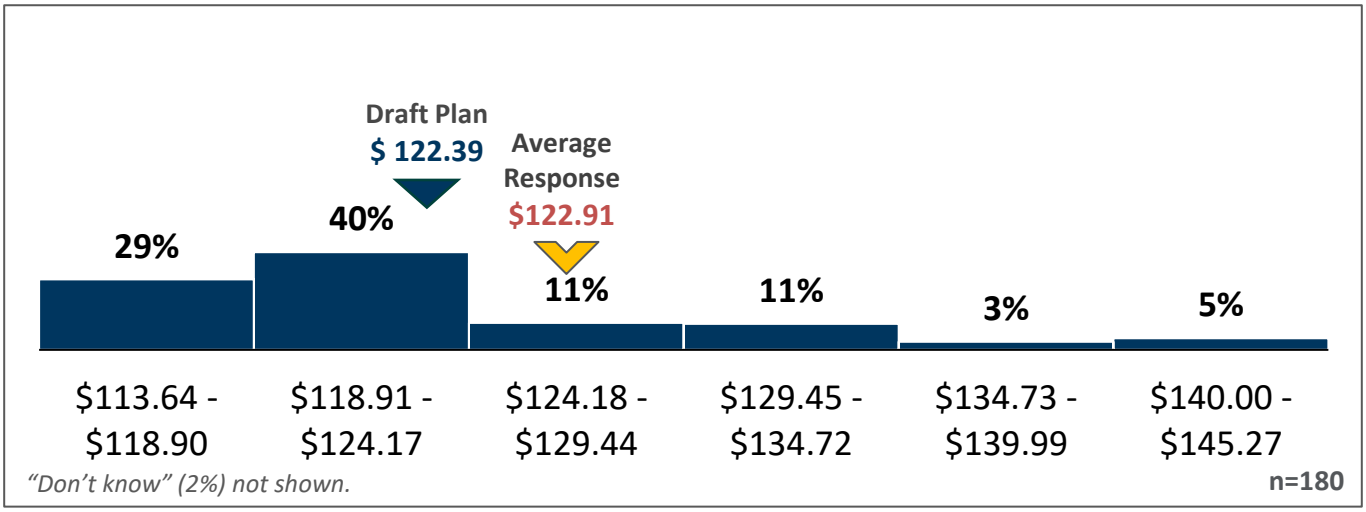
Your selection: $ --.--

WORKBOOK

Phase II Online Survey
Spending on Overhead Renewal

GS>50

Q How much should Alectra spend on Overhead Renewal?



"Don't know" (2%) not shown.

n=180

		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Above plan	30%	7	23	5	19	32%	29%
On plan	29%	8	15	9	18	26%	31%
Below plan	39%	8	23	9	28	41%	37%
Don't know	2%	0	1	1	2	1%	3%
TOTAL On plan + Above plan	**59%**	**15**	**38**	**14**	**37**	**58%**	**60%**

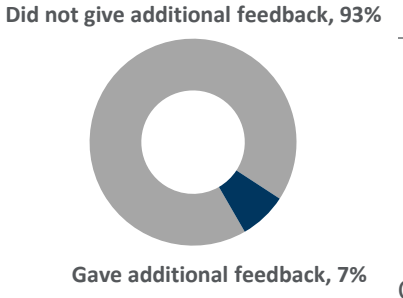
NOTE:

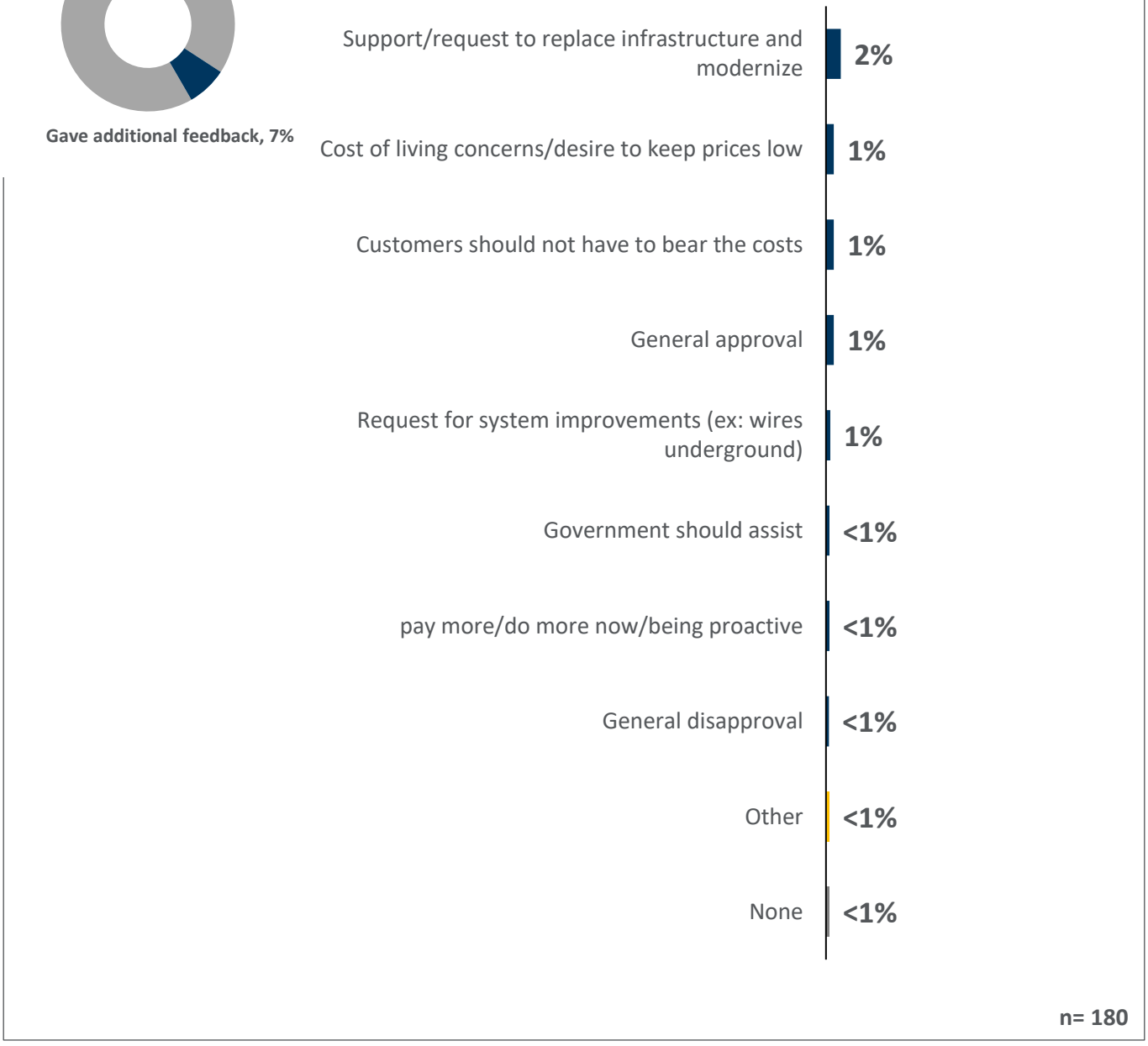
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.
- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Feedback on Overhead Renewal

GS>50

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]





Phase II Online Survey
Feedback on Overhead Renewal

GS>50

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims
Support/request to replace infrastructure and modernize
"Fixing equipment asap and having more reliable service is worth an additional $21 per month."
Cost of living concerns/desire to keep prices low
"I am a little wary of 'Accelerated.' If we pay up front - will the increases actually stop?"
Customers should not have to bear the costs
"Costs have risen substantially over the past few years and the general consensus is that this is due to overspending on infrastructure, privatization and signing costly 20-year deals with companies to generate energy. After all of this, how are we here with equipment in such a state of disrepair and how many times will consumers be sold the same story and be asked to fund this?"
General approval
"Looks good so far. I'm still not very familiar with it."
Request for system improvements (ex: wires underground)
"To meet the booming demand for energy and power for the AI age at the corner, please speed up the pace of improvement and new construction."
Government should assist
"There should be subsidy from the government."
Pay more/do more now/being proactive
"Due to the current climate change we should accelerate the upgrading."
General disapproval
"Replacements should be done only when necessary."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

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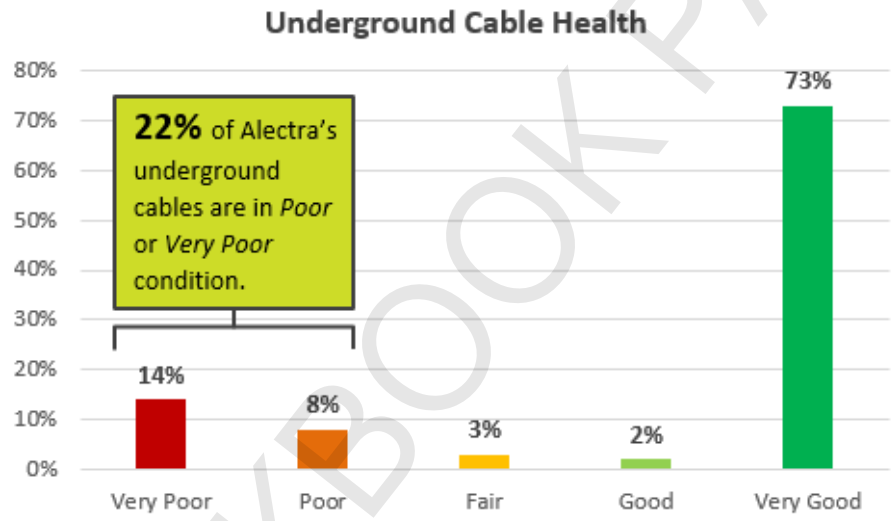
Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

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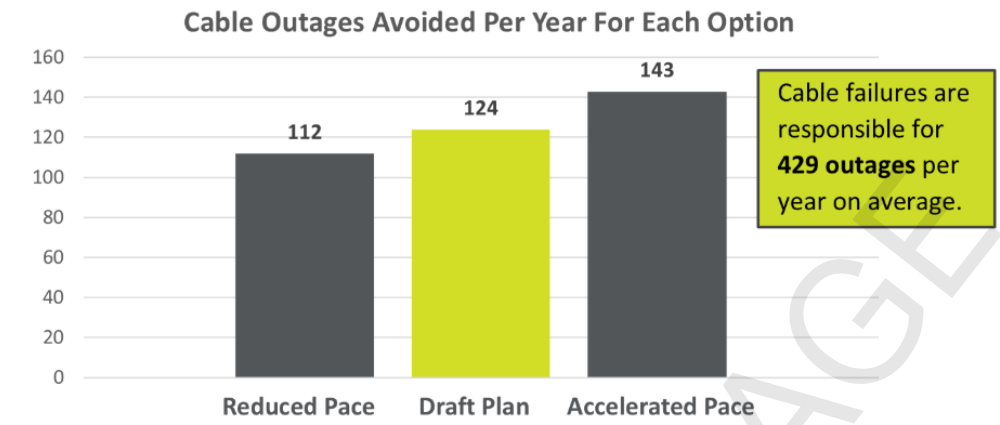
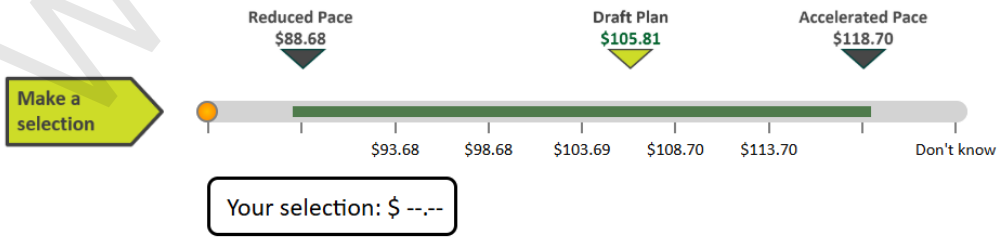


Choice 2 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Replace **517 km (10%)** of cables in poor and very poor condition to improve customer reliability by avoiding **112 outages**	Replace **683 km (13%)** of cables in poor and very poor condition to improve customer reliability by avoiding **124 outages**	Replace **900 km (17%)** of cables in poor and very poor condition to improve customer reliability by avoiding **143 outages**
Future Costs	Risk of higher future costs **(up to 45% higher)** to replace underground equipment in poor and very poor condition that will need to be addressed in the future	Lower future costs by addressing underground equipment in poor and very poor condition now	Significantly lower future costs by addressing more underground equipment in poor and very poor condition as Alectra will be able to do more work at a lower cost
Disruptions	Risk of frequent and unplanned disruptions for customers as crews address some backlog while focusing most of the budget on emergency repairs	Proactive approach to reducing the backlog of deteriorated cables, meaning less frequent disruptions for customers	A more proactive approach to reducing the backlog, as crews plan to replace large areas of cables, leading to fewer disruptions for customers
Rate Impact *per month by 2031*	$88.68	$105.81	$118.70



Your selection: $ --.--

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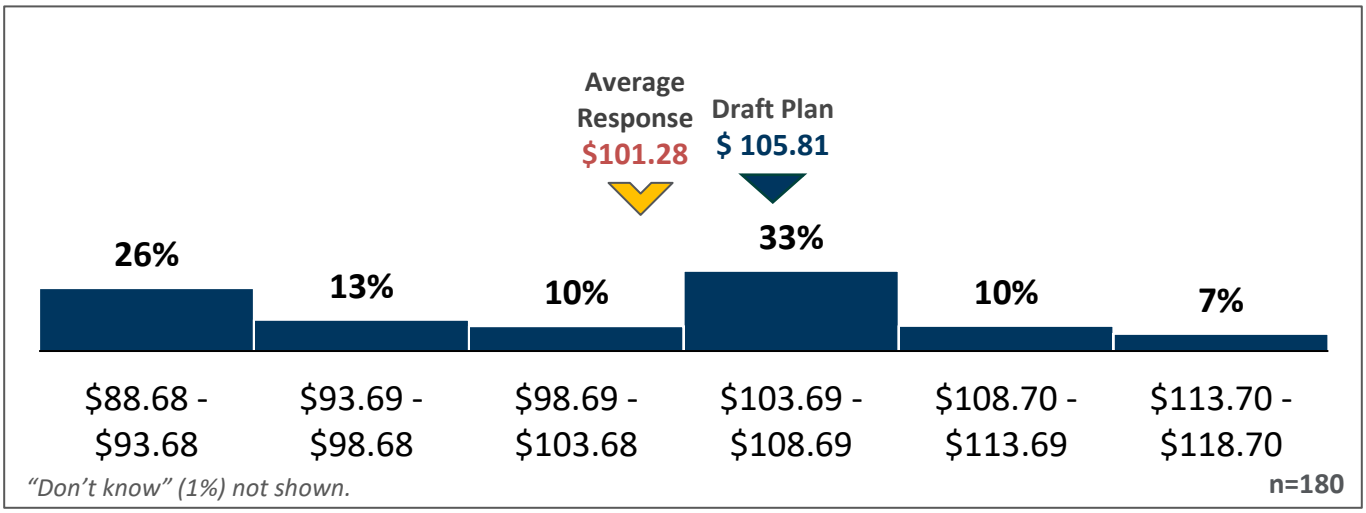
Phase II Online Survey
Spending on Underground Renewal

GS>50

Q How much should Alectra spend on Underground Renewal?



"Don't know" (1%) not shown.

n=180

		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Above plan	22%	6	14	5	14	21%	23%
On plan	27%	9	16	7	16	29%	25%
Below plan	50%	8	32	11	35	50%	50%
Don't know	1%	0	0	1	2	1%	2%
TOTAL On plan + Above plan	**49%**	**15**	**30**	**12**	**31**	**49%**	**48%**

NOTE:

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- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Feedback on Underground Renewal

GS>50

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

alectra utilities

Cost of living concerns/desire to keep prices low	1%
General disapproval	<1%
Operational inefficencies	<1%
Request for system improvements (ex: wires underground)	<1%
Weather implications	<1%
Other	1%
None	<1%

n= 180

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Phase II Online Survey
Feedback on Underground Renewal

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims
Cost of living concerns/desire to keep prices low
"I understand that infrastructure has to be replaces. I also believe, there has to be balanced approach and electricity cost can't increase too much. As this will drive inflation and increase cost leaving for all of us. Why infrastructure was not replaced when bank rates were very low. Loan could be secured for 1% in passed year."
General disapproval
"Underground cables are less concerned because they do not pose a safety concern except for outages that we can live with."
Operational inefficiencies
"Maintenance should have been included all along."
Request for system improvements (ex: wires underground)
"I suggest that Alectra replaces ALL underground cables that are in VERY poor condition."
Weather implications
"Much better to go fast with this approach with all the climate change."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

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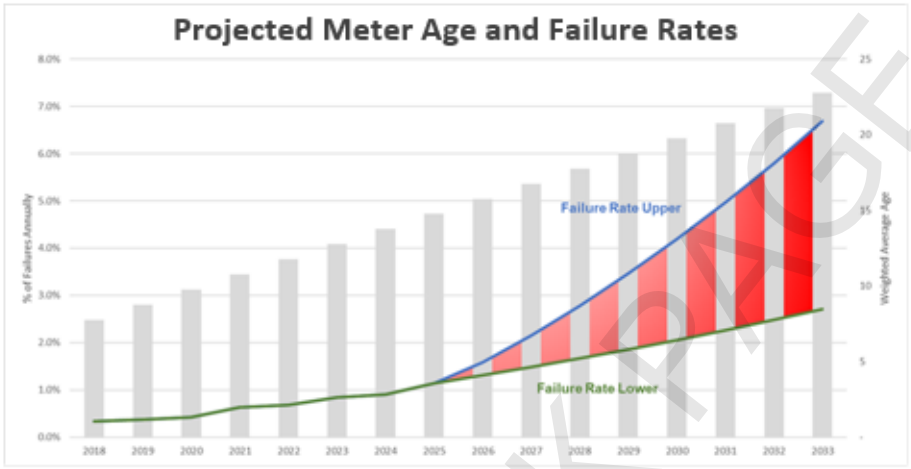

Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

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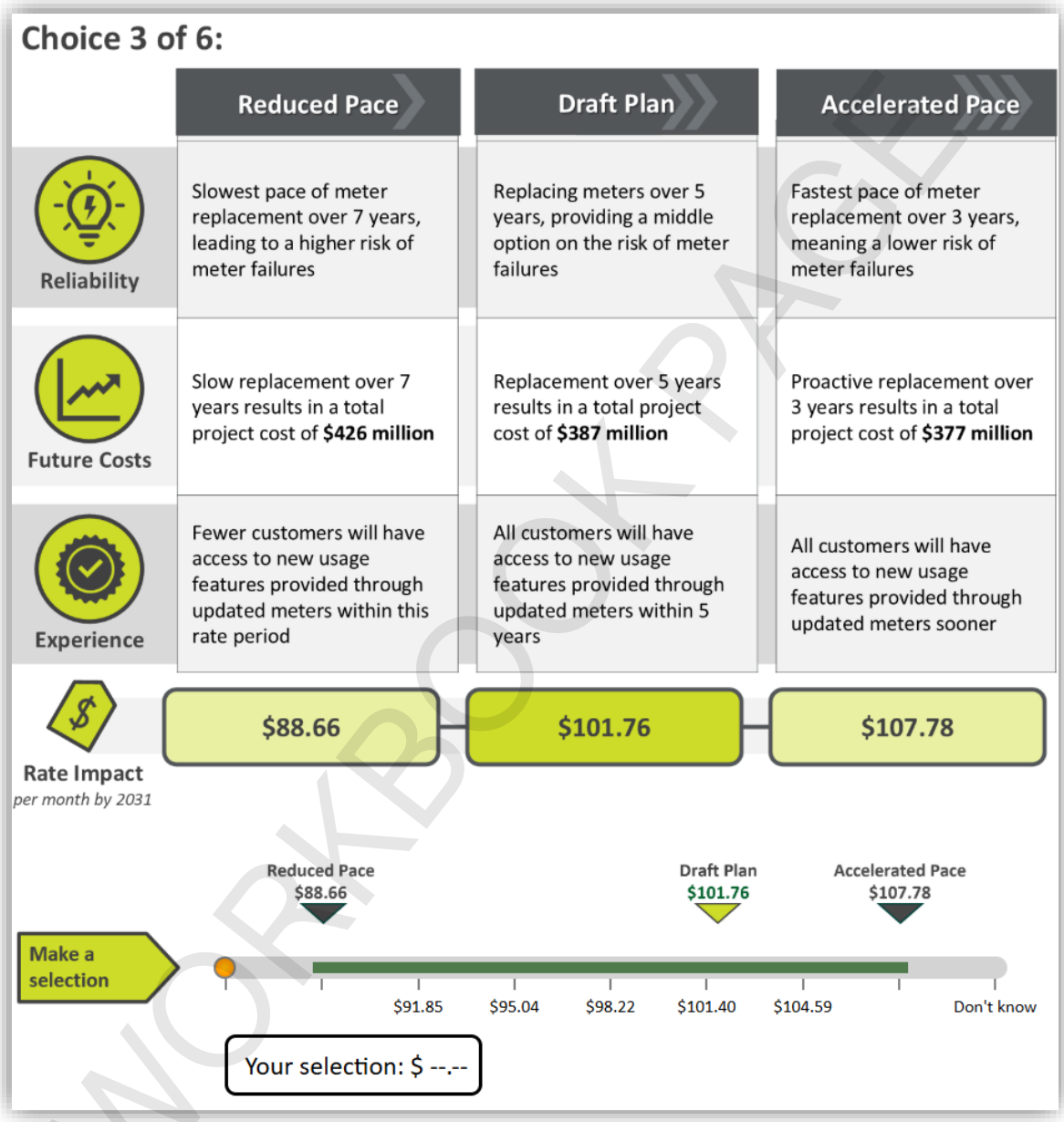
Phase II Online Survey

Workbook Page 11 (cont.)

GS>50



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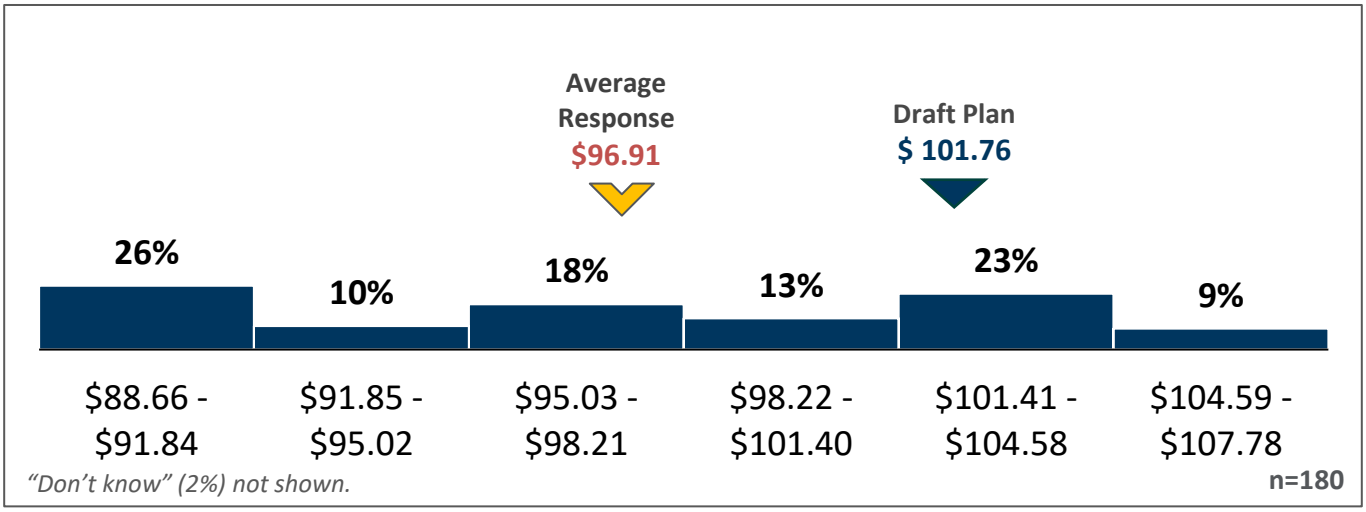
Phase II Online Survey
Spending on Meter Replacement and Renewal

GS>50

Q How much should Alectra spend on Meter Replacement and Renewal?



"Don't know" (2%) not shown.

n=180

		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Above plan	12%	3	7	2	10	12%	13%
On plan	26%	7	20	8	12	23%	29%
Below plan	60%	14	34	13	44	64%	55%
Don't know	2%	0	1	1	2	1%	3%
TOTAL On plan + Above plan	**38%**	**9**	**27**	**10**	**22**	**35%**	**42%**

NOTE:

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- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Feedback on Meter Replacement and Renewal

GS>50

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

General approval	1%
Replacement is unnecessary/only replace the faulty ones and leave the ones that work/low priority	1%
Support/request to replace infrastructure and modernize	1%
Cost of living concerns/desire to keep prices low	<1%
Customers should not have to bear the costs	<1%
Meter lifespan	<1%
Other	1%
None	<1%

n= 180

Phase II Online Survey
Feedback on Meter Replacement and Renewal

GS>50

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

Sample Verbatims
General approval
"I understand the bill is rising to meet the demand."
Replacement is unnecessary/only replace the faulty ones and leave the ones that work/low priority
"Not that important. Can be scheduled as they break down."
Support/request to replace infrastructure and modernize
"Again, preventative measures are ultimately the right thing to do."
Cost of living concerns/desire to keep prices low
"Meter replacement should be on a cost benefit analysis."
Customers should not have to bear the costs
"Meter replacement should be free."
Meter lifespan
"I don't understand why cost of electricity in the past didn't included cost of replacing meters. Every equipment has life and after so many years has to be replaced."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

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Key priorities in Information Technology include:

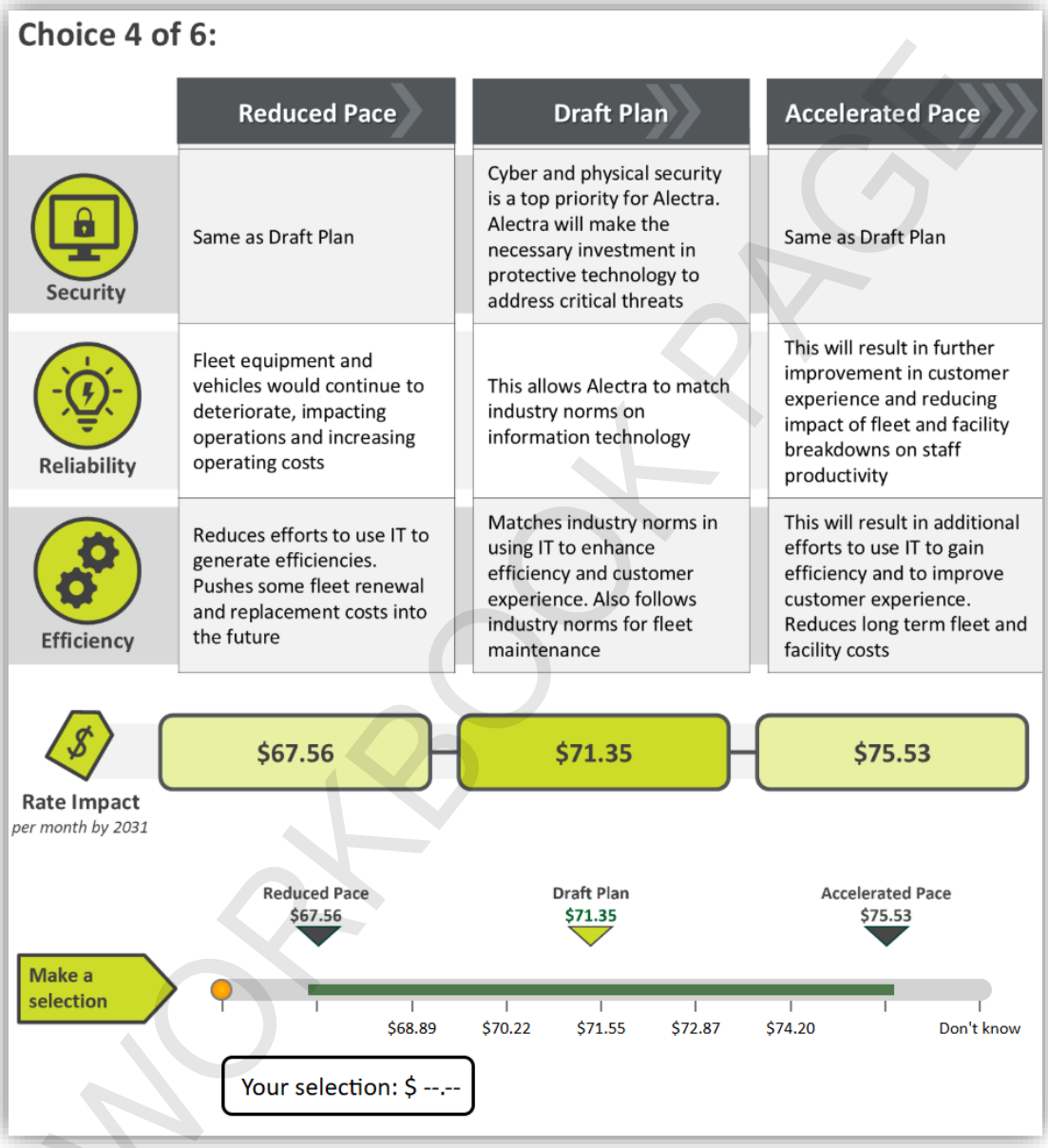
Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

Maintaining the Fleet

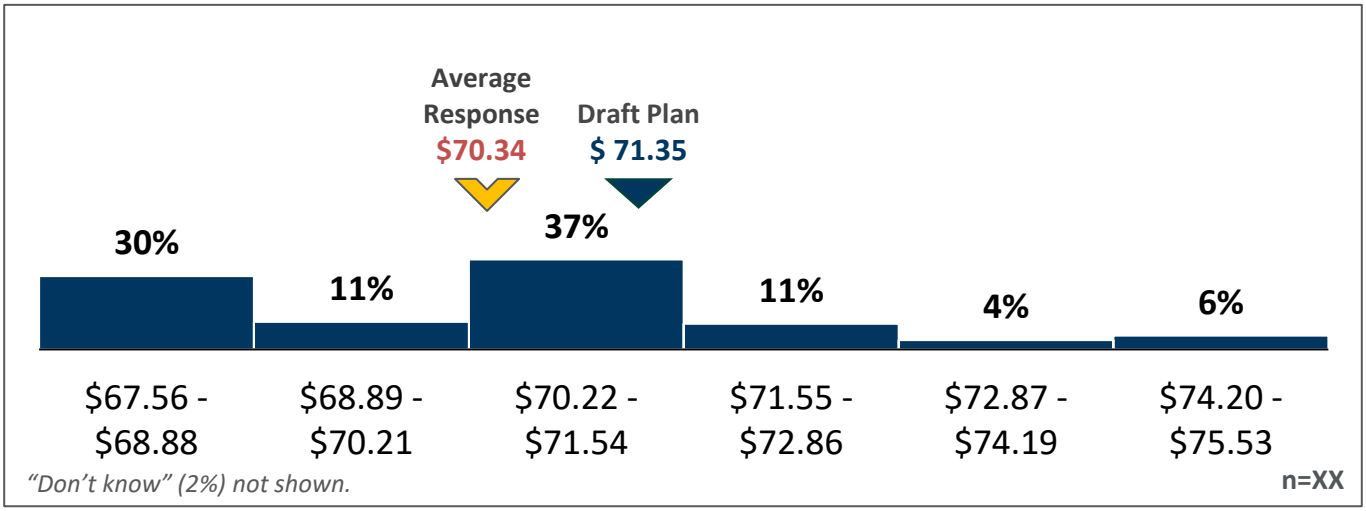
Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.


Choice 4 of 6:
Reduced Pace
Draft Plan
Accelerated Pace
Security
Same as Draft Plan
Cyber and physical security is a top priority for Alectra. Alectra will make the necessary investment in protective technology to address critical threats
Same as Draft Plan
Reliability
Fleet equipment and vehicles would continue to deteriorate, impacting operations and increasing operating costs
This allows Alectra to match industry norms on information technology
This will result in further improvement in customer experience and reducing impact of fleet and facility breakdowns on staff productivity
Efficiency
Reduces efforts to use IT to generate efficiencies. Pushes some fleet renewal and replacement costs into the future
Matches industry norms in using IT to enhance efficiency and customer experience. Also follows industry norms for fleet maintenance
This will result in additional efforts to use IT to gain efficiency and to improve customer experience. Reduces long term fleet and facility costs
Rate Impact
per month by 2031
$67.56
$71.35
$75.53
Reduced Pace
$67.56
Draft Plan
$71.35
Accelerated Pace
$75.53
Make a selection
$68.89
$70.22
$71.55
$72.87
$74.20
Don't know
Your selection: $ --.--
WORKBOOK PAGE

Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

GS>50

Q How much should Alectra spend on Fleet, Facilities and Information Technology?



		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Above plan	14%	2	10	2	10	12%	17%
On plan	34%	10	24	10	16	30%	39%
Below plan	49%	10	26	12	39	57%	41%
Don't know	2%	1	1	0	2	1%	3%
TOTAL On plan + Above plan	**49%**	**12**	**34**	**12**	**27**	**42%**	**55%**

NOTE:
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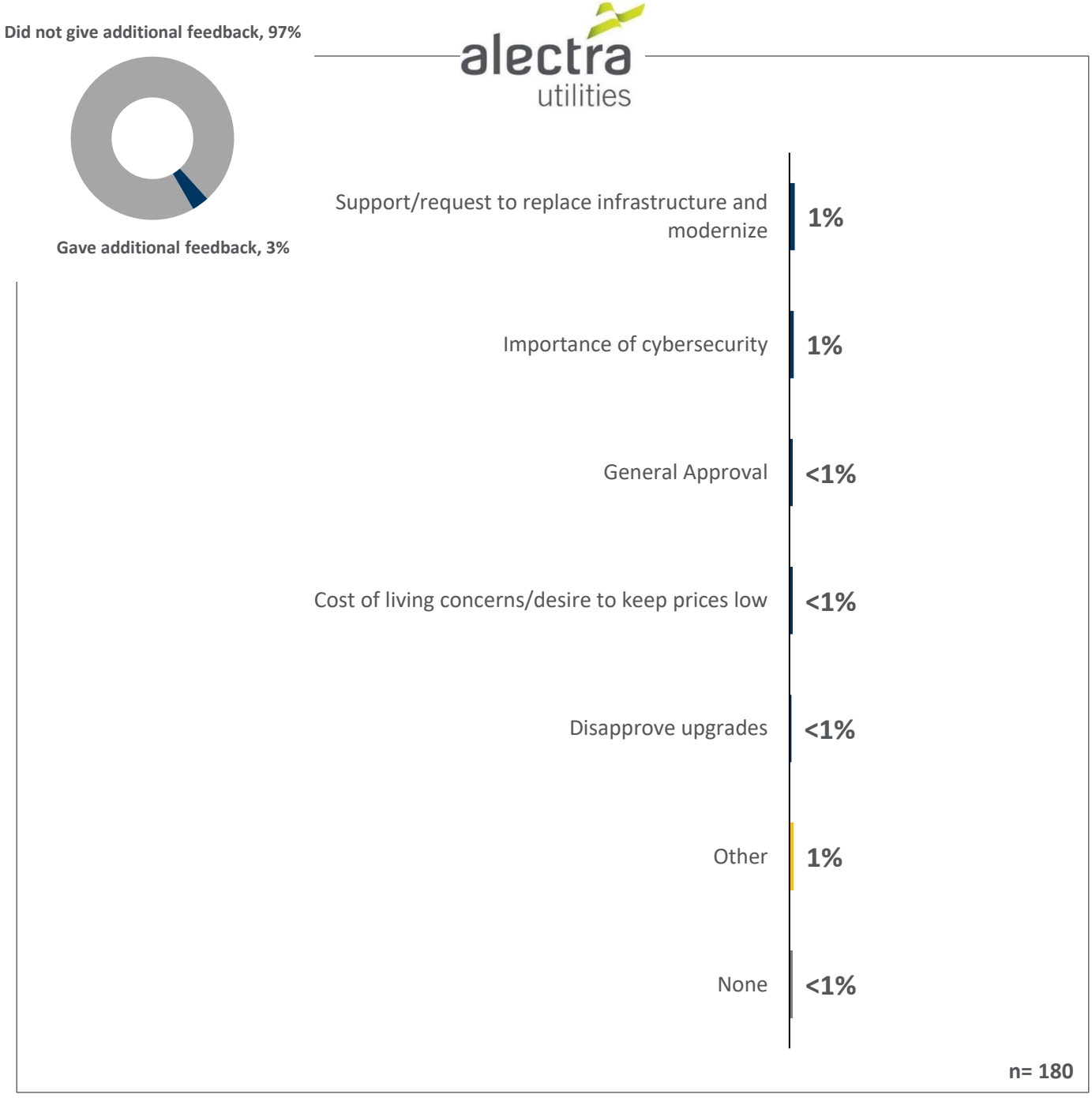
Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

GS>50

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]



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Phase II Online Survey

Feedback on Fleet, Facilities and Information Technology

GS>50

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims
Support/request to replace infrastructure and modernize
"Maintaining the building and infrastructure will enable prompt responses when required."
Importance of cybersecurity
"I am somewhat familiar with what it takes for [cyber]security. If our system was hacked, it could be catastrophic - this one I believe is the most important to stay ahead."
General approval
"Vehicles must be in good shape at all times."
Cost of living concerns/desire to keep prices low
"This investment should help with lowering cost of operations."
Disapprove upgrades
"Lease equipment - rather than buying."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

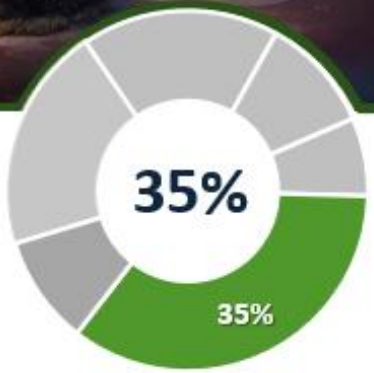
alectra
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

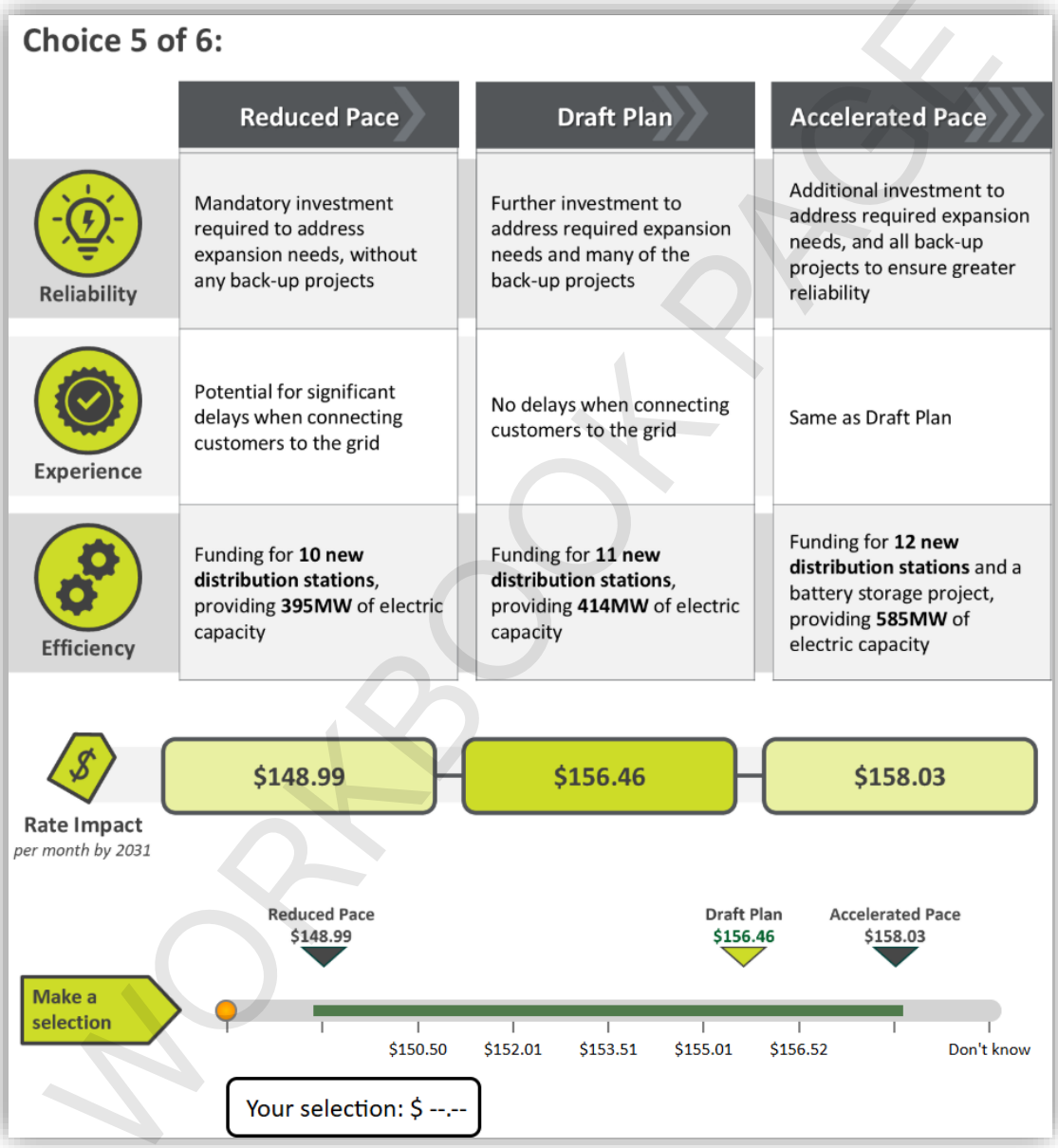
Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 14 (cont.)

GS>50



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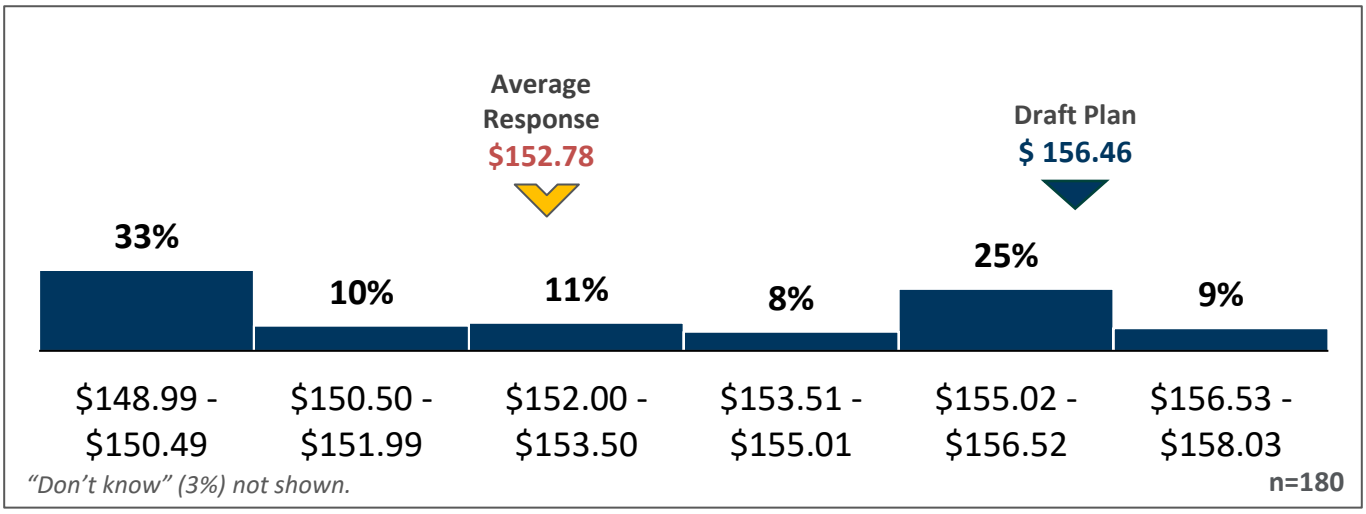
Phase II Online Survey
Spending on Meeting Growing Electricity Demand

GS>50

Q How much should Alectra spend on Meeting Growing Electricity Demand?



"Don't know" (3%) not shown.

n=180

		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Above plan	7%	1	7	1	5	3%	11%
On plan	11%	4	4	4	8	10%	12%
Below plan	79%	18	49	19	52	85%	72%
Don't know	3%	-	2	1	3	2%	4%
TOTAL (On plan + Above plan)	**18%**	**5**	**11**	**4**	**13**	**13%**	**23%**

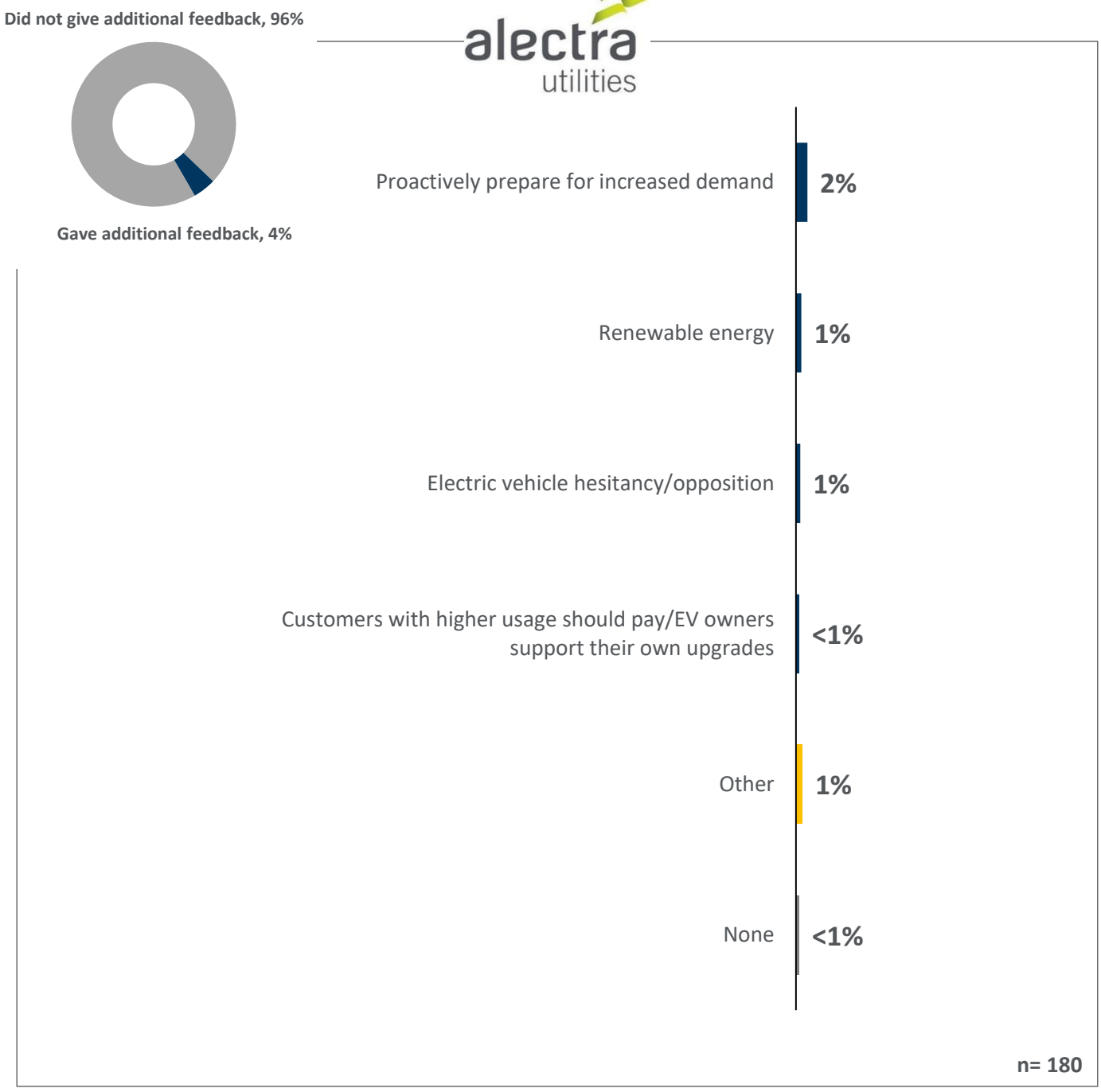
NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.
- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

GS>50

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]



INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

GS>50

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims
Proactively prepare for increased demand
"Finding ways to prioritize growing demands for facilities that provide public service (i.e., transit).
Renewable energy
"Incentivize and introduce more solar power, wind or waterpower etc.."
Electric vehicle hesitancy/opposition
"I am not 100% convinced that we fully know the impact of everything going electrical."
Customers with higher usage should pay/EV owners support their own upgrades
"Charge this to the Electric Vehicle owners not to the residents."

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

alectra
Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

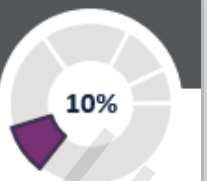
Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

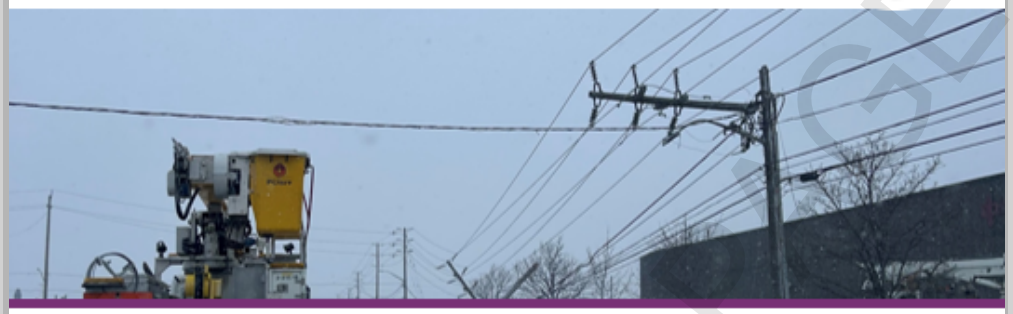
WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices



6 Enabling Resiliency and Modernization



Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

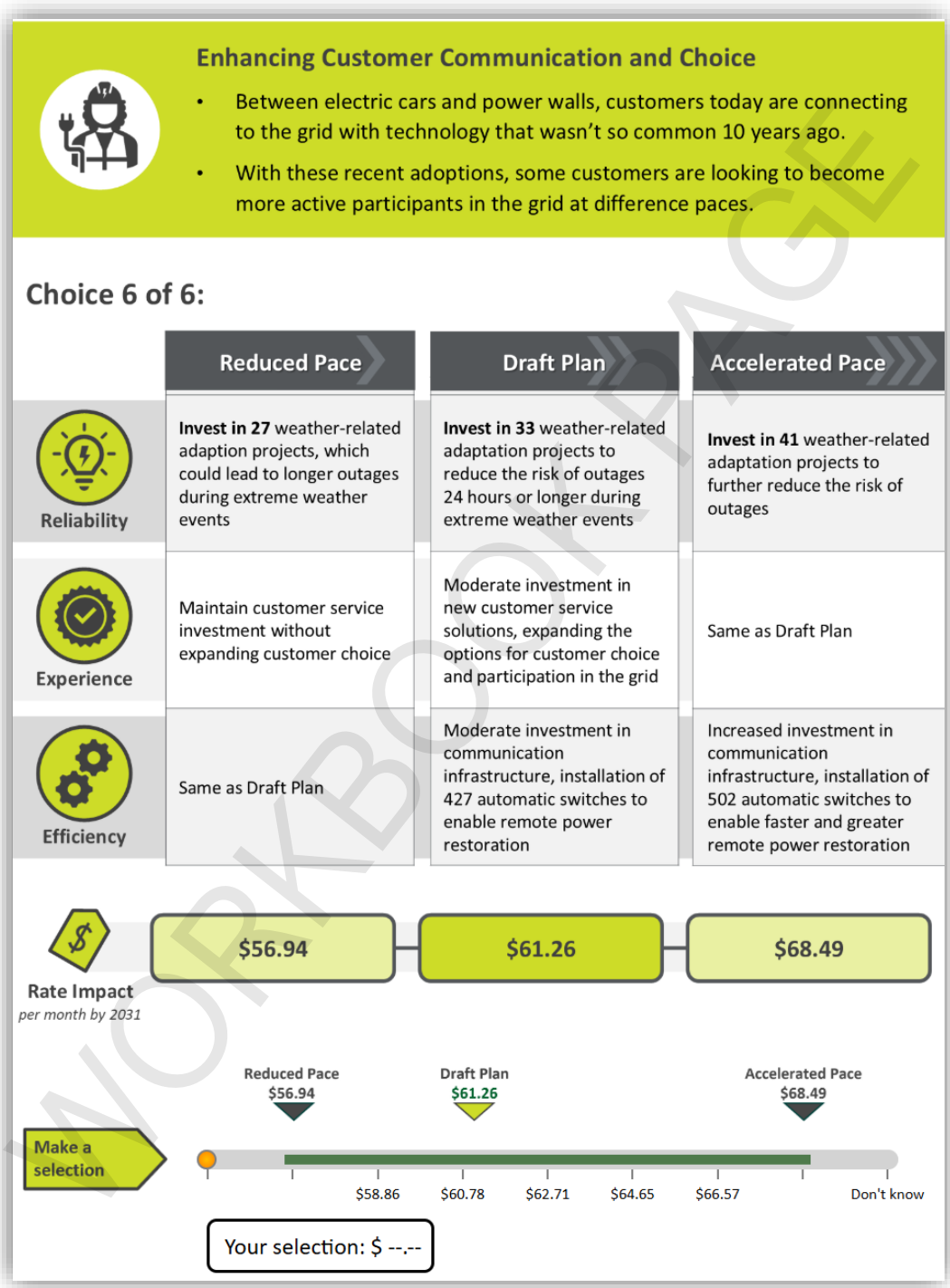
- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

WORKBOOK PAGE

Phase II Online Survey
Workbook Page 16 (cont.)



Enhancing Customer Communication and Choice

- Between electric cars and power walls, customers today are connecting to the grid with technology that wasn't so common 10 years ago.
- With these recent adoptions, some customers are looking to become more active participants in the grid at difference paces.

Choice 6 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	**Invest in 27** weather-related adaption projects, which could lead to longer outages during extreme weather events	**Invest in 33** weather-related adaptation projects to reduce the risk of outages 24 hours or longer during extreme weather events	**Invest in 41** weather-related adaptation projects to further reduce the risk of outages
Experience	Maintain customer service investment without expanding customer choice	Moderate investment in new customer service solutions, expanding the options for customer choice and participation in the grid	Same as Draft Plan
Efficiency	Same as Draft Plan	Moderate investment in communication infrastructure, installation of 427 automatic switches to enable remote power restoration	Increased investment in communication infrastructure, installation of 502 automatic switches to enable faster and greater remote power restoration

Rate Impact
per month by 2031

$56.94 | $61.26 | $68.49

Reduced Pace $56.94 | Draft Plan $61.26 | Accelerated Pace $68.49

Make a selection

$58.86 $60.78 $62.71 $64.65 $66.57 Don't know

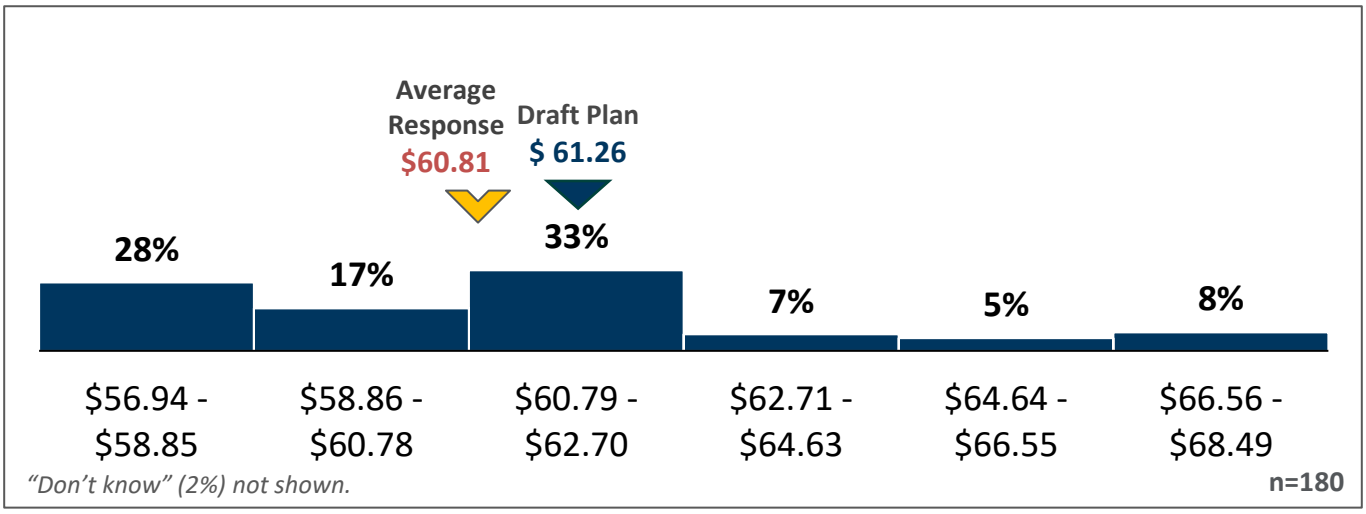
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Enabling Resiliency and Modernization

GS>50

Q How much should Alectra spend on Enabling Resiliency and Modernization?



"Don't know" (2%) not shown.

n=180

		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Above plan	24%	6	15	6	16	21%	27%
On plan	28%	9	18	7	15	27%	29%
Below plan	45%	8	27	10	34	50%	41%
Don't know	2%	-	2	1	2	2%	3%
TOTAL (On plan + Above plan)	**52%**	**15**	**33**	**13**	**31**	**48%**	**56%**

NOTE:

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- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
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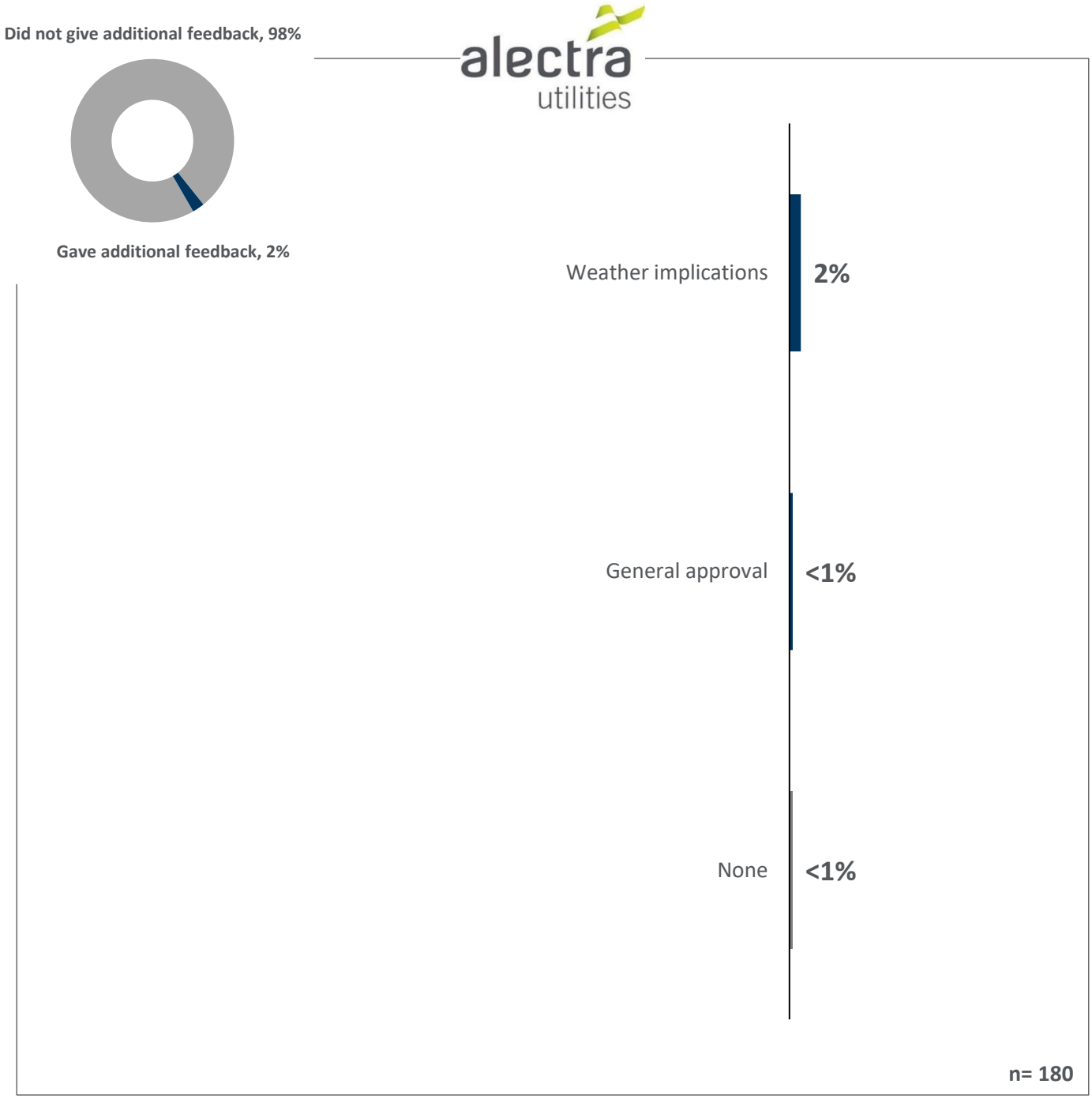
- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

GS>50

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]



INNOVATIVE RESEARCH GROUP

Phase II Online Survey

Feedback on Enabling Resiliency and Modernization

GS>50

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

Sample Verbatims
Weather implication
"Weather patterns are changing faster - not sure if we'll be able to actually do this but we have to try."
General approval
"That should be included in the contingency plan."

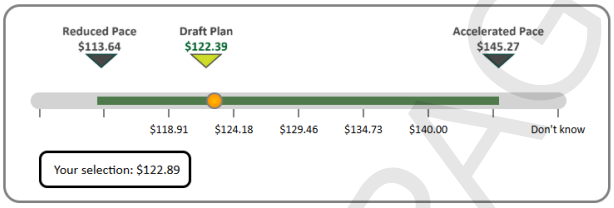
Choices Calculator

Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

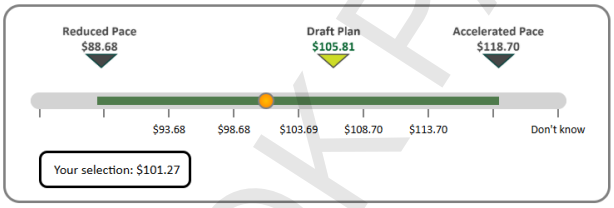
At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

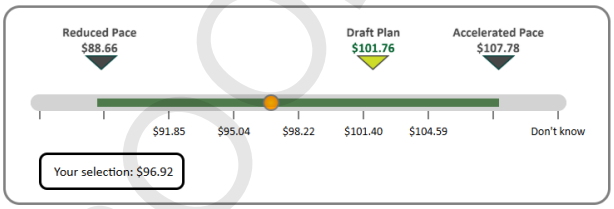
Overhead & Transformer Renewal



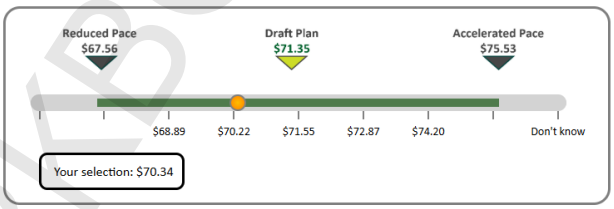
Underground Renewal



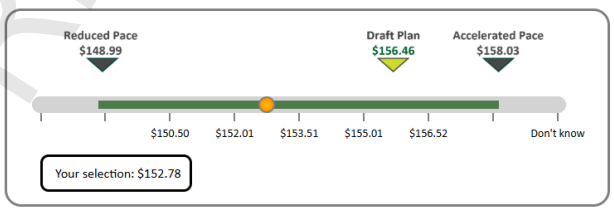
Meter Replacement & Renewal



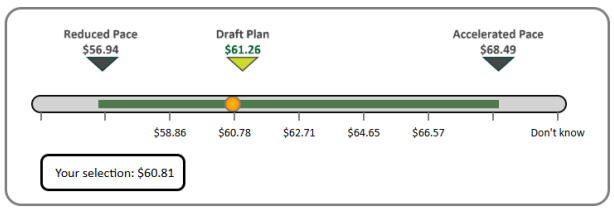
Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand



Enabling Resiliency & Modernization



Next

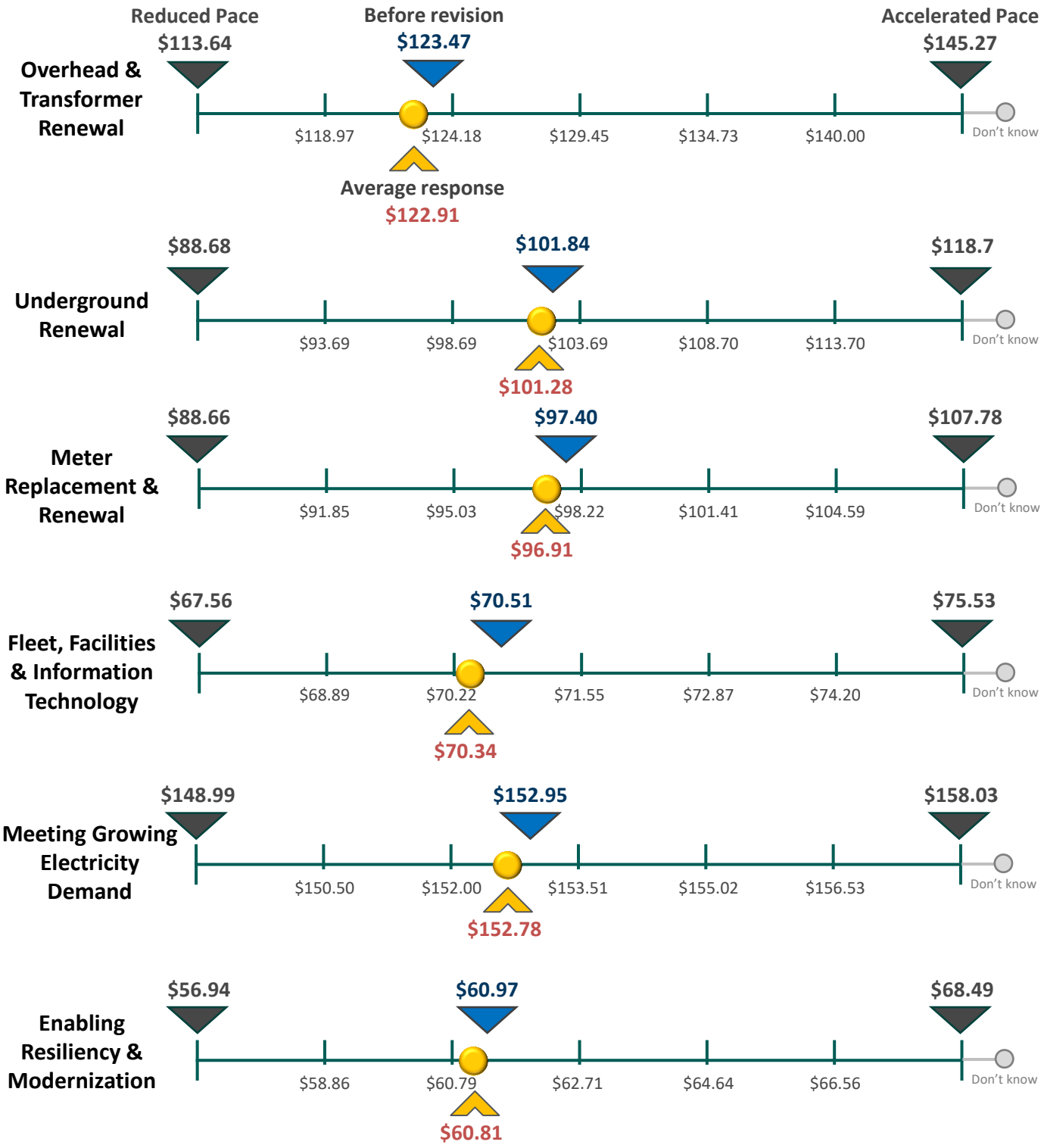
The total impact of your choices would result in an estimated:
$605.01 more on your monthly bill by 2031.

WORKBOOK PAGE

Phase II Online Survey
Calculator Values

GS>50

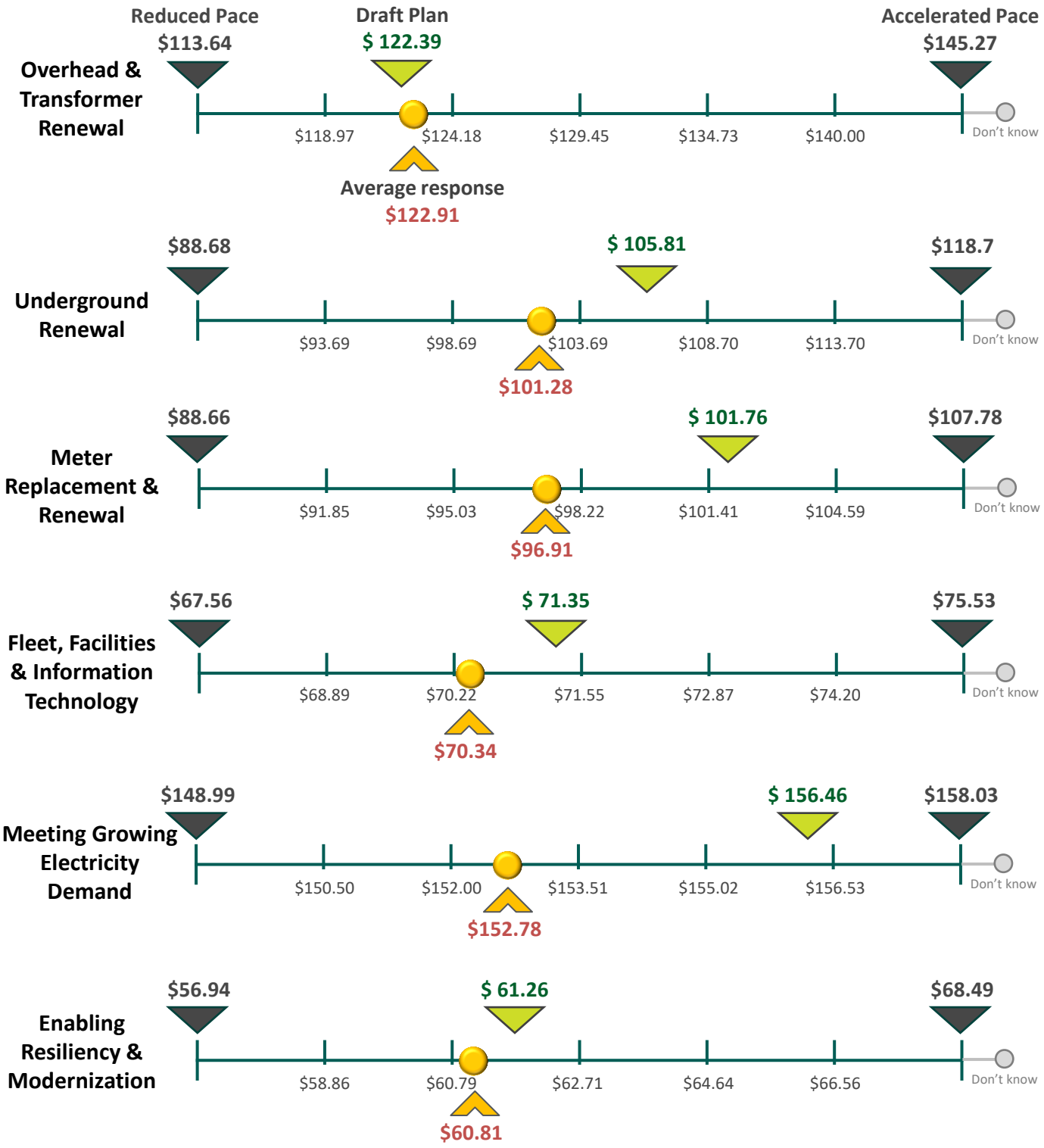
This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.



Phase II Online Survey
Calculator Values

GS>50

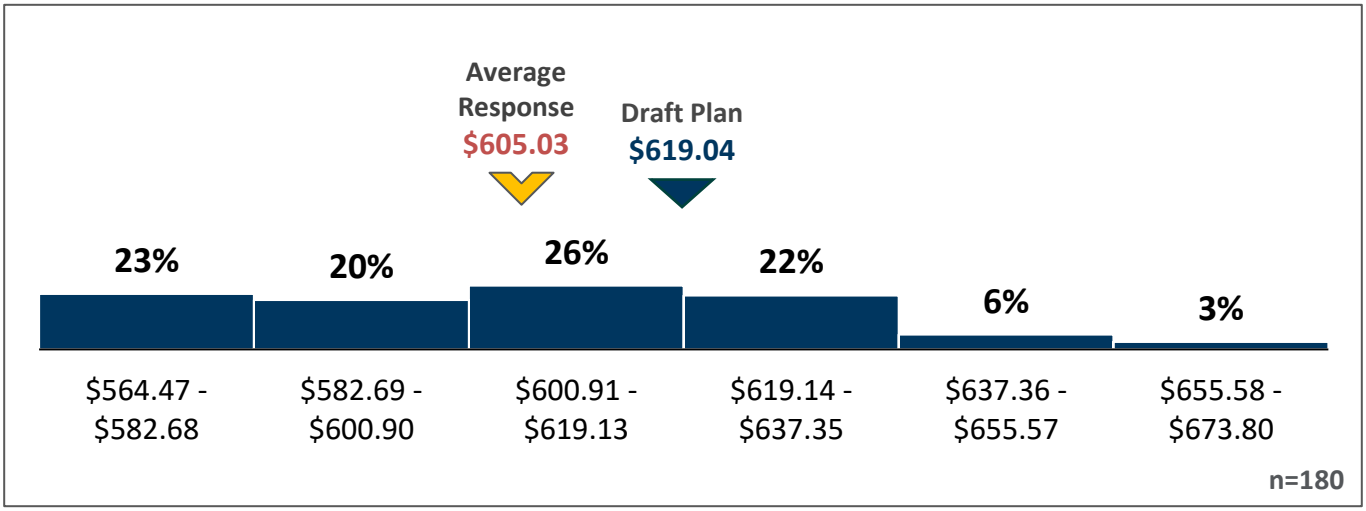
This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.



Phase II Online Survey
Calculator Values

GS>50

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.



	Overall	Rate Zone: BRZ (n=23)	Rate Zone: ERZ (n=61)	Rate Zone: HRZ (n=24)	Rate Zone: PRZ (n=67)	Consumption Quartiles: Low – Mid (n=90)	Consumption Quartiles: Mid - High (n=90)
Above plan	21%	4	13	4	16	16%	25%
On plan	23%	6	16	8	12	23%	23%
Below plan	56%	13	32	12	39	60%	52%
Don't know	0%	0	0	0	0	0%	0%
TOTAL (On plan + Above plan)	**44%**	**10**	**29**	**12**	**28**	**40%**	**48%**

NOTE:
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- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.
- Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

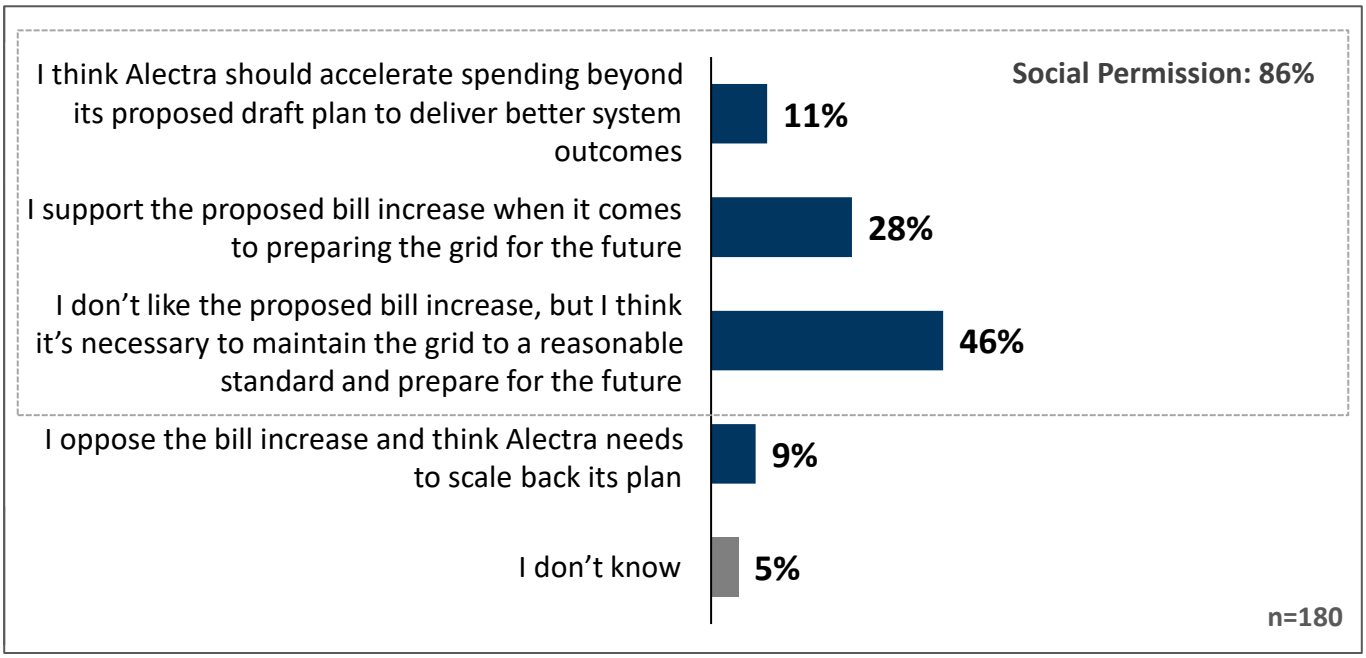
Phase II Online Survey
Social Permission

GS>50

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

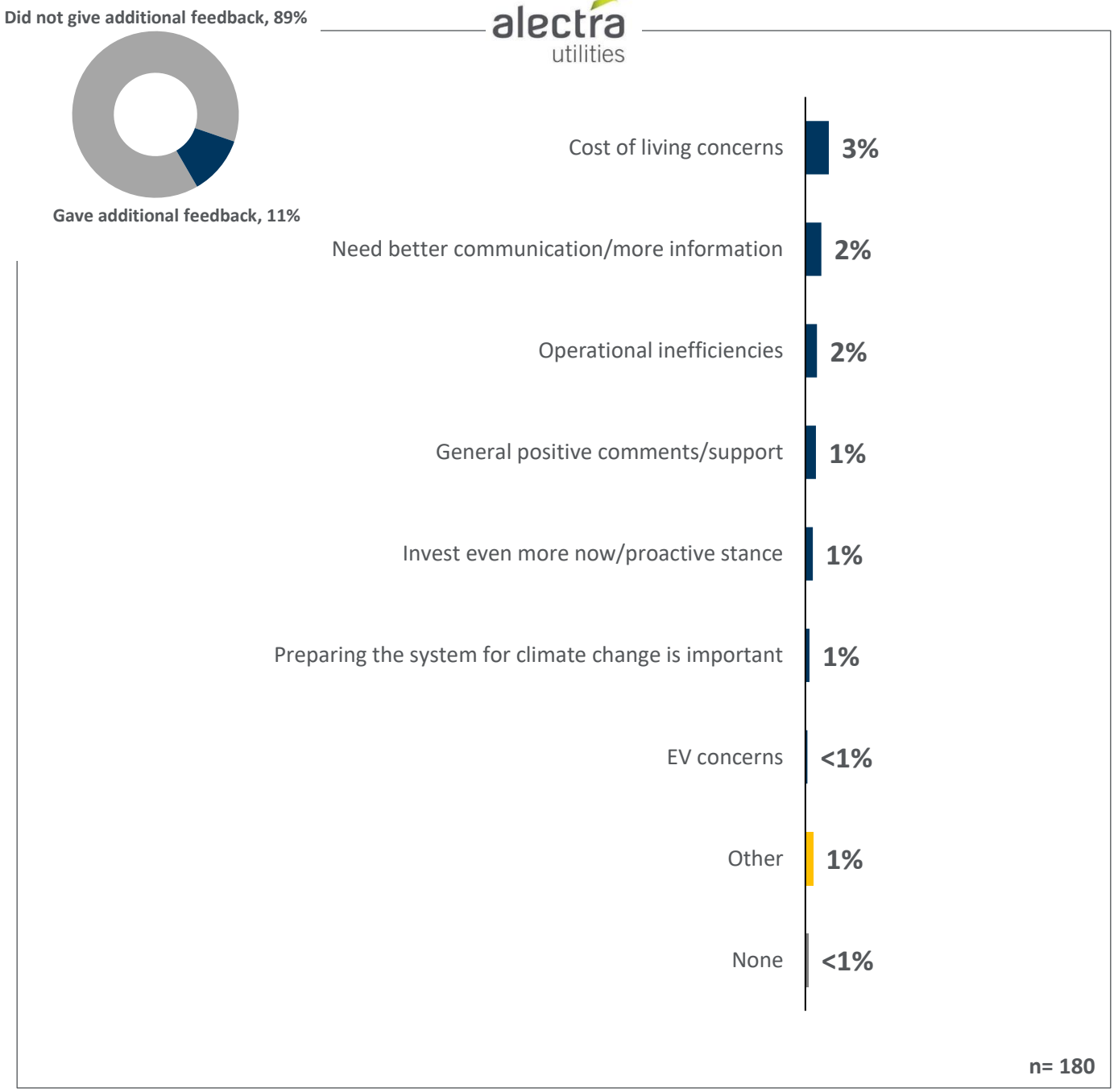
Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$605.03 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Accelerate spending	11%	1	7	-	12	10%	12%
Support proposed bill	28%	10	20	6	14	24%	32%
Necessary to maintain the grid	46%	11	26	15	28	48%	45%
Oppose the bill increase	9%	2	3	2	8	11%	7%
Don't know	5%	-	5	1	5	6%	4%
Social Permission	**86%**	**21**	**54**	**21**	**55**	**82%**	**89%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]



Phase II Online Survey
Social Permission

GS>50

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims
Cost of living concerns
"As a non-profit seniors multi unit residence heated by electricity, any increases have in big impact on our operations. We recognize the need for electricity supply to be dependable!"
Need better communication/more information
"I would like to see more factual information on how the revenue already raised through exorbitant increases over the last decade has been invested to understand why equipment remains in such a state of disrepair so as to necessitate ongoing exorbitant cost increases to the end user. Technology is intended to reduce costs. The trajectory is not making logical sense."
Operational inefficiencies
"Keep costs as low as possible for homes and businesses. Get rid of some overhead costs if possible. US prices are much lower. Use them as an example of how to get costs down."
General positive comments/support
"Preparing and upgrading the grid will save money in the long run. Emergency repairs are very expensive."
Invest even more now/proactive stance
"I think the plan is generally sound, but I support speeding up the addition of capacity and resilience."
Preparing the system for climate change is important
"I believe we are now forced to pay for neglect and rebates from the past but it is necessary to prepare for the future."
EV concerns
"Costs of getting the system ready for more electric cars should be shared with those users and possibly the manufactures of those vehicles."
Other
"Please use alternative energy - so that the consumers pay less for their energy. Also educate consumers to be careful with the use of power."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

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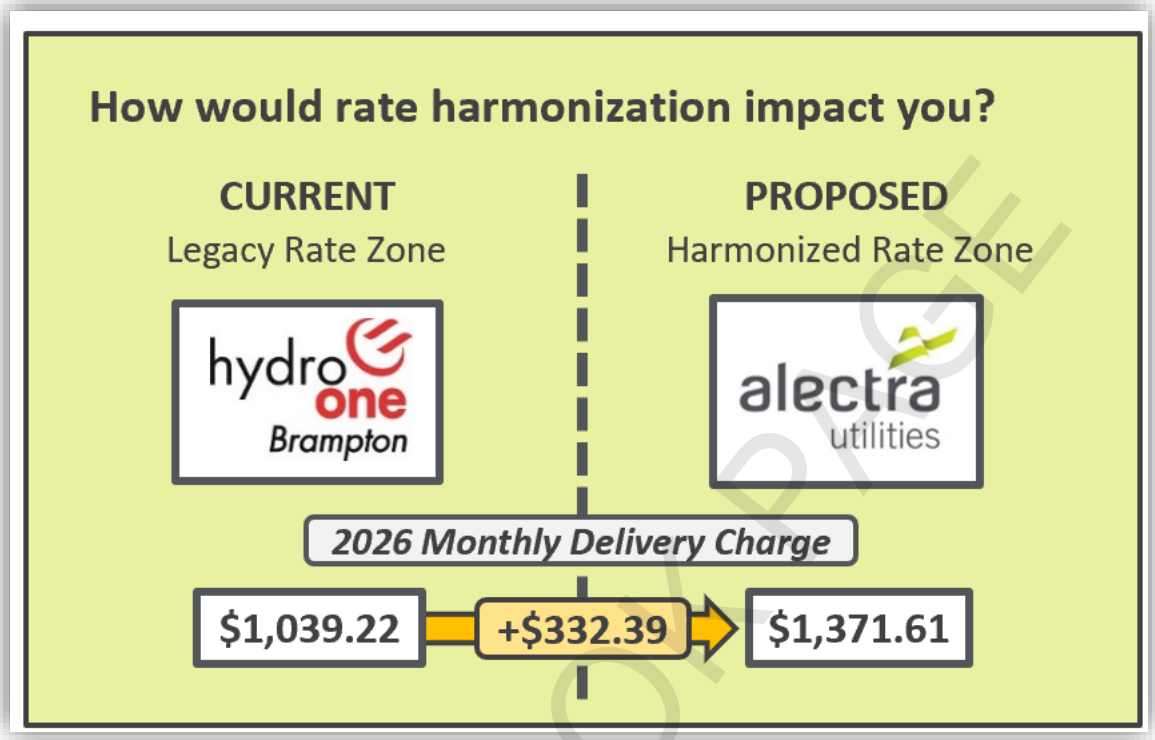

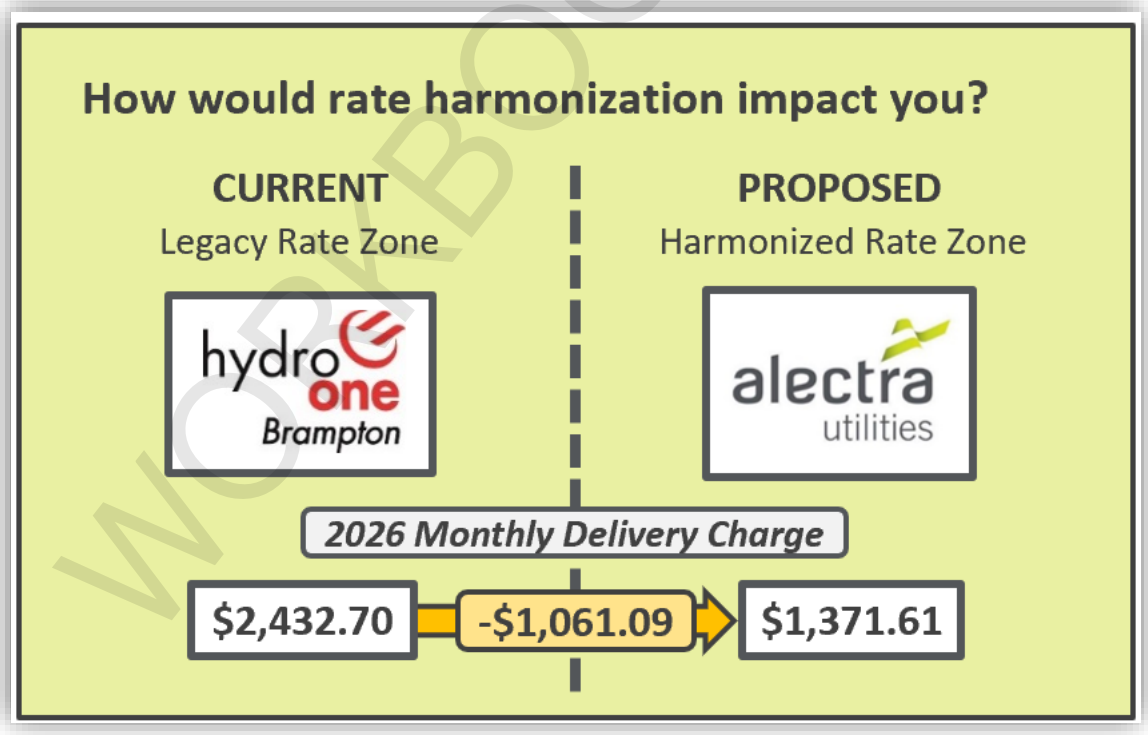

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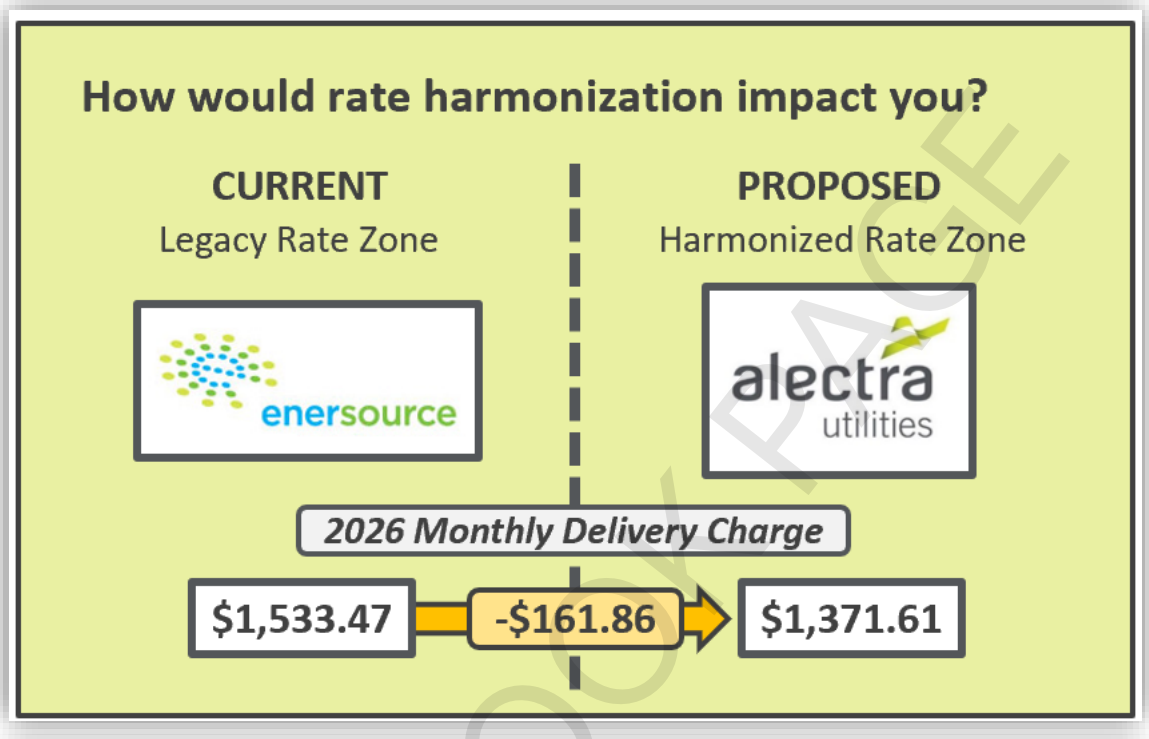
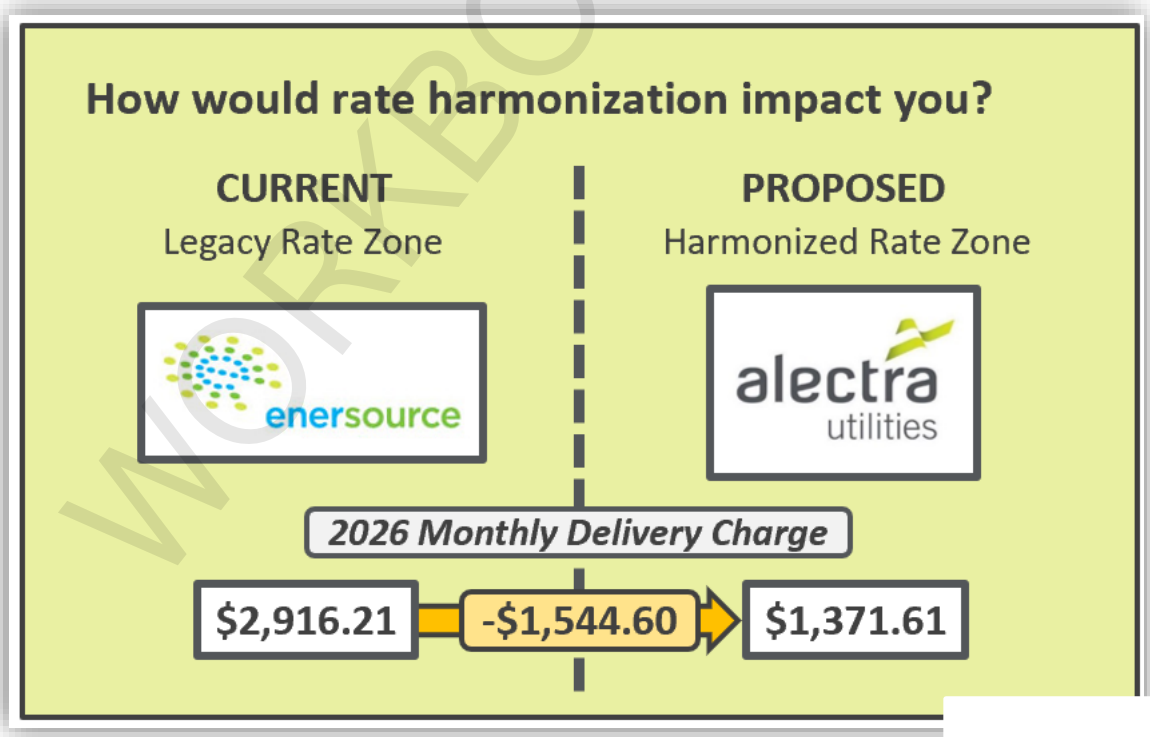
Phase II Online Survey

Workbook Page 17 (cont.) – ERZ Version

GS>50





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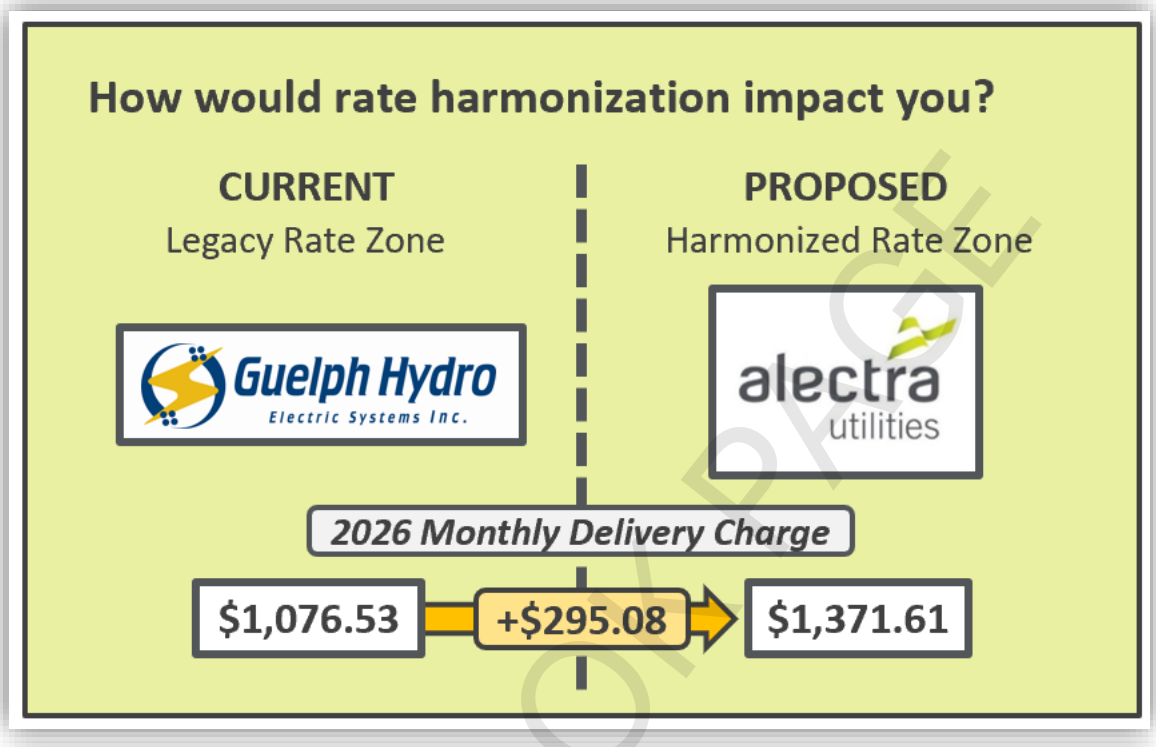

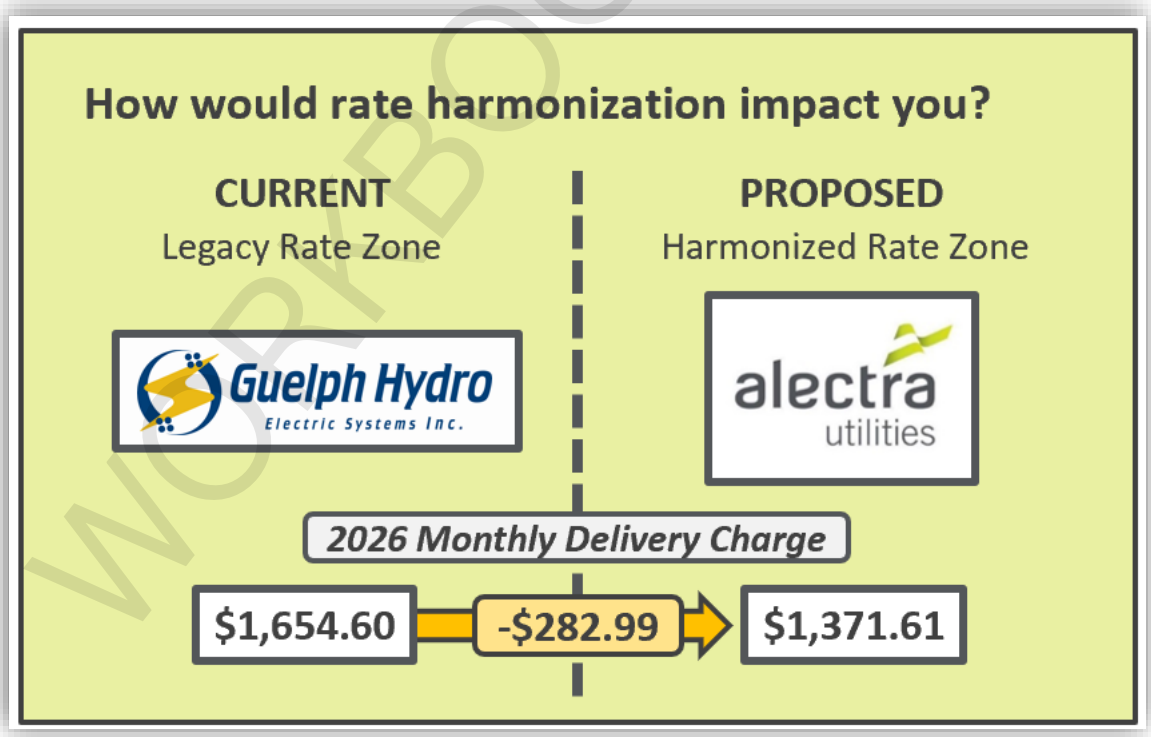

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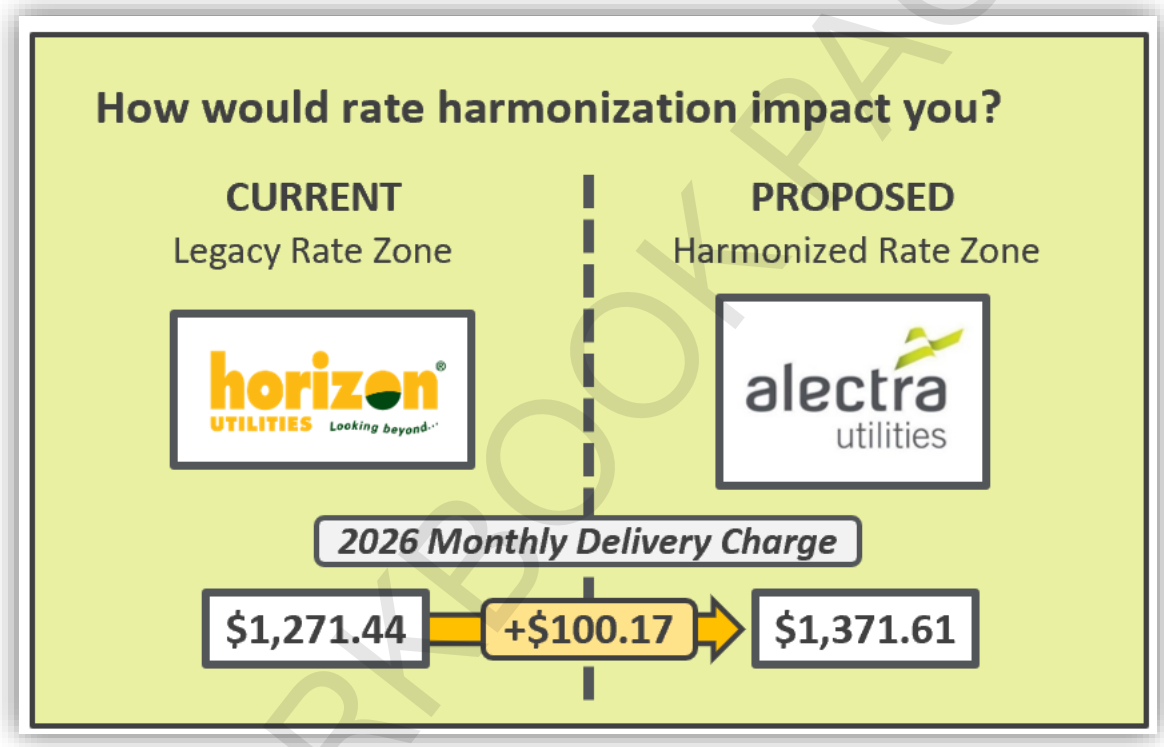

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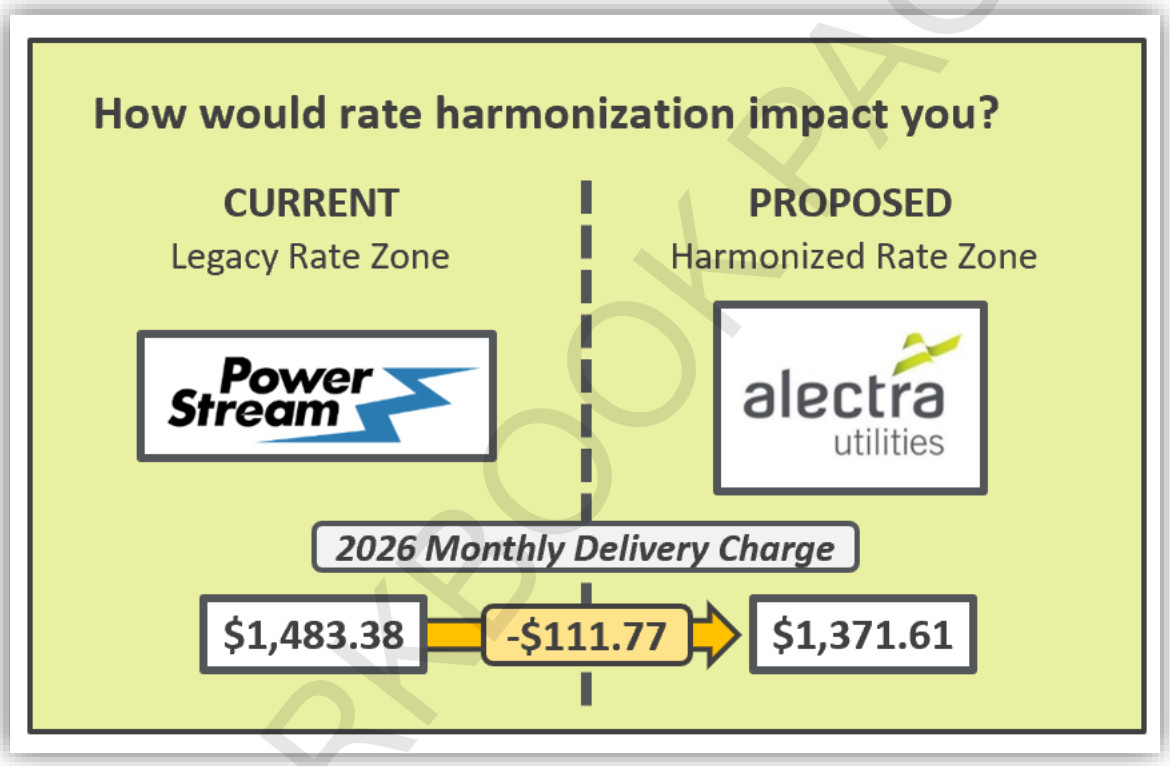

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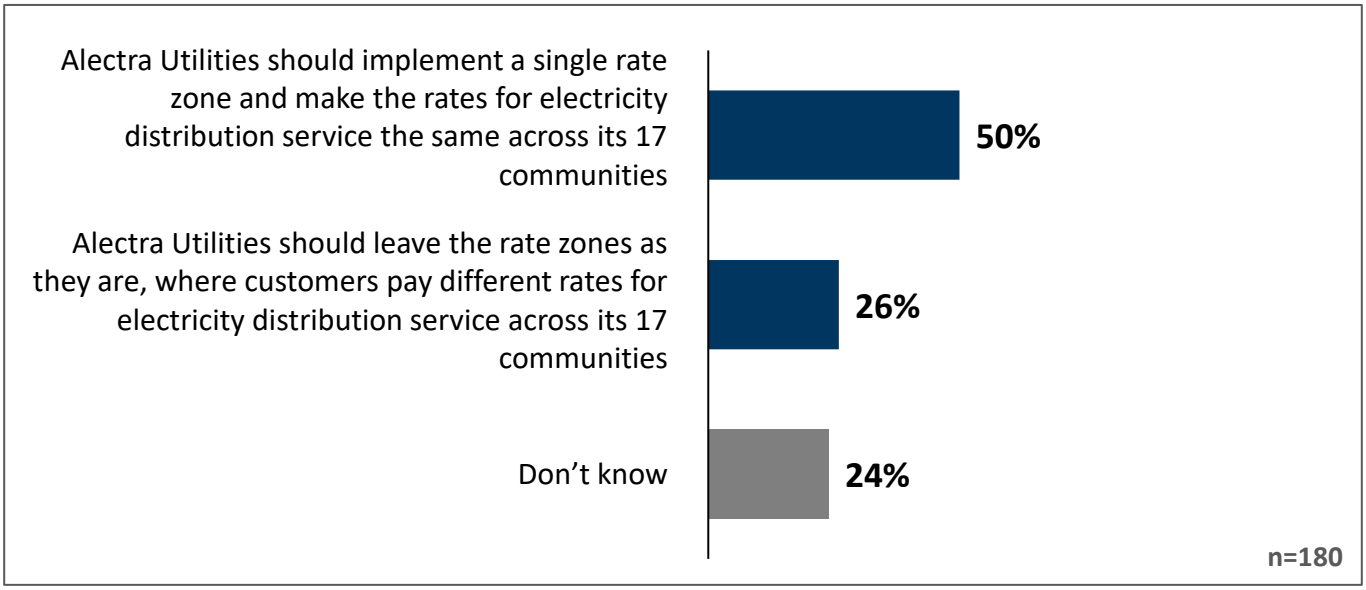
Phase II Online Survey
Rate Harmonization

GS>50

Q When it comes to Rate Harmonization, which statement is closest to your view?



		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Implement a single rate zone	50%	12	34	8	34	53%	47%
Leave the rate zones as they are	26%	6	13	10	17	20%	32%
Don't know	24%	5	15	6	17	27%	21%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

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Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

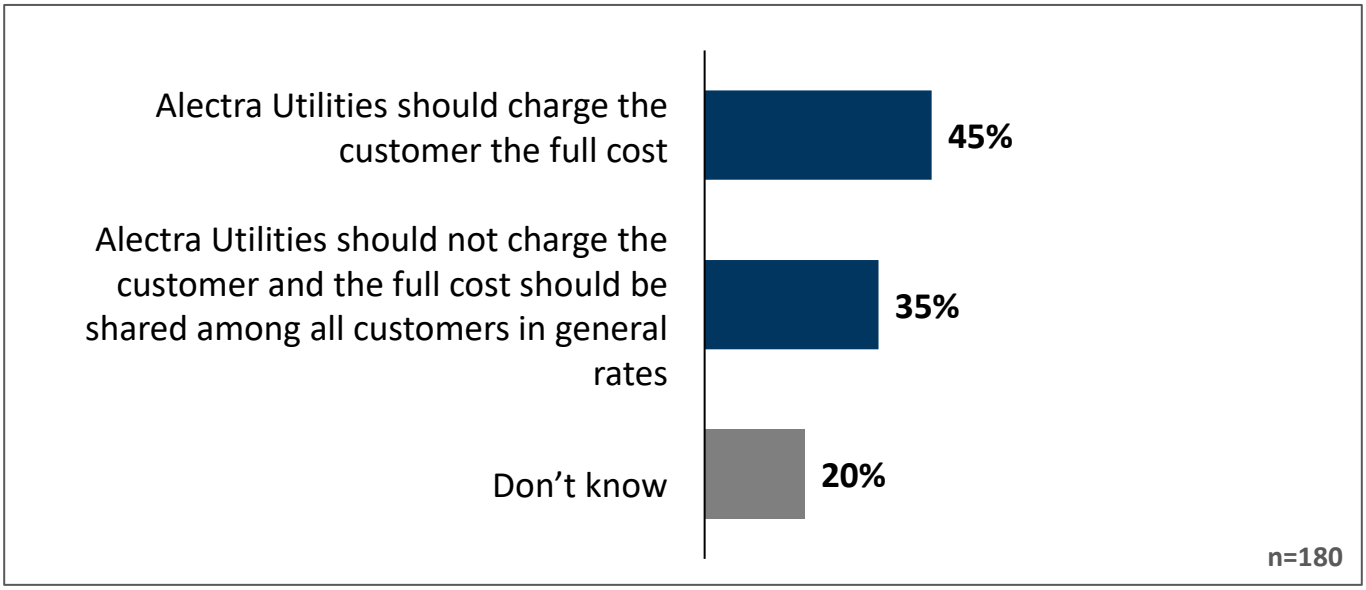
Note: These estimated charges are preliminary and subject to change

WORKBOOK PAGE

Phase II Online Survey
Specific Service Charges

GS>50

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?



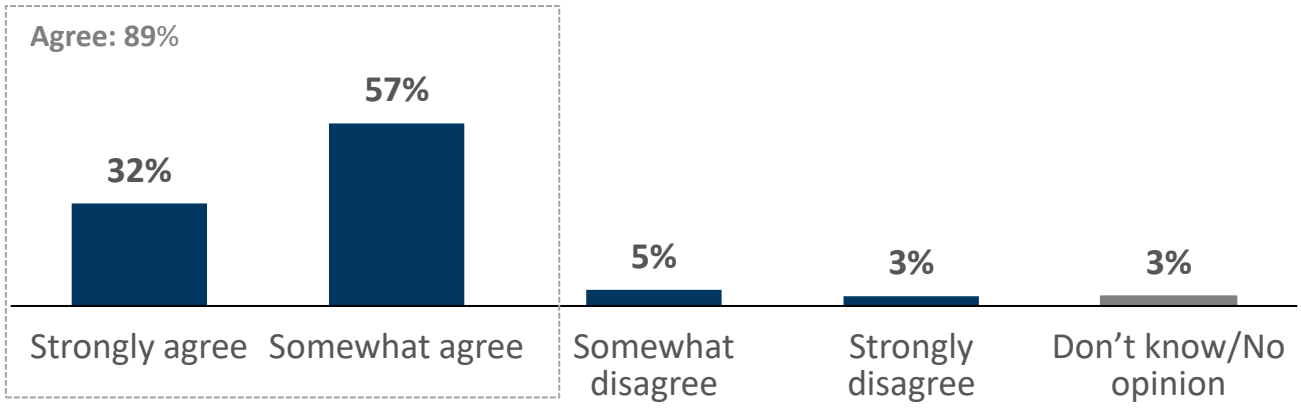
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Charge the customer the full cost	45%	10	31	11	25	46%	45%
Share the full cost among all customers	35%	8	17	9	29	31%	38%
Don't know	20%	5	13	4	14	23%	17%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Customers and the Electricity System

GS>50

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



n=180

		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Strongly agree	32%	10	27	5	14	35%	29%
Somewhat agree	57%	12	29	16	43	53%	61%
Somewhat disagree	5%	0	2	1	6	6%	4%
Strongly disagree	3%	0	1	2	2	2%	3%
Don't know /No opinion	3%	1	3	0	2	3%	3%
Agree (Strongly + Somewhat Agree)	89%	22	55	21	58	89%	90%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Final thoughts

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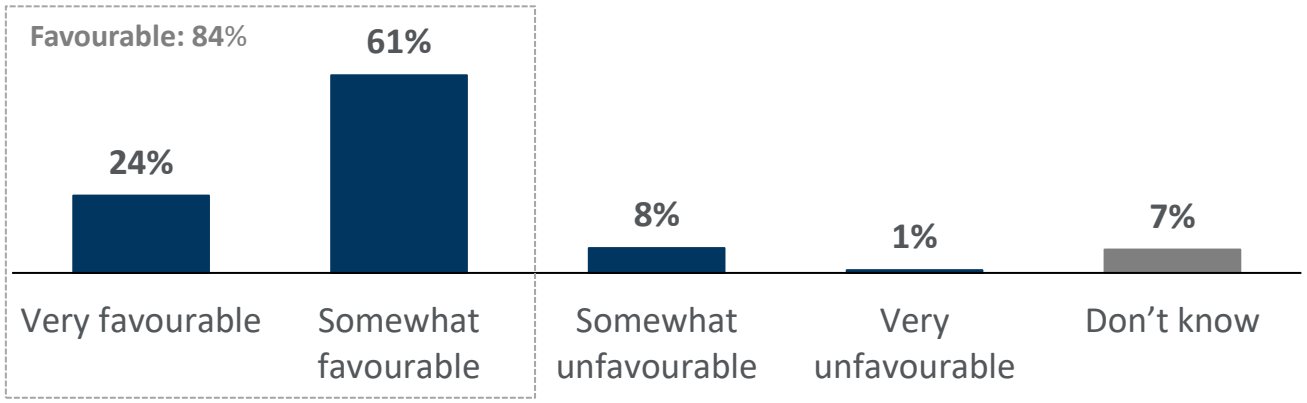
Feedback on Alectra's survey

These last few questions are about the survey that you just completed. In order to do better in the future, Alectra Utilities wants to understand whether this new way of collecting customer feedback has worked or not.

Phase II Online Survey
Workbook Impression

GS>50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



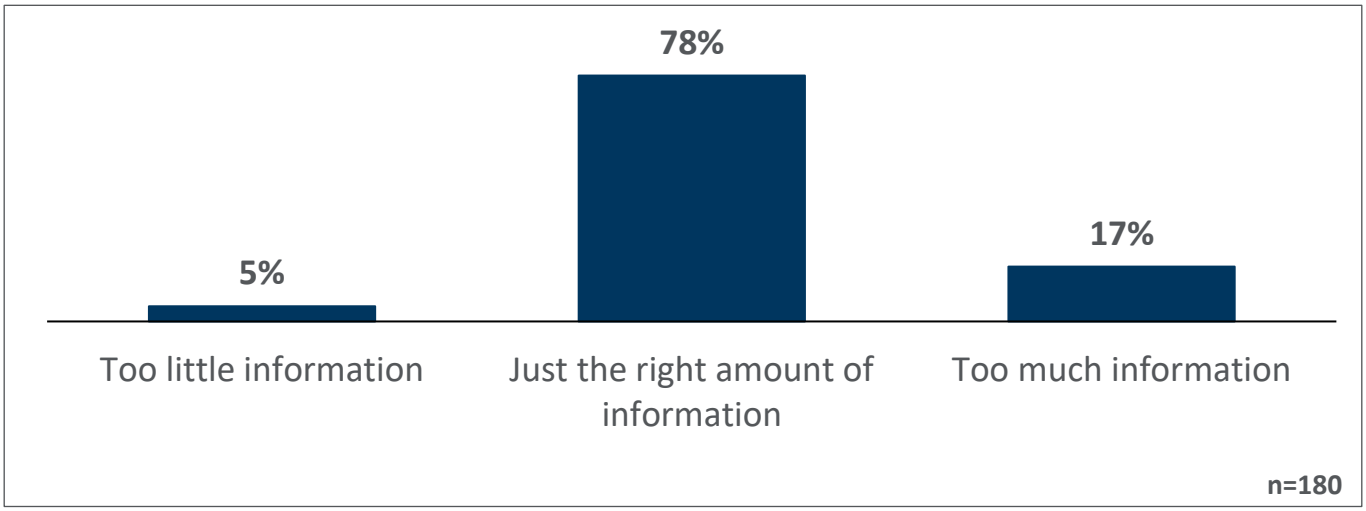
		Rate Zone				Consumption Quartiles	
	Overall	**BRZ (n=23)**	**ERZ (n=61)**	**HRZ (n=24)**	**PRZ (n=67)**	**Low – Mid (n=90)**	**Mid - High (n=90)**
Very favourable	24%	7	18	3	13	20%	27%
Somewhat favourable	61%	13	35	15	44	64%	57%
Somewhat unfavourable	8%	1	4	3	6	7%	8%
Very unfavourable	1%	0	0	1	1	0%	2%
Don't know	7%	3	4	3	3	8%	6%
Favourable (Very + Somewhat Favourable)	**84%**	**20**	**53**	**18**	**57**	**85%**	**84%**

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Amount of Information

GS>50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



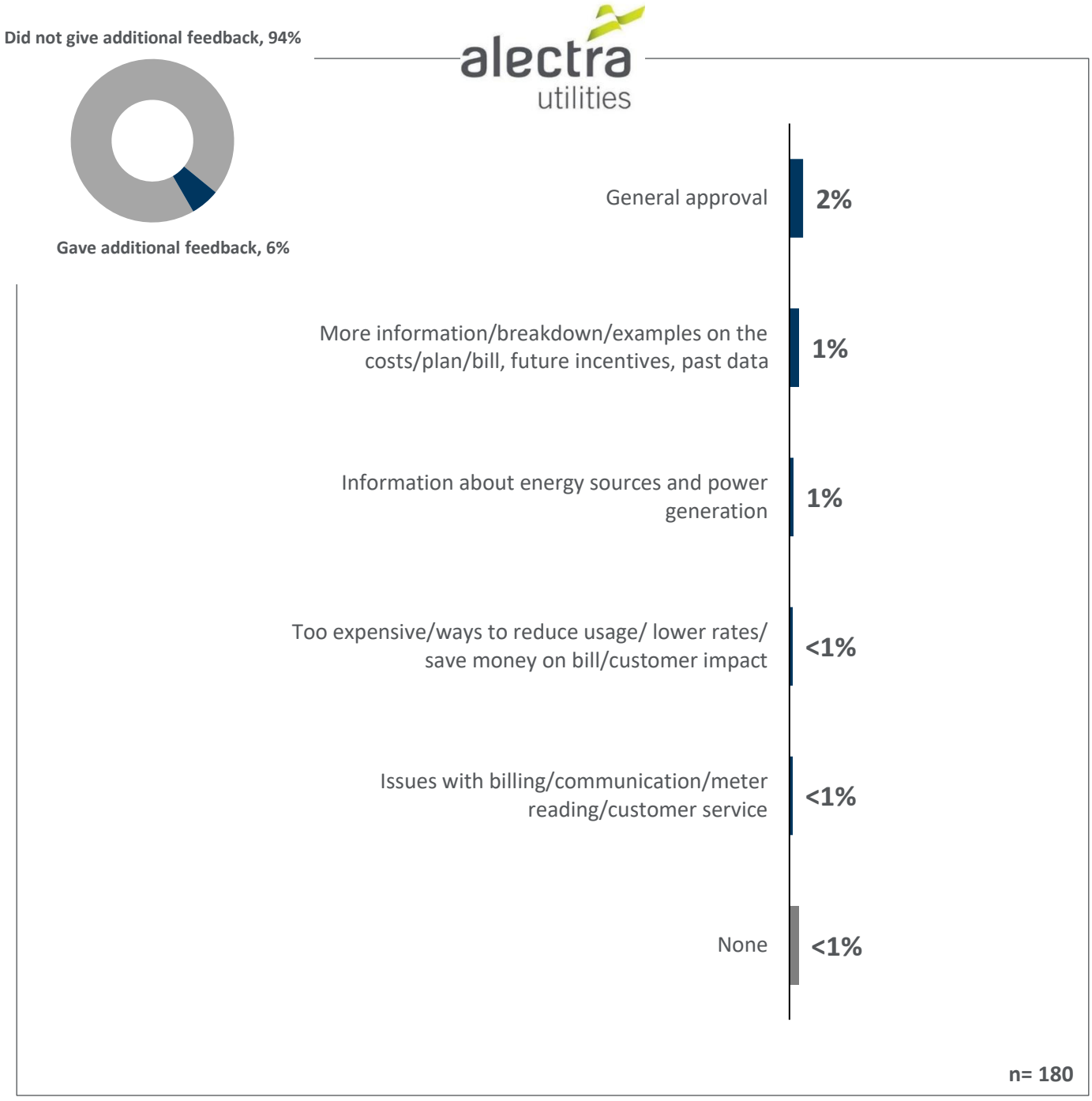
		Rate Zone				Consumption Quartiles	
	Overall	BRZ (n=23)	ERZ (n=61)	HRZ (n=24)	PRZ (n=67)	Low – Mid (n=90)	Mid - High (n=90)
Too little information	5%	1	3	2	3	7%	3%
Just the right amount of information	78%	19	50	19	49	77%	79%
Too much information	17%	4	8	3	16	16%	19%

NOTE: Because the sample size of Guelph Hydro rate zone is low (n=4), Guelph responses are only included in the overall Alectra results, the rate zone results are not shown in the crosstabulation tables.

Phase II Online Survey
Content Missing

GS>50

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]



Phase II Online Survey
Content Missing

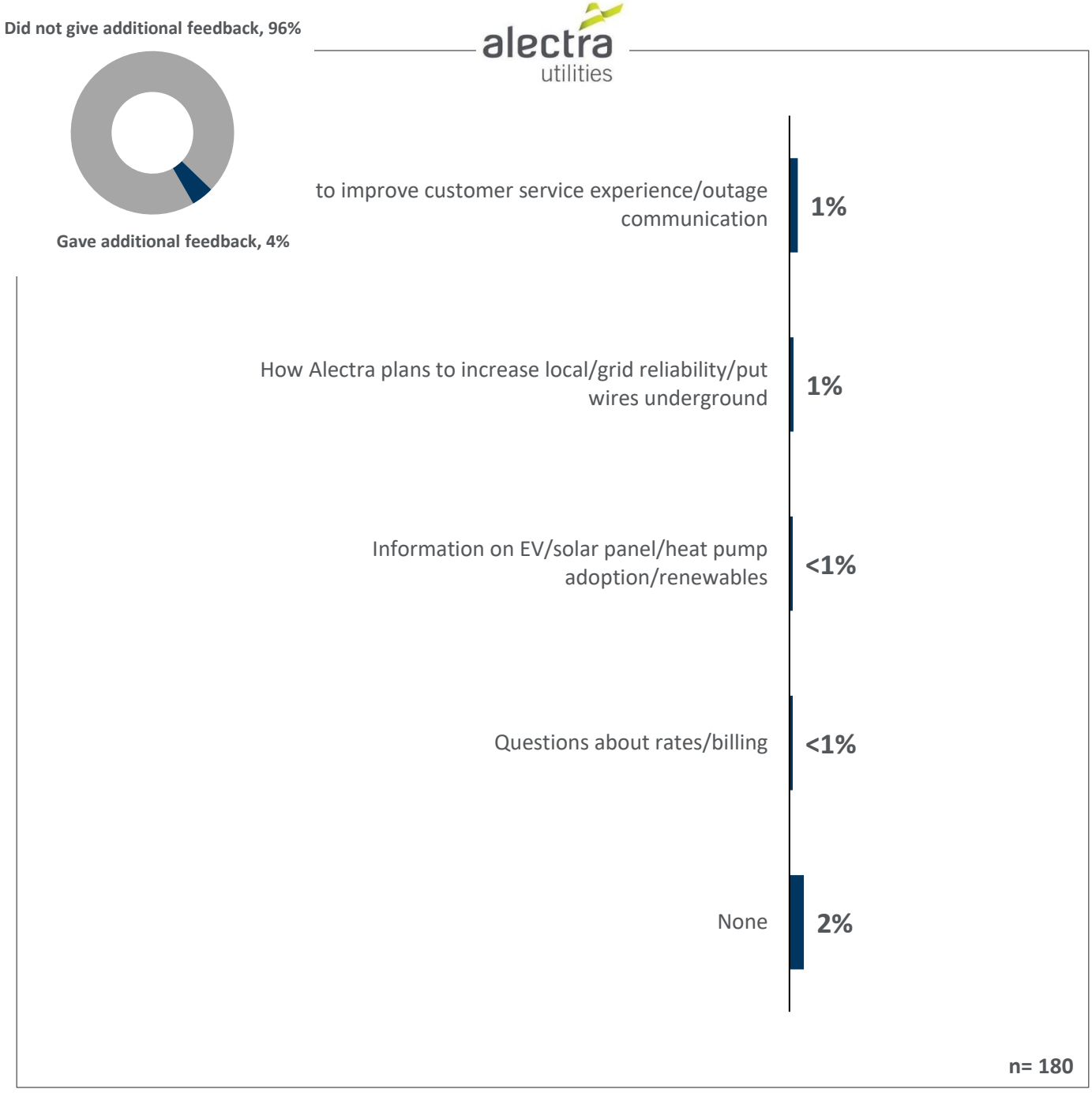
Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
General approval
"It is a very long survey, but even though I think it is a very good survey because it is very educational."
More information/breakdown/examples on the costs/plan/bill, future incentives, past data
"Factual financial reporting disclosing the revenue and investment activities since 2017 showing that the increases previously implemented have been managed well and reflect an understanding of the impact of these increased charges on the public."
Information about energy sources and power generation
"People should know how Ontario chooses the electricity from the power plant, some of the power plants make money without generating electricity, and those cost comes to the consumer, which is crazy."
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact
"Overall rates that have gone up massively in the last several months."
Issues with billing/communication/meter reading/customer service
"I would like to have better portal with daily electricity usage."

Phase II Online Survey
Final Questions

GS>50

Q Is there anything that you would still like answered? [OPEN]



Phase II Online Survey
Final Questions

GS>50

Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims
Plans to improve customer service experience/outage communication
"Improve customer service experience."
How Alectra plans to increase local/grid reliability/put wires underground
"Alectra should provide more guidance on how to deal with the coming power shortages, and more facilities to offer such as EV charging stations, power storage and so on."
Information on EV/solar panel/heat pump adoption/renewables
"Does Alectra have any say in how electricity will be produced in the future? If yes, would Alectra be in favor of more solar and wind?"
Questions about rates/billing
"How does Ontario control its electricity rates? High electricity cost is a major disadvantage to Ontario businesses."

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DRAFT

APPENDIX 11

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Phase II Customer Engagement
2027 Rebasing Application

Large Use Online Workbook Survey

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Phase II Online Survey
Survey Design & Methodology

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Large Use Online Survey Completes

100% (34) of all 34 large use customer accounts provided Alectra with an email address. All emails are unique with no duplicate email addresses.

All large use customers with an email address on Alectra's file received an email invitation to the **Phase II Large Use Online Survey**. The email invitation included a unique survey URL that linked back to their rate class and rate zone. INNOVATIVE administered all email invitations and sent reminder emails, while Alectra's Customer Insights team conducted follow-up phone calls to encourage participation. Each customer was only permitted to complete the survey once through the unique URL. Customers had the opportunity to complete the survey between **November 15th and January 23rd, 2025**.

A total of **13** (unweighted) large use customers completed the Phase II online survey.

Analysis of the Open-Ended Questions

Similarly to the small business report, the open-ended questions in the GS>50kW report were manually coded. All responses were carefully reviewed and proofed to ensure consistency and accuracy throughout the analysis.

Incentives

All large business customers, including GS>50kW, and Large Use customers, who completed the survey were invited to enter a draw to win one of three prizes. Each prize consisted of a team breakfast or lunch up to a maximum value of $500.

Survey Respondents

Individual large use customer responses were anonymous and no identifiable respondent information was shared with Alectra. Responses were combined to protect the confidentiality of individual customers.

Given the limited customer base of Large Use customers (n=34), the results of the sample (n=13) are presented in n sizes, not in percentages. In addition, the sample was not weighted.

The table below summarizes the unweighted sample breakdown by rate zone.

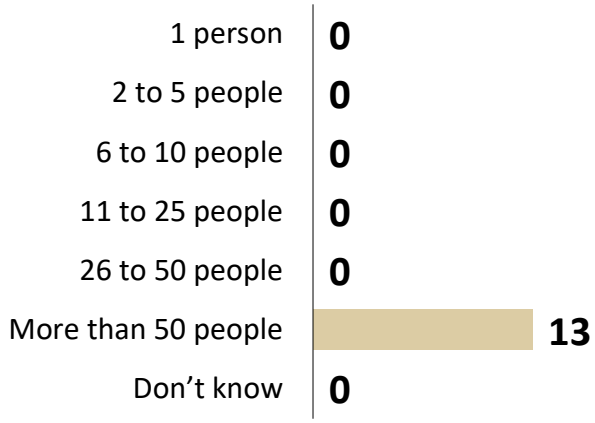
Rate Zone	# of large use customers who completed the survey
Hydro One Brampton (BRZ)	5
Enersource (ERZ)	3
Guelph Hydro (GRZ)	2
Horizon (HRZ), including Horizon Dedicated Assets	2
PowerStream (PRZ)	1
Total	**13**

NOTE:
Results for large-use dedicated asset customers are suppressed because only one such customer completed the survey. This customer has a different draft plan compared to other large-use customers. While its responses are included in the overall Alectra results, average values for each option are not displayed.

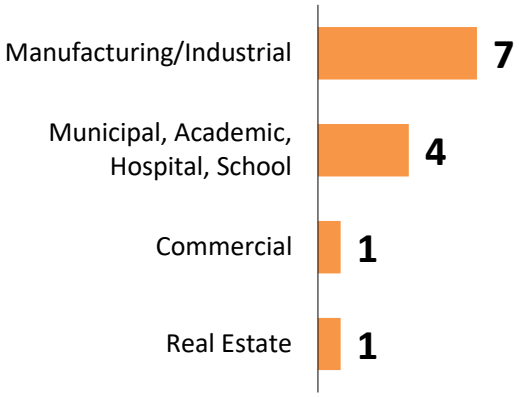
Phase II Online Survey
Firmographic Breakdown

Large Use

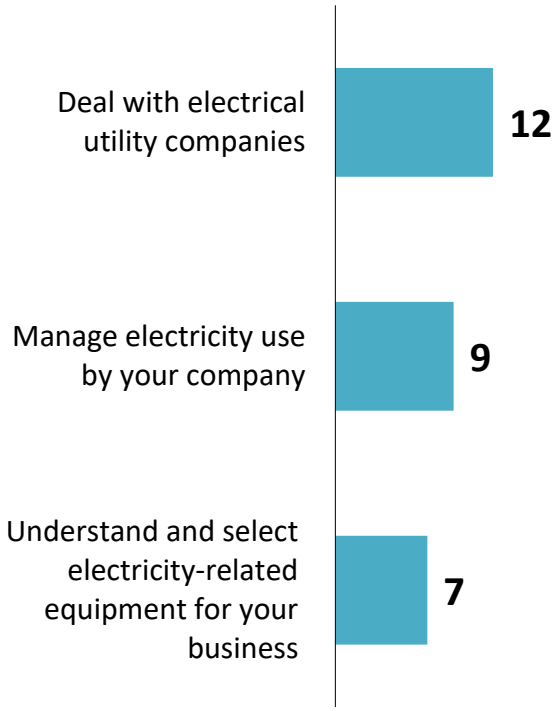
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total responses in the chart add up to more than the total number of survey respondents (n=13).

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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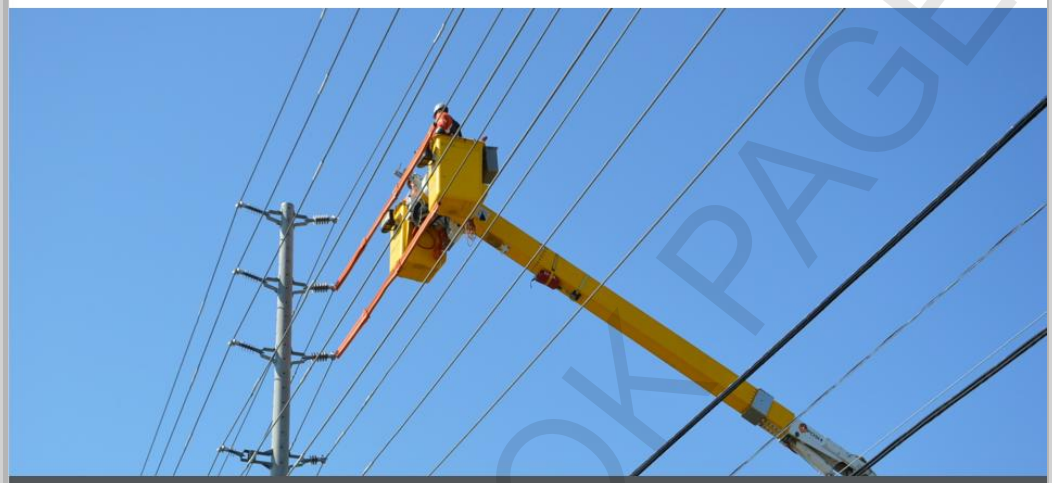
It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services your organization receives and the rates that you pay.



Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. **Your experience with Alectra and how they can do better.**
2. **What investments and spending decisions matter most to your organization.**

Those who complete the survey will be automatically entered into a draw to win 1 of 3 team breakfasts or lunches, each valued up to $500!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

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CONTINUED FROM PREVIOUS

How will this survey work?

- This survey explains what Alectra does, how much of your organization's electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services your organization receives and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

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To start, here is a little background on Alectra

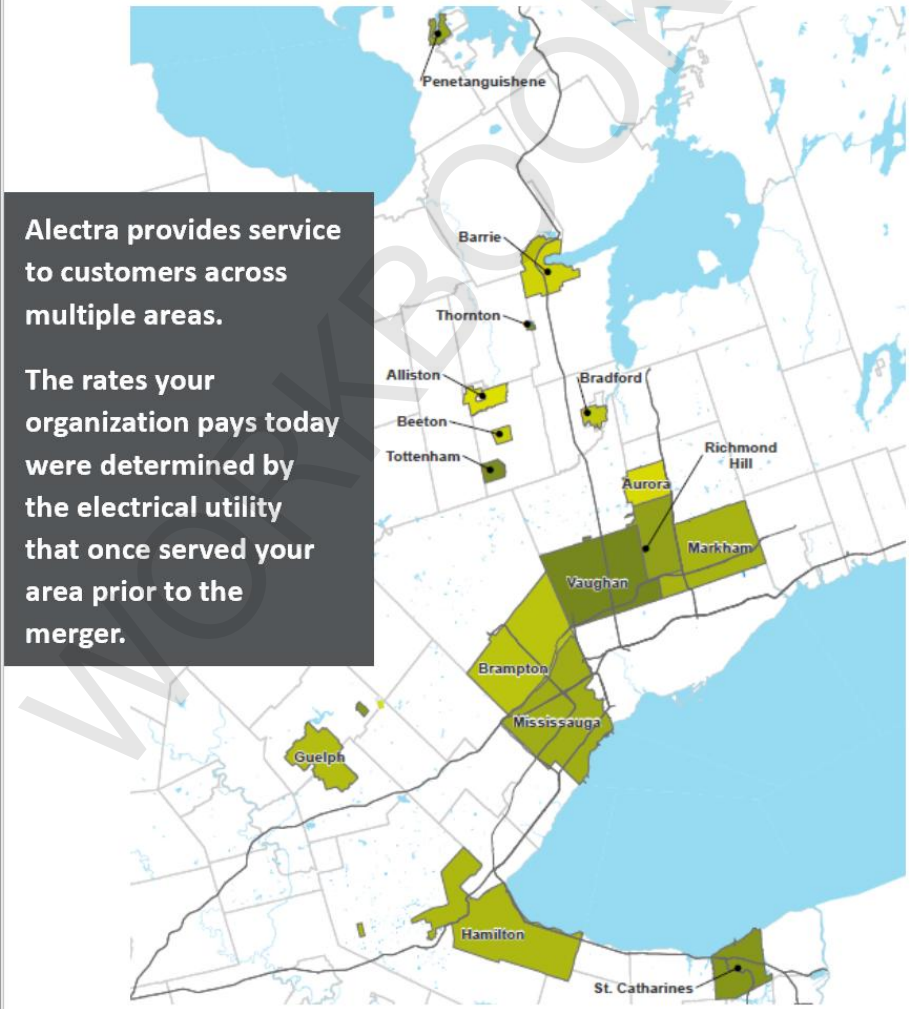
Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.

Alectra provides service to customers across multiple areas.

The rates your organization pays today were determined by the electrical utility that once served your area prior to the merger.

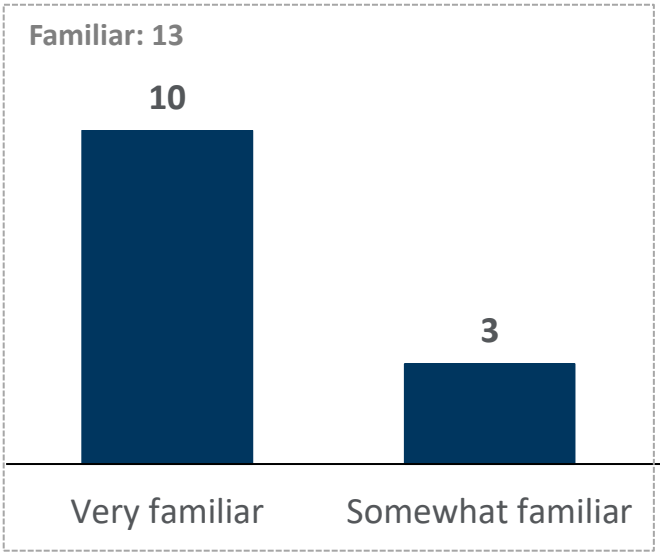


WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

Large Use

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



n=13

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

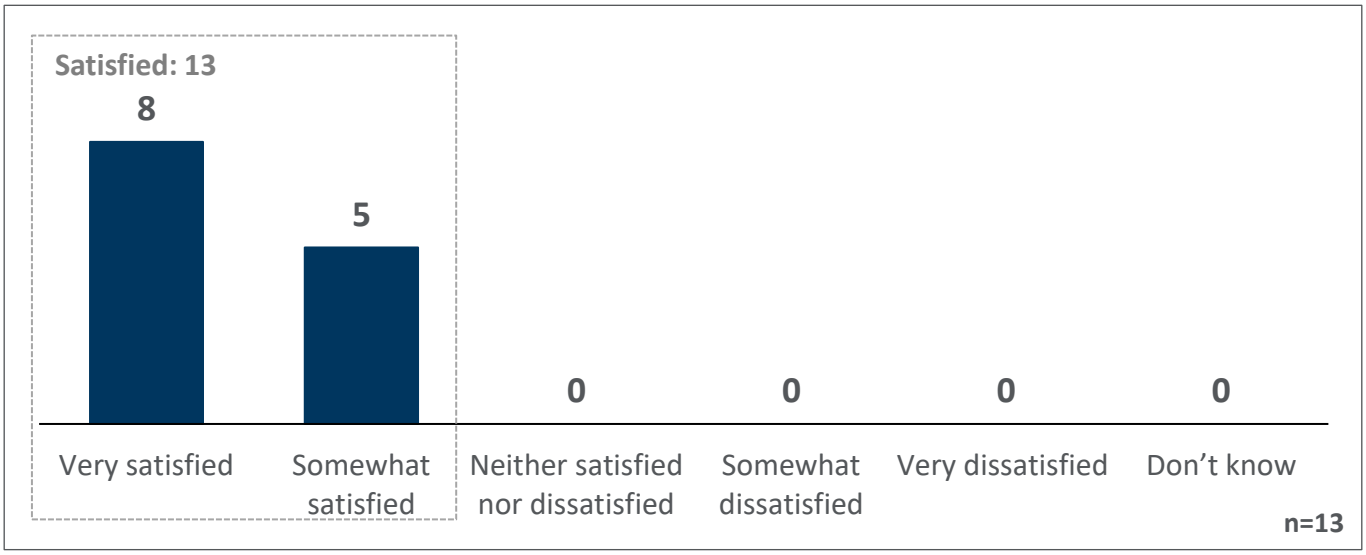
- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

Large Use

Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



Phase II Online Survey
Areas of Improvement

Large Use

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your/your organization's needs? [OPEN]

Verbatims
Transparency about the plan
"More transparency on longer term plans."
"Overall responsiveness to issues or requests for information is quick and precise. The only request would be to have more visibility and opportunity to tap into savings through government-funded programs."
Provide more accurate account information
"There are several areas of Alectra that our group may interact with - because we have thousands of accounts and many staff that may interact with Alectra, it can be frustrating if Alectra is unable to provide specific information related to our accounts, or if it takes many attempts to reach the correct people. An example is in account set up - we have had issues where not all the information is consistent during set up (call centre) and leads to additional time to track information down."
Positive - general
"All good."

Phase II Online Survey
Workbook Page 4 – BRZ TOU Version

Large Use

Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 2% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

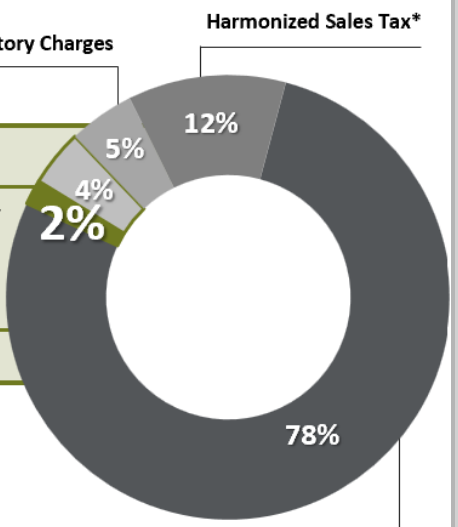
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 10,220,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	993,272.60
Delivery	75,845.62
Regulatory Charges	61,172.57
Total Electricity Charges	**$1,130,290.79**
HST	146,937.80
Total Amount	**$1,277,228.60**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$23,066.12



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 8% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

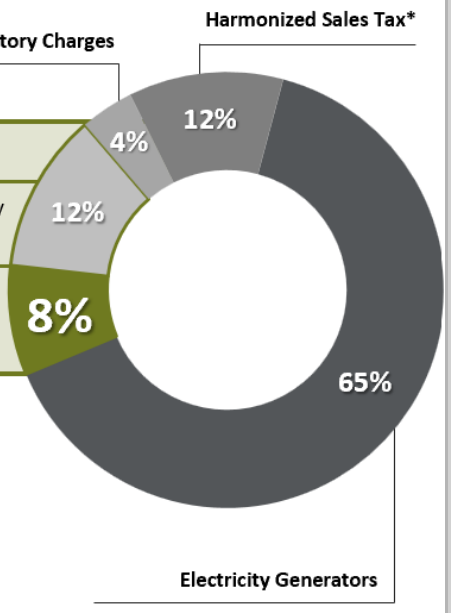
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 3,000,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	291,567.30
Delivery	90,344.25
Regulatory Charges	17,956.90
Total Electricity Charges	**$399,868.45**
HST	51,982.90
Total Amount	**$451,851.35**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$36,626.75



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Workbook Page 4 – GRZ TOU Version

Large Use

Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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Discover the possibilities

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 5% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

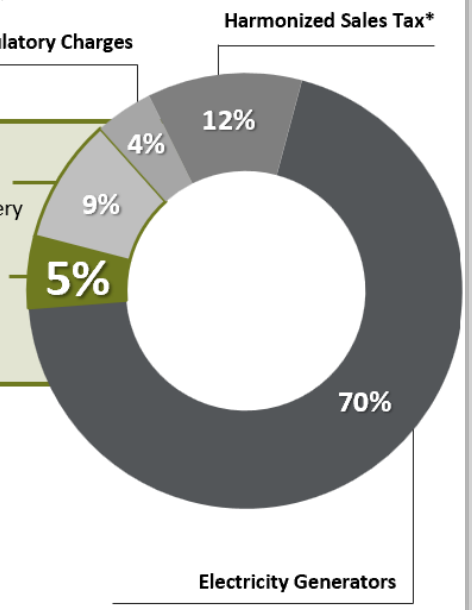
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 4,215,750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	409,401.85
Delivery	86,050.94
Regulatory Charges	25,213.93
Total Electricity Charges	**$520,666.73**
HST	67,686.67
Total Amount	**$588,353.40**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$31,098.44



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 9% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

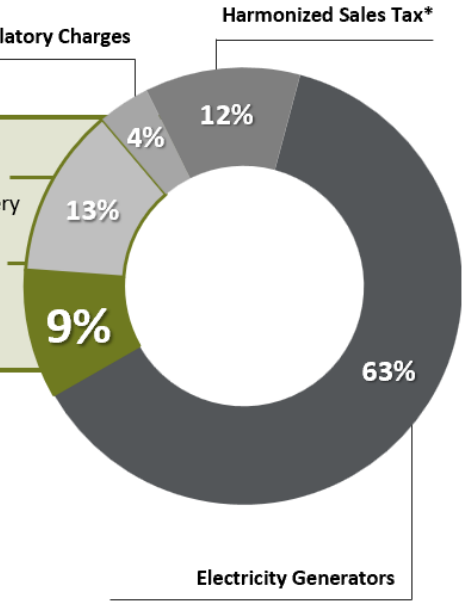
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2,555,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	248,685.30
Delivery	87,794.39
Regulatory Charges	15,315.94
Total Electricity Charges	**$351,795.64**
HST	45,733.43
Total Amount	**$397,529.07**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$37,516.64



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 1% of the typical Large Use (with dedicated assets) customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

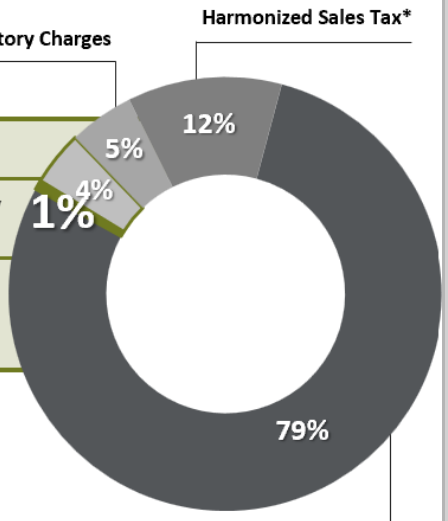
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 10,220,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	994,741.22
Delivery	60,349.88
Regulatory Charges	61,263.02
Total Electricity Charges	**$1,116,354.11**
HST	145,126.03
Total Amount	**$1,261,480.15**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$8,975.63



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 6% of the typical Large Use customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

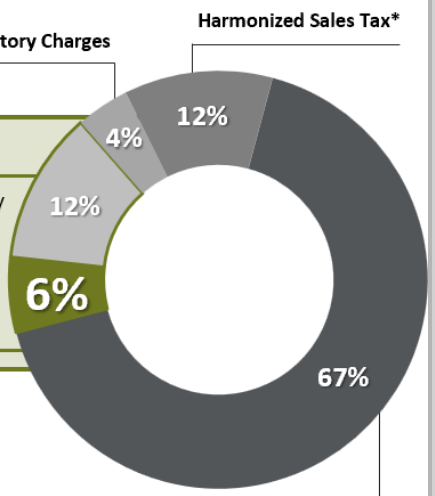
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2,800,000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	272,129.48
Delivery	71,794.47
Regulatory Charges	16,759.79
Total Electricity Charges	**$360,683.74**
HST	46,888.89
Total Amount	**$407,572.63**

Delivery:
A. Transmission and Other Delivery
B. Distribution
Alectra Utilities' typical portion of the total bill is
$23,626.97



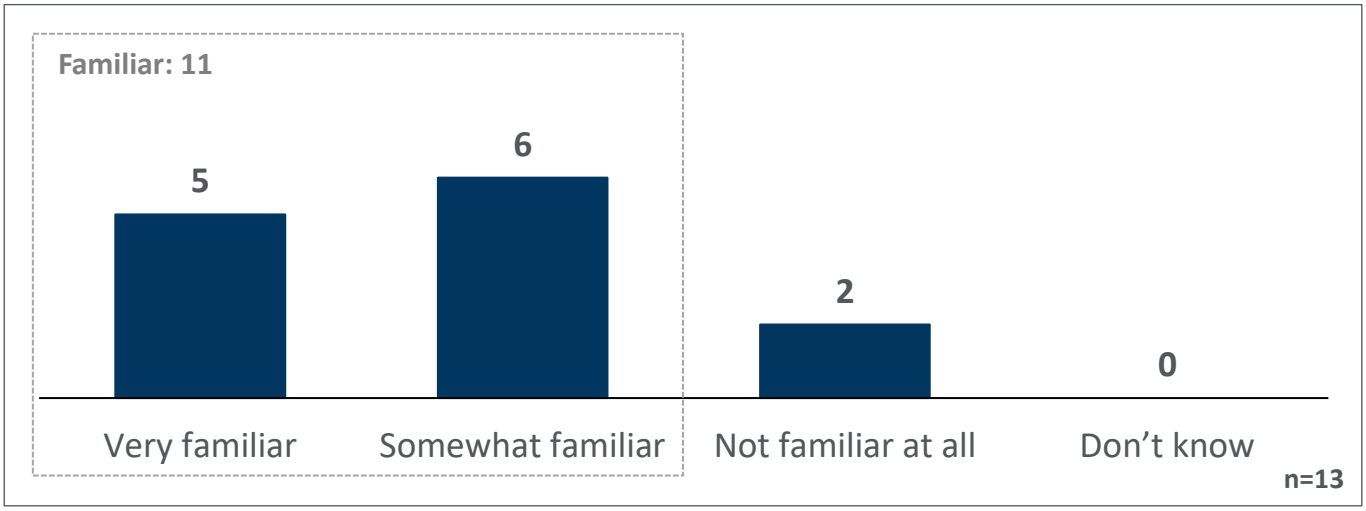
Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

Large Use

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ **1. Customers Identify Needs, Preferences and Priorities**
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ **2. Use Customer Feedback to Guide the Draft Plan**
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

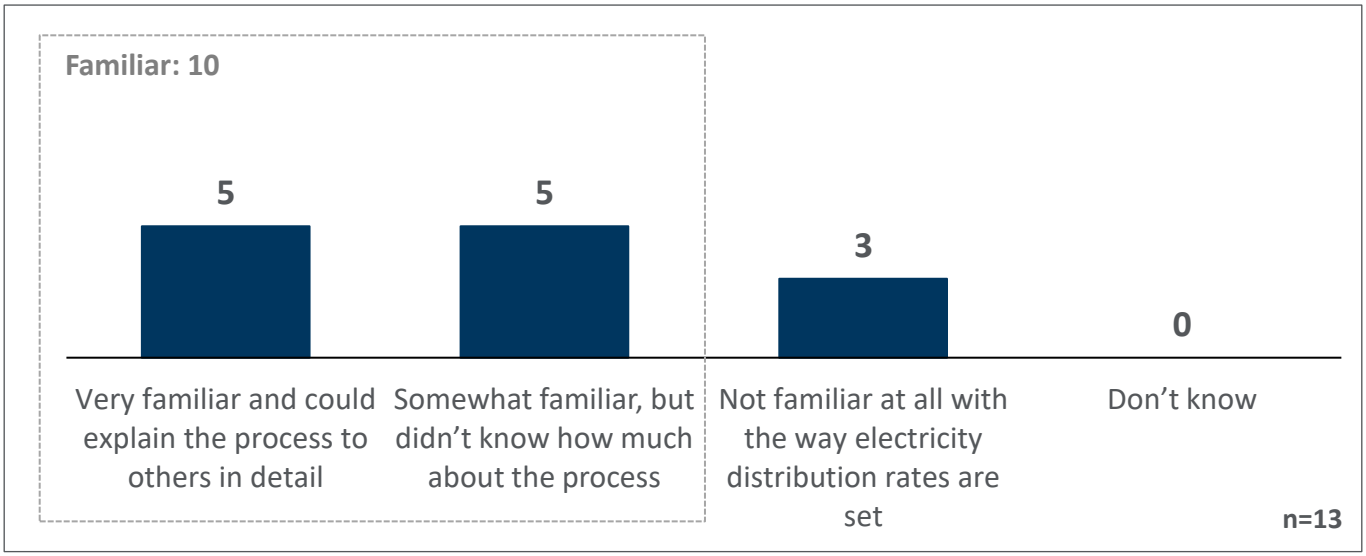
WORKBOOK PAGE

Phase II Online Survey

Familiarity with how Electricity Rates are set

Large Use

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

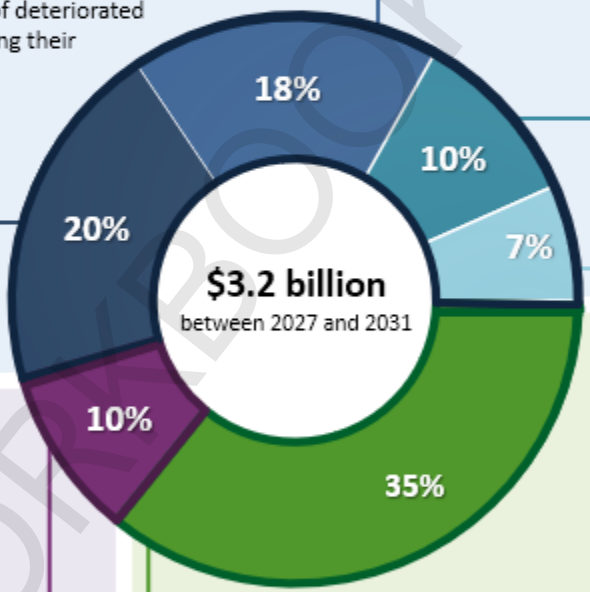
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



1. Overhead & Transformer Renewal
2. Underground Renewal
3. Meter Replacement & Renewal
4. Fleet, Facilities & Information Technology

10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 6 (cont.) – BRZ Version

Large Use

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $21,381.99 in 2026 to **$29,421.89 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$1,278,526.46	$21,381.99	$29,421.89	**$8,039.90**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $35,526.58 in 2026 to **$43,566.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$454,007.56	$35,526.58	$43,566.48	**$8,039.90**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey

Workbook Page 6 (cont.) – GRZ Version

Large Use

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $18,368.73 in 2026 to **$26,408.63 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$589,468.27	$18,368.73	$26,408.63	**$8,039.90**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $38,322.57 in 2026 to **$46,362.47 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$399,855.09	$38,322.57	$46,362.47	**$8,039.90**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey

Workbook Page 6 (cont.) – Dedicated Asset - HRZ Version

Large Use

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $9,085.43 in 2026 to **$13,462.41 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$1,262,031.36	$9,085.43	$13,462.41	**$4,376.98**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **typical large use customer** would see the distribution portion of their monthly electricity bill increase by **$8,039.90** from an estimated initial cost of $21,510.57 in 2026 to **$29,550.47 by 2031**.

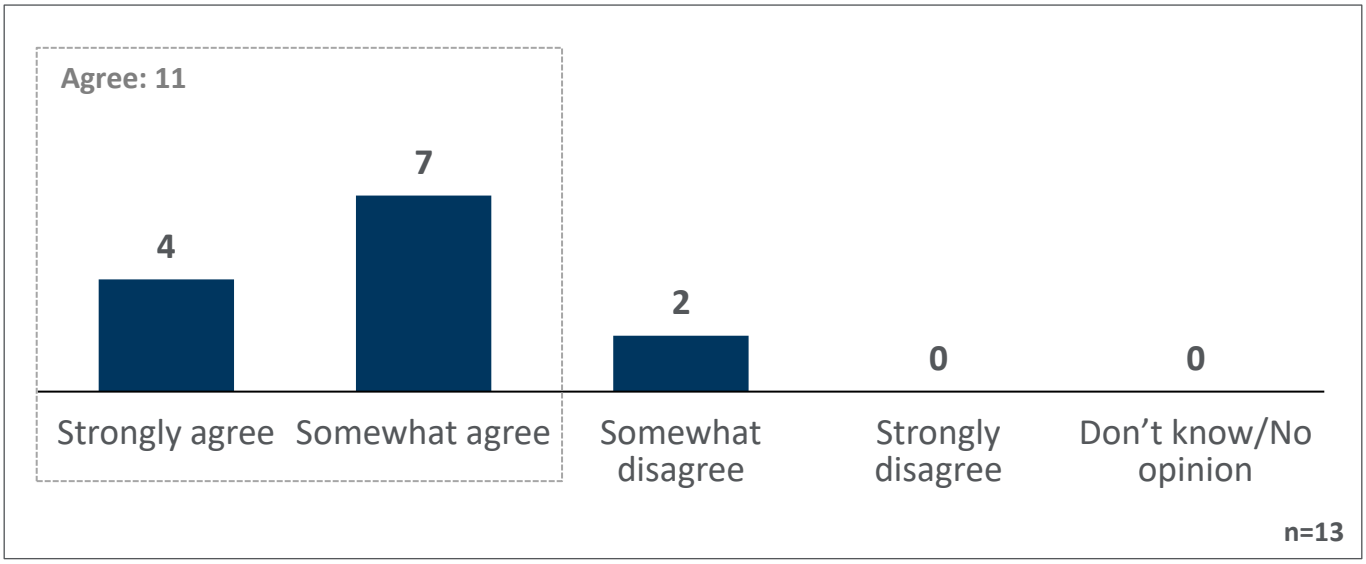
2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$408,877.78	$21,510.57	$29,550.47	**$8,039.90**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical large use customer is assumed to use 5,000kW per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey
Cost of the Draft Plan

Large Use

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost my business.



Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

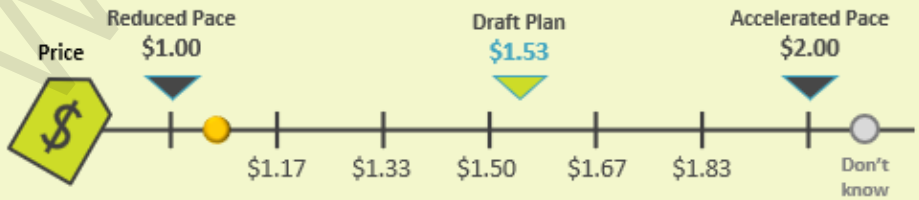
Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.



$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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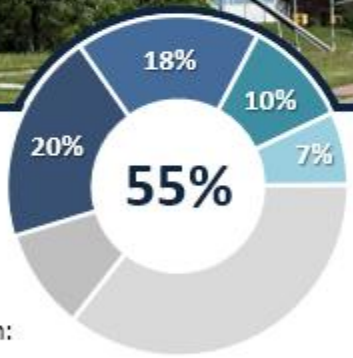
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

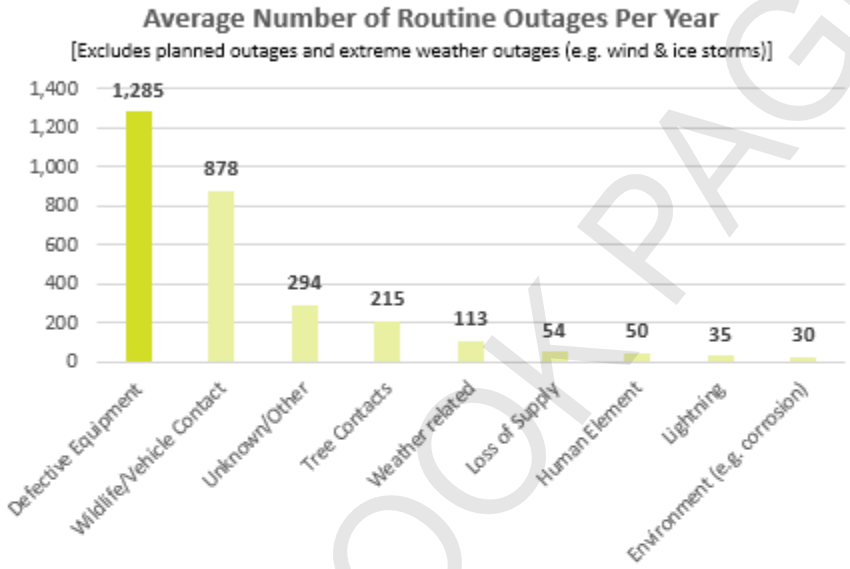
Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

WORKBOOK PAGE

Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

20%

1 Overhead & Transformer Renewal

Overview

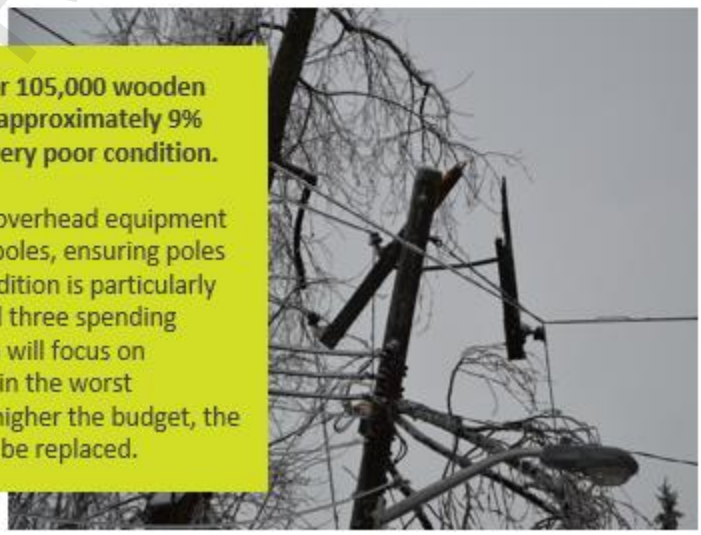
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK IMAGE

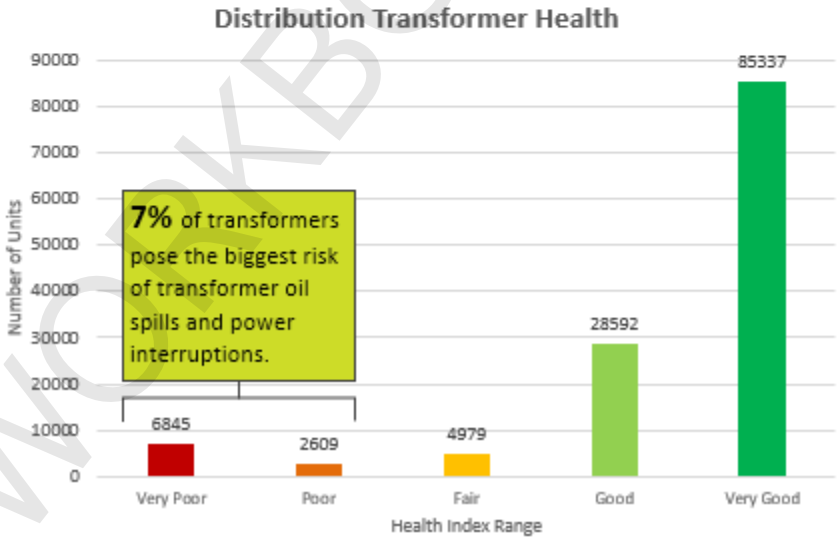
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.



WORKBOOK PAGE

Phase II Online Survey
Workbook Page 9 (cont.)

Large Use

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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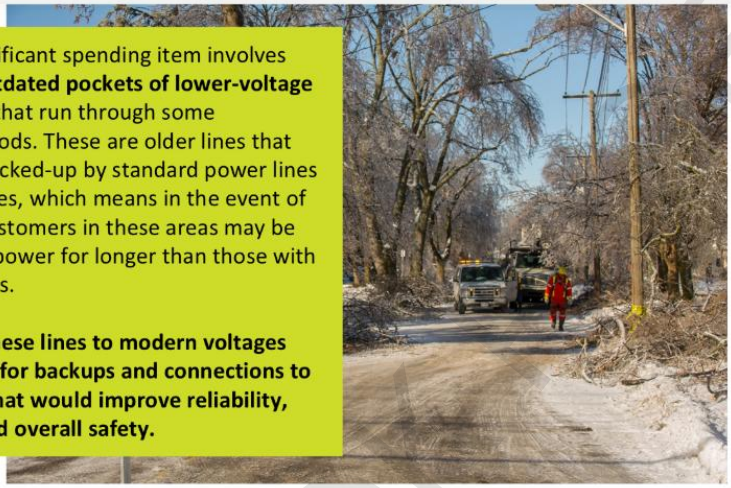


Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.

Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$1,431.91	$1,589.59	$1,937.10

Reduced Pace $1,431.91 | Draft Plan $1,589.59 | Accelerated Pace $1,937.10

Make a selection

$1516.11 | $1600.31 | $1684.51 | $1768.70 | $1852.90 | Don't know

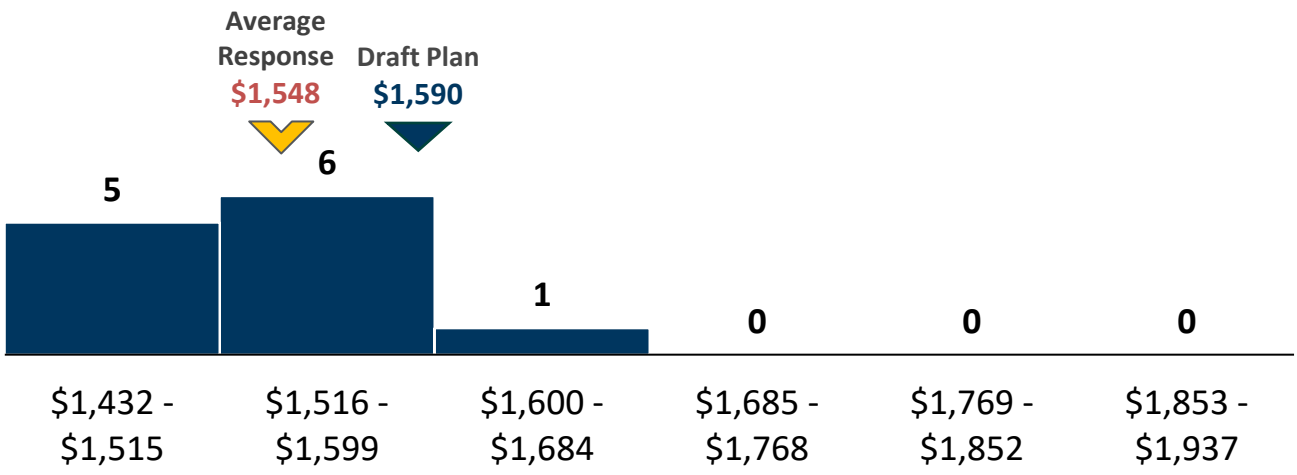
Your selection: $1567.43

WORKBOOK

Phase II Online Survey
Spending on Overhead Renewal

Large Use

Q How much should Alectra spend on Overhead Renewal?



The result for large-use dedicated asset customer is not included.

n=12

INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Feedback on Overhead Renewal

Large Use

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

No one provided additional feedback

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

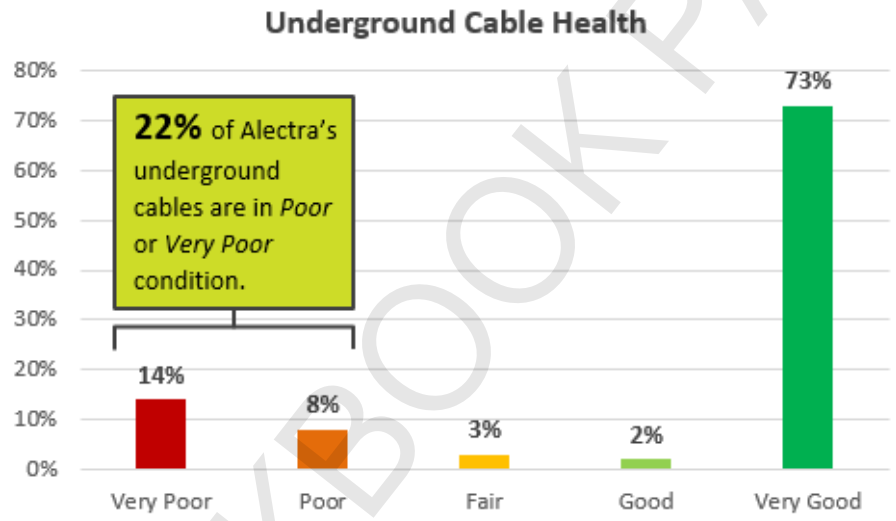
As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

WORKBOOK PAGE

Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

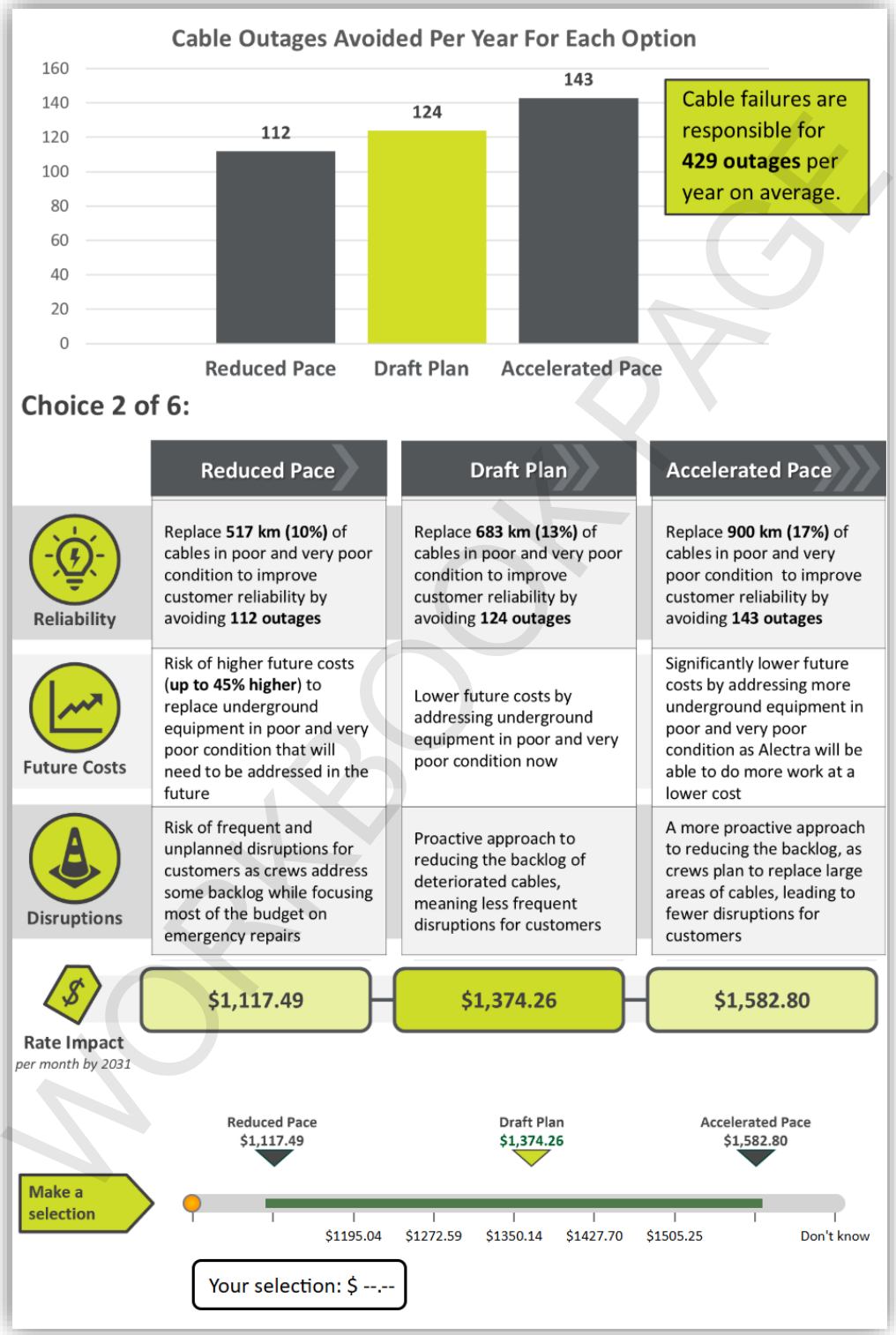
The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 10 (cont.)

Large Use

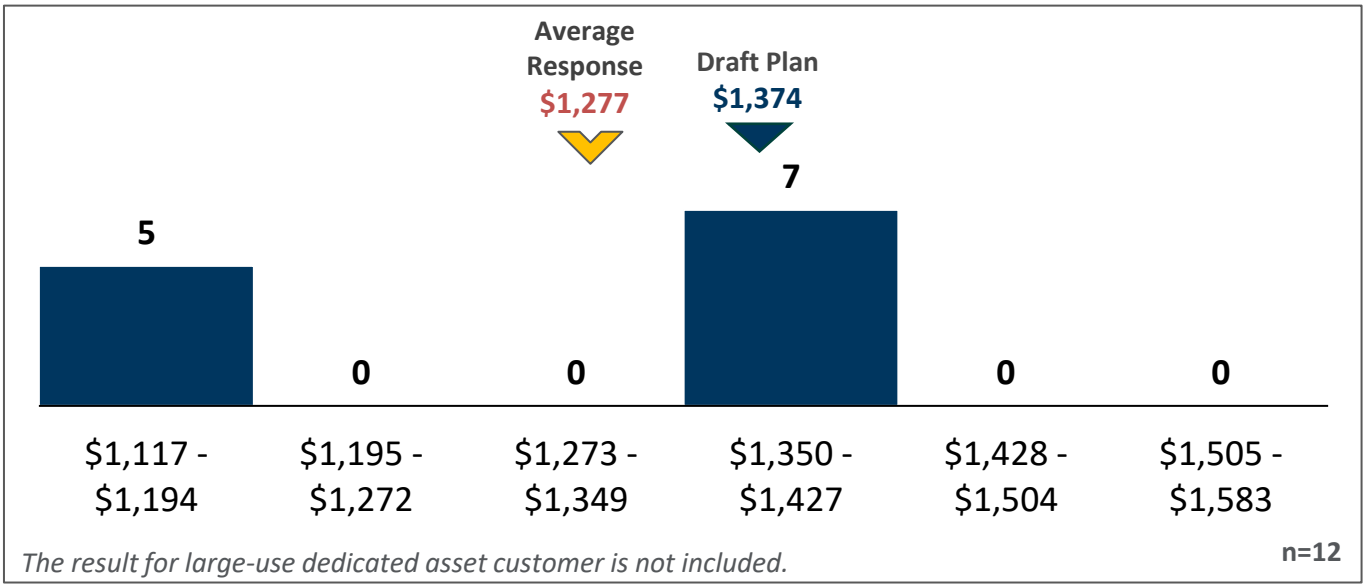


WORKBOOK PAGE

Phase II Online Survey
Spending on Underground Renewal

Large Use

Q How much should Alectra spend on Underground Renewal?



The result for large-use dedicated asset customer is not included.

n=12

Phase II Online Survey
Feedback on Underground Renewal

Large Use

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

No one provided additional feedback

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

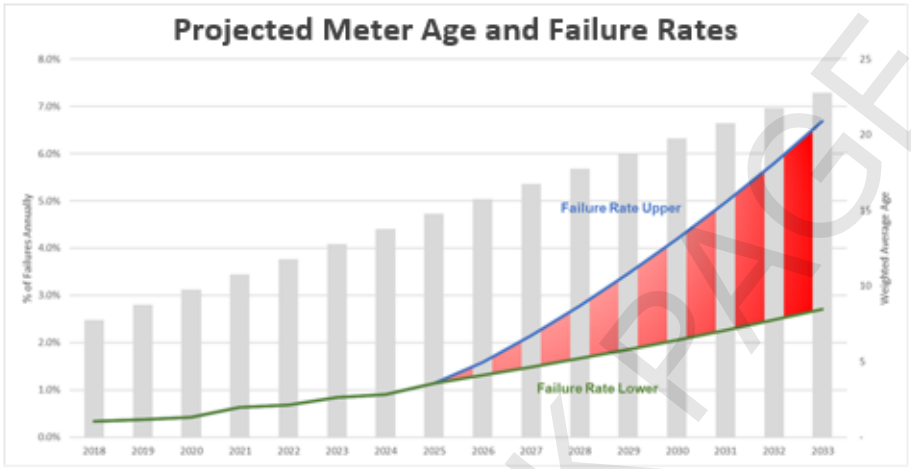
Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

WORKBOOK PAGE



Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

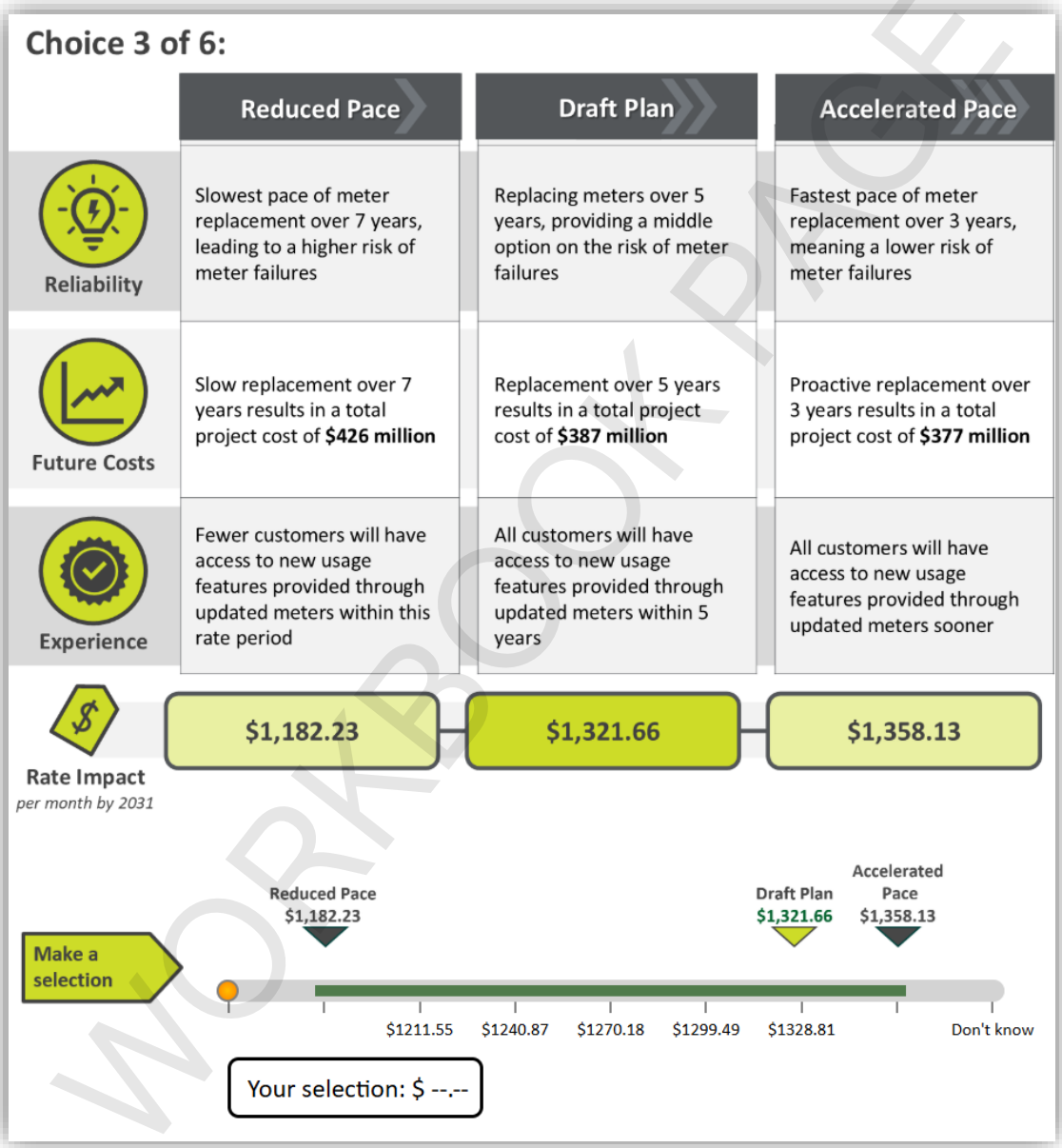
The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 11 (cont.)

Large Use



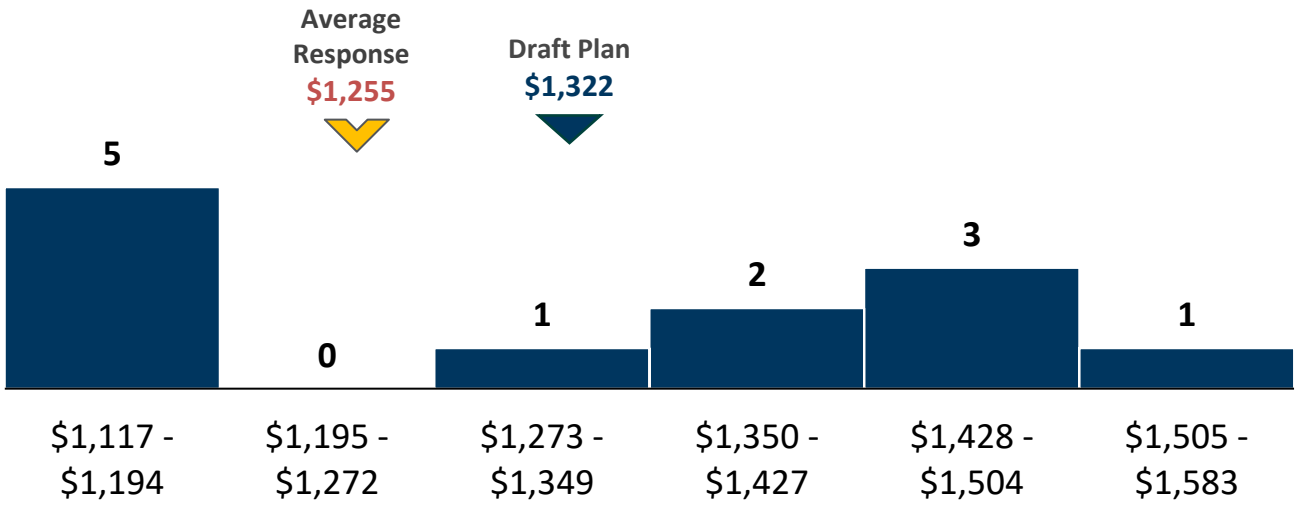
WORKBOOK PAGE

Phase II Online Survey

Spending on Meter Replacement and Renewal

Large Use

Q How much should Alectra spend on Meter Replacement and Renewal?



The result for large-use dedicated asset customer is not included.

n=12

Phase II Online Survey

Feedback on Meter Replacement and Renewal

Large Use

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

No one provided additional feedback

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

WORKBOOK PAGE

WORKBOOK PAGE

Key priorities in Information Technology include:

Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

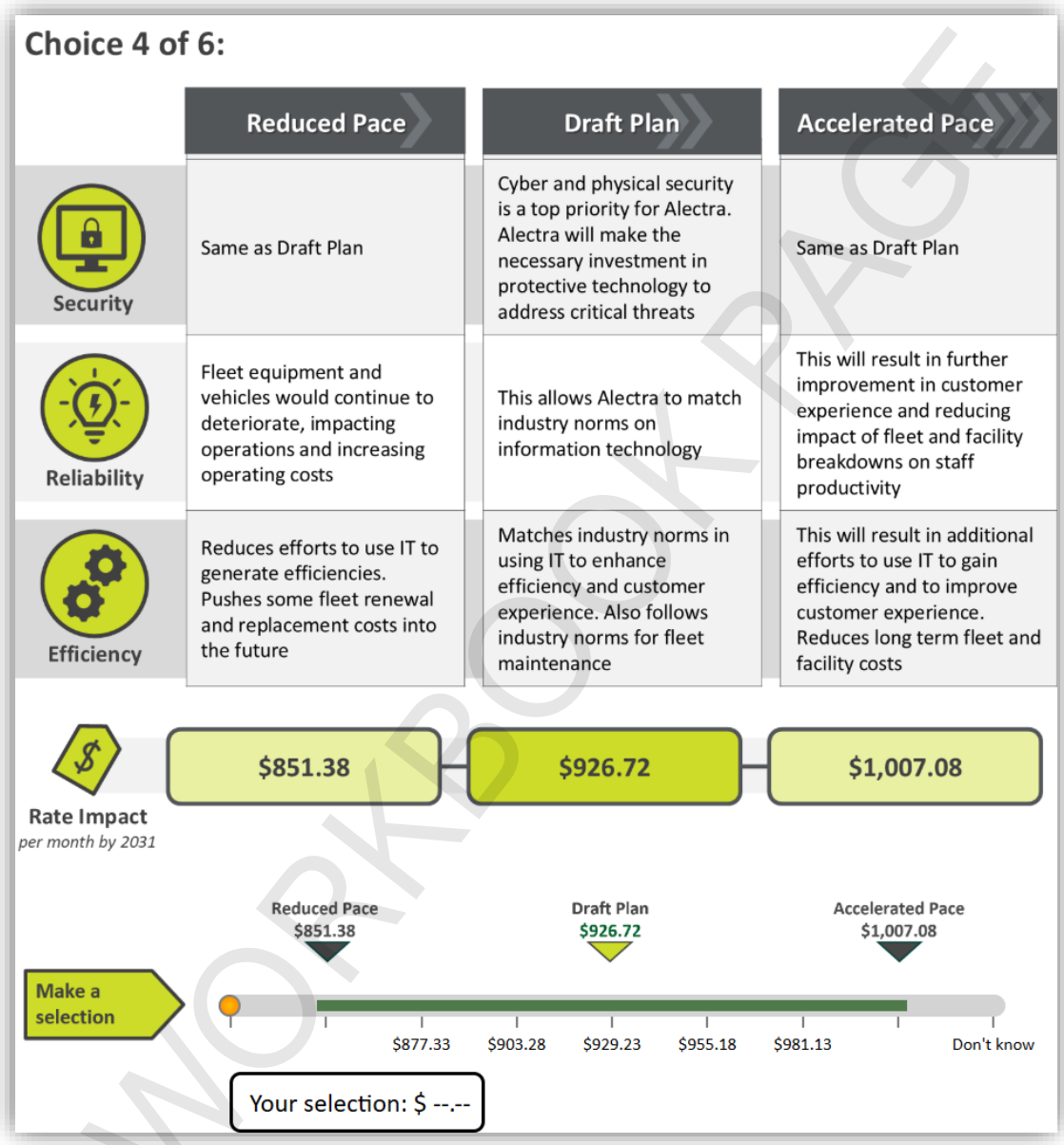
Maintaining the Fleet

Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.

Phase II Online Survey

Workbook Page 12 (cont.)

Large Use

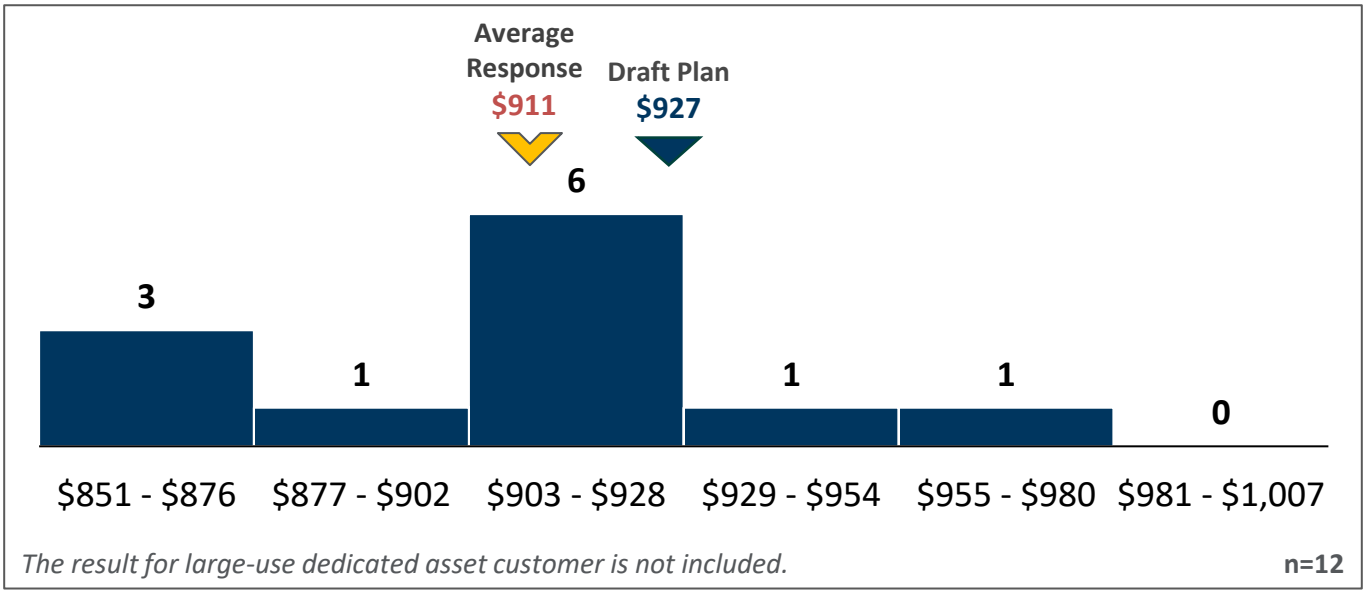


WORKBOOK PAGE

Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

Large Use

Q How much should Alectra spend on Fleet, Facilities and Information Technology?



The result for large-use dedicated asset customer is not included.

n=12

Phase II Online Survey

Feedback on Fleet, Facilities and Information Technology

Large Use

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

No one provided additional feedback

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

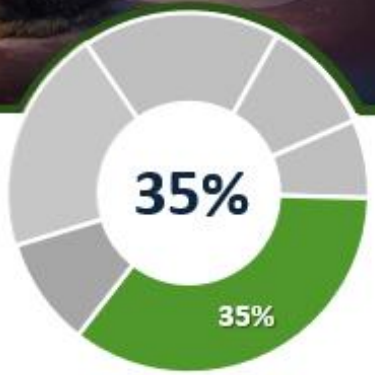
alectra
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

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Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

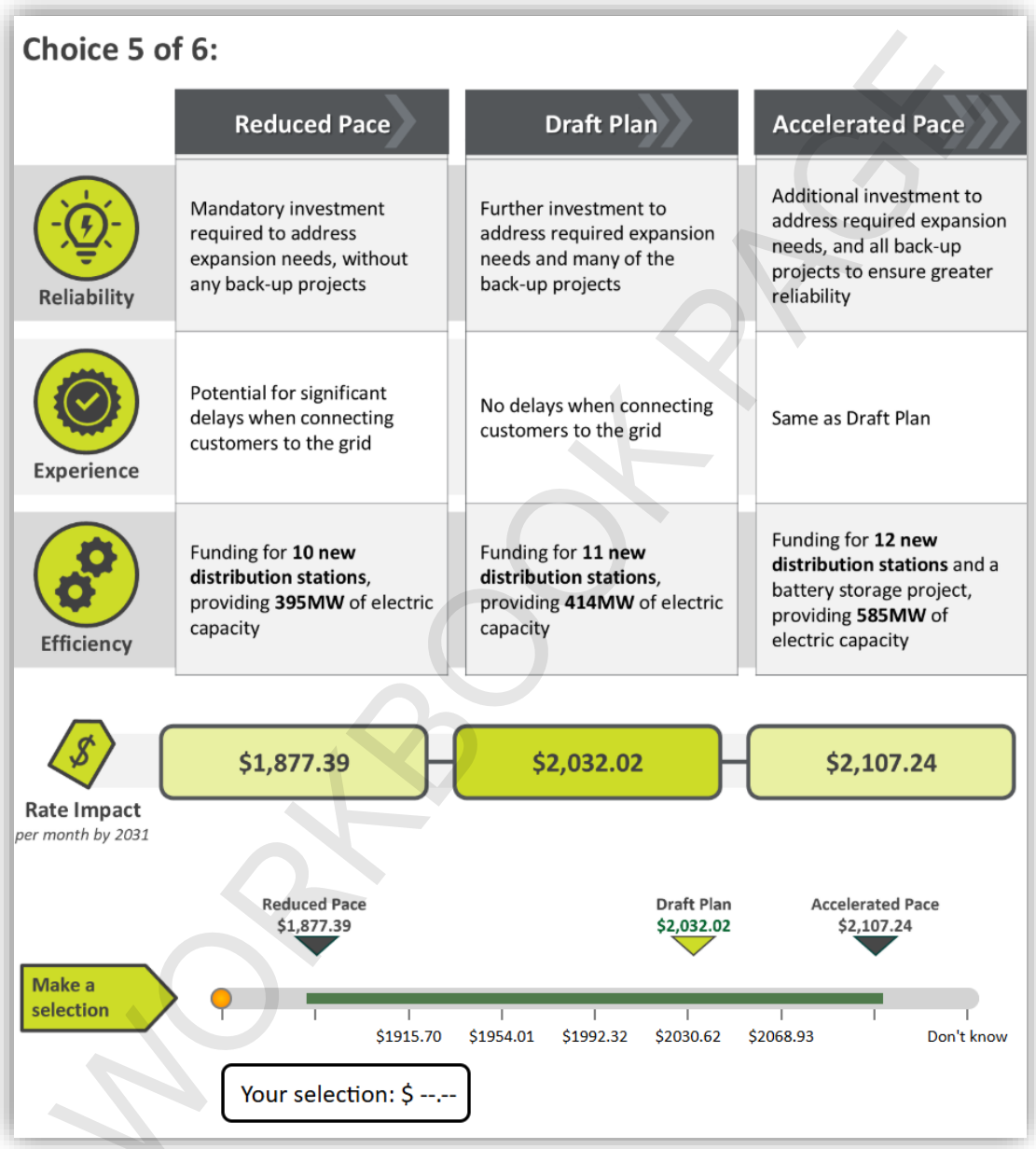
Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 14 (cont.)

Large Use

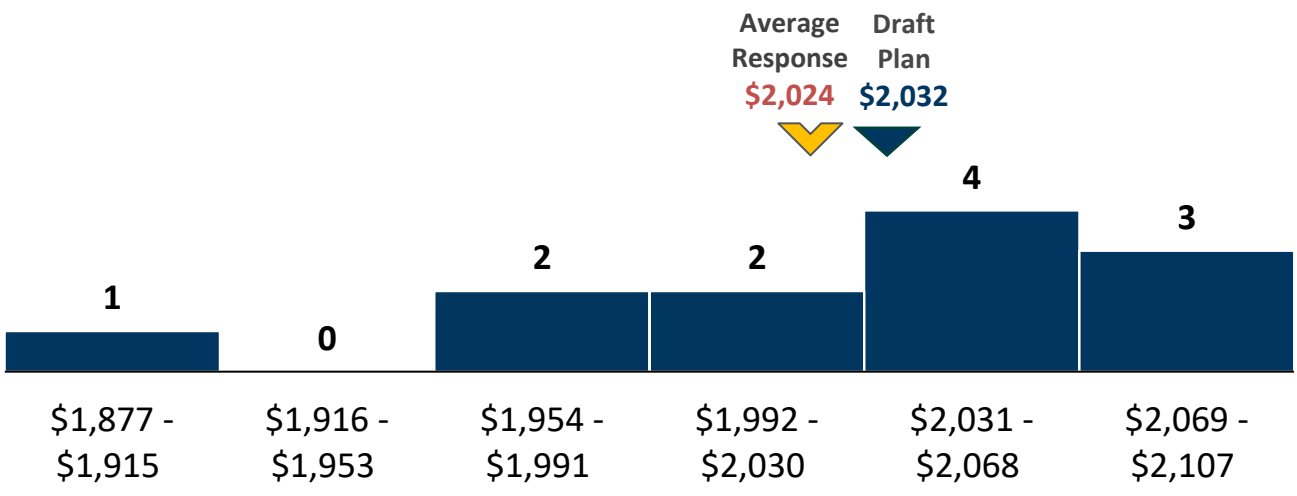


WORKBOOK PAGE

Phase II Online Survey
Spending on Meeting Growing Electricity Demand

Large Use

Q How much should Alectra spend on Meeting Growing Electricity Demand?



The result for large-use dedicated asset customer is not included.

n=12

Phase II Online Survey

Feedback on Meeting Growing Electricity Demand

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

No one provided additional feedback

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

alectra
Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

6 Enabling Resiliency and Modernization

Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 16 (cont.)

Large Use

Enhancing Customer Communication and Choice

- Between electric cars and power walls, customers today are connecting to the grid with technology that wasn't so common 10 years ago.
- With these recent adoptions, some customers are looking to become more active participants in the grid at difference paces.

Choice 6 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	**Invest in 27** weather-related adaption projects, which could lead to longer outages during extreme weather events	**Invest in 33** weather-related adaptation projects to reduce the risk of outages 24 hours or longer during extreme weather events	**Invest in 41** weather-related adaptation projects to further reduce the risk of outages
Experience	Maintain customer service investment without expanding customer choice	Moderate investment in new customer service solutions, expanding the options for customer choice and participation in the grid	Same as Draft Plan
Efficiency	Same as Draft Plan	Moderate investment in communication infrastructure, installation of 427 automatic switches to enable remote power restoration	Increased investment in communication infrastructure, installation of 502 automatic switches to enable faster and greater remote power restoration

Rate Impact
per month by 2031

$717.51 | $795.66 | $913.20

Reduced Pace $717.51 | Draft Plan $795.66 | Accelerated Pace $913.20

Make a selection

$750.13 | $782.75 | $815.36 | $847.96 | $880.58 | Don't know

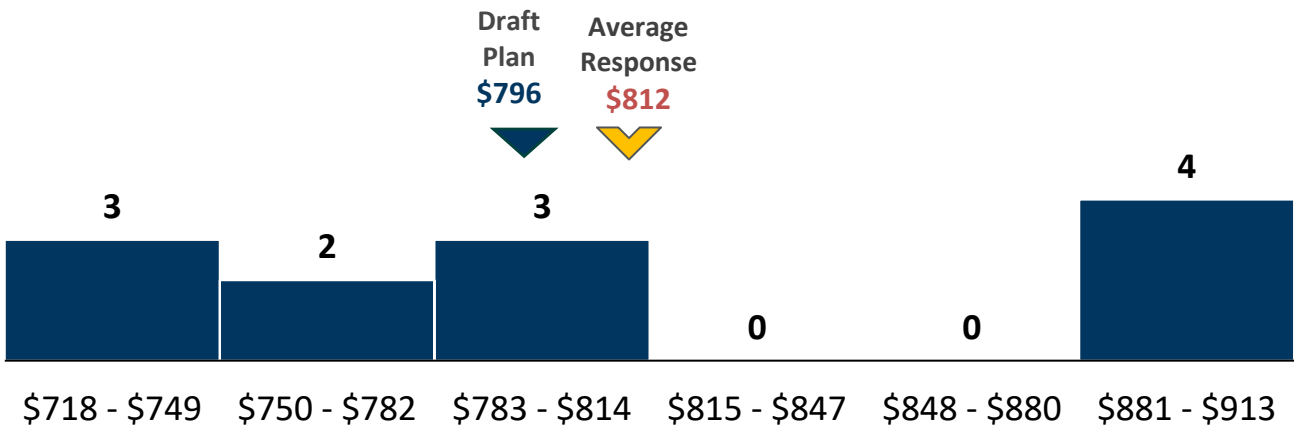
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Enabling Resiliency and Modernization

Large Use

Q How much should Alectra spend on Enabling Resiliency and Modernization?



The result for large-use dedicated asset customer is not included.

n=12

Phase II Online Survey

Feedback on Enabling Resiliency and Modernization

Large Use

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

No one provided additional feedback

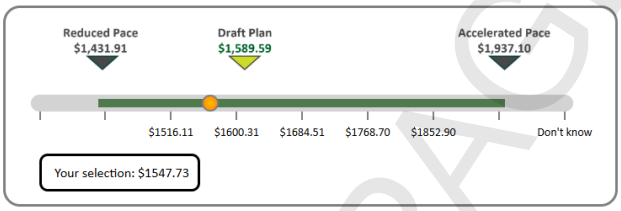
Choices Calculator

Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

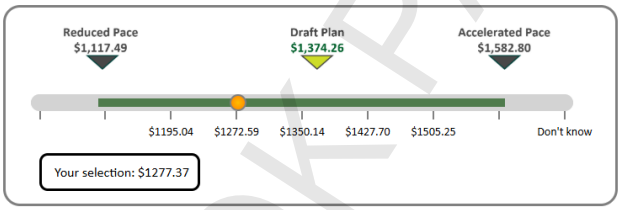
At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

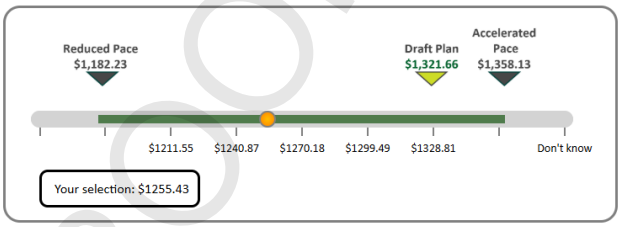
Overhead & Transformer Renewal



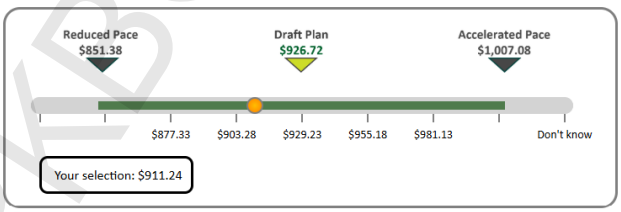
Underground Renewal



Meter Replacement & Renewal

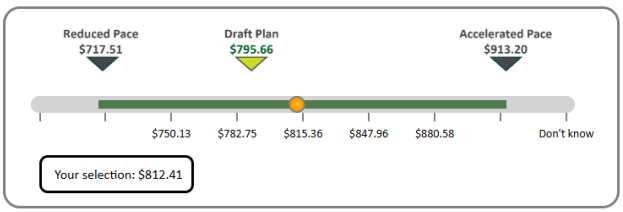


Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand

Enabling Resiliency & Modernization



Next

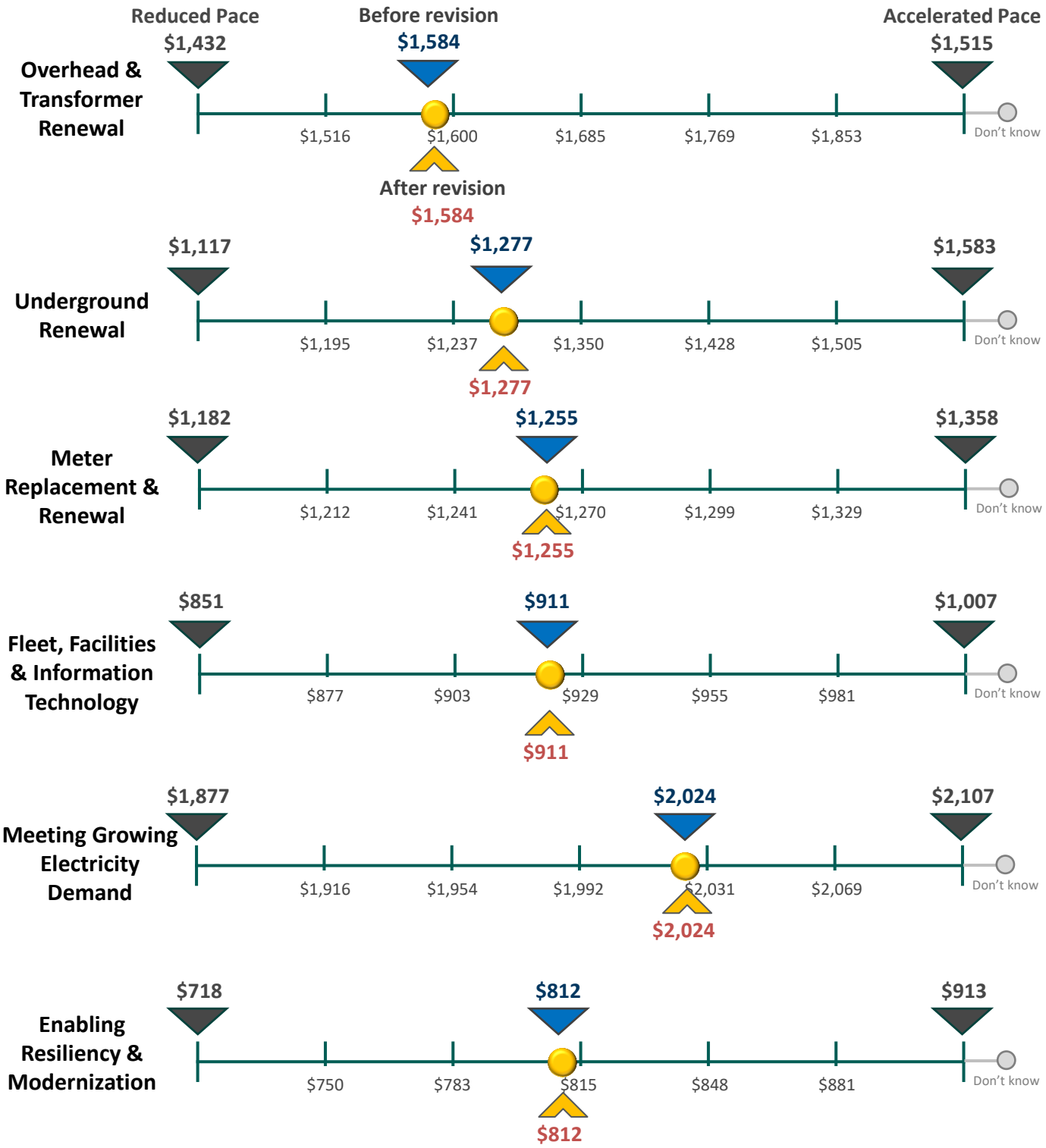
The total impact of your choices would result in an estimated:
$7828.14 more on your monthly bill by 2031.

WORKBOOK PAGE

Phase II Online Survey
Calculator Values

Large Use

This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.

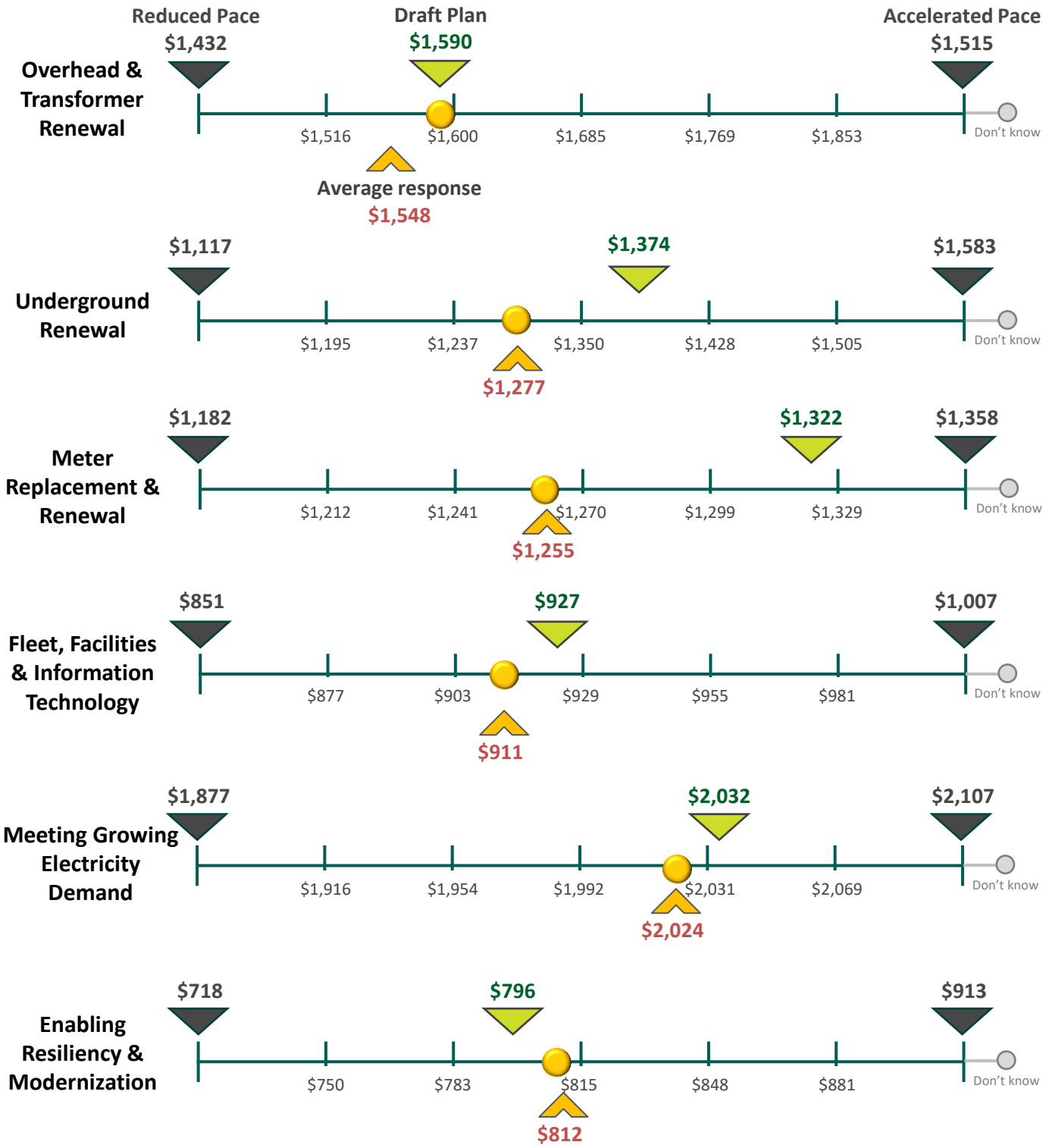


NOTE: The result for large-use dedicated asset customer is not included.

Phase II Online Survey
Calculator Values

Large Use

This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.

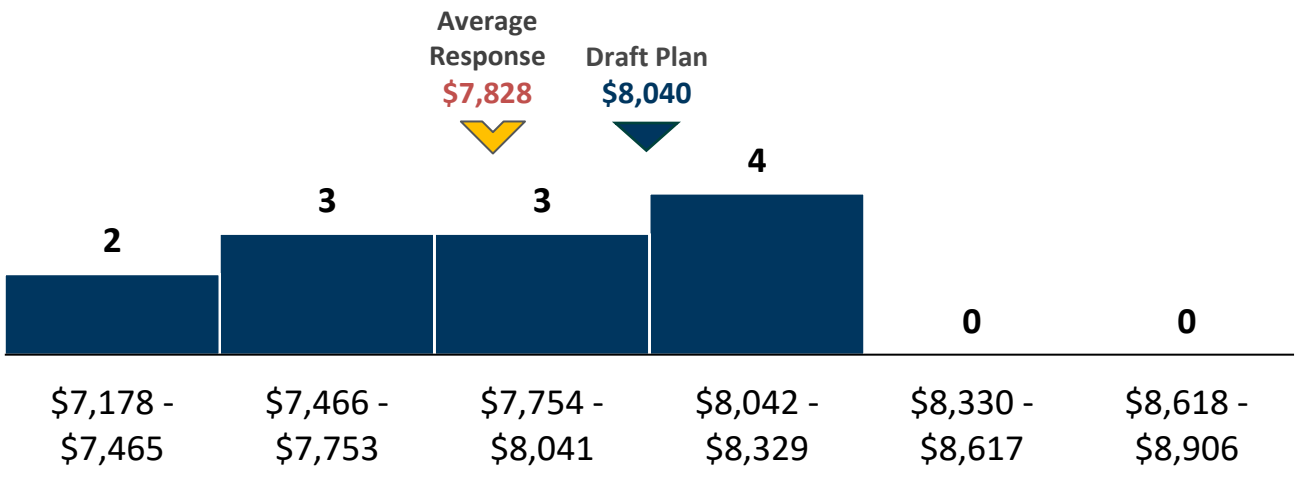


NOTE: The result for large-use dedicated asset customer is not included.

Phase II Online Survey
Calculator Values

Large Use

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.



The result for large-use dedicated asset customer is not included. n=12

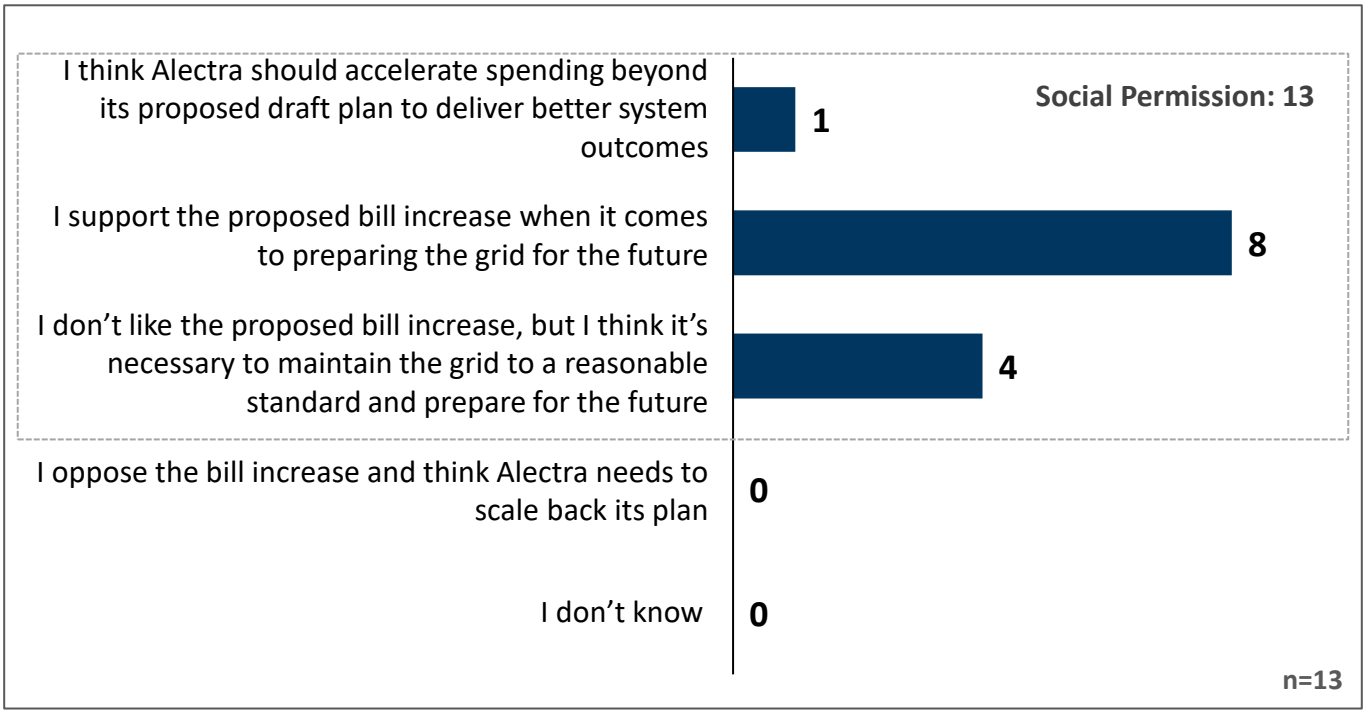
Phase II Online Survey
Social Permission

Large Use

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$7,828 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



Phase II Online Survey
Social Permission

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Verbatims
Customers should not have to bear the costs/operational efficencies
"I don't agree with having the end use customer fund 100% of the costs to improve infrastructure in the electrical grid. Funding should come from carbon tax dollars received to promote and improve reliability while using cleaner electricity"
Customers have no choice
"There is no choice, Need to spend to maintain/grow."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

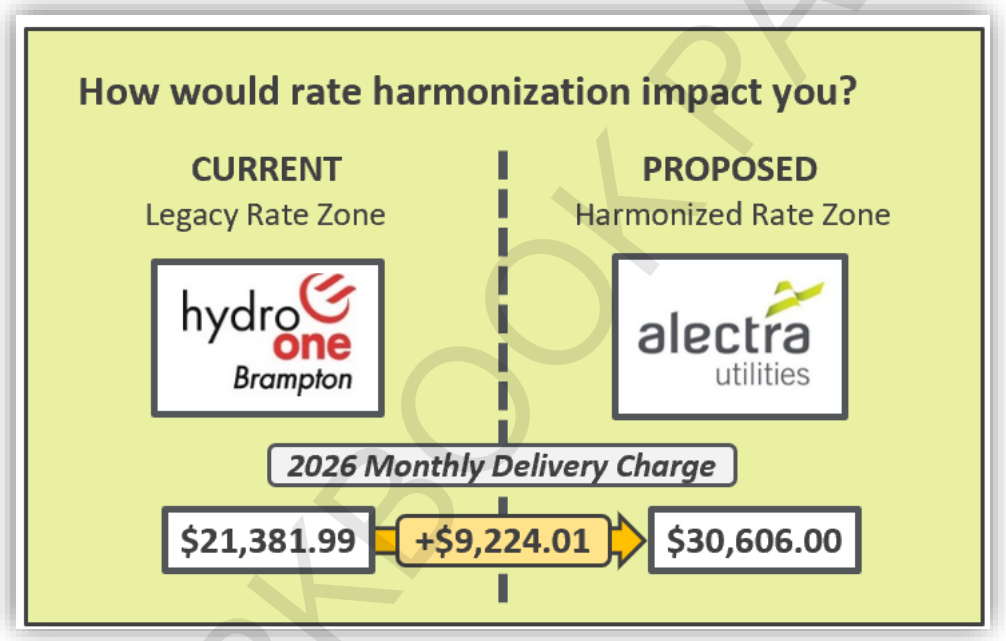
Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – BRZ Version

Large Use

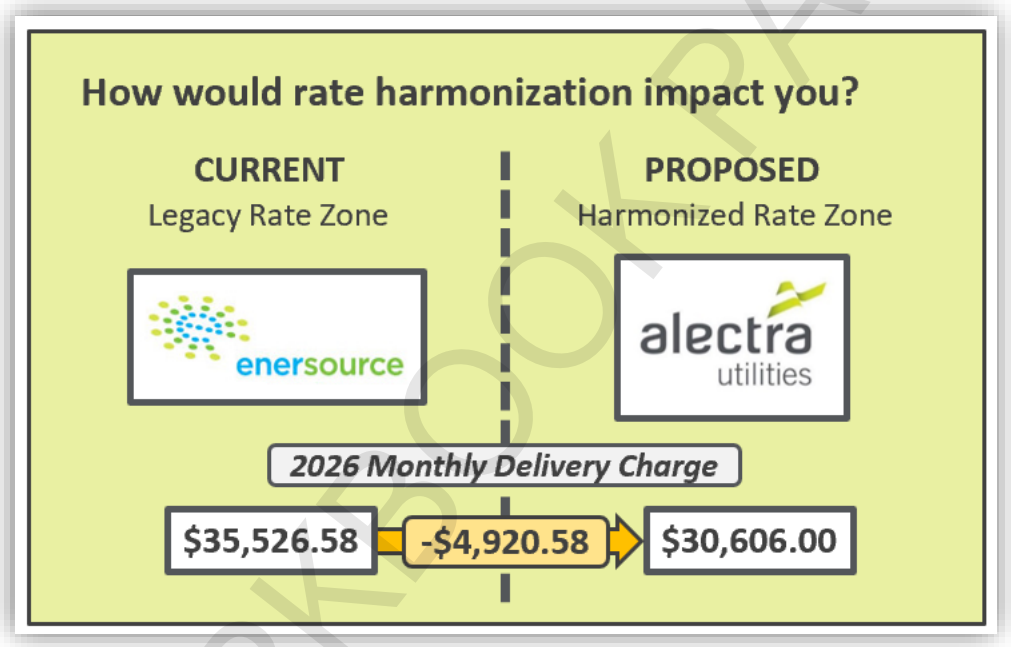


WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – ERZ Version

Large Use

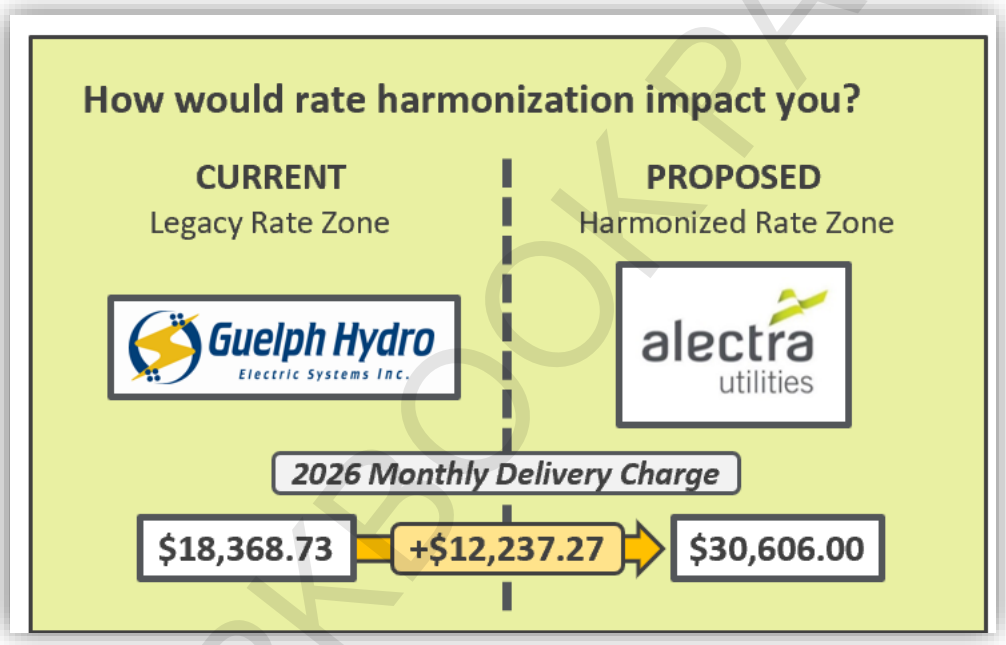


WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – GRZ Version

Large Use

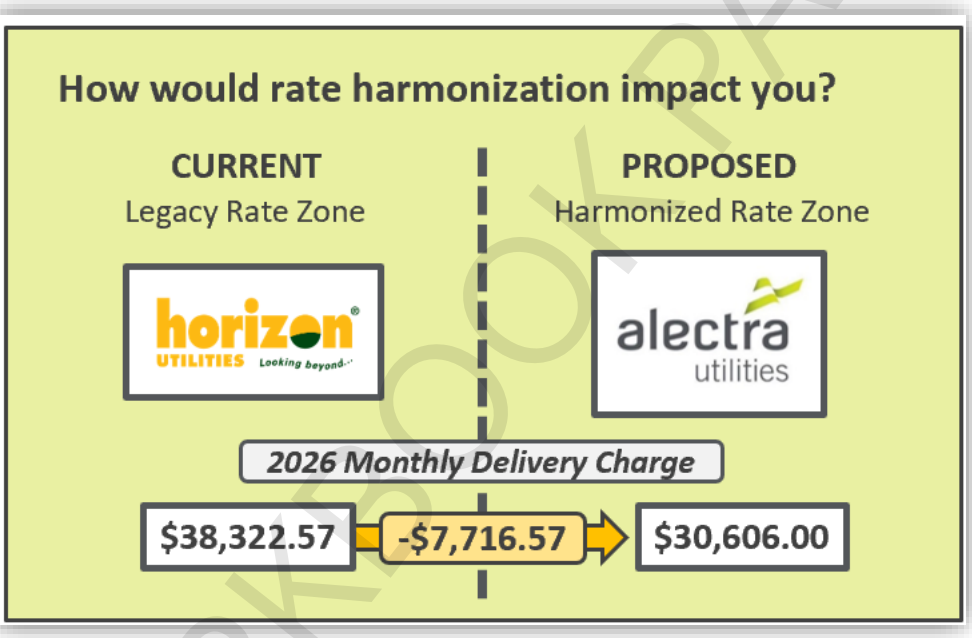


WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – HRZ Version

Large Use

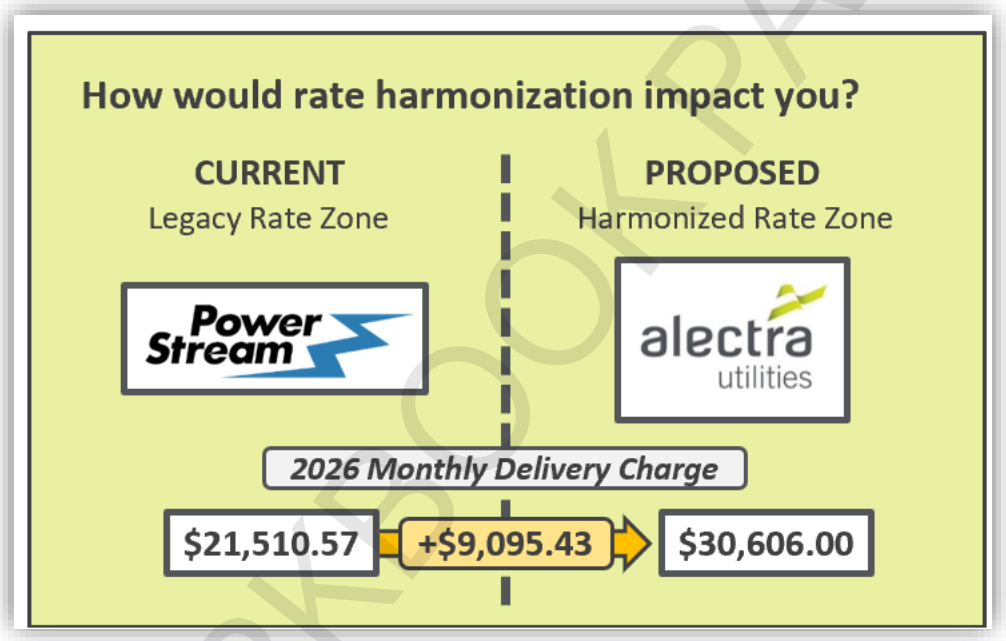


WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – PRZ Version

Large Use

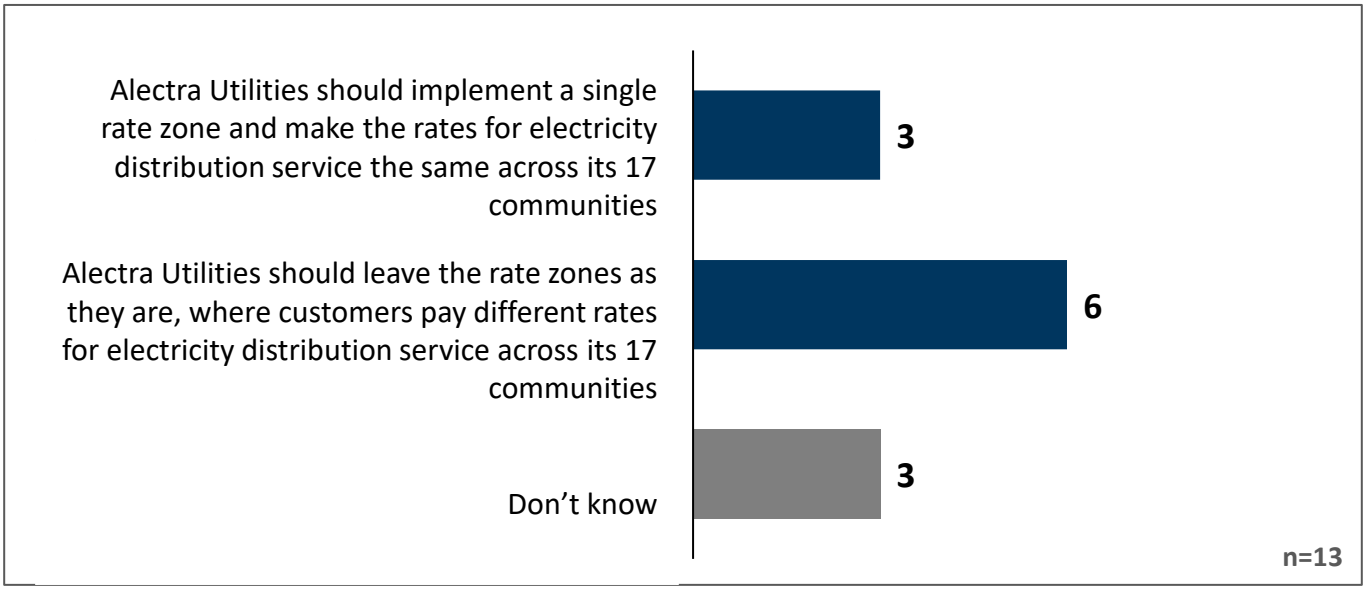


WORKBOOK PAGE

Phase II Online Survey
Rate Harmonization

Large Use

Q When it comes to Rate Harmonization, which statement is closest to your view?



Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 18 (cont.)

Large Use

Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

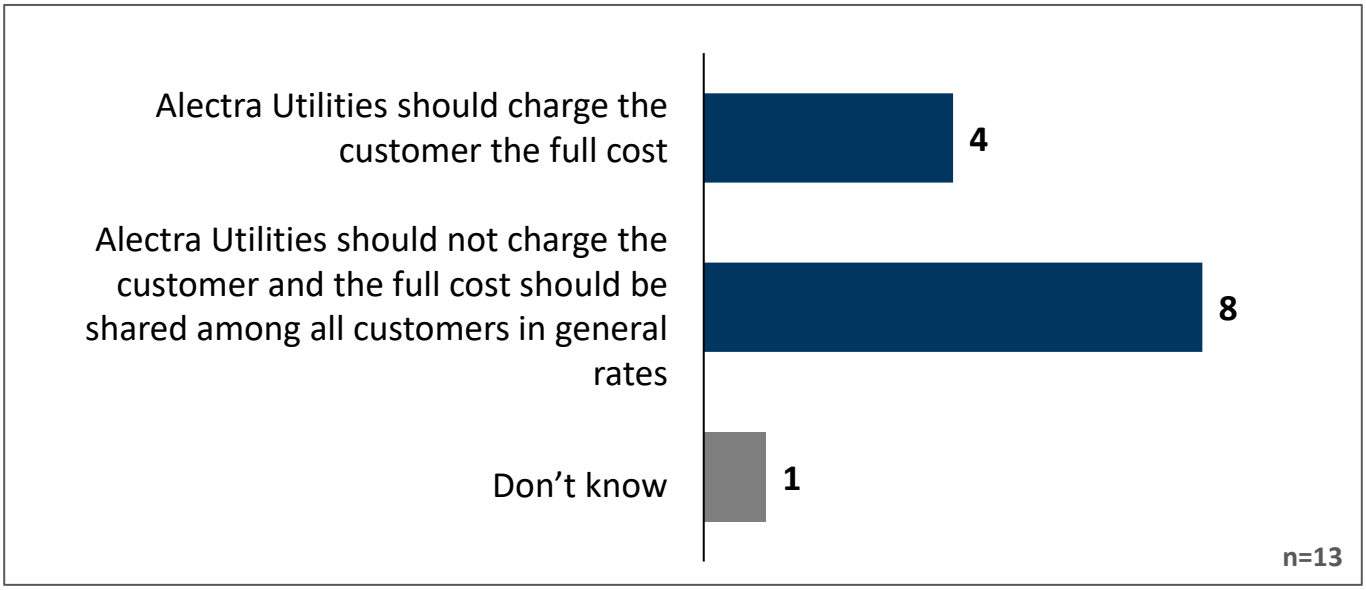
Note: These estimated charges are preliminary and subject to change

WORKBOOK PAGE

Phase II Online Survey
Specific Service Charges

Large Use

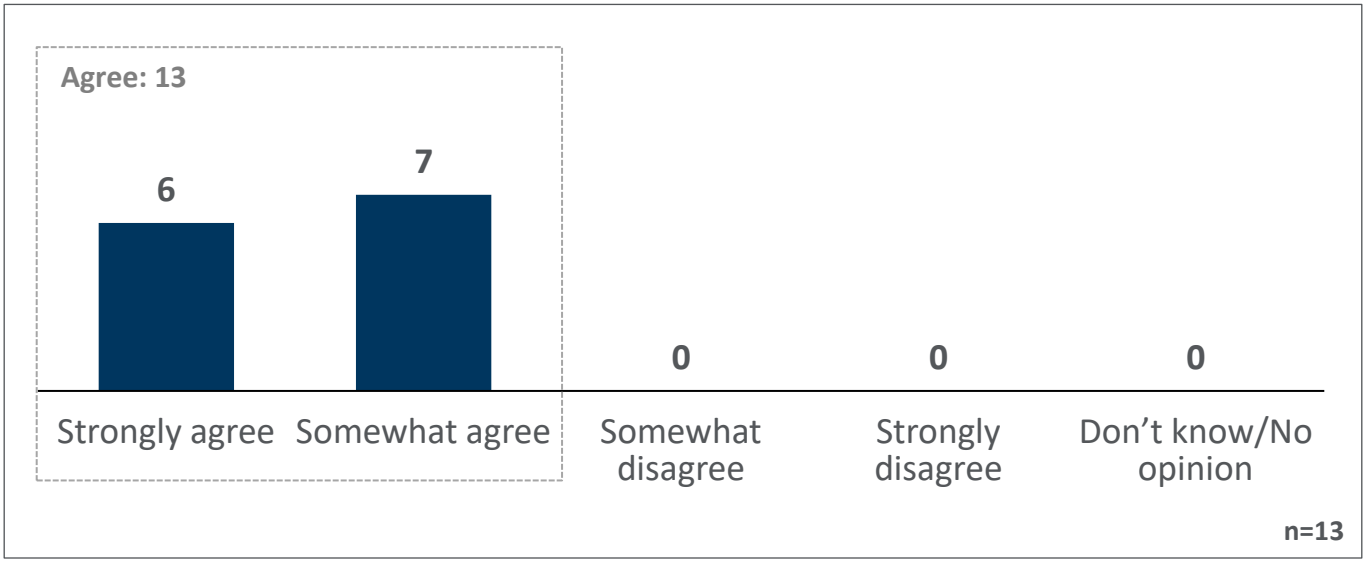
Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?



Phase II Online Survey
Customers and the Electricity System

Large Use

Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario

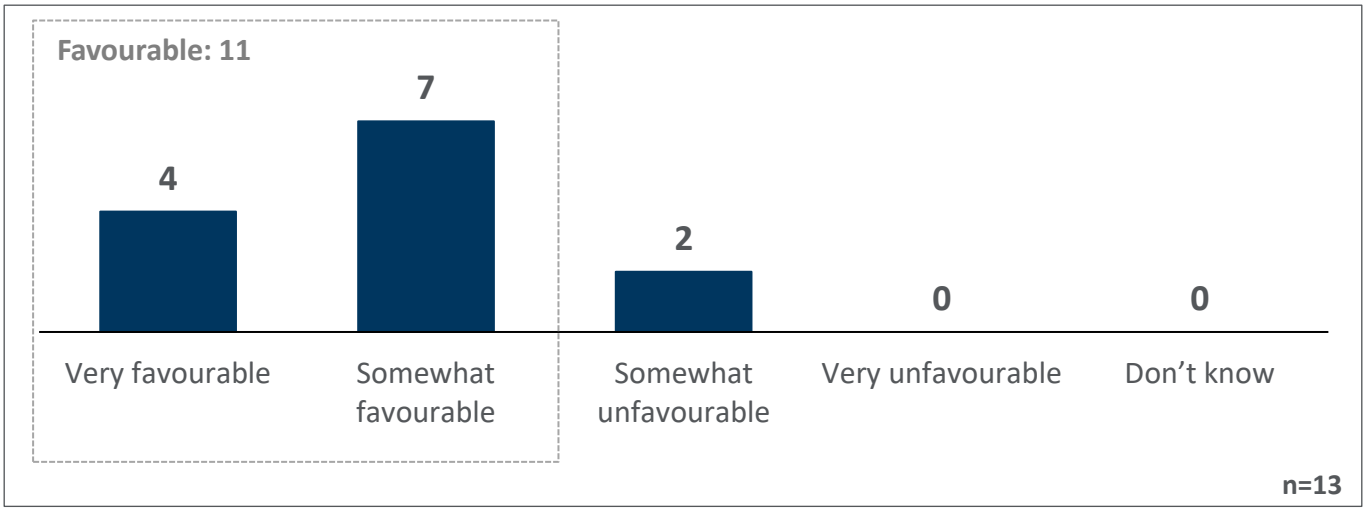


WORKBOOK PAGE

Phase II Online Survey
Workbook Impression

Large Use

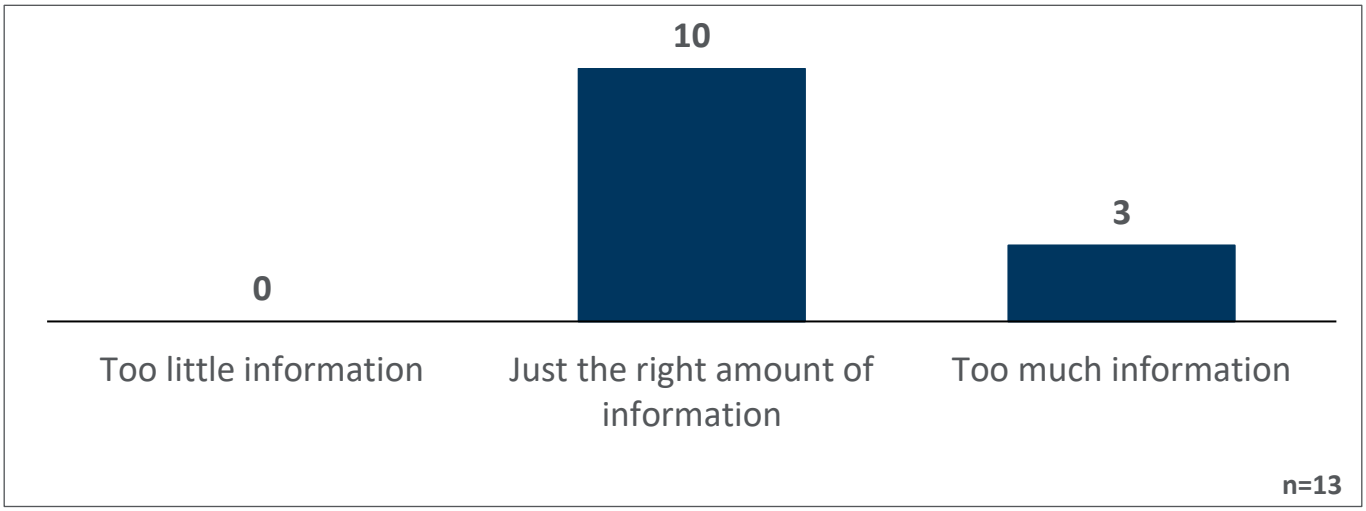
Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



Phase II Online Survey
Amount of Information

Large Use

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



Phase II Online Survey
Content Missing

Large Use

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Verbatims
Survey criticism
"No - it is to long and too wordy."

Phase II Online Survey
Final Questions

Q Is there anything that you would still like answered? [OPEN]

Verbatims
Frequent fees may cause significant burdens
"Regarding the disconnections/reconnections - It seems to assume that it would be an infrequent occurrence, in which case a charge may not be as impactful - but in the municipal environment, those costs could be significant if charged each and every time."

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APPENDIX 12

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INNOVATIVE RESEARCH GROUP

Phase II Customer Engagement
2027 Rebasing Application

Residential Online Workbook Survey (Voluntary Stream)

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Phase II Online Survey Completes

INNOVATIVE hosted the online portal at the following URL: www.AlectraCustomerFeedback.com

Each customer was able to select (i) whether they would like to complete the survey on behalf their home or business to determine their rate class (residential or GS<50), (ii) the city or town they received electricity service from Alectra to determine their rate zone, and (iii) the rate option which is associated with their account. In an event that customers were not sure of their rate option, the workbook defaulted to Time of Use for their selected rate class and rate zone. These three selections allowed the survey to present a workbook customized to their rate class, rate zone and rate option.

Residential Online Survey Completes via the Open Link

This report includes data exclusively from residential customers who completed the survey via Open Link between **November 15, 2024, and January 20, 2025**, using unverified accounts, as well as those who completed the survey via Unique Link after the residential cut-off date, between **December 23, 2024, and January 20, 2025**.

A total of 4,558 (unweighted) residential customers completed the Phase II online survey via Open Link (3,891)and after the cut-off date (667).

Analysis of the Open-Ended Questions

The survey included ten open-ended questions, eight of which were coded using a trained AI model that has been trained and used in the residential report. To ensure consistency and accuracy, the initial code list was informed by the code list developed for the residential report. However, the coding process was adapted as needed to account for new themes that emerged from the small business responses. The other two open-ended questions were coded entirely manually. All responses were proofed to ensure quality and consistency.

Incentives

Customers who completed the survey were entered into a draw to win one of ten prizes. Each prize consisted of a $1,500 credit towards their electricity bill.

Sample Distribution

The Residential online survey sample has not been weighted as it is a voluntary sample and we were unable to verify in real-time their rate class, rate zone and rate option.

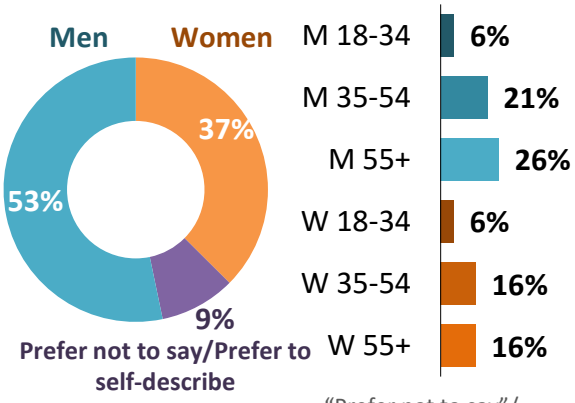
The table below summarizes the unweighted sample breakdown by rate zone

Rate Zone	Sample Distribution	
	Total	Distribution
Hydro One Brampton (BRZ)	521	11%
Enersource (ERZ)	876	19%
Guelph Hydro (GRZ)	338	7%
Horizon (HRZ)	1,229	27%
PowerStream (PRZ)	1,594	35%
Total	4,558	**100%**

Phase II Online Survey
Demographic Breakdown

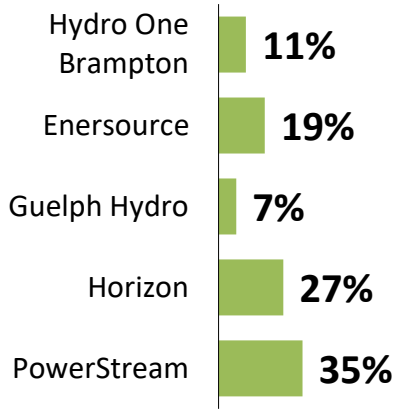
Open Link Residential

Gender & Age

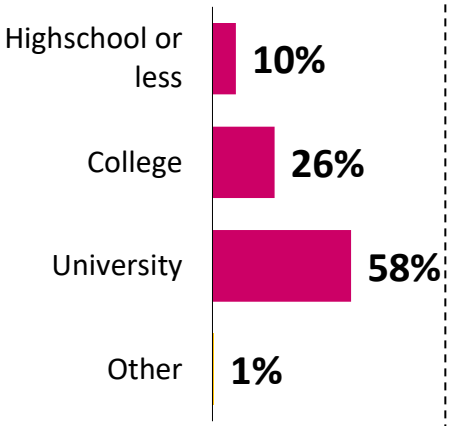


"Prefer not to say"/ "Prefer to self-describe" (9%) not shown.

Rate Zone

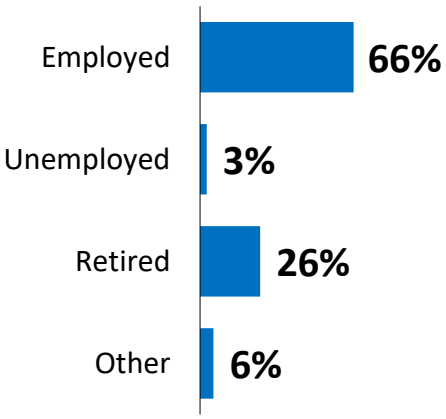


Education Level

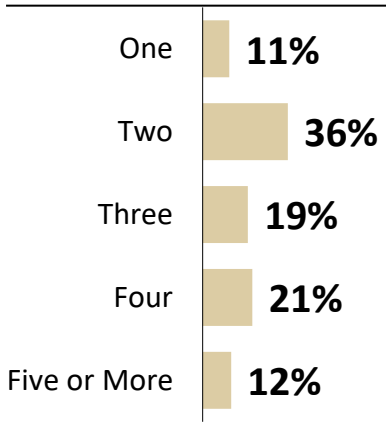


"Prefer not to say" (6%) not shown.

Employment Status

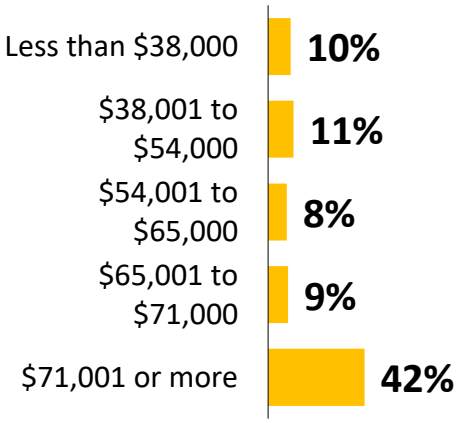


Household Size



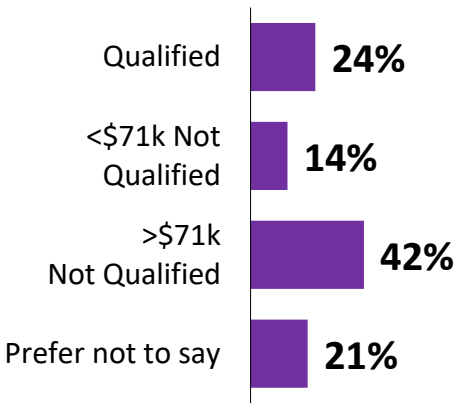
"Prefer not to say" (2%) not shown.

After Tax Household Income



"Prefer not to say" (21%) not shown.

LEAP/OESP Qualification*



*Calculation based on household size and after-tax income.

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

alectra

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services you receive and the rates that you pay.

Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. Your experience with Alectra and how they can do better.
2. What investments and spending decisions matter most to you.

Those who complete the survey will be automatically entered into a draw to win 1 of 10 prizes of $1,500 in free electricity!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOK PAGE

CONTINUED FROM PREVIOUS PAGE

How will this survey work?

- This survey explains what Alectra does, how much of your electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services you receive and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

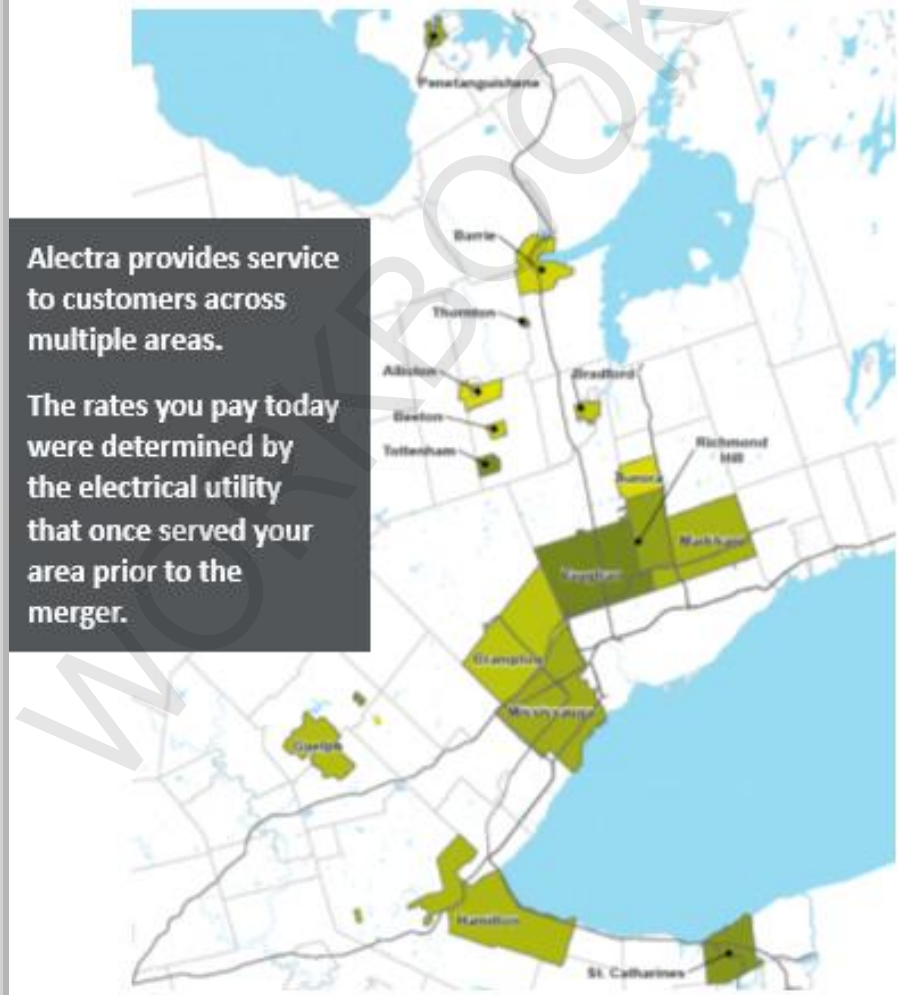
alectra

To start, here is a little background on Alectra

Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.



Alectra provides service to customers across multiple areas.

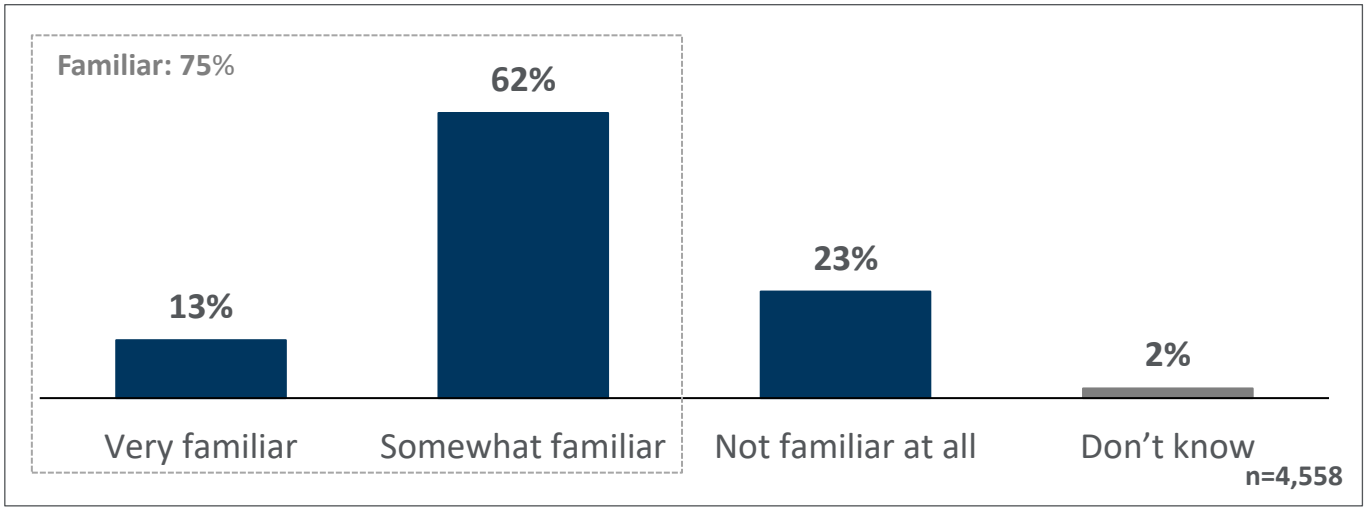
The rates you pay today were determined by the electrical utility that once served your area prior to the merger.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

Open Link Residential

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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Discover the possibilities

What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

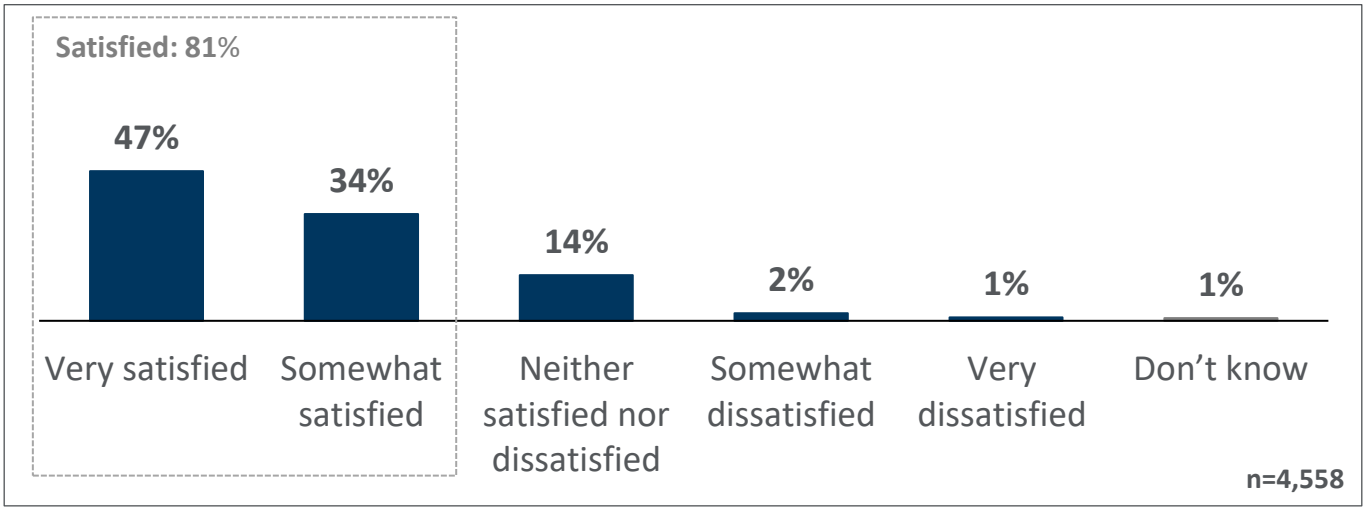
- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

Open Link Residential

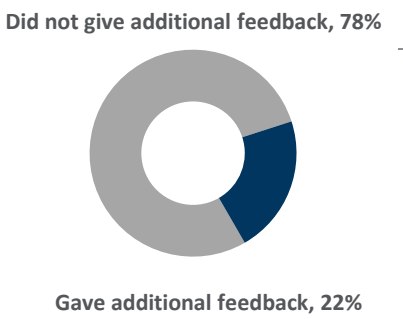
Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?

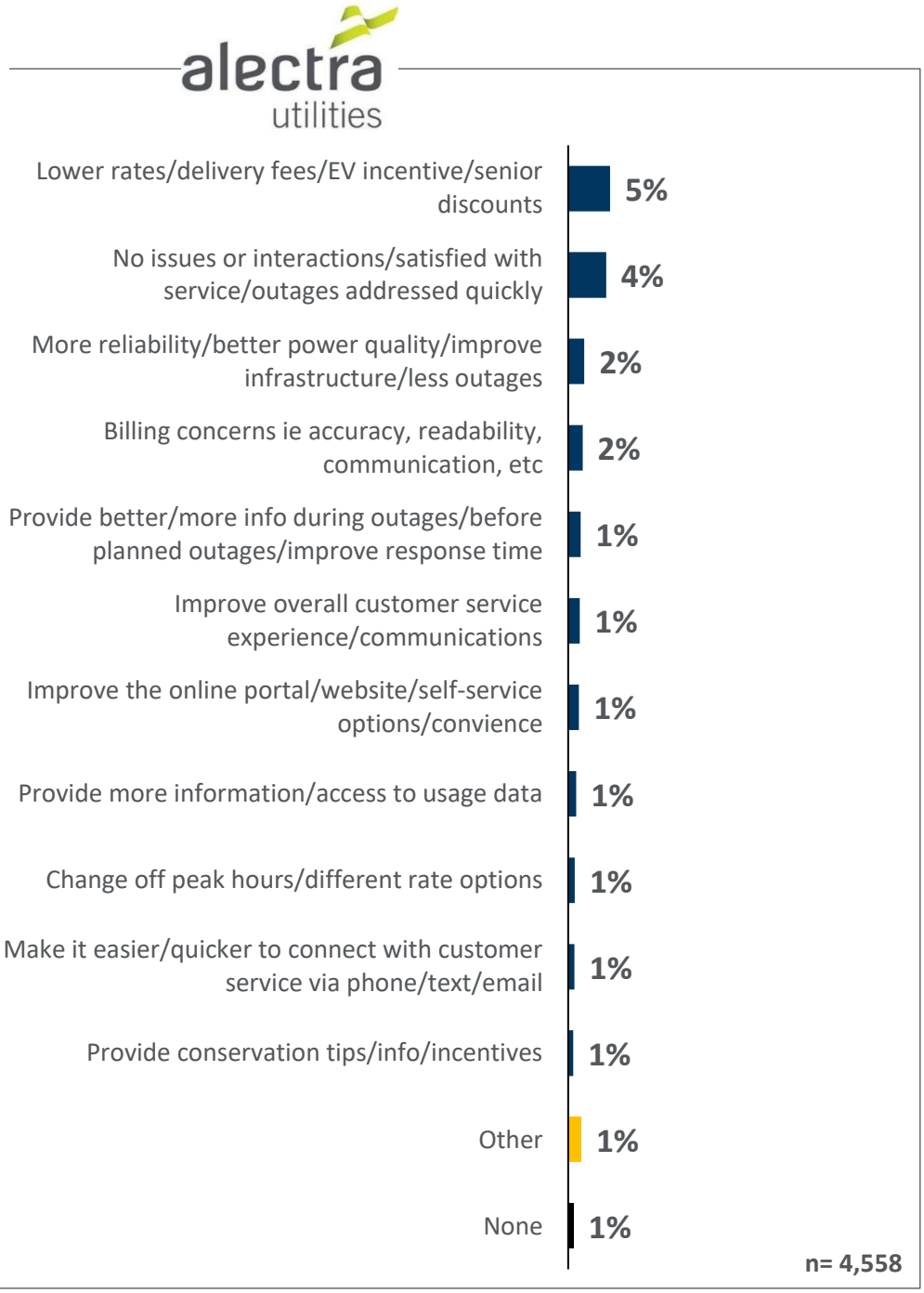


Phase II Online Survey
Areas of Improvement

Open Link Residential

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]





INNOVATIVE RESEARCH GROUP

Phase II Online Survey
Areas of Improvement

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]

Sample Verbatims
Lower rates/delivery fees/EV incentive/senior discounts
"My needs are met but cost is very high if you are a senior trying to stay in my own home."
No issues or interactions/satisfied with service/outages addressed quickly
"I Can't. think of any ways Alectra could improve services for my needs. I think you already do an excellent job. I like the times you inform us when the power is down, even for a short period of just a few minutes. It explains why the clocks are reset."
More reliability/better power quality/improve infrastructure/less outages
"Find out why there is a power outage almost every Sunday Morning. It's very brief but enough to knock out my wifi and tv."
Billing concerns i.e. accuracy, readability, communication, etc.
"My biggest problem with Alectra was when I moved, it was not clear to me that I needed to change my billing information in my banking services in order to pay my bills. It may be silly, but making that clearer may be helpful, as I paid the bill to an account that was not active for a while!"
Provide better/more info during outages/before planned outages/improve response time
"Provide clearer and more frequent updates during power outages through text, email, or app notifications."
Improve overall customer service experience/communications
"We did call Alectra because we were having some flickering issues. It turned out to not be Alectra's fault, but the communication in terms of when they'd be coming to look at the wires could be better."
Improve the online portal/website/self service options
"Have the website login work consistently. For some reason even when I reset my password I'm consistently told I have the wrong credentials."

Phase II Online Survey
Areas of Improvement

Open Link
Residential

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your needs? [OPEN]

Sample Verbatims
Provide more information/access to usage data
"I have no idea if my current plan is the most cost effective for me."
Change off peak hours/different rate options
"Reintroduction of the Peak Save Thermostat to lower Hydro consumption with the summer's AC load. Strive to reduce the rate/kwh charge."
Make it easier/quicker to connect with customer service via phone/text/email
"Fix your customer phone call system. Always waiting time more than 50 minutes. Why don't you have a call back system instead of waiting for long hours to get connected. Will you accept if I make you to wait for days and months to send my payment. It is shame on a modern companies like Alectra to live in stone age."
Provide conservation tips/info/incentives
"I guess providing some more information packs to consumers are helpful. Like how to save energy and what could be done to increase energy efficiency"
Other
"dont hang household power service lines so low that the new garbage trucks snags them."

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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Discover the possibilities

How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 22% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

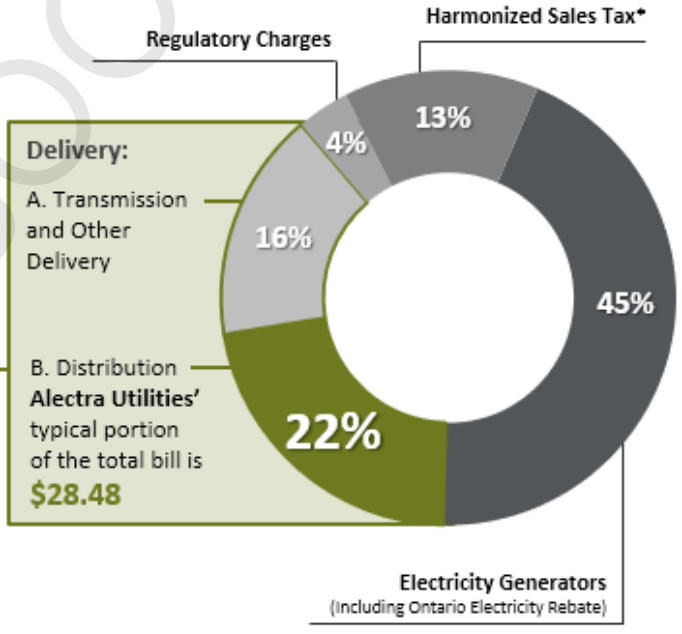
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	49.33
Regulatory Charges	4.83
Total Electricity Charges	$128.44
HST	16.70
Ontario Electricity Rebate	($16.83)
Total Amount	$128.31

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

Whether you rent or own your home, if you are struggling to pay your electricity bills, you may qualify for financial assistance to help pay your bills. You can go to Payment-Assistance on the Alectra website to learn more.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

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alectra
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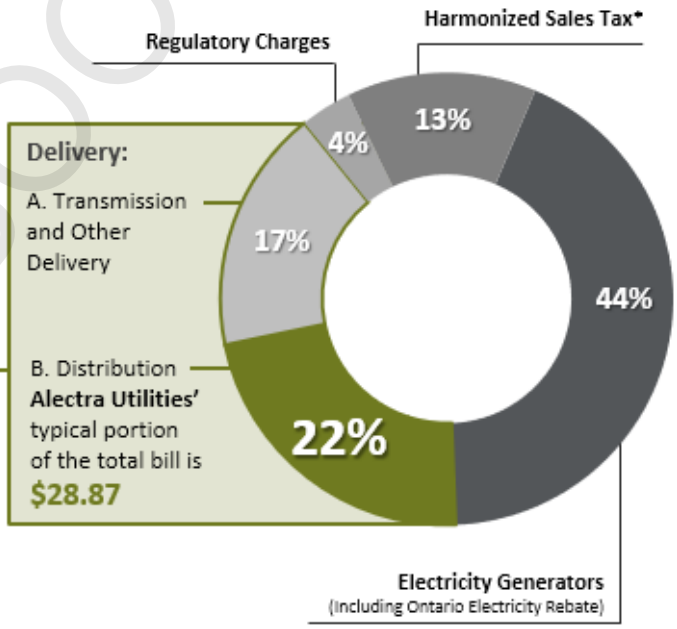
Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	51.46
Regulatory Charges	4.83
Total Electricity Charges	$130.58
HST	16.98
Ontario Electricity Rebate	($17.11)
Total Amount	$130.45

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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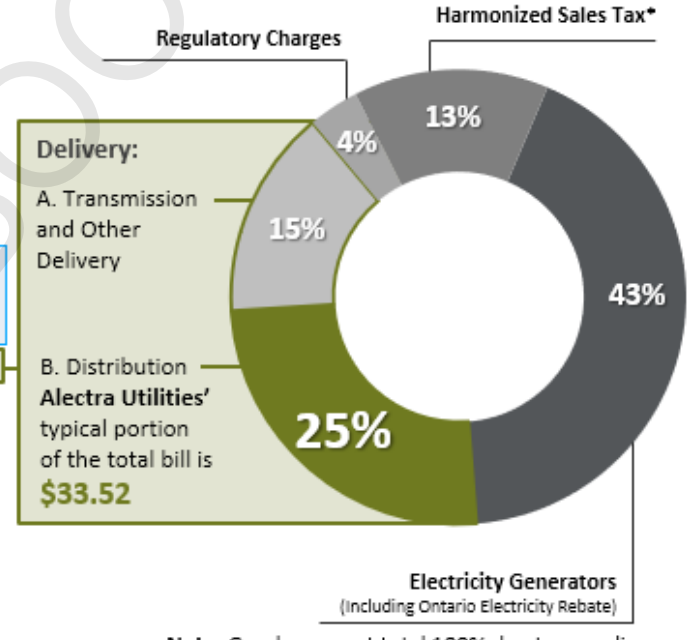
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	53.03
Regulatory Charges	4.79
Total Electricity Charges	$132.10
HST	17.17
Ontario Electricity Rebate	($17.31)
Total Amount	$131.97

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



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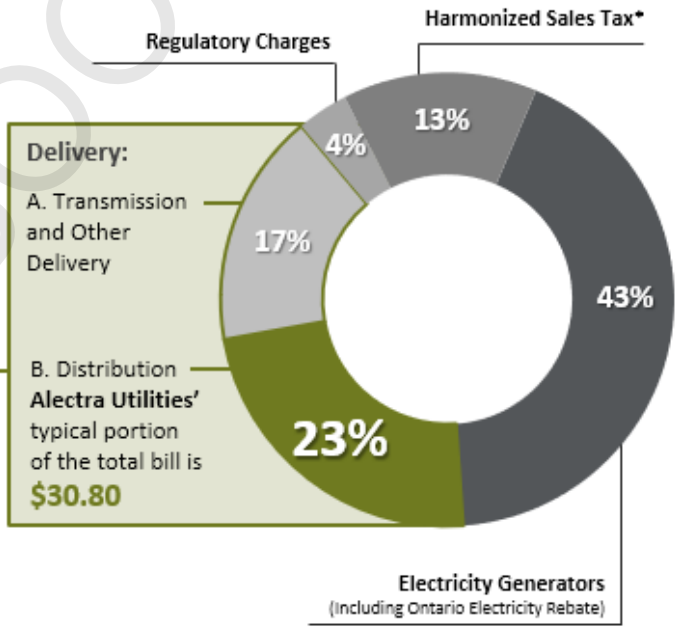
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	52.56
Regulatory Charges	4.84
Total Electricity Charges	$131.68
HST	17.12
Ontario Electricity Rebate	($17.25)
Total Amount	$131.55

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

Whether you rent or own your home, if you are struggling to pay your electricity bills, you may qualify for financial assistance to help pay your bills. You can go to Payment-Assistance on the Alectra website to learn more.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 25% of the typical residential customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

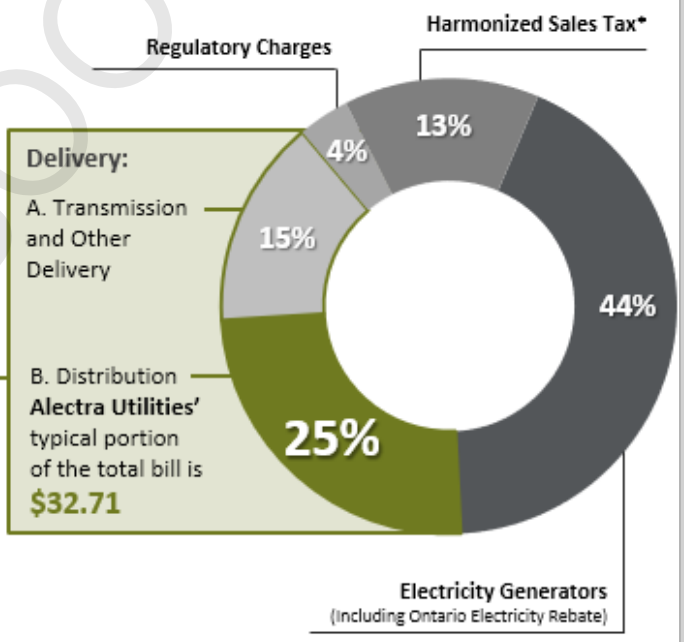
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 750 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	36.48
Mid-Peak @ 12.2 ¢/kWh	16.47
On-Peak @ 15.8 ¢/kWh	21.33
Delivery	51.92
Regulatory Charges	4.84
Total Electricity Charges	$131.03
HST	17.03
Ontario Electricity Rebate	($17.17)
Total Amount	$130.90

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

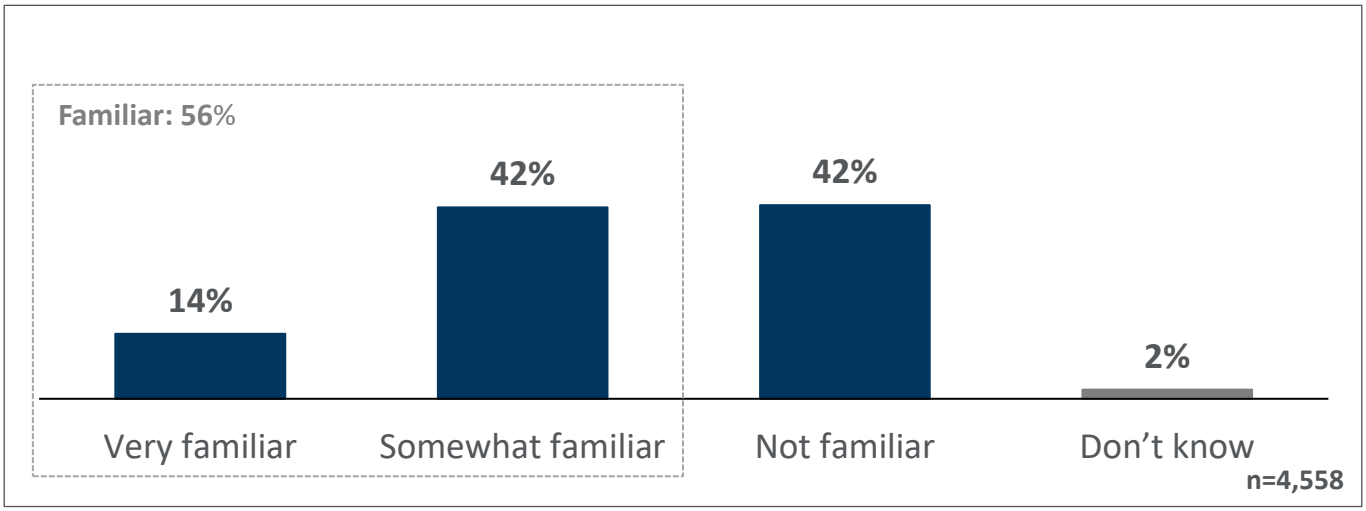
Whether you rent or own your home, if you are struggling to pay your electricity bills, you may qualify for financial assistance to help pay your bills. You can go to Payment-Assistance on the Alectra website to learn more.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

Open Link Residential

Q Before this survey, how familiar were you with the amount of your electricity bill that went to Alectra?



INNOVATIVE RESEARCH GROUP

Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ **1. Customers Identify Needs, Preferences and Priorities**
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ **2. Use Customer Feedback to Guide the Draft Plan**
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

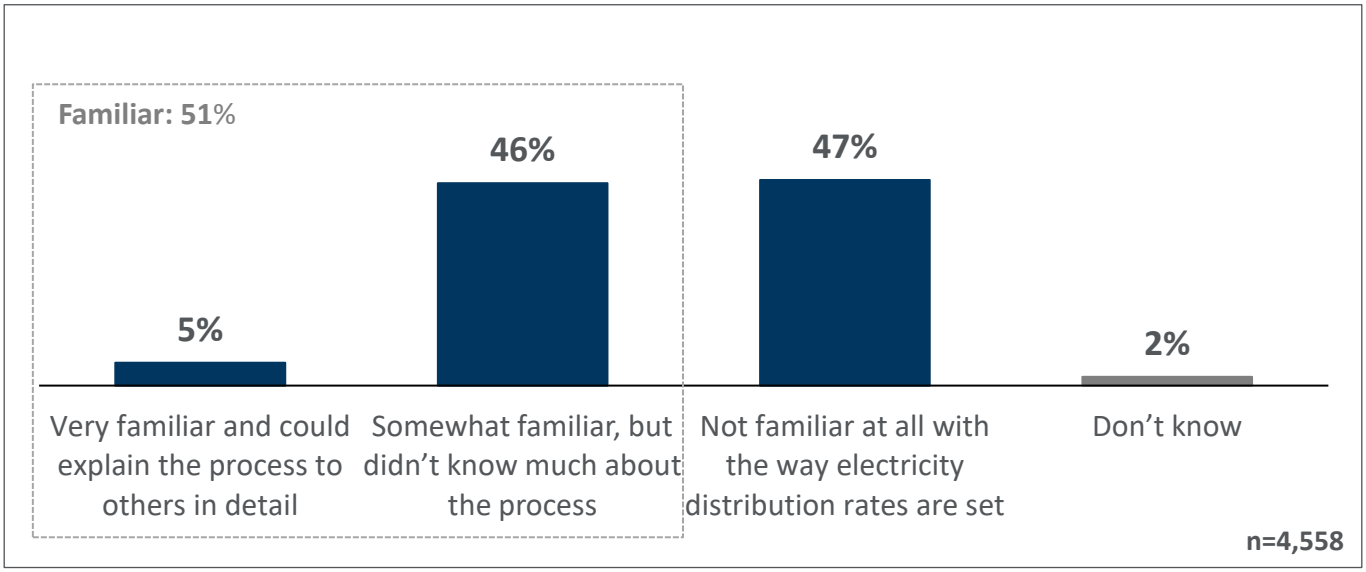
Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Phase II Online Survey

Familiarity with how Electricity Rates are set

Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

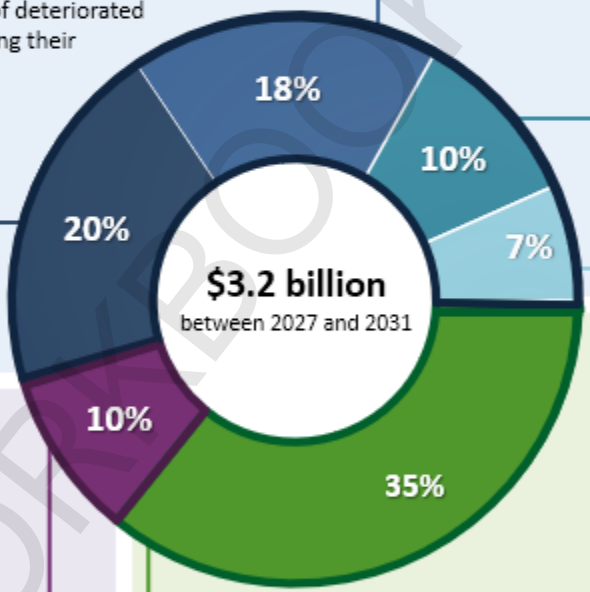
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



1. Overhead & Transformer Renewal
2. Underground Renewal
3. Meter Replacement & Renewal
4. Fleet, Facilities & Information Technology

10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $29.62 in 2026 to **$44.18 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$129.90	$29.62	$44.18	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $29.54 in 2026 to **$44.10 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$132.03	$29.54	$44.10	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $35.61 in 2026 to **$50.17 by 2031.**

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$133.88	$35.61	$50.17	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $32.55 in 2026 to **$47.11 by 2031.**

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$133.30	$32.55	$47.11	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average residential customer** would see the distribution portion of their monthly electricity bill increase by **$14.56** from an estimated initial cost of $34.07 in 2026 to **$48.63 by 2031.**

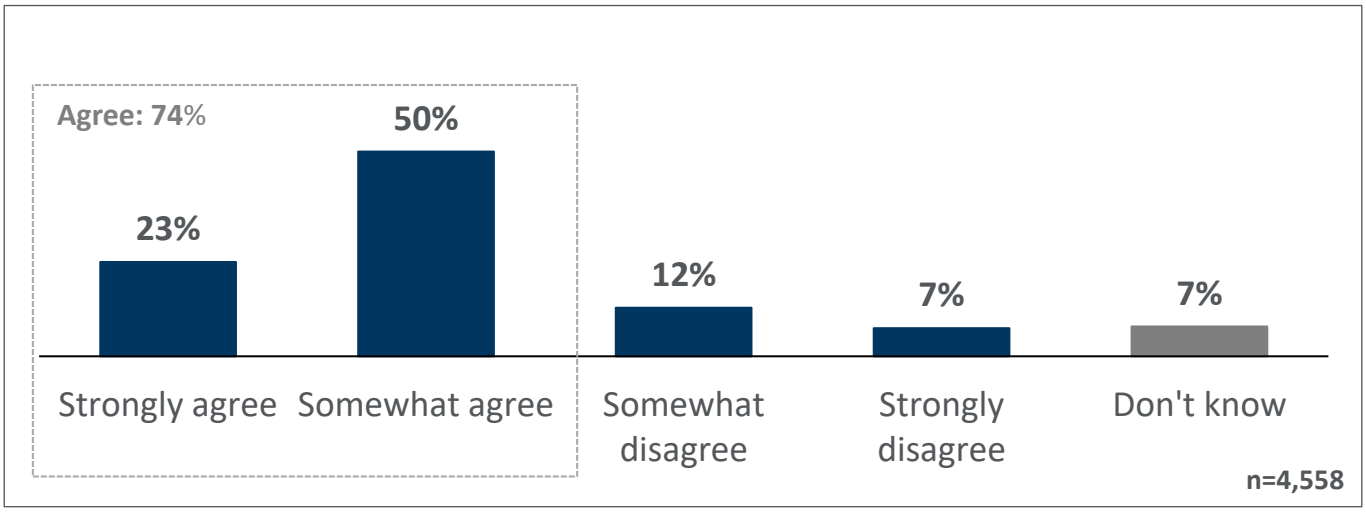
2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$132.73	$34.07	$48.63	**$14.56**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rate impacts. A typical residential customer is assumed to use 750kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey
Cost of the Draft Plan

Open Link Residential

Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost me.



Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.

$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

WORKBOOK PAGE

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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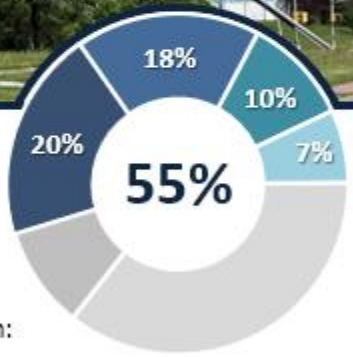
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

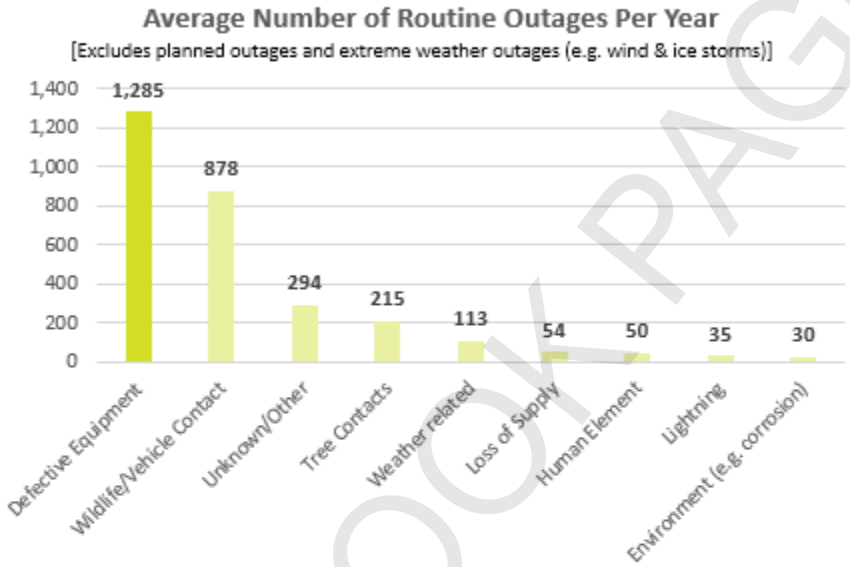
Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

WORKBOOK PAGE

Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

1 Overhead & Transformer Renewal

Overview

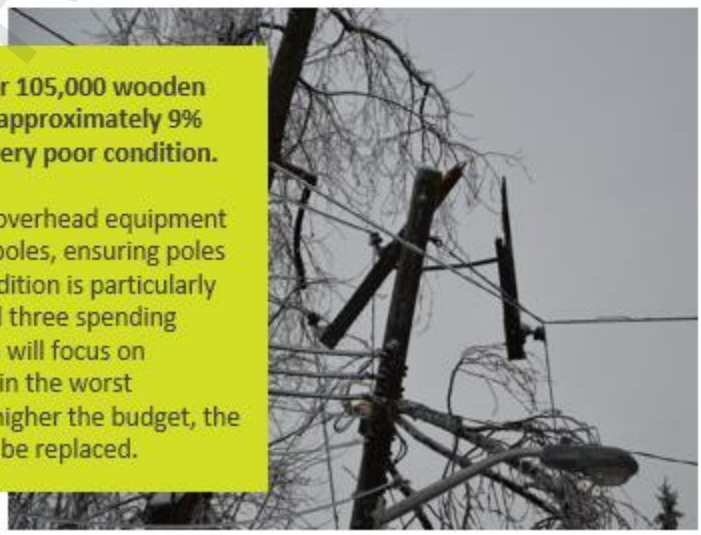
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK PAGE

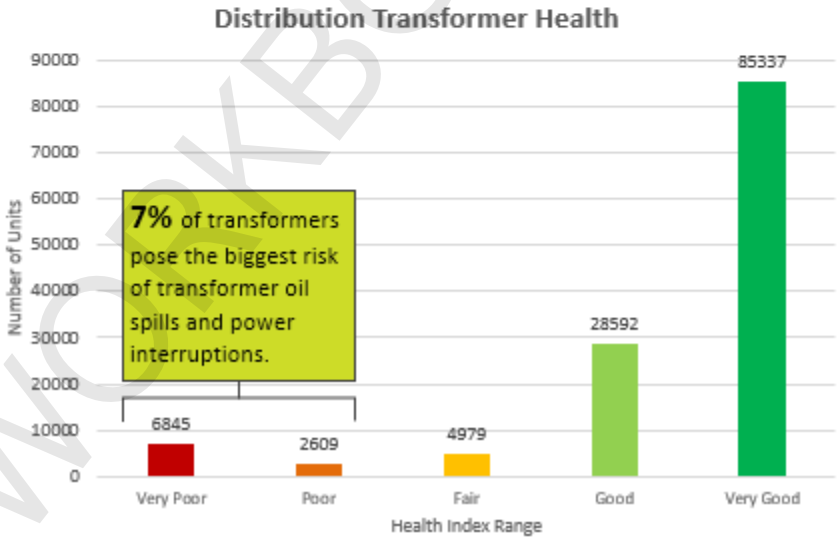
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

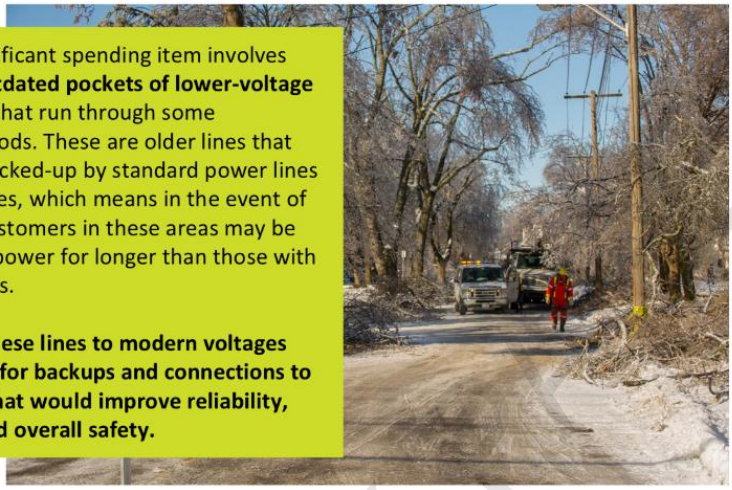
The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.



WORKBOOK PAGE

Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.



Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$2.67	$2.88	$3.42

Reduced Pace $2.67 | Draft Plan $2.88 | Accelerated Pace $3.42

Make a selection

$2.80 $2.93 $3.05 $3.17 $3.30 Don't know

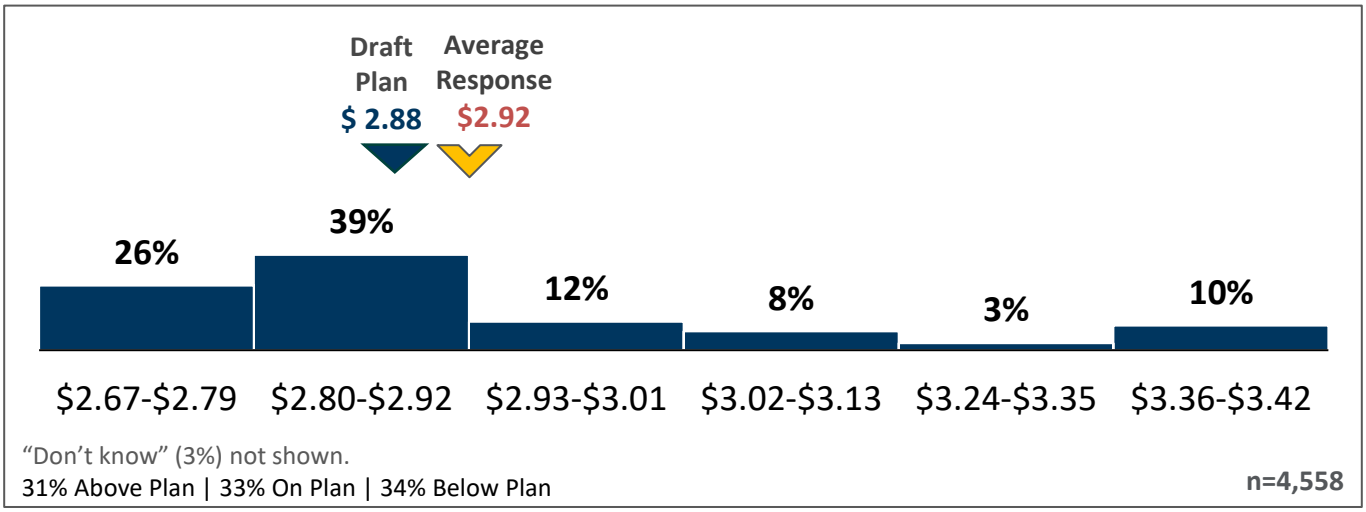
Your selection: $ --.--

WORKBOOK

Phase II Online Survey
Spending on Overhead Renewal

Open Link Residential

Q How much should Alectra spend on Overhead Renewal?



"Don't know" (3%) not shown.

31% Above Plan | 33% On Plan | 34% Below Plan

n=4,558

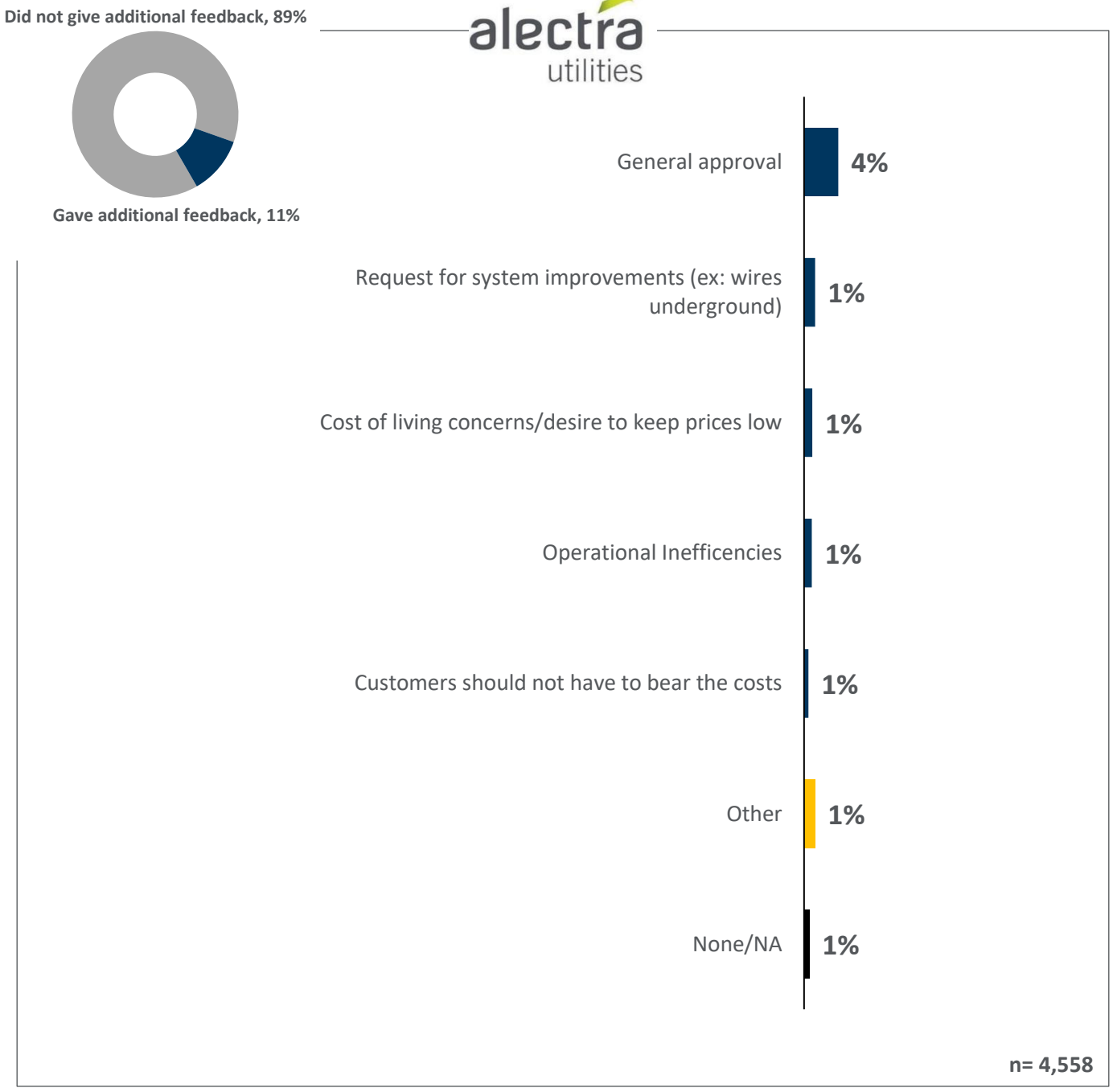
NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Overhead Renewal

Open Link
Residential

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]



Phase II Online Survey
Feedback on Overhead Renewal

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims
General approval
"I am happy to pay more for our better future."
Request for system improvements (ex: wires underground)
"Increasing the rate of replacement from overhead to underground, will eliminate lightning outages, pole hits, and other weather related outages. Food for thought."
Cost of living concerns/desire to keep prices low
"The best option for the environment is one that we should take. However, it may not be one that everyone can afford. Is there a plan for families who cannot afford the increase?"
Operational inefficiencies
"I consider this to be Alectra's core responsibility. In other words, I would consider your company to be mismanaged if you did not properly maintain existing infrastructure."
Customers should not have to bear the costs
"All business have a portion budget for maintenance and growth, how come these growth are additional cost to households?"
Other
"It's hard to answer this as I don't see a lot of activity in my immediate area."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

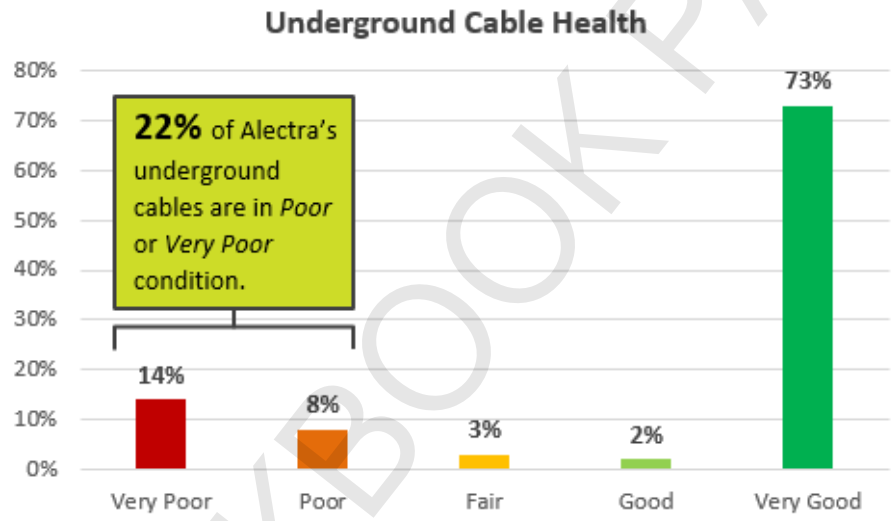
As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

WORKBOOK PAGE

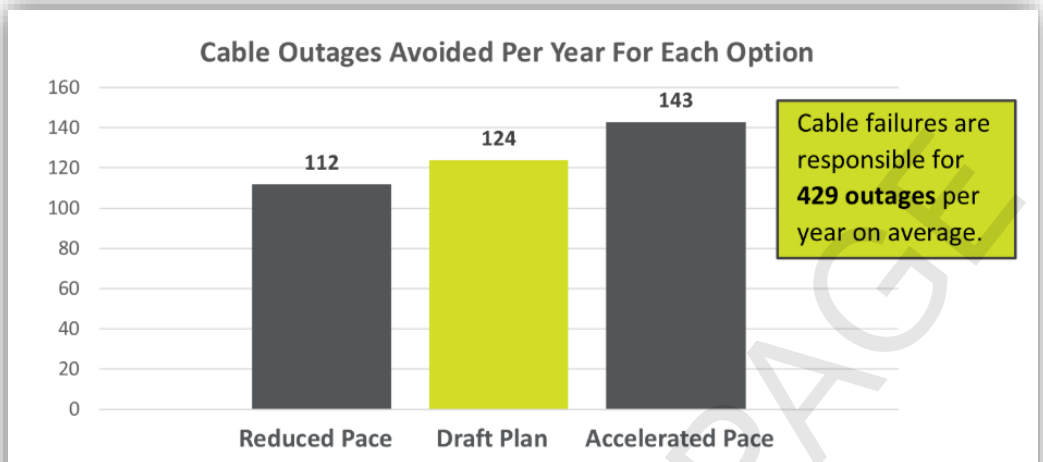
Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

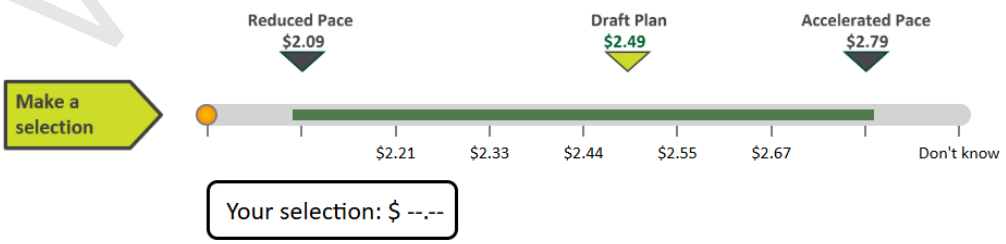
The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

WORKBOOK PAGE



Choice 2 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Replace **517 km (10%)** of cables in poor and very poor condition to improve customer reliability by avoiding **112 outages**	Replace **683 km (13%)** of cables in poor and very poor condition to improve customer reliability by avoiding **124 outages**	Replace **900 km (17%)** of cables in poor and very poor condition to improve customer reliability by avoiding **143 outages**
Future Costs	Risk of higher future costs (**up to 45% higher**) to replace underground equipment in poor and very poor condition that will need to be addressed in the future	Lower future costs by addressing underground equipment in poor and very poor condition now	Significantly lower future costs by addressing more underground equipment in poor and very poor condition as Alectra will be able to do more work at a lower cost
Disruptions	Risk of frequent and unplanned disruptions for customers as crews address some backlog while focusing most of the budget on emergency repairs	Proactive approach to reducing the backlog of deteriorated cables, meaning less frequent disruptions for customers	A more proactive approach to reducing the backlog, as crews plan to replace large areas of cables, leading to fewer disruptions for customers
Rate Impact *per month by 2031*	$2.09	$2.49	$2.79

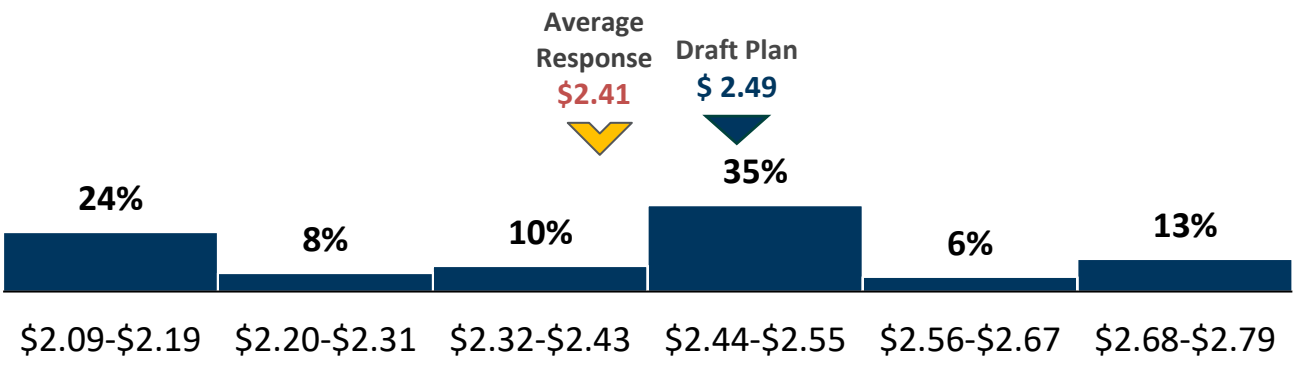


WORKBOOK PAGE

Phase II Online Survey
Spending on Underground Renewal

Open Link Residential

Q How much should Alectra spend on Underground Renewal?



"Don't know" (3%) not shown.

21% Above Plan | 30% On Plan | 46% Below Plan

n=4,558

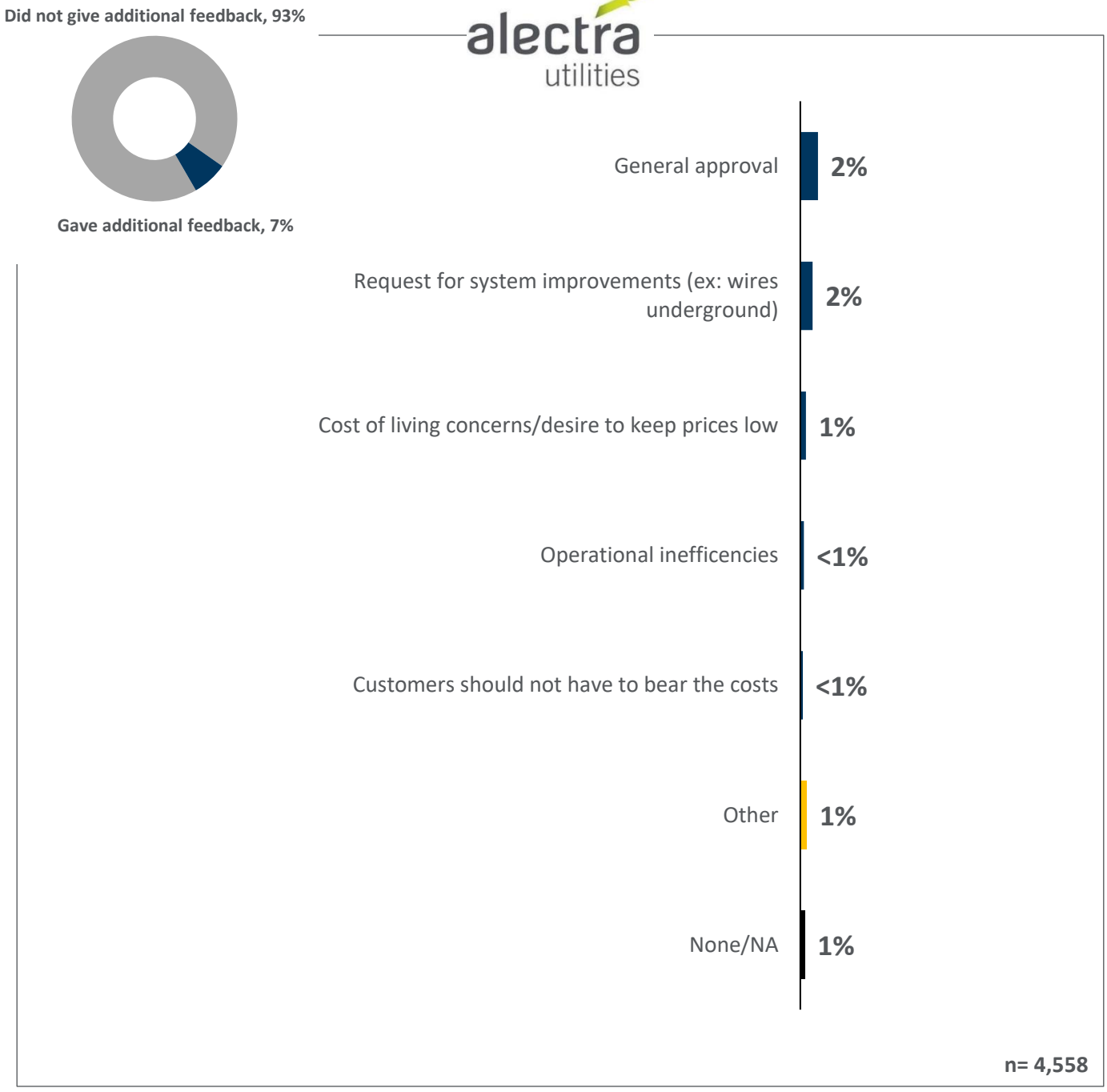
NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Underground Renewal

Open Link Residential

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]



Phase II Online Survey
Feedback on Underground Renewal

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims
General approval
"I'm still in favour of the Draft Plan."
Request for system improvements (ex: wires underground)
"Please, replace the old poles on private property and go right to burying them!"
Cost of living concerns/desire to keep prices low
"I understand the need for improvement and hope the price increases would be gradually especially in these hard financial times."
Operational inefficiencies
"Longevity/useful life of equipment hasn't been effectively analyzed prior to installation. What is being done to correct this going forward?"
Customers should not have to bear the costs
"With Alectra continuing to see profits, a plan should be proposed with reinvestment rather than offloading cost to customers."
Other
"Charge Crypto miners more for their extreme use of electricity."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

10%

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

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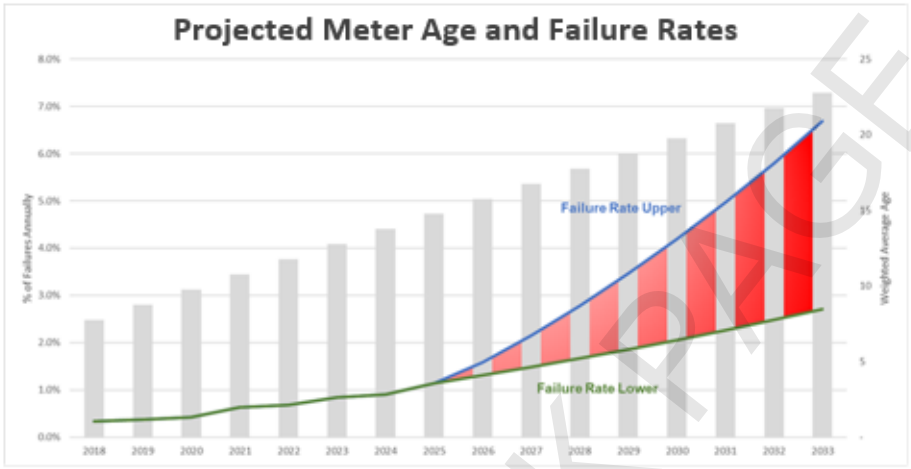

Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

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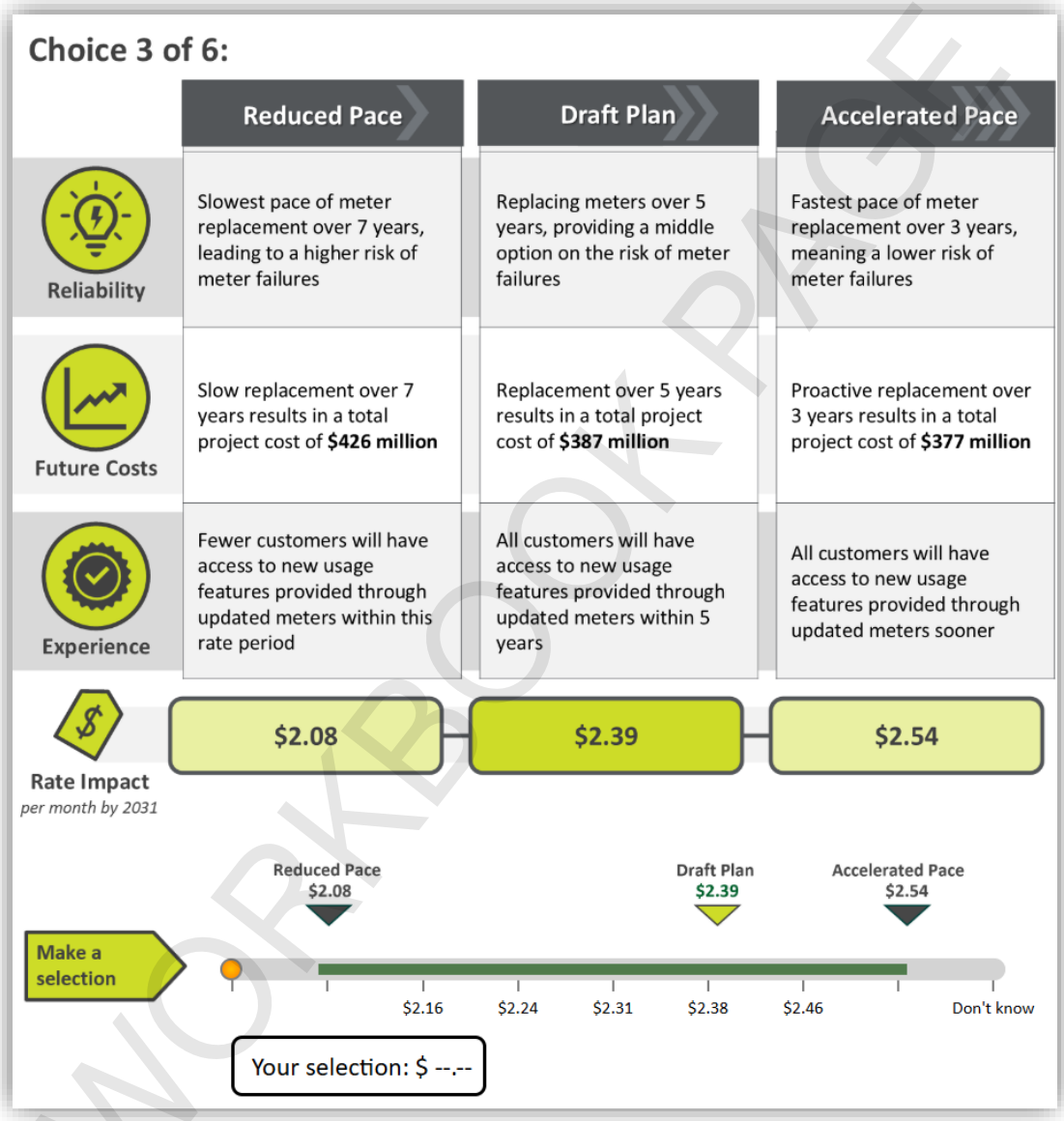

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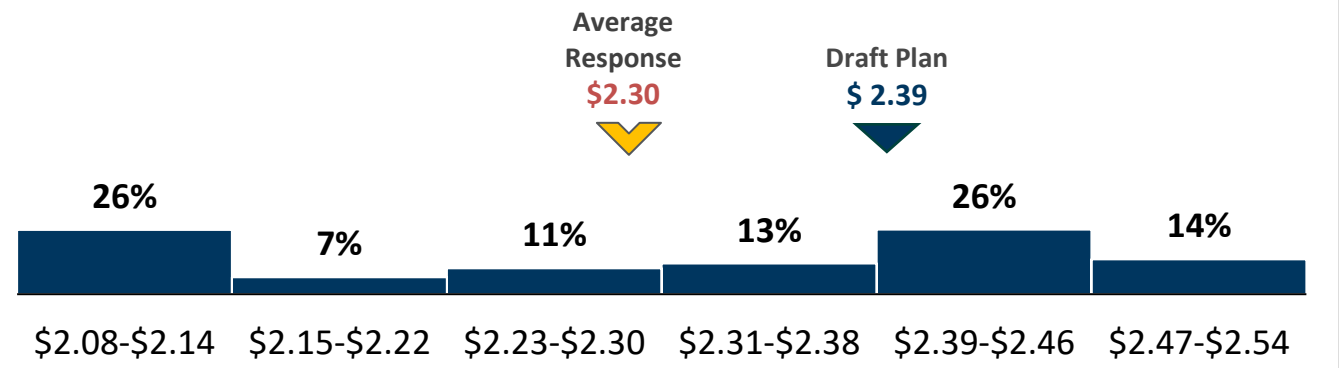
Phase II Online Survey
Spending on Meter Replacement and Renewal

Open Link Residential

Q How much should Alectra spend on Meter Replacement and Renewal?



"Don't know" (3%) not shown.

18% Above Plan | 27% On Plan | 52% Below Plan

n=4,558

NOTE:

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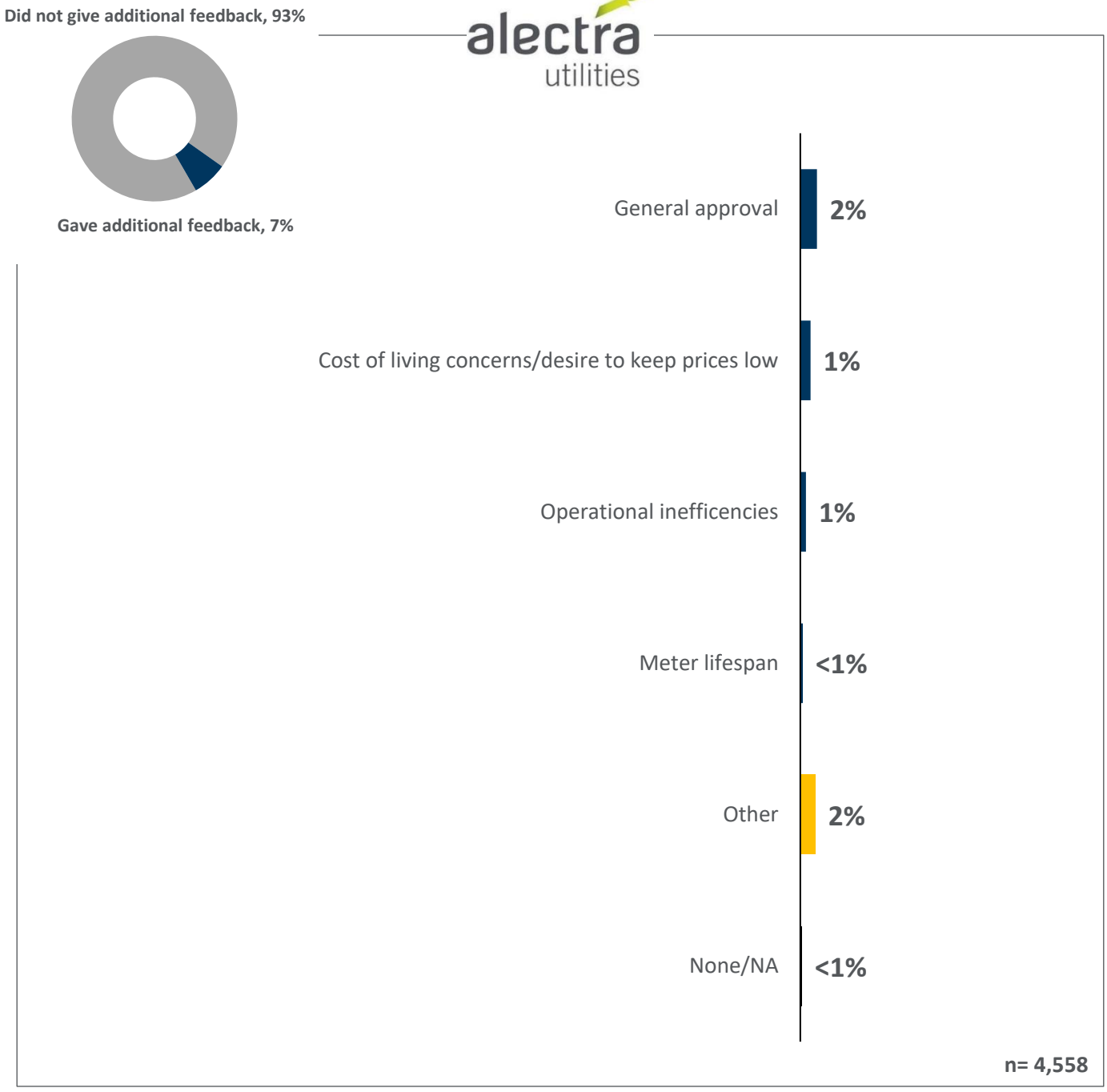
Phase II Online Survey
Feedback on Meter Replacement and Renewal

Open Link Residential

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]



Phase II Online Survey
Feedback on Meter Replacement and Renewal

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

Sample Verbatims
General approval
"Do it get it done. If not it will only cost all the more."
Cost of living concerns/desire to keep prices low
"I would like any changes to be as inexpensive as possible."
Operational inefficiencies
"Planned obsolescence should be factored into the capital budget to fund replacement."
Meter lifespan
"Should be over 10 years for replacement. If the meter life is only 5 years, it is the meter's issue, not customer."
Other
"We were forced to upgrade our meter under Guelph Hydro to a smart meter - this area needs more exploration."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

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Key priorities in Information Technology include:

Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

Maintaining the Fleet

Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.

WORKBOOK PAGE

Choice 4 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Security	Same as Draft Plan	Cyber and physical security is a top priority for Alectra. Alectra will make the necessary investment in protective technology to address critical threats	Same as Draft Plan
Reliability	Fleet equipment and vehicles would continue to deteriorate, impacting operations and increasing operating costs	This allows Alectra to match industry norms on information technology	This will result in further improvement in customer experience and reducing impact of fleet and facility breakdowns on staff productivity
Efficiency	Reduces efforts to use IT to generate efficiencies. Pushes some fleet renewal and replacement costs into the future	Matches industry norms in using IT to enhance efficiency and customer experience. Also follows industry norms for fleet maintenance	This will result in additional efforts to use IT to gain efficiency and to improve customer experience. Reduces long term fleet and facility costs

Rate Impact
per month by 2031

$1.59 | $1.68 | $1.78

Reduced Pace $1.59 | Draft Plan $1.68 | Accelerated Pace $1.78

Make a selection

$1.62 | $1.65 | $1.69 | $1.72 | $1.75 | Don't know

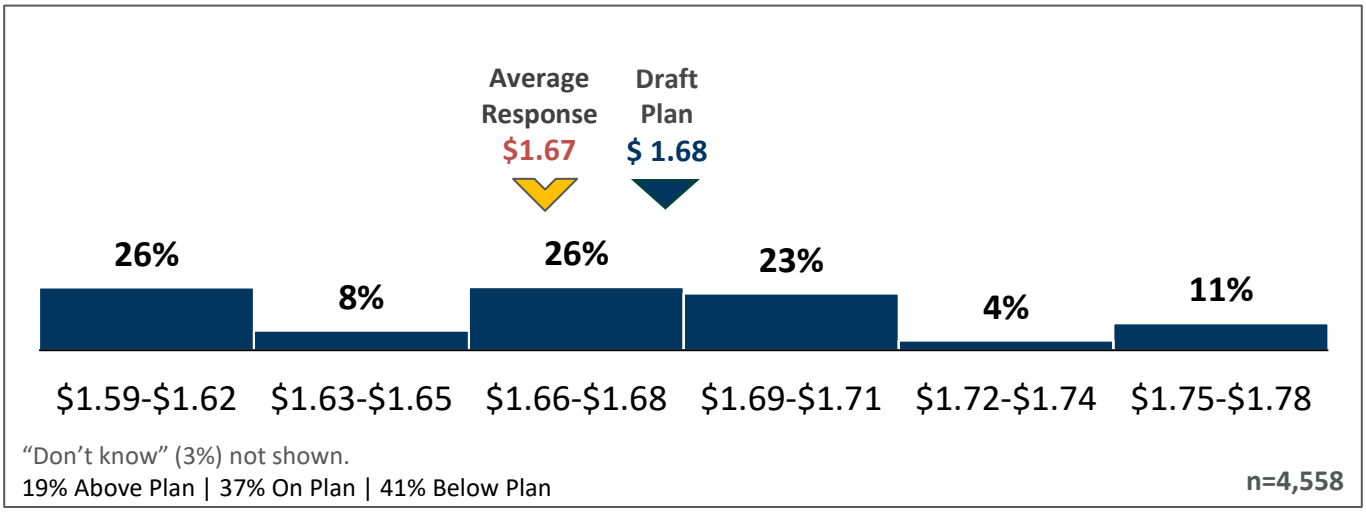
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

Open Link Residential

Q How much should Alectra spend on Fleet, Facilities and Information Technology?



"Don't know" (3%) not shown.

19% Above Plan | 37% On Plan | 41% Below Plan

n=4,558

NOTE:

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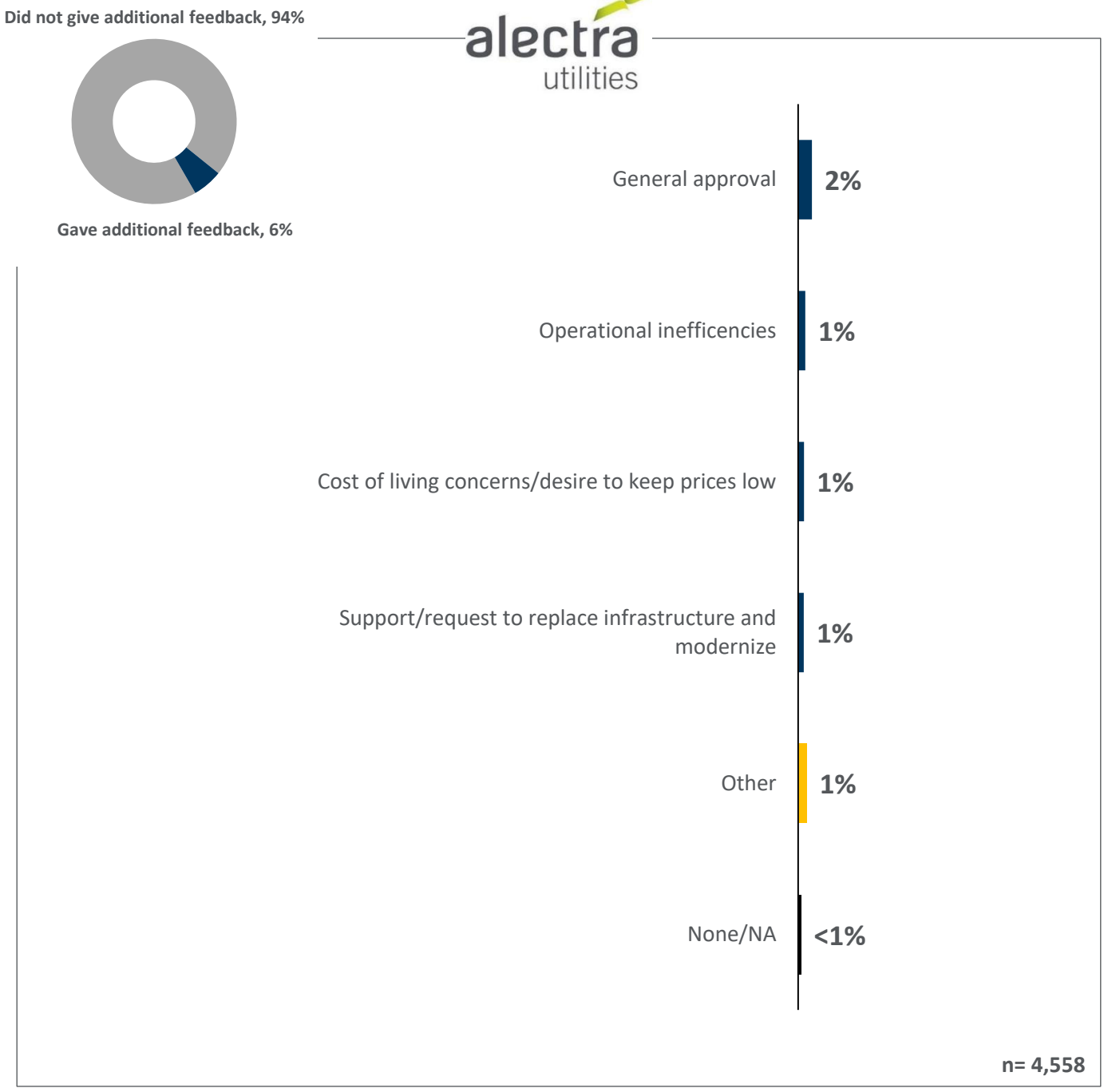
Phase II Online Survey
Feedback on Fleet, Facilities and Information Technology

Open Link Residential

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]



Phase II Online Survey

Feedback on Fleet, Facilities and Information Technology

Open Link
Residential

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims
General approval
"Draft plan sounds reasonable."
Operational inefficiencies
"It doesn't make sense to me that the bill to Alectra needs to increase by 50% over 4 years when equipment sustaining and replacement should be part of regular operations."
Cost of living concerns/desire to keep prices low
"I want the cheapest option because paying money will not benefit me at all."
Support/request to replace infrastructure and modernize
"It is of the utmost importance to maintain Fleet, Facilities and Info. Technology! Without doing so, you may as well shut your doors."
Other
"Improving the work environment of staff is a keystone for the whole organization."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

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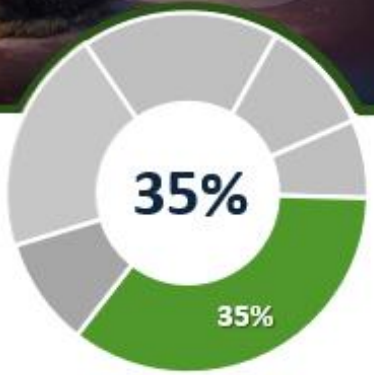
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

WORKBOOK ONLY

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

WORKBOOK PAGE

Choice 5 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Mandatory investment required to address expansion needs, without any back-up projects	Further investment to address required expansion needs and many of the back-up projects	Additional investment to address required expansion needs, and all back-up projects to ensure greater reliability
Experience	Potential for significant delays when connecting customers to the grid	No delays when connecting customers to the grid	Same as Draft Plan
Efficiency	Funding for **10 new distribution stations**, providing **395MW** of electric capacity	Funding for **11 new distribution stations**, providing **414MW** of electric capacity	Funding for **12 new distribution stations** and a battery storage project, providing **585MW** of electric capacity

Rate Impact
per month by 2031

$3.50	$3.68	$3.72

Make a selection

Reduced Pace $3.50 | Draft Plan $3.68 | Accelerated Pace $3.72

$3.54 | $3.58 | $3.61 | $3.64 | $3.68 | Don't know

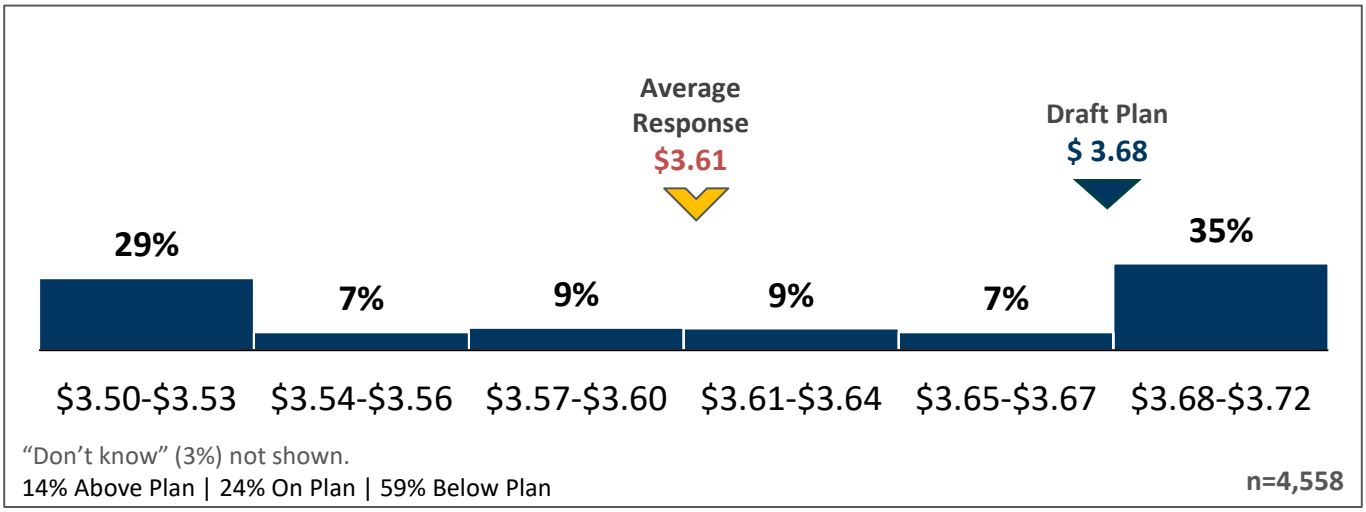
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Meeting Growing Electricity Demand

Open Link Residential

Q How much should Alectra spend on Meeting Growing Electricity Demand?



"Don't know" (3%) not shown.

14% Above Plan | 24% On Plan | 59% Below Plan

n=4,558

NOTE:

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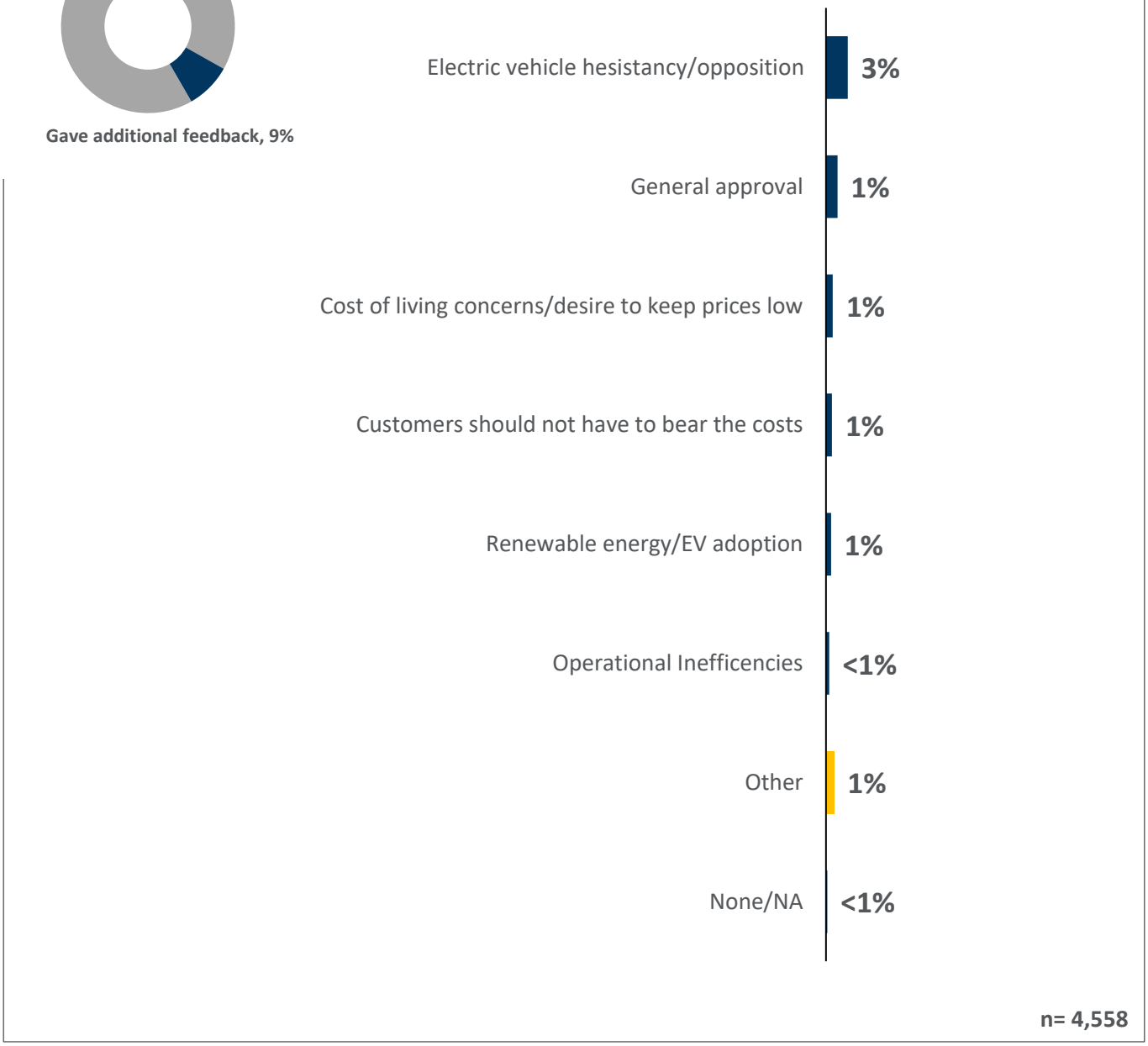
Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

Open Link Residential

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

alectra utilities



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Phase II Online Survey
Feedback on Meeting Growing Electricity Demand

Open Link
Residential

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims
Electric vehicle hesitancy/opposition
"Electric vehicles are not a solution for climate change as they create other types of pollution and damage to the environment. Corporations and governments have brainwashed consumers into thinking this is a good solution."
General approval
"As long as the older neighbourhoods, like mine, are included in the upgrade."
Cost of living concerns/desire to keep prices low
"I Instead of continuous raises in our bill, perhaps try billing according to our income. Deciding between hydro or food is sad."
Customers should not have to bear the costs
"The cost of developing new electrical services in new subdivisions should be borne by the developer."
Renewable energy/EV adoption
"Maybe you need to invest in renewable energy if we are going to have these problems."
Operational inefficiencies
"Alectra is way behind the times when it comes to connecting customers onto the grid. You need a better system and a better customer attitude."
Other
"Tech is already out with smart home energy monitors. You can fast charge with a 100amp panel without the need to upgrade."

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

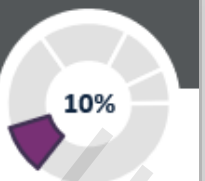
Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

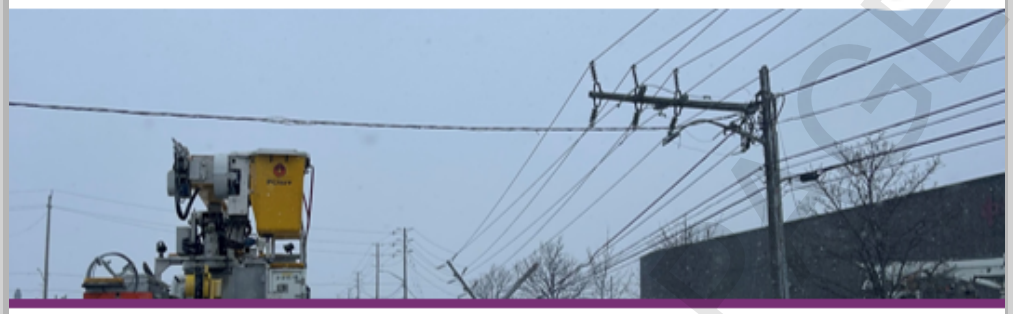
WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices



6 Enabling Resiliency and Modernization



Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

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Enhancing Customer Communication and Choice

- Between electric cars and power walls, customers today are connecting to the grid with technology that wasn't so common 10 years ago.
- With these recent adoptions, some customers are looking to become more active participants in the grid at difference paces.

Choice 6 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	**Invest in 27** weather-related adaption projects, which could lead to longer outages during extreme weather events	**Invest in 33** weather-related adaptation projects to reduce the risk of outages 24 hours or longer during extreme weather events	**Invest in 41** weather-related adaptation projects to further reduce the risk of outages
Experience	Maintain customer service investment without expanding customer choice	Moderate investment in new customer service solutions, expanding the options for customer choice and participation in the grid	Same as Draft Plan
Efficiency	Same as Draft Plan	Moderate investment in communication infrastructure, installation of 427 automatic switches to enable remote power restoration	Increased investment in communication infrastructure, installation of 502 automatic switches to enable faster and greater remote power restoration

Rate Impact
per month by 2031

$1.34 | $1.44 | $1.61

Reduced Pace $1.34 | Draft Plan $1.44 | Accelerated Pace $1.61

Make a selection

$1.39 $1.44 $1.48 $1.51 $1.56 Don't know

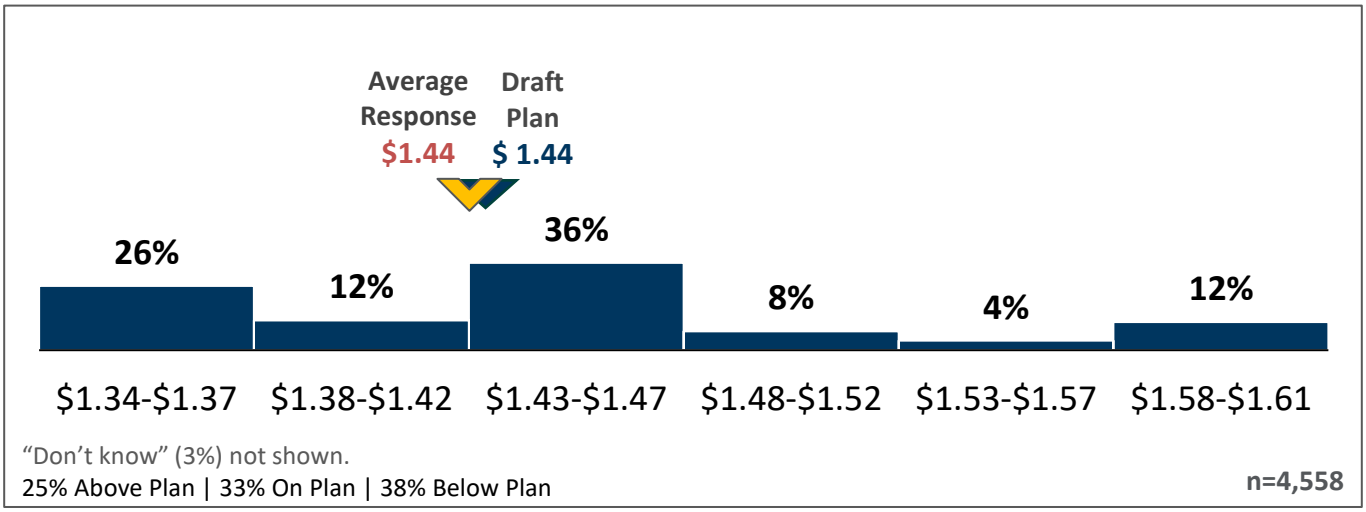
Your selection: $ --.--

WORKBOOK PAGE

Phase II Online Survey
Spending on Enabling Resiliency and Modernization

Open Link Residential

Q How much should Alectra spend on Enabling Resiliency and Modernization?



"Don't know" (3%) not shown.

25% Above Plan | 33% On Plan | 38% Below Plan

n=4,558

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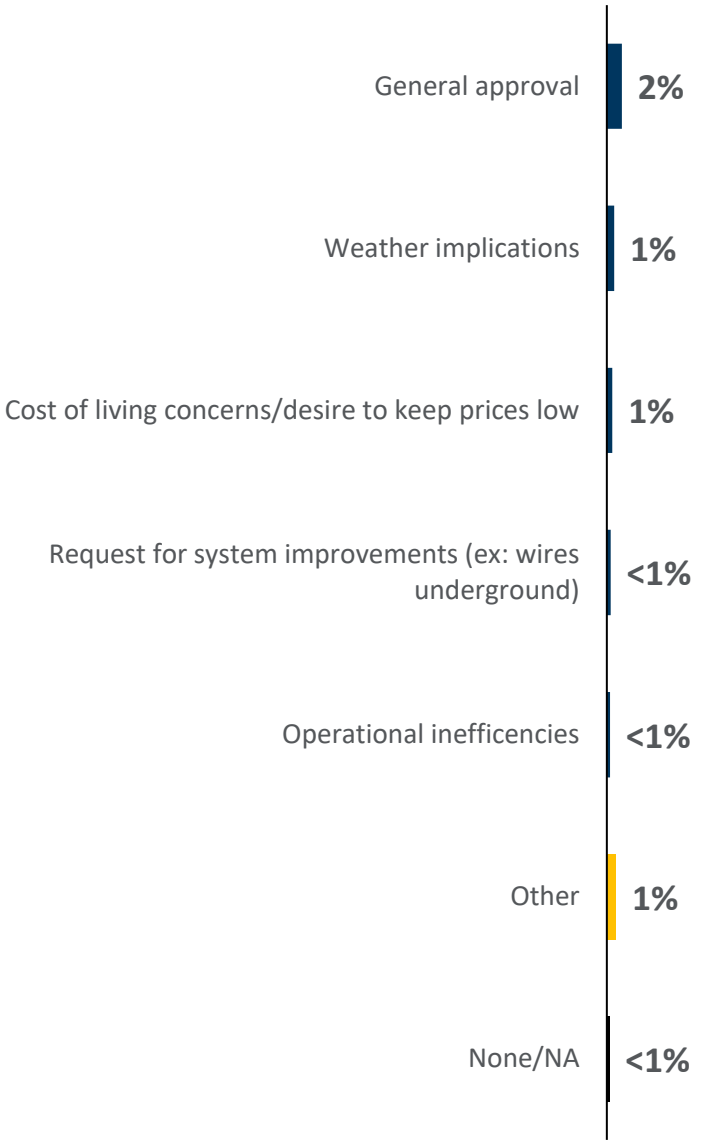
Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

Open Link Residential

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

alectra utilities



n= 4,558

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Phase II Online Survey
Feedback on Enabling Resiliency and Modernization

Open Link
Residential

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

Sample Verbatims
General approval
"Heading in right direction."
Weather implications
"Climate is rapidly changing and we need to build an infrastructure that can keep up."
Cost of living concerns/desire to keep prices low
"Paying more will not impact me other than making me struggle with bills."
Request for system improvements (ex: wires underground)
"All Bury as many lines underground as possible. Trees, severe weather, ice storms, and excessive heat will no longer be a concern."
Operational inefficiencies
"Users of power demanding technologies should be identified and charged accordingly. It is not fair for all users to subsidize the excessive power utilization of some."
Other
"Educate customers to providing feedback and to report problems."

Choices Calculator

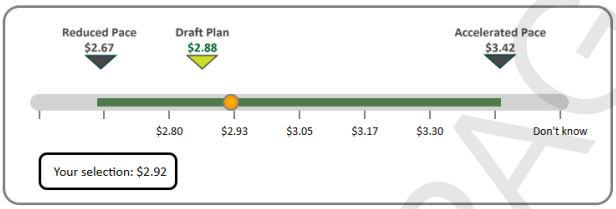
Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

At the bottom of this page, you will find the total bill impact of all your answers.

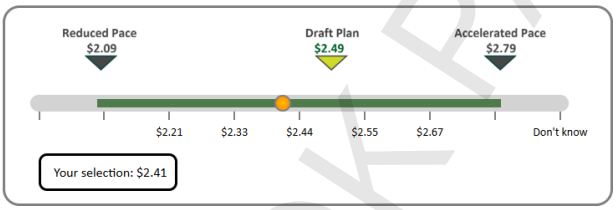
Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

WORKBOOK PAGE

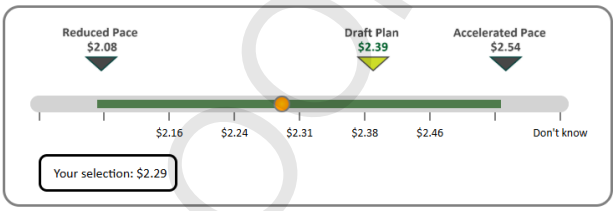
Overhead & Transformer Renewal



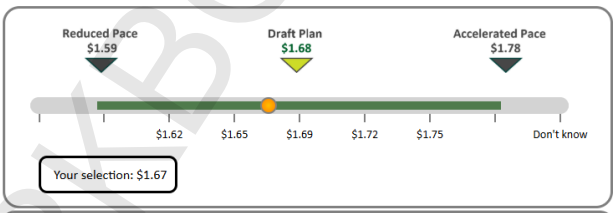
Underground Renewal



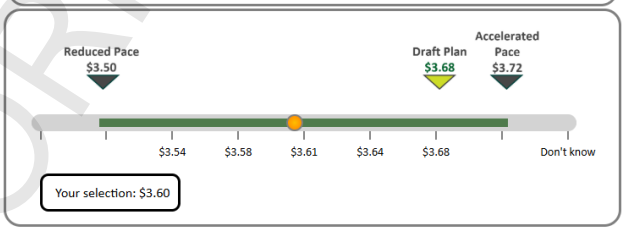
Meter Replacement & Renewal



Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand



Enabling Resiliency & Modernization

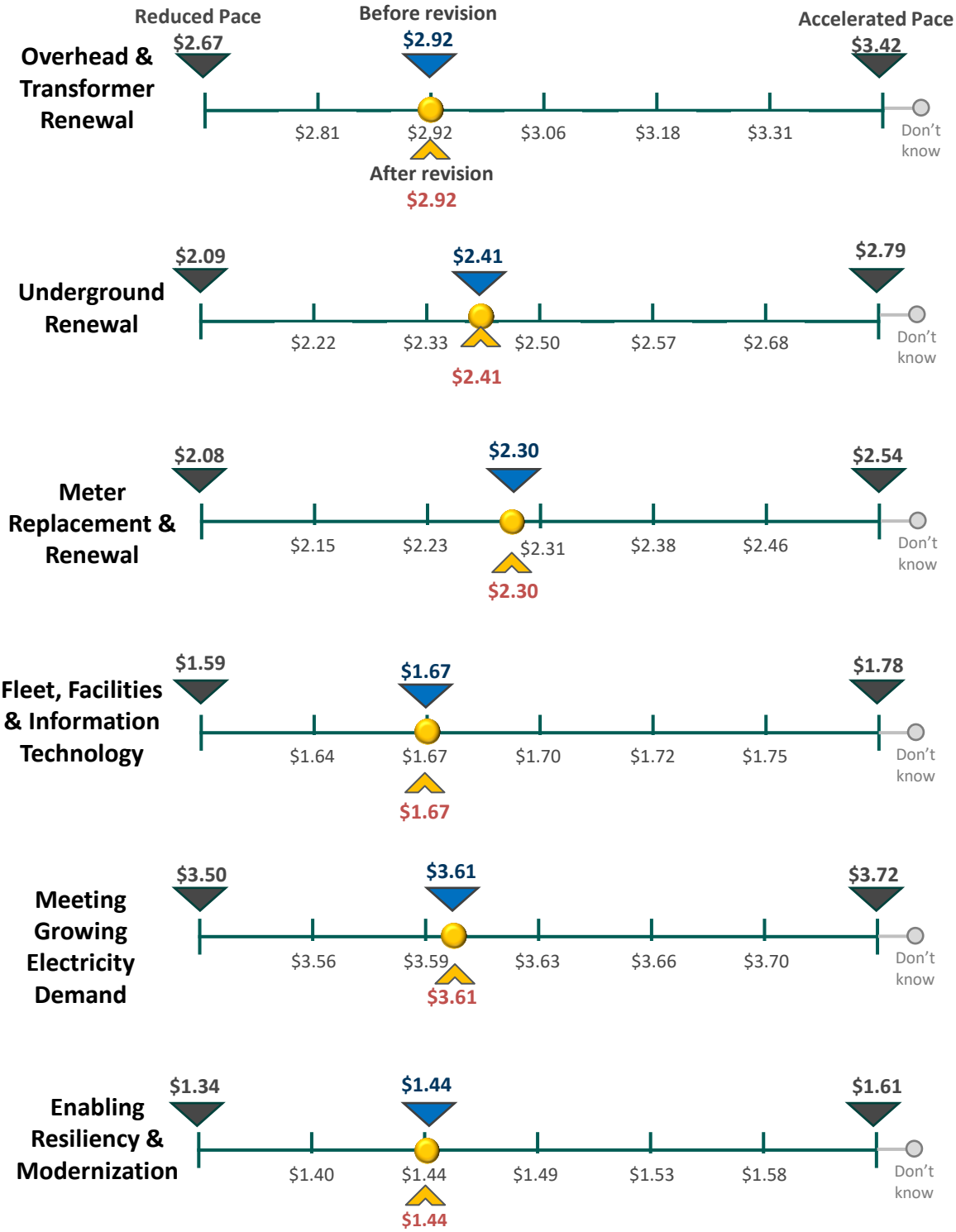
Next

The total impact of your choices would result in an estimated:
$14.32 more on your monthly bill by 2031.

Phase II Online Survey
Calculator Values

Open Link Residential

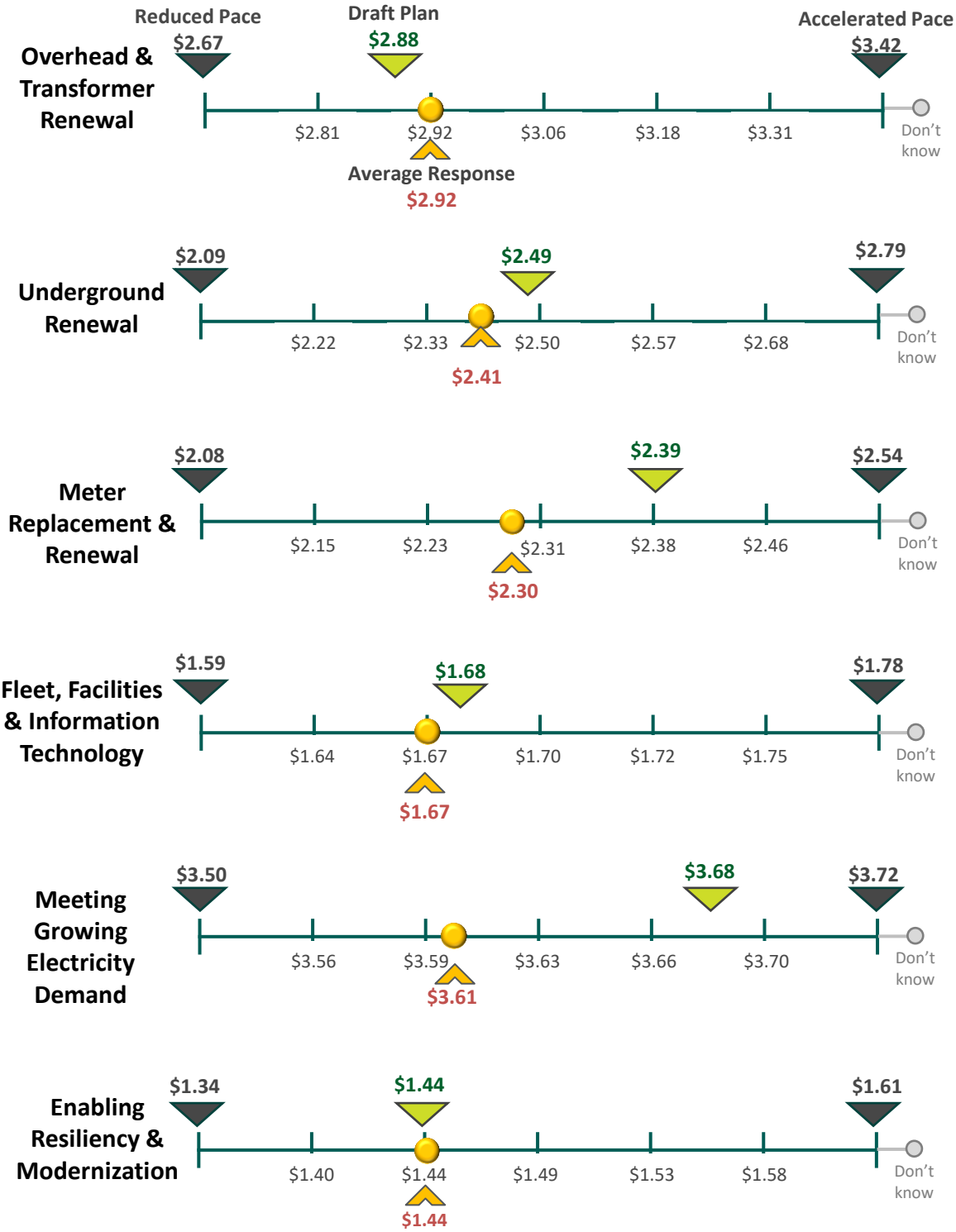
This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.



Phase II Online Survey
Calculator Values

Open Link Residential

This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.

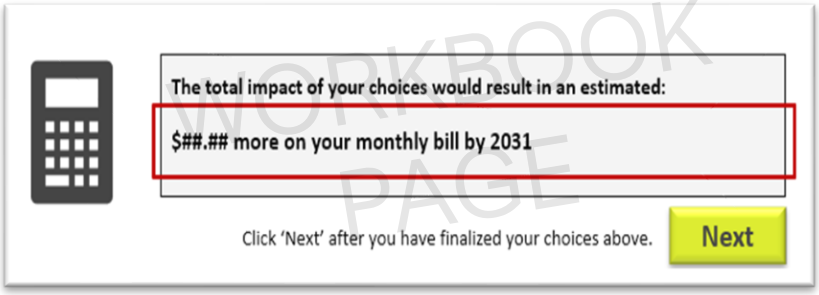


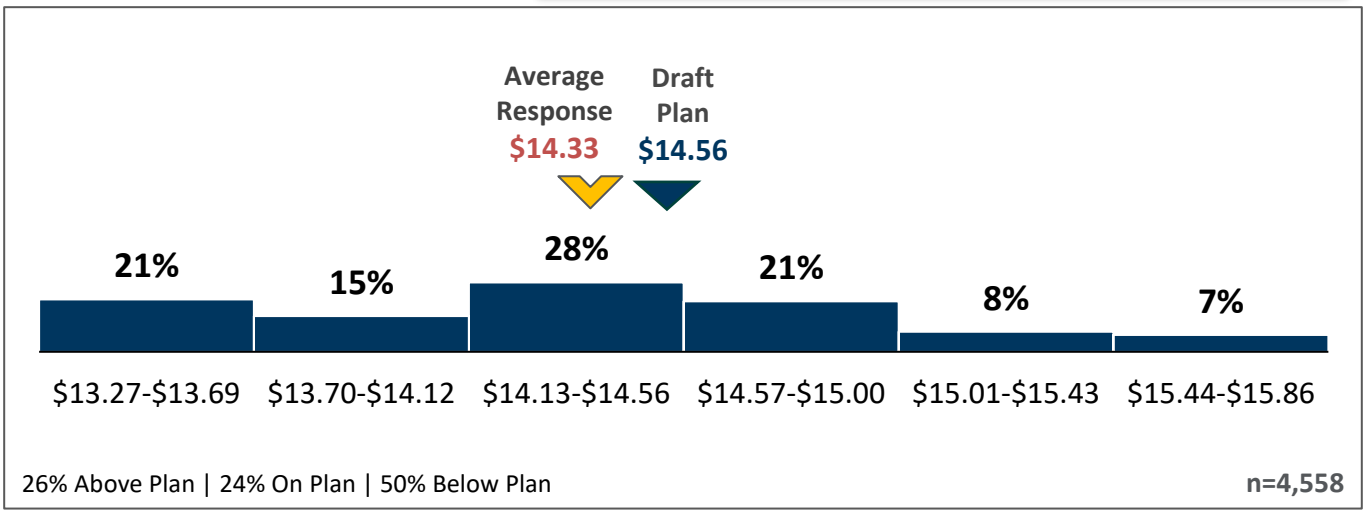
Phase II Online Survey
Calculator Values

Open Link
Residential

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

The chart below shows the distribution of the draft plan options, highlighting the frequency by ranges.





26% Above Plan | 24% On Plan | 50% Below Plan

n=4,558

NOTE:

- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

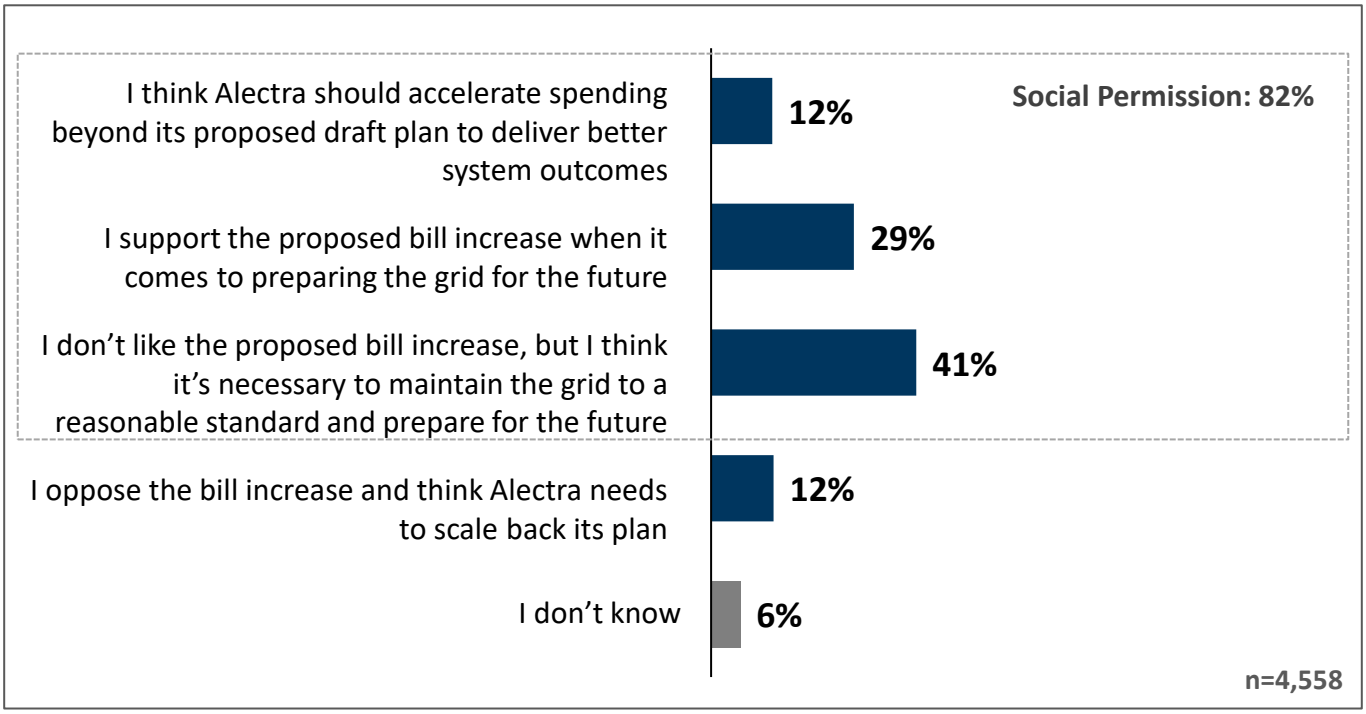
Phase II Online Survey
Social Permission

Open Link Residential

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

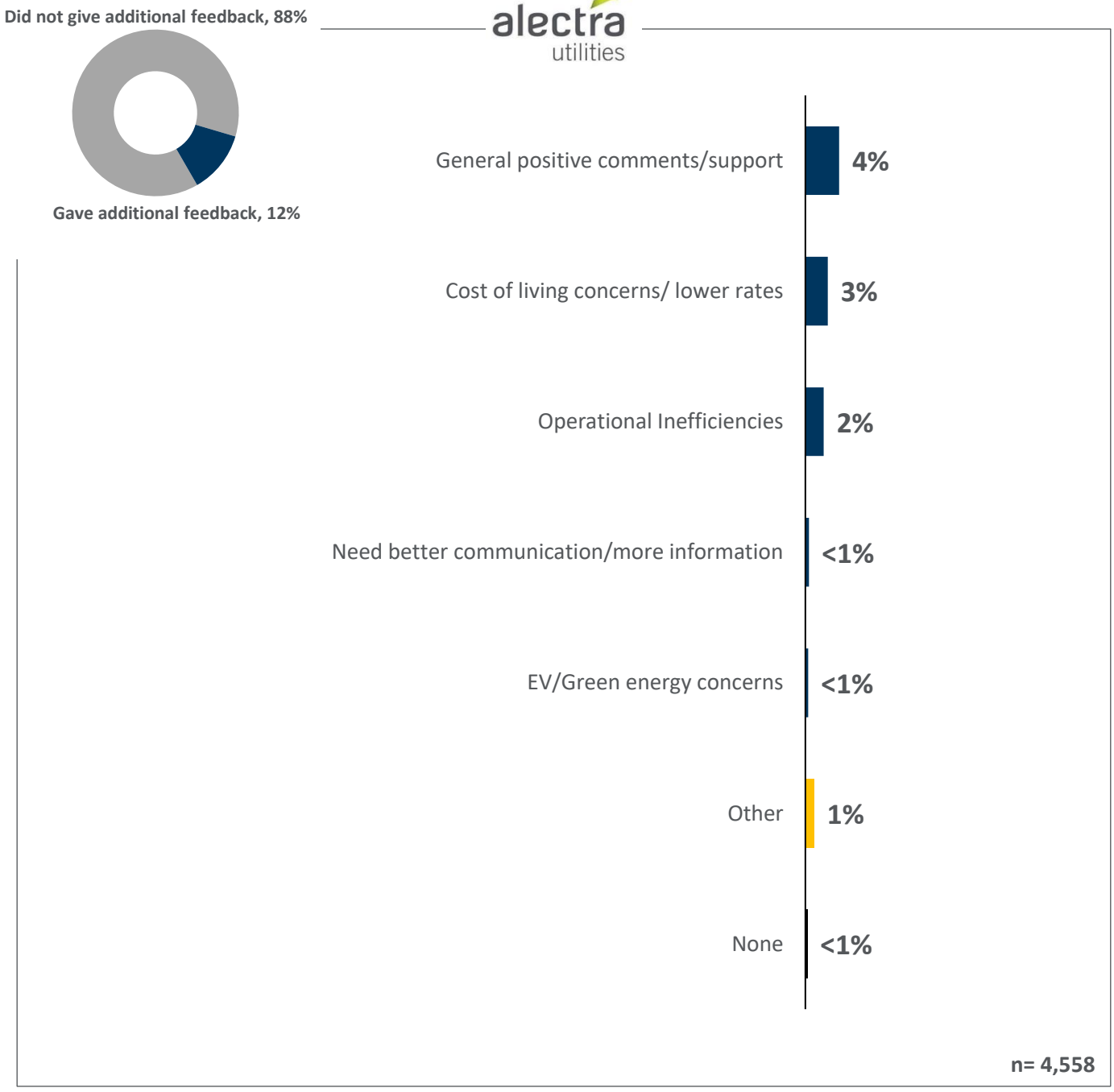
Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$14.33 average increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



Phase II Online Survey
Social Permission

Open Link
Residential

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]



Phase II Online Survey
Social Permission

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims
General positive comments/support
"As said get it done now .What is better at the end a fifteen dollar increase or possibly double that .Thank you."
Cost of living concerns/lower rates
"Admin costs to high. There is too much fat in the proposals. You need to take into account the effects of increased costs on the average homeowner. You don't need a Cadillac when a Chevy will do the job."
Operational inefficiencies
"Alectra needs to be forward thinking- how can you challenge the OEB to give you flexibility to deliver more and better services to your customers? What can you do within the existing regulations?"
Need better communication/more information
"Communication to the community is key. More detail to the risk we would face if we do not march ahead."
EV/green energy concerns
"Homeowners who don't use electric vehicles should not have to pay for others decisions."
Other
"See all prior comments - If I could choose any energy company, I would, but I do not have any options too."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

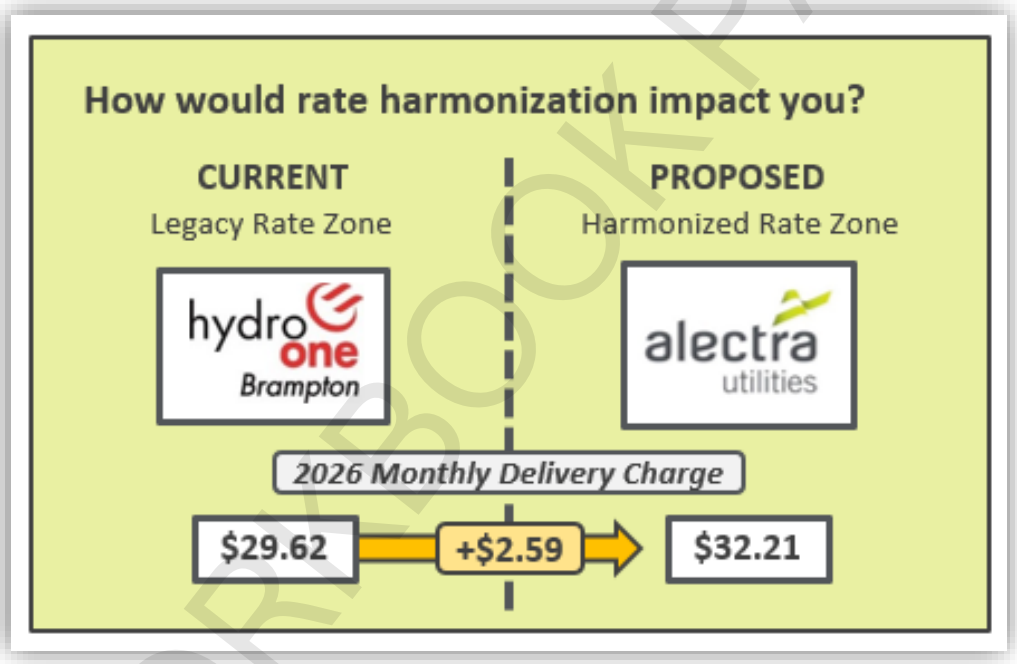
As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

WORKBOOK PAGE



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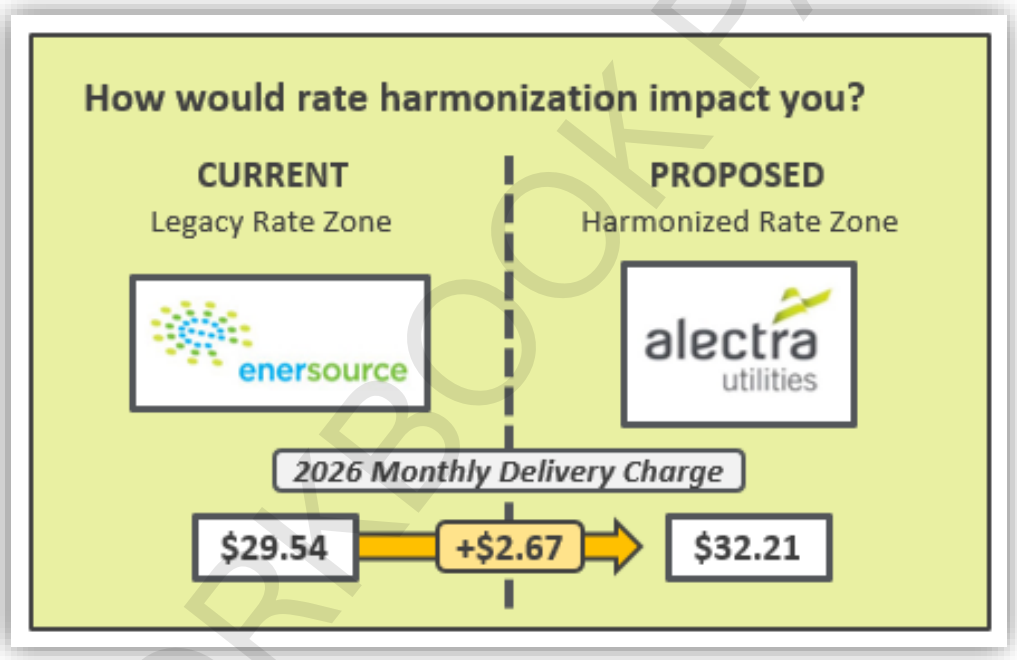

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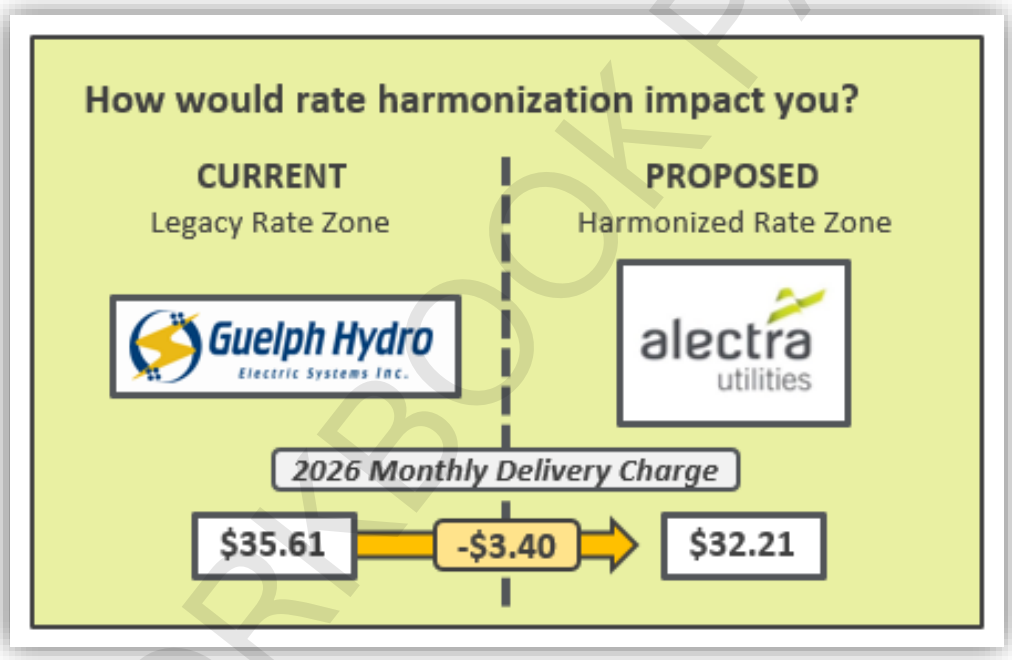

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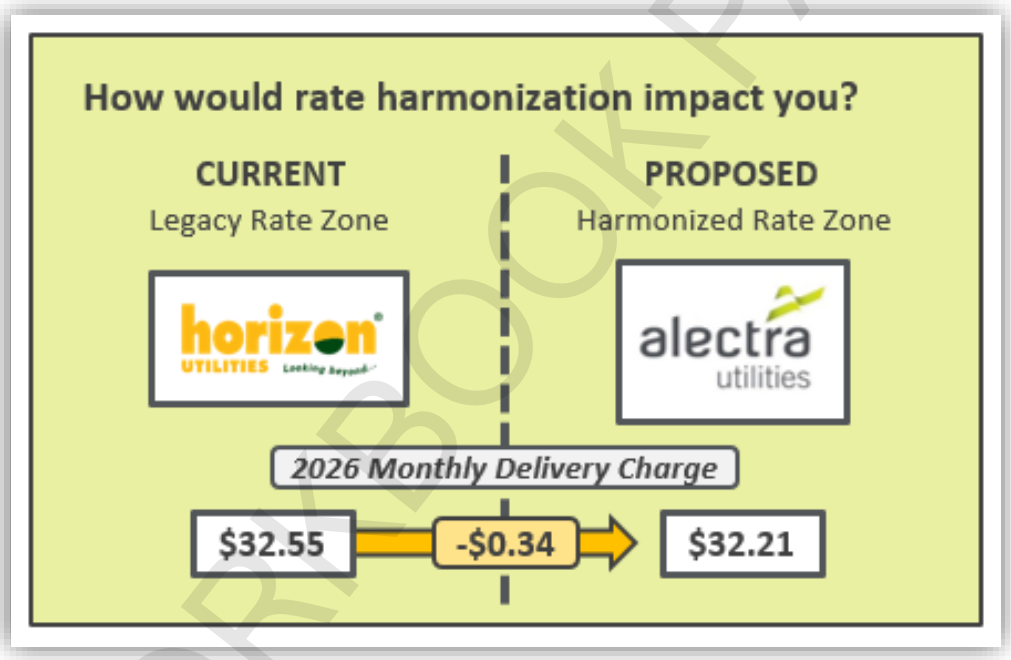

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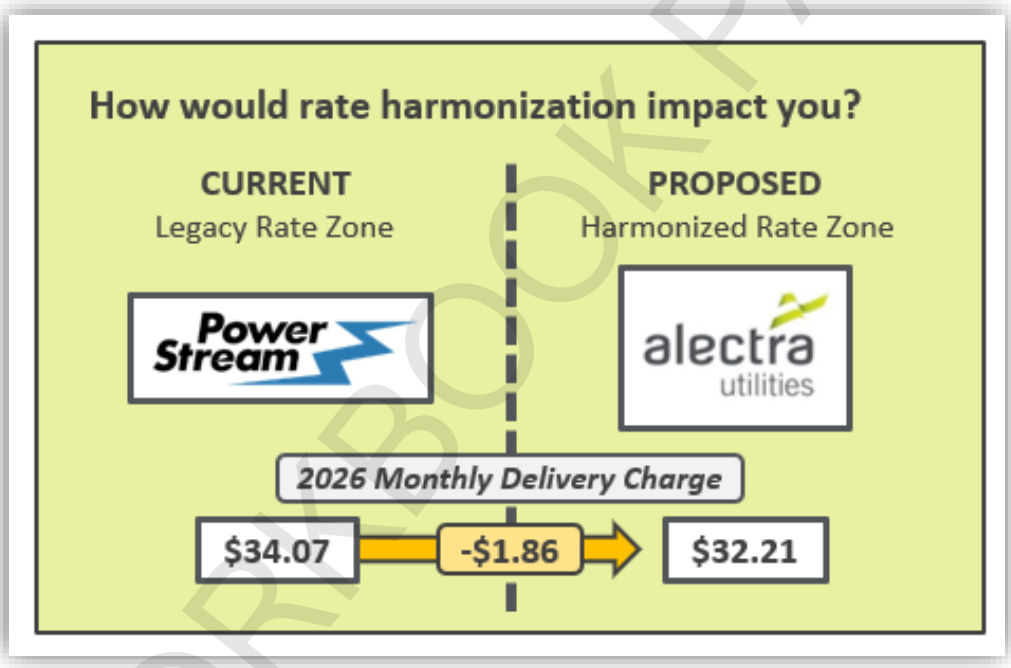

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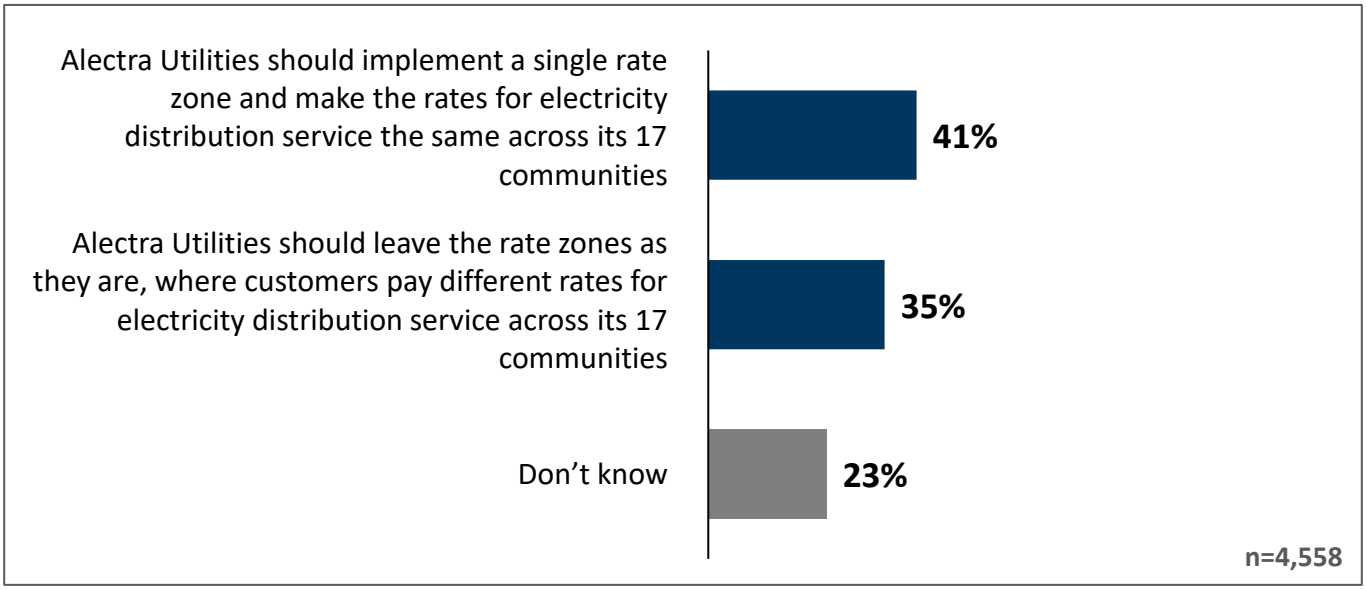
Phase II Online Survey
Rate Harmonization

Open Link Residential

Q When it comes to Rate Harmonization, which statement is closest to your view?



Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

WORKBOOK PAGE

Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

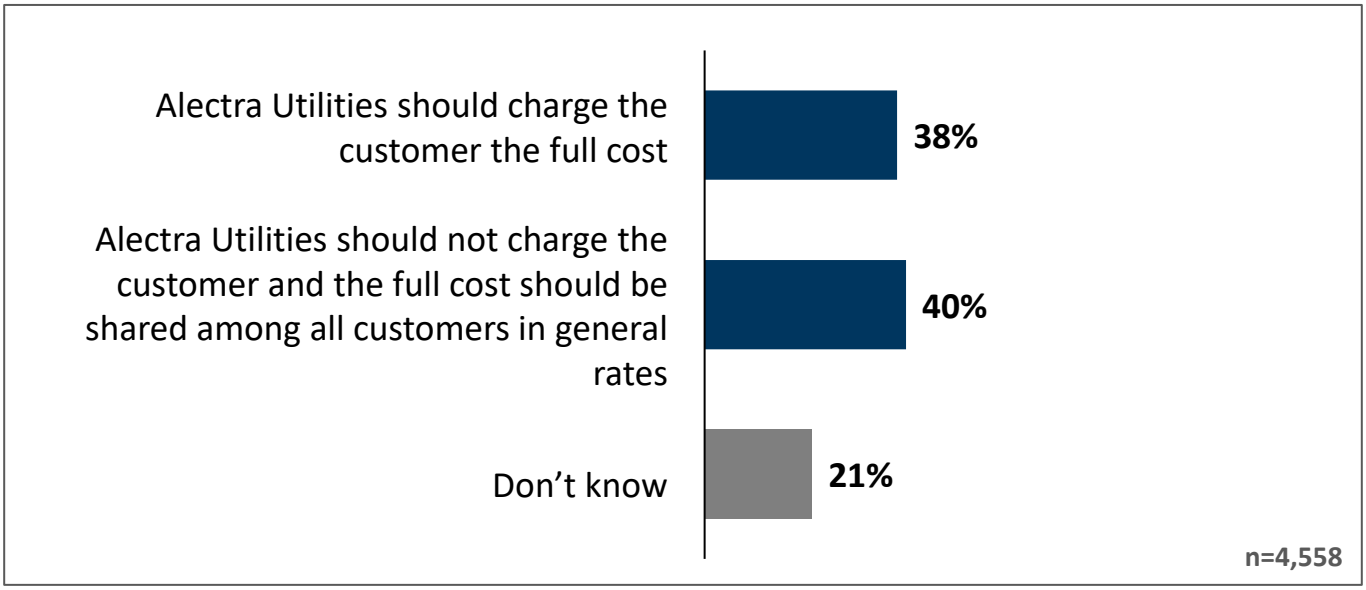
Note: These estimated charges are preliminary and subject to change

WORKBOOK PAGE

Phase II Online Survey
Specific Service Charges

Open Link Residential

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?

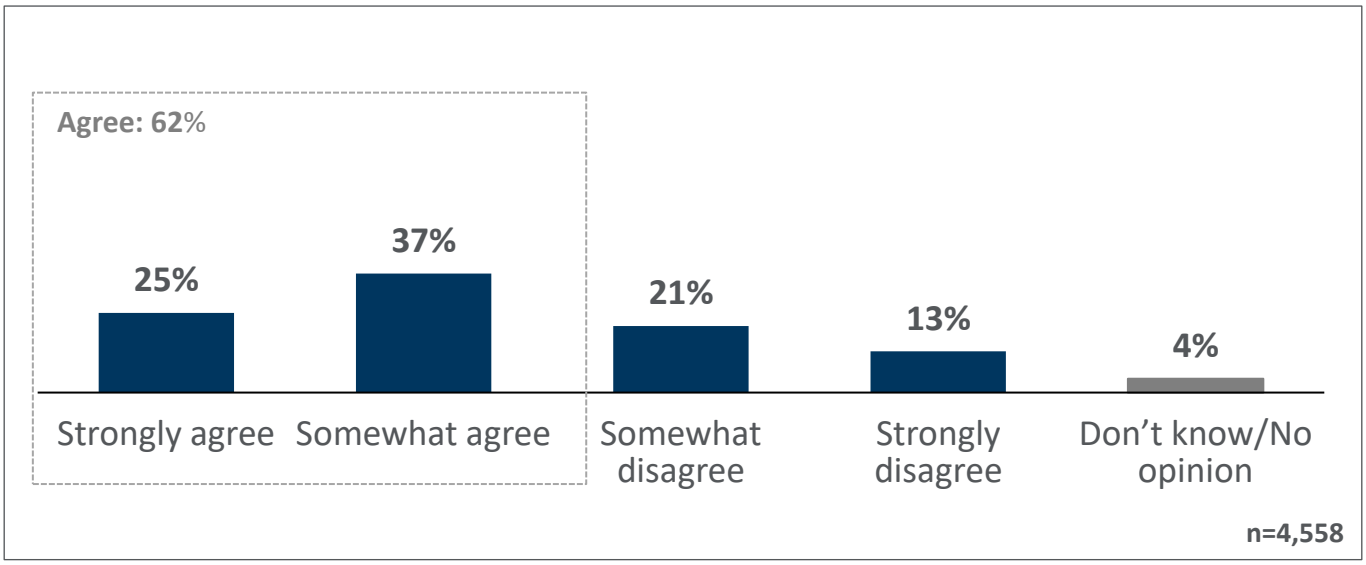


Phase II Online Survey
Impact of Electricity Bill on Finances

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?

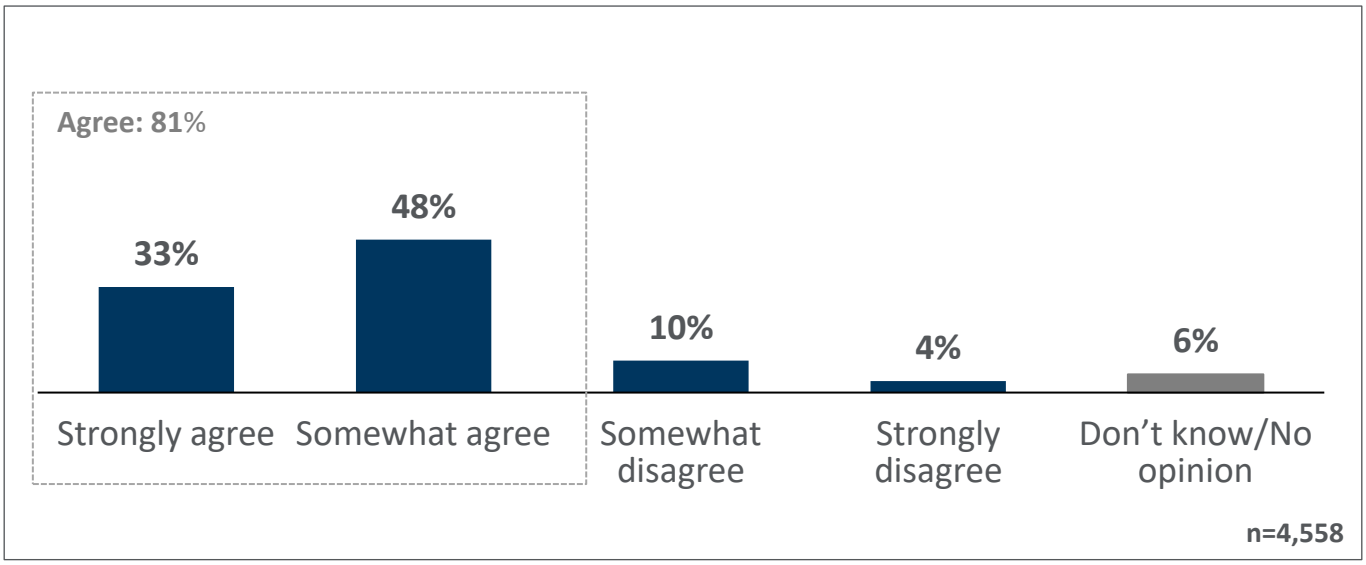
The cost of my electricity bill has a major impact on my finances and requires I do without some other important priorities



Phase II Online Survey
Customers and the Electricity System

Open Link
Residential

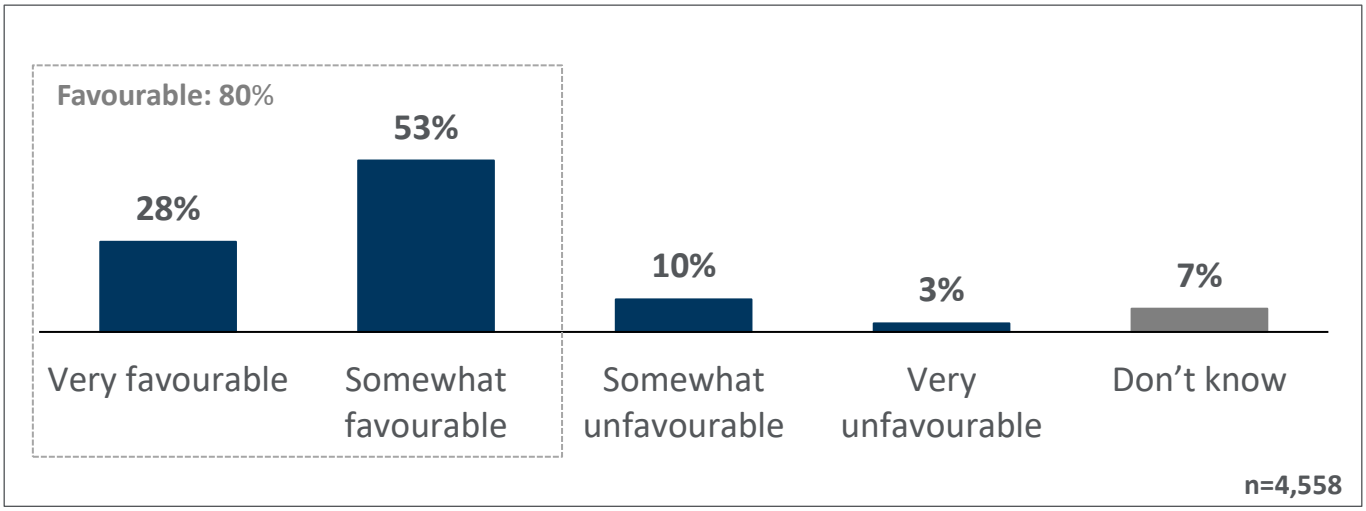
Q Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



WORKBOOK PAGE

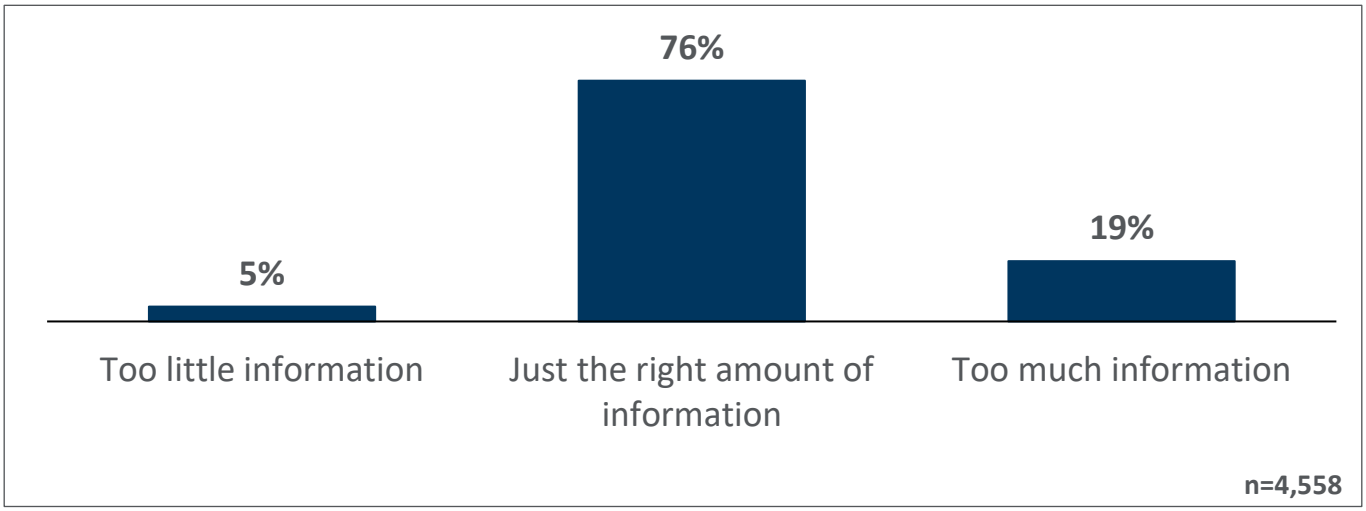
Phase II Online Survey
Workbook Impression

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



Phase II Online Survey
Amount of Information

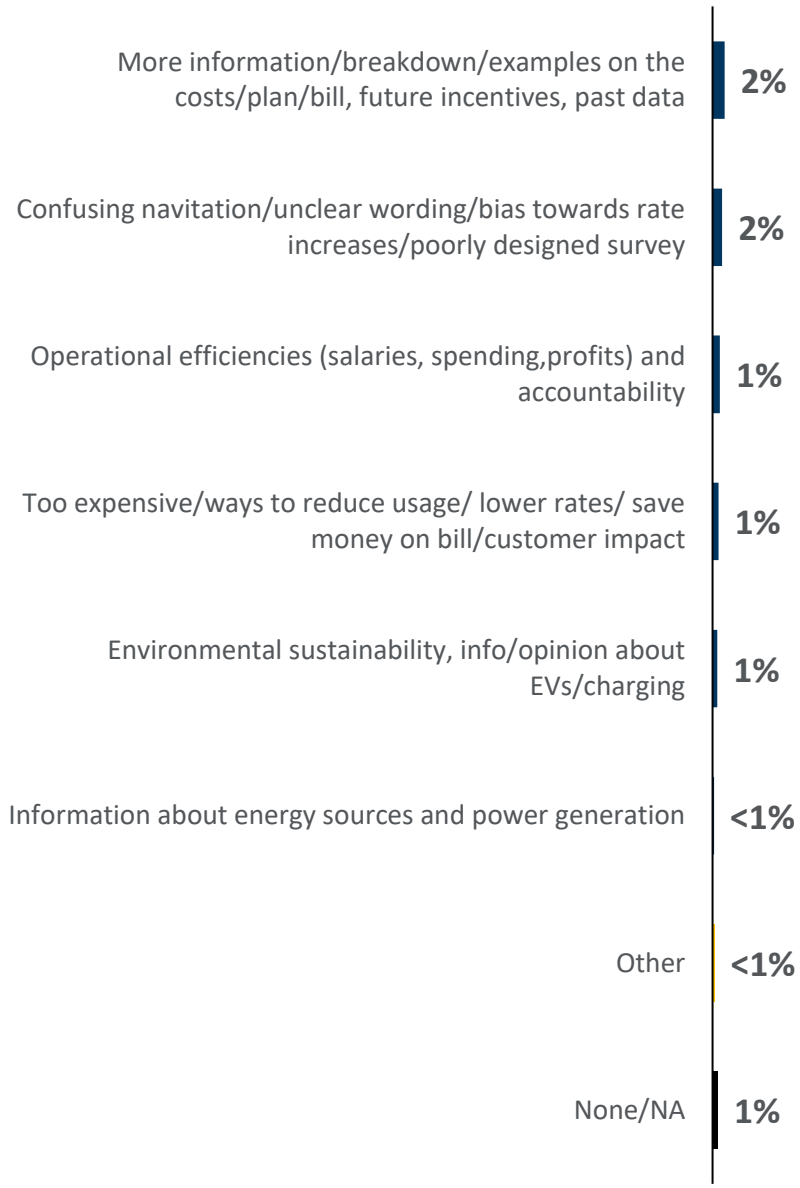
Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



Phase II Online Survey
Content Missing

Open Link
Residential

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]



n= 4,558

Phase II Online Survey
Content Missing

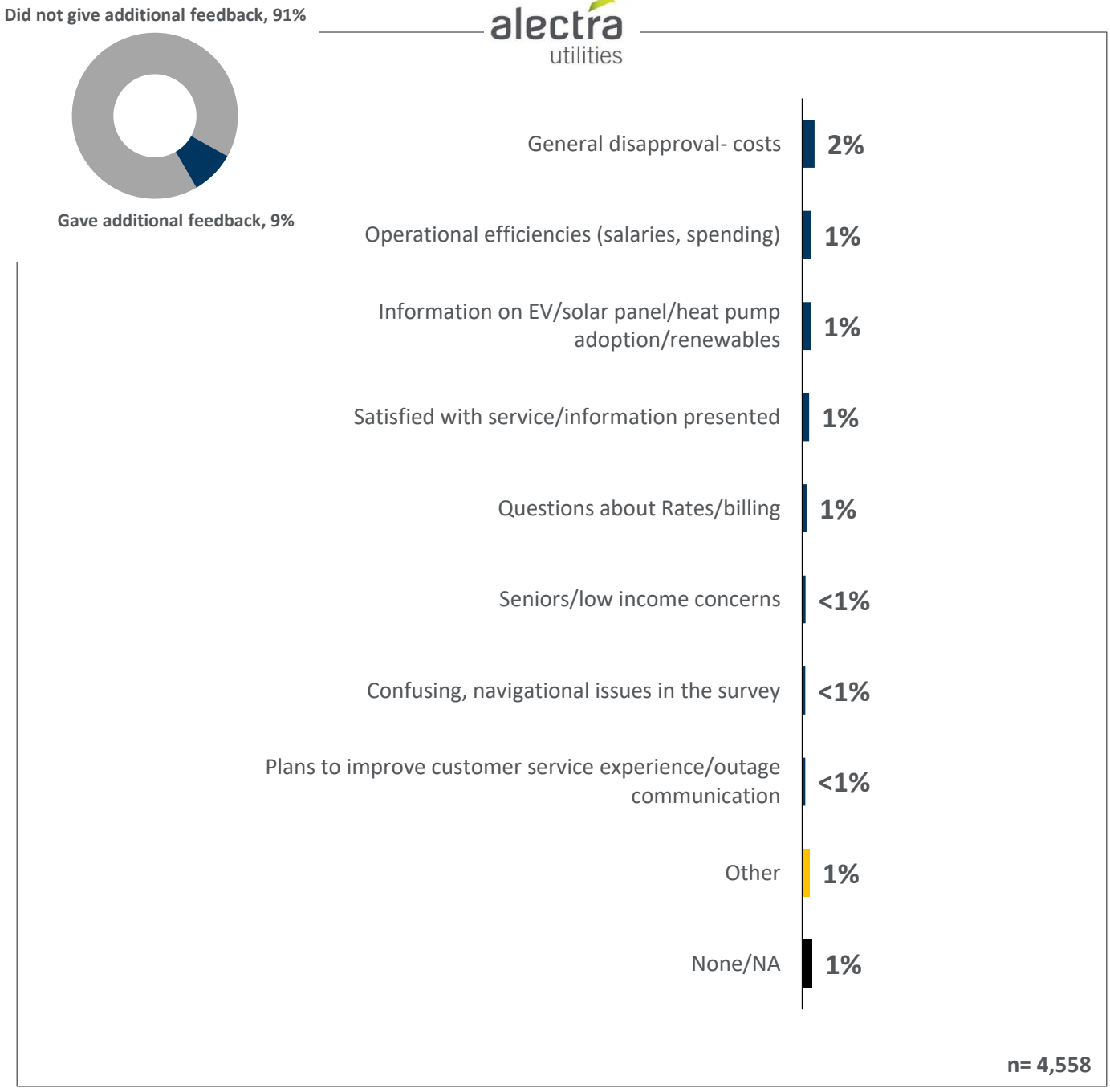
Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
More information/breakdown/examples on the costs/plan/bill, future incentives, past data
"There should have been more information and explanation of the high cost that is paid to other sources other than Alectra. If an average bill is 350 and only 77 goes to Alectra. Explain the where and why for the remaining and majority of the 350?"
Confusing navigation/unclear wording/bias towards rate increases/poorly designed survey
"Too much to read and understand. These should be rather in a short video format explaining the details."
Operational efficiencies (salaries, spending, profits) and accountability
"It would have been helpful to include executive salaries and bonuses to better reflect where out money is truly going."
Too expensive/ways to reduce usage/ lower rates/ save money on bill/customer impact
"I would like to see more plans to develop cheaper and more reliable electricity instead of spending resources to modernize the current method of providing electricity."
Environmental sustainability, info/opinion about EVs/charging
"I guess it would have been more knowledgeable if you would have connection, on the EV Cars and the new connection we may have to do for EV cars which is the future."
Information about energy sources and power generation
"Would like to have seen some opinion questions relating to renewable energy. Solar, wind, etc."
Other
"You should have explained why you think you need to know how we identify, our professions, our age. Everyone needs power and water, this information should have zero influence on your business decisions."

Phase II Online Survey
Final Questions

Open Link Residential

Q Is there anything that you would still like answered? [OPEN]



Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims
General disapproval - costs
"Why are delivery charges so high? I struggle to save electricity and on my bill, and the delivery charge is significantly more that the electricity charge. To me that makes no sense. I would never pay $25 to have a $5 item delivered. But with electricity it seems to be OK. I am not OK with that."
Operational efficiencies (salaries, spending)
"I would like to know why the customers are left to shoulder what essentially should be the operating cost of a power delivery company. A detailed financial breakdown that's made available to the public would be appreciated."
Information on EV/solar panel/heat pump adoption/renewables
"I would like to know what percentage of our energy comes from clean sources?"
Satisfied with service/information presented
"I Thank you for the effort placing and presenting here as general information of customers. It was very useful."
Questions about Rates/billing
"I'm still uncertain how delivery is calculated, which would be nice to know every bill."
Senior/ low income concerns
"As a senior I would like to see the option of year-round lower rates for seniors."
Confusing, navigational issues in the survey
"I didn't entirely understand where all the figures came from or if they were verified by third-party sources. I feel that the right amount of overall information was provided, but that it could have been presented in a more digestible way."
Plans to improve customer service/ outage communication
"Just some input on customer service. I don't want to have to go to my Councilor because your refurbished transformer blew up and spewed chemicals all over my lawn and needed attention. Even our neighbours complained, but Alectra wouldn't even return a call."
Other
"Waterdown area of Hamilton needs more focus."

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APPENDIX 13

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Phase II Customer Engagement
2027 Rebasing Application

Small Business Online Workbook Survey (Voluntary Stream)

This report and all of the information and data contained within it may not be released, shared or otherwise disclosed to any other party, without the prior, written consent of Alectra Utilities Corporation.

February 2025

STRICTLY PRIVILEGED AND CONFIDENTIAL

2027 – 2031 Rate Application

Report Navigation

APPENDICIES

PHASE I: Needs & Preferences

- APPENDIX.01 – Customer Sample Validation
- APPENDIX.02 – Residential Needs and Preferences Survey
- APPENDIX.03 – GSlt50 kW Needs and Preferences Survey
- APPENDIX.04 – GS>50 kW Needs and Preferences Survey
- APPENDIX.05 – Large Use Needs and Preferences Survey
- APPENDIX.06 – Needs and Preferences Planning Placemat
- APPENDIX.07 – Residential Needs and Preferences Survey (Voluntary Stream)

PHASE II: Workbook Survey

- APPENDIX.08 – Residential Online Workbook Survey
- APPENDIX.09 – GS<50 kW Online Workbook Survey
- APPENDIX.10 – GS>50 kW Online Workbook Survey
- APPENDIX.11 – Large Use Online Workbook Survey
- APPENDIX.12 – Residential Online Workbook Survey (Voluntary Stream)
- APPENDIX.13 – GS<50 kW Online Workbook Survey (Voluntary Stream)

Phase II Online Survey
Survey Design & Methodology

Open Link
GS<50

Alectra Utilities Corporation (Alectra) engaged Innovative Research Group (INNOVATIVE) to help design, execute and document the results of Alectra's customer engagement process as part of the development of its 2027 Rebasing Application.

Phase II Online Survey Completes

INNOVATIVE hosted the online portal at the following URL: www.AlectraCustomerFeedback.com

Each customer was able to select (i) whether they would like to complete the survey on behalf of their home or business to determine their rate class (residential or GS<50), (ii) the city or town they received electricity service from Alectra to determine their rate zone, and (iii) the rate option which is associated with their account. In an event that customers were not sure of their rate option, the workbook defaulted to Time of Use for their selected rate class and rate zone. These three selections allowed the survey to present a workbook customized to their rate class, rate zone and rate option.

Small Business Online Survey Completes via the Open Link

This report includes data solely from small business customers who completed the survey via Open Link between **November 15, 2024, and January 20, 2025**, with unverified accounts.

A total of 41 (unweighted) small business customers completed the Phase II online survey via Open Link .

Analysis of the Open-Ended Questions

The survey included ten open-ended questions, eight of which were coded using a trained AI model that has been trained and used in the residential report. To ensure consistency and accuracy, the initial code list was informed by the code list developed for the residential report. However, the coding process was adapted as needed to account for new themes that emerged from the small business responses. The other two open-ended questions were coded entirely manually. All responses were proofed to ensure quality and consistency.

Incentives

Customers who completed the survey were entered into a draw to win one of ten prizes. Each prize consisted of a $1,500 credit towards their electricity bill.

Sample Distribution

The Residential online survey sample has not been weighted as it is a voluntary sample and and we were unable to verify in real-time their rate class, rate zone and rate option.

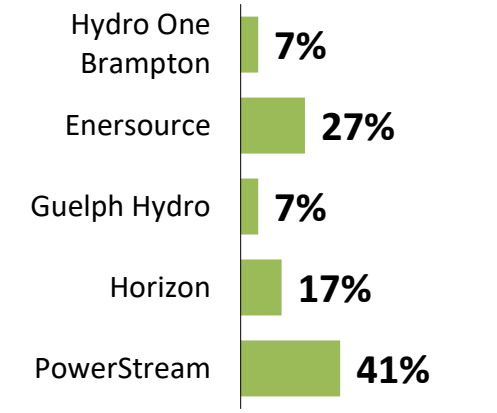
The table below summarizes the unweighted sample breakdown by rate zone

Rate Zone	Sample Distribution	
	Total	Distribution
Hydro One Brampton (BRZ)	3	7%
Enersource (ERZ)	11	27%
Guelph Hydro (GRZ)	3	7%
Horizon (HRZ)	7	17%
PowerStream (PRZ)	17	41%
Total	**41**	**100%**

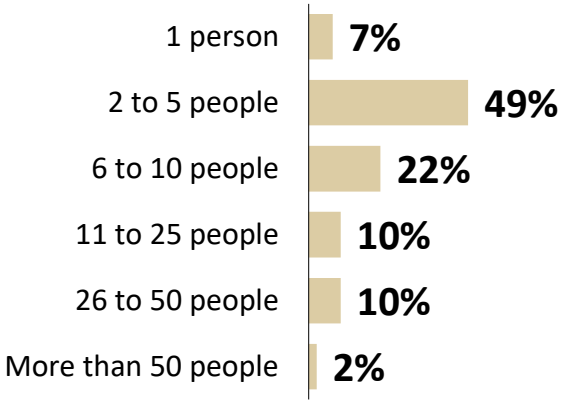
Phase II Online Survey
Firmographic Breakdown

Open Link
GS<50

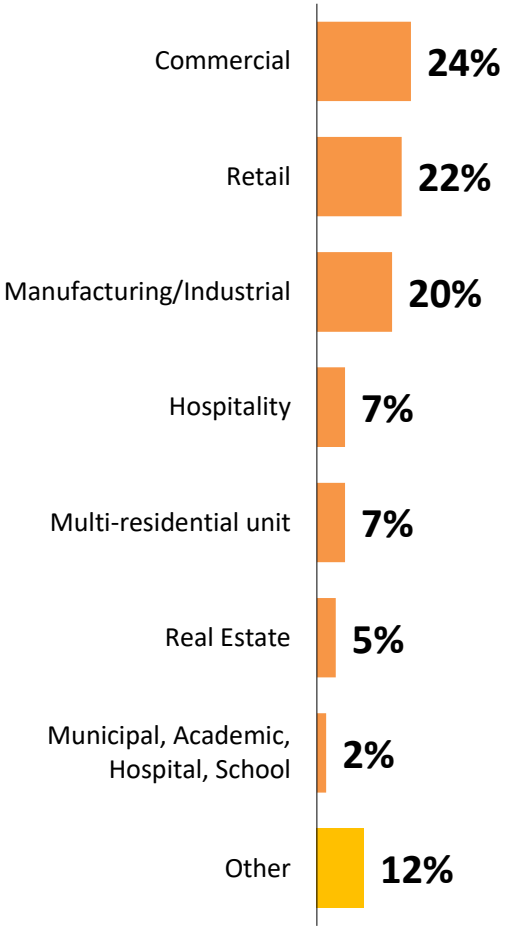
Rate Zone



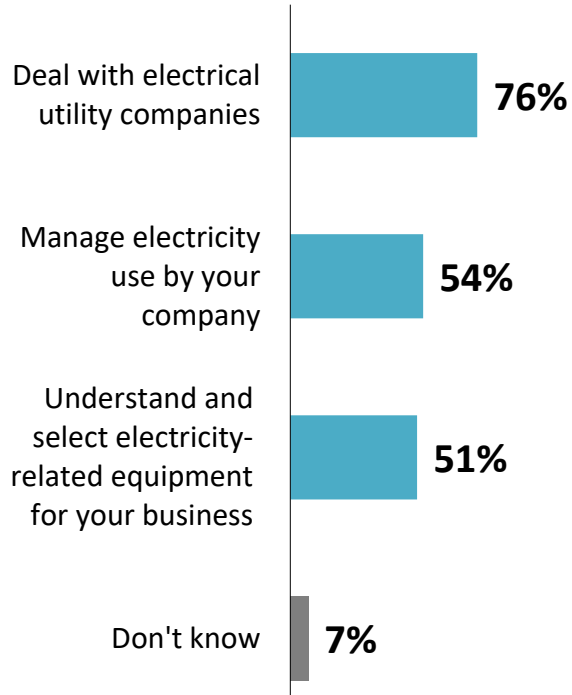
Size of Organization



Sector



Responsibilities



NOTE: This is a multiple-mention question. Respondents were allowed to select more than one responsibility. As such, the total percentages in the chart add up to over 100%.

INNOVATIVE RESEARCH GROUP

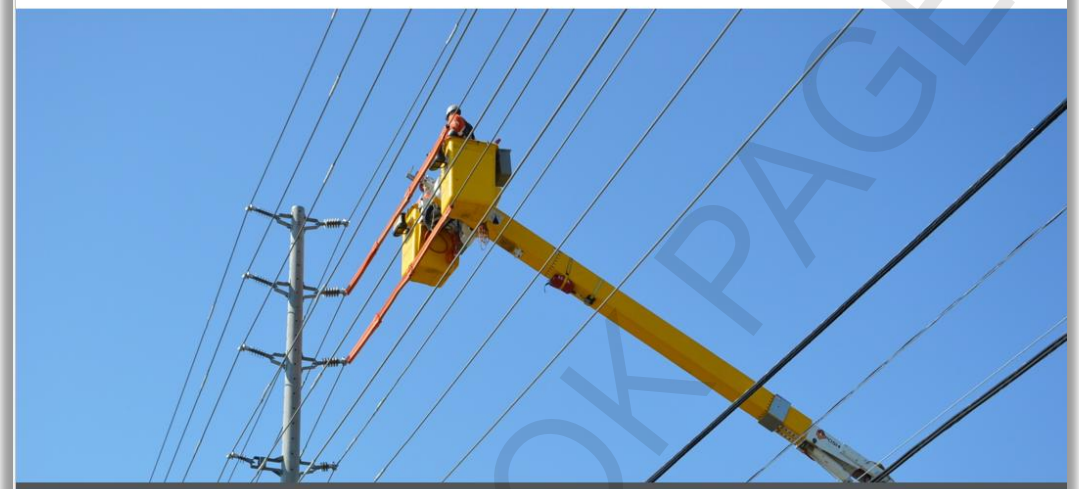
Alectra Utilities Customer Survey

Planning for the Future: About this Survey

alectra
Discover the possibilities

It's time to plan our future!

Alectra Utilities ("Alectra") needs your input on choices that will impact the services your organization receives and the rates that you pay.



Alectra is preparing to update its long-term investment plan for the 2027-2031 period.

Your input will focus on two things:

1. **Your experience with Alectra and how they can do better.**
2. **What investments and spending decisions matter most to your organization.**

Those who complete the survey will be automatically entered into a draw to win 1 of 10 prizes of $1,500 in free electricity!

Not familiar with how rates work? No worries, you don't need to be an electricity expert. This survey is focused on basic choices and provides the background information you need to answer the questions.

If you are reading this on a smaller mobile device, you may want to consider switching to a tablet or laptop so that it is easier for you to read.

WORKBOOKPAGE

Alectra Utilities Customer Survey

Planning for the Future: About this Survey

alectra
Discover the possibilities

CONTINUED FROM PREVIOUS

How will this survey work?

- This survey explains what Alectra does, how much of your organization's electricity bill goes to Alectra, how that money is spent and the impact of the draft plan on your 2027– 2031 rates.
- The survey asks for your input on key choices that will affect the services your organization receives and **the price you pay from 2027–2031.**

Once you have finished giving feedback on the key choices, **you will have an opportunity to review and change your responses** until you feel you have found the right balance.

If you need to step away from the survey, don't worry. You can pick up right where you left off by using the same link you received in the invitation.

Alectra is accountable to the provincial energy regulator, **the Ontario Energy Board (OEB).** The results of this survey will be shared with the OEB. This will help the OEB make sure Alectra's future plans align with the expectations of customers like you.

ONTARIO ENERGY BOARD

Your individual responses will be kept confidential.
Alectra hired Innovative Research Group (INNOVATIVE), an independent research company, to gather your feedback. INNOVATIVE will report all feedback to Alectra and the OEB in aggregate format, with your individual responses grouped together with other responses. To know more about INNOVATIVE click on the 'privacy policy' at the bottom of this page.

Click "next" to start. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future

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To start, here is a little background on Alectra

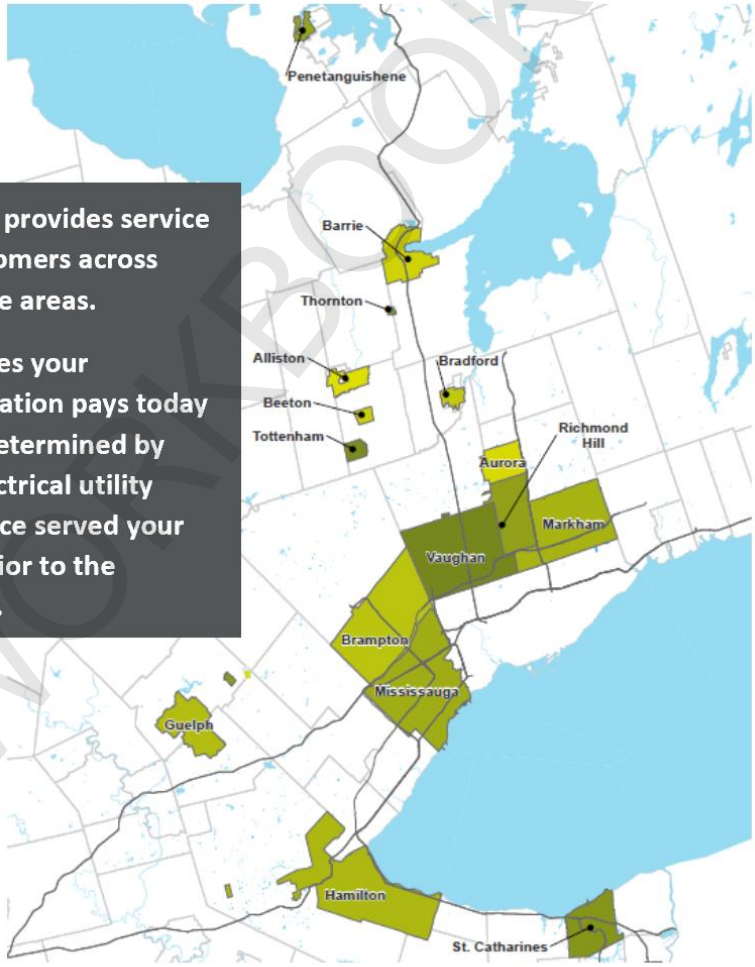
Alectra Utilities is a municipally-owned electricity company serving over one million homes and businesses across a 1,900 square kilometre service territory, comprising 17 communities including:

Alliston, Aurora, Barrie, Beeton, Brampton, Bradford West Gwillimbury, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham and Vaughan.

Beginning in 2017, five leading Ontario utilities merged to form Alectra. They were: Enersource, Horizon Utilities, Brampton Hydro, Powerstream, and later, Guelph Hydro.

Alectra provides service to customers across multiple areas.

The rates your organization pays today were determined by the electrical utility that once served your area prior to the merger.

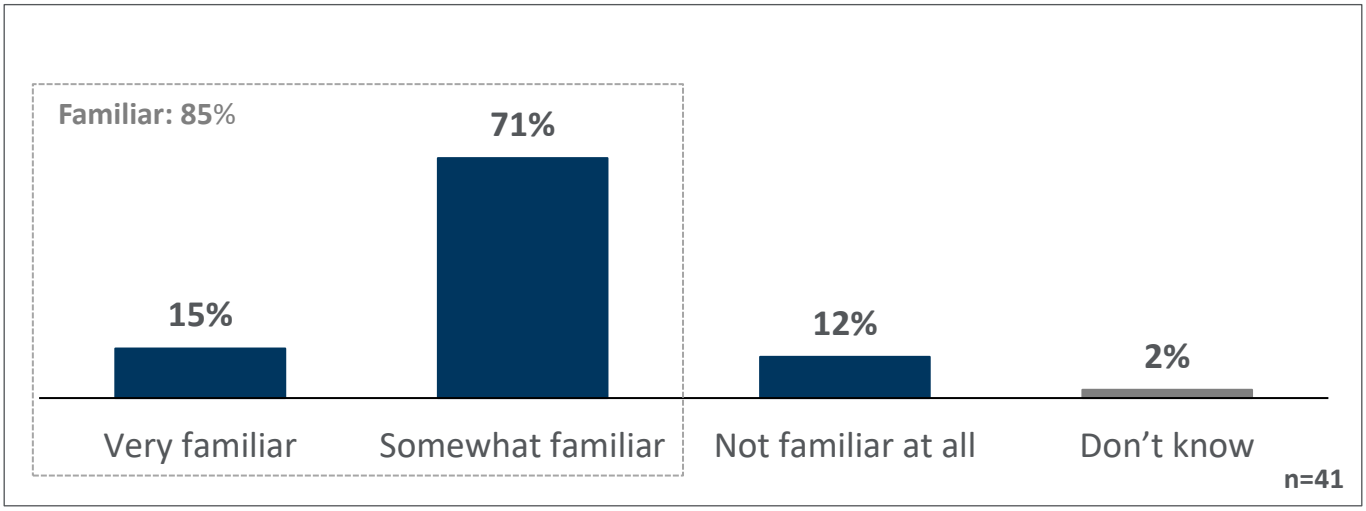


WORKBOOK PAGE

Phase II Online Survey
Familiarity with the Electricity System

Open Link
GS<50

Q How familiar are you with Alectra, which operates the electricity distribution system in your community?



Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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What is Alectra's role in Ontario's electricity system?

Although Alectra collects the fees for all of Ontario's electricity system, it only operates one part. The overall electricity grid made up of three key components: **generation**, **transmission** and **distribution**.

Generation

Where electricity comes from

Ontario gets its electricity from a mix of energy sources. About half comes from nuclear power. The remainder comes from a mix of hydroelectric, natural gas, wind and solar.

Transmission

How electricity travels across Ontario

Once electricity is generated, it must be transported to urban and rural areas across the province. This happens by way of high voltage transmission lines that serve as highways for electricity. The province has more than 30,000 kilometres of transmission lines, most of which is owned and operated by Hydro One.

Local Distribution

How electricity is delivered to the end-consumer

Alectra is responsible for the last step of the journey: delivering electricity to customers through the distribution system.

- Alectra manages all aspects of the electricity distribution business throughout 17 communities in Ontario, regulated by the Ontario Energy Board (OEB).
- There are approximately 18,000 km (11,000 miles) of overhead powerlines and 23,000 km (14,000 miles) of underground cable across the Alectra's service territory.
- Alectra is entirely funded through the rates customers pay and does not receive taxpayer money to fund its operations or investments in the distribution system.

WORKBOOK PAGE

Phase II Online Survey
Satisfaction with Alectra Utilities

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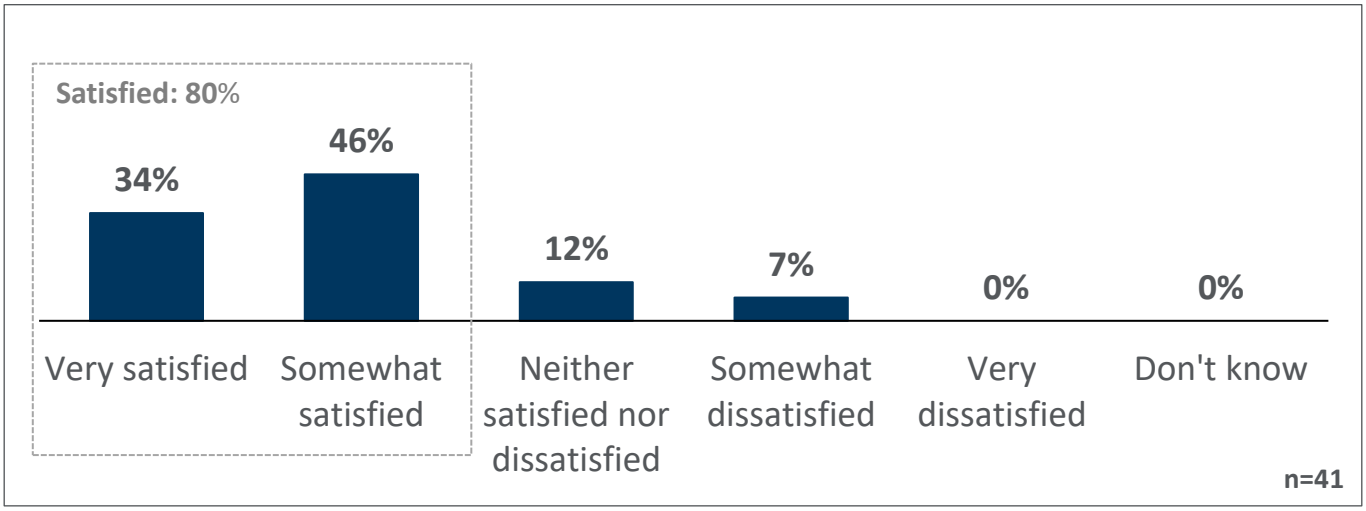
Q Generally, how satisfied or dissatisfied are you with the services you receive from Alectra Utilities?



Phase II Online Survey
Areas of Improvement

Open Link
GS<50

Q Thinking about all the interactions you may have had with Alectra, do you have any specific suggestions about how Alectra could do a better job of meeting your/your organization's needs? [OPEN]

Sample Verbatims
No issues or interactions/satisfied with service/outages addressed quickly
"I have had nothing but good experience with Alectra, and no issues as of date."
"It's been great so far."
Lower rates/delivery fees
"Reduce cost."
Make it quicker to connect with customer service
"Shorter wait times when calling."
Provide conservation tips/info/incentives
"As a manufacturer who adds value to Ontario, we would like to know more about how to use energy efficiently."
More reliability/better power quality/improve infrastructure/less outages
"It would be good to have more stability in the grid. We get quite a lot of glitches and short power interruptions, so having a more resilient grid is important."
Improve the online portal/website/self-service options/convivence
"Making downloading bills easier. Right now I have to click 4x to get a bill to print. As well make it easier to sign in, and not have a password sent anywhere to log in. Make the question on the site right there. It is a waste of my time to be navigating so many places just to get a bill."

Phase II Online Survey
Workbook Page 4 – BRZ TOU Version

Open Link
GS<50

Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 23% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

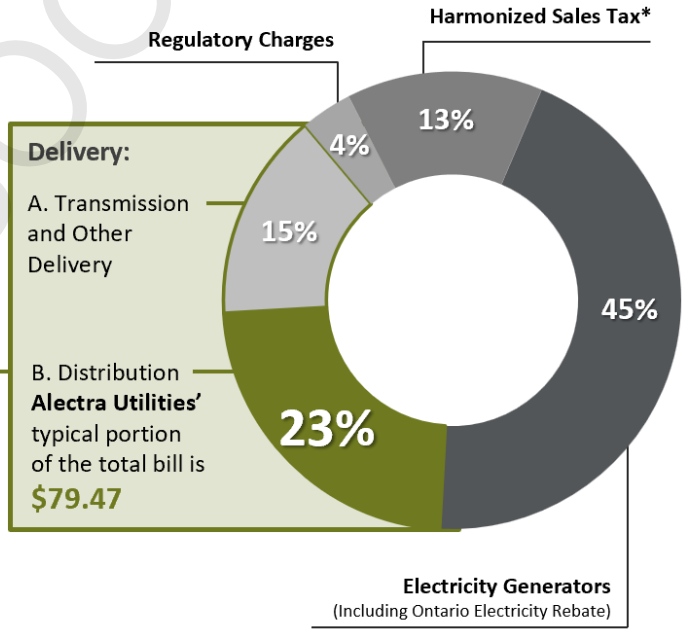
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	129.20
Regulatory Charges	12.45
Total Electricity Charges	$339.73
HST	44.16
Ontario Electricity Rebate	($44.50)
Total Amount	$339.39

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 24% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

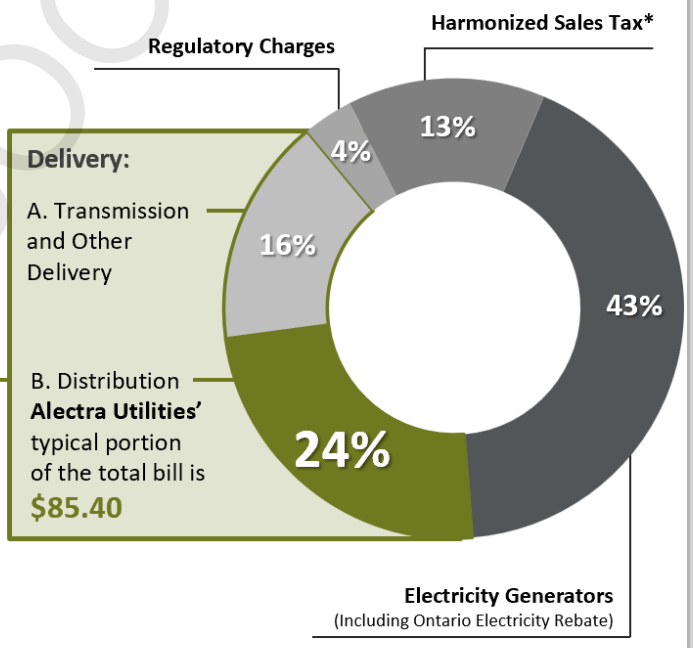
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	141.55
Regulatory Charges	12.47
Total Electricity Charges	**$352.11**
HST	45.77
Ontario Electricity Rebate	($46.13)
Total Amount	**$351.75**

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Workbook Page 4 – GRZ TOU Version

Open Link
GS<50

Alectra Utilities Customer Engagement
Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

- Every item and charge on your bill is mandated by the provincial government, or regulated by the Ontario Energy Board (OEB).
- While **Alectra** is responsible for collecting payment for the entire electricity bill – as well as water charges for some communities – Alectra retains only a portion of the delivery charge. The delivery charge also includes Hydro One transmission costs and system losses.
- Alectra's distribution costs make up about 18% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

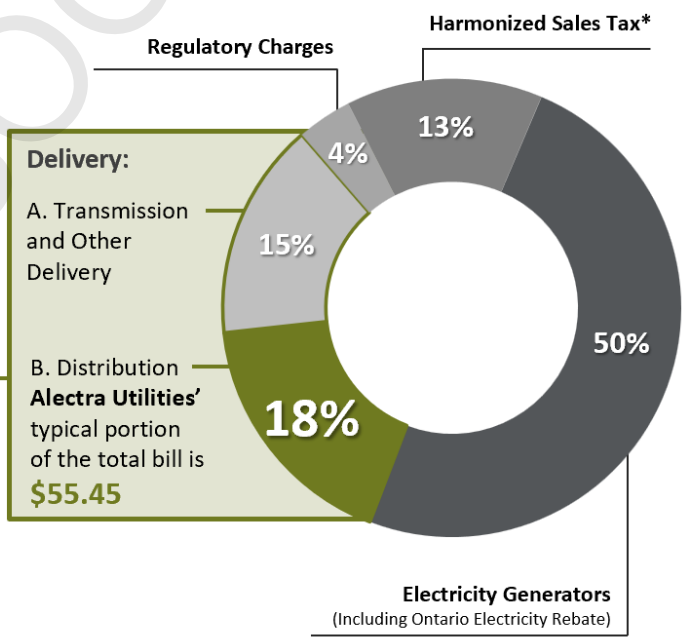
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	103.69
Regulatory Charges	12.36
Total Electricity Charges	$314.13
HST	40.84
Ontario Electricity Rebate	($41.15)
Total Amount	$313.81

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

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- Alectra's distribution costs make up about 23% of the typical small business customer's bill.
- The rest of your bill is passed onto provincial transmission companies, power generation companies, the provincial government and regulatory agencies.

Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

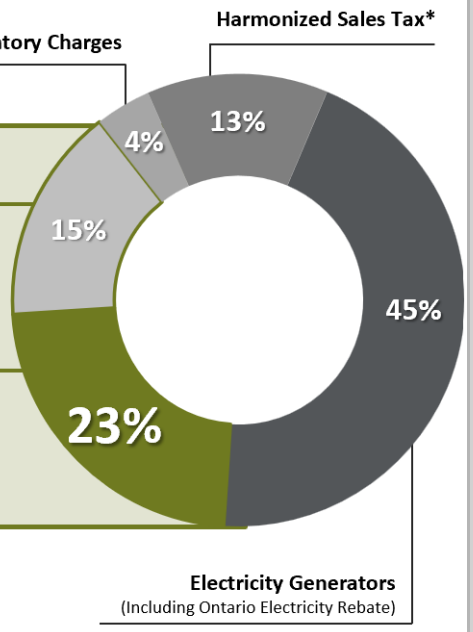
Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	131.69
Regulatory Charges	12.50
Total Electricity Charges	$342.26
HST	44.49
Ontario Electricity Rebate	($44.84)
Total Amount	$341.92

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.

Delivery:

A. Transmission and Other Delivery

B. Distribution
Alectra Utilities' typical portion of the total bill is
$78.77



Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Alectra Utilities Customer Engagement

Planning for the Future: Rates 101

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How much of my electricity bill goes to Alectra?

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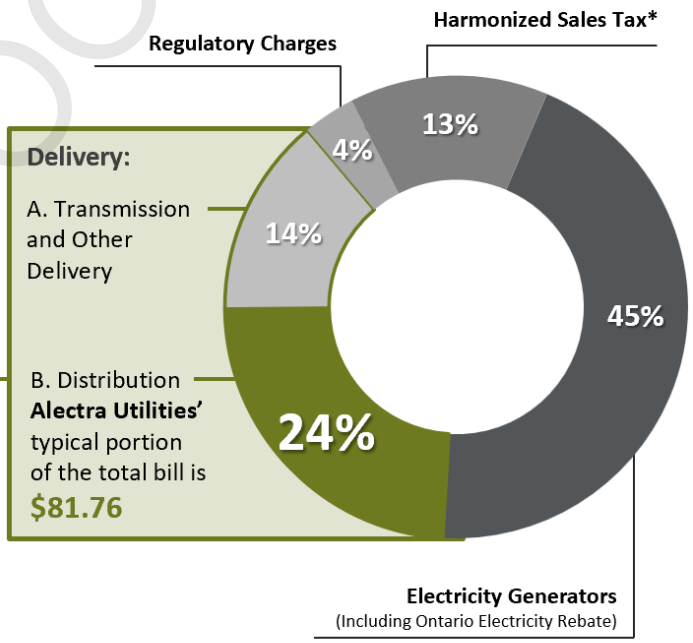
Alectra Utilities Sample Monthly Bill
(Based on monthly usage of 2000 kWh)

Account Number:
000 000 000 000 0000

Meter Number:
00000000

Your Electricity Charges	
Electricity	
Off-Peak @ 7.6 ¢/kWh	97.28
Mid-Peak @ 12.2 ¢/kWh	43.92
On-Peak @ 15.8 ¢/kWh	56.88
Delivery	128.74
Regulatory Charges	12.49
Total Electricity Charges	$339.31
HST	44.11
Ontario Electricity Rebate	($44.45)
Total Amount	$338.97

* HST is calculated before applying the Ontario Electricity Rebate and is therefore above 13%.



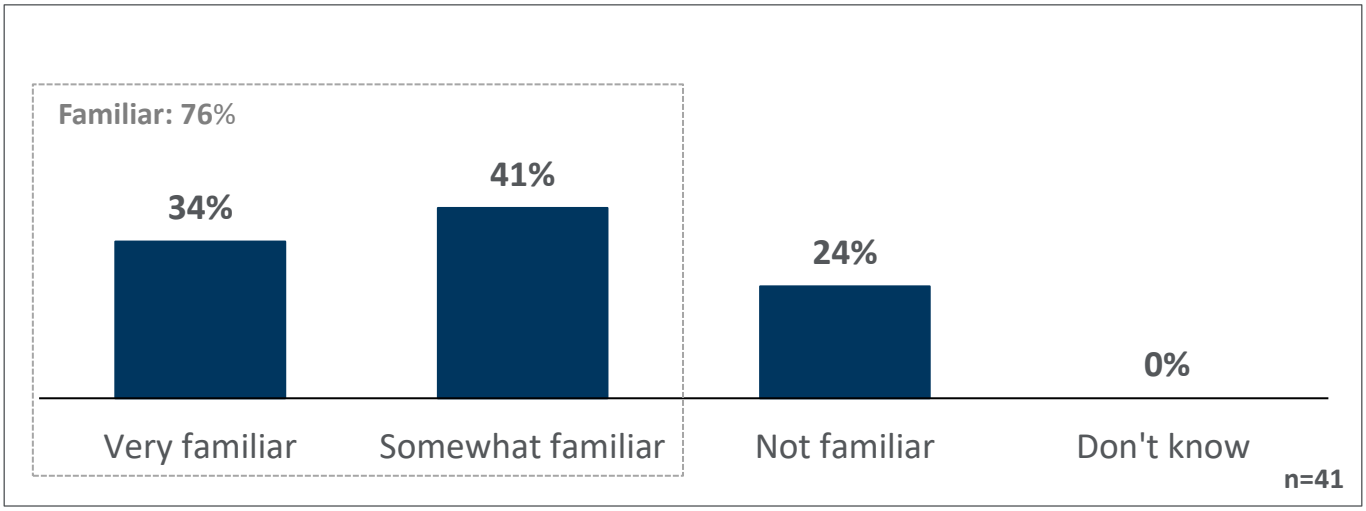
Note: Graph may not total 100% due to rounding.

WORKBOOK PAGE

Phase II Online Survey
Familiarity with Electricity Bill

Open Link
GS<50

Q Before this survey, how familiar were you with the amount of your organization's electricity bill that went to Alectra?



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Alectra Utilities Customer Survey

Planning for the Future: Electricity 101

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How are electricity distribution rates set?

Electricity is different than many other industries because our communities depend on one provider of electricity. Electricity companies like Alectra are more closely regulated than many other industries. **As a result, the Ontario Energy Board (OEB) sets the rates that electricity companies can charge and oversees how these companies operate to ensure the public interest is served.**

- **Alectra is funded by the distribution rates paid by customers.** The OEB reviews utility costs through a public hearing where an OEB panel and consumer groups conduct a comprehensive review of Alectra's costs.
- **The OEB requires Alectra to consider customers' needs, outcomes and preferences** in their business and distribution system plan, including spending and investment decisions.

How customer input guides Alectra's planning process:

✓ 1. Customers Identify Needs, Preferences and Priorities
In early 2024, customers provided initial input to Alectra's planners through a survey on their needs and priorities.

✓ 2. Use Customer Feedback to Guide the Draft Plan
Alectra's planners reviewed the key findings from the initial customer feedback during the development of their draft plan.

We are here

3. Customers Provide Feedback on the Draft Plan
Alectra is bringing the draft plan to customers to get feedback on what investments and spending decisions matter most to them.

4. Use Customer Feedback to Finalize the Plan
Alectra's planners will refine the draft plan including making changes in response to customer feedback.

5. Submit the Plan to the Ontario Energy Board (OEB)
Customers can participate in the formal hearing process of the OEB as it reviews Alectra's plan.

Alectra will also consider the views of customers received through regular customer contact and conduct research on specific topics as needed.

WORKBOOK PAGE

Phase II Online Survey

Familiarity with how Electricity Rates are set

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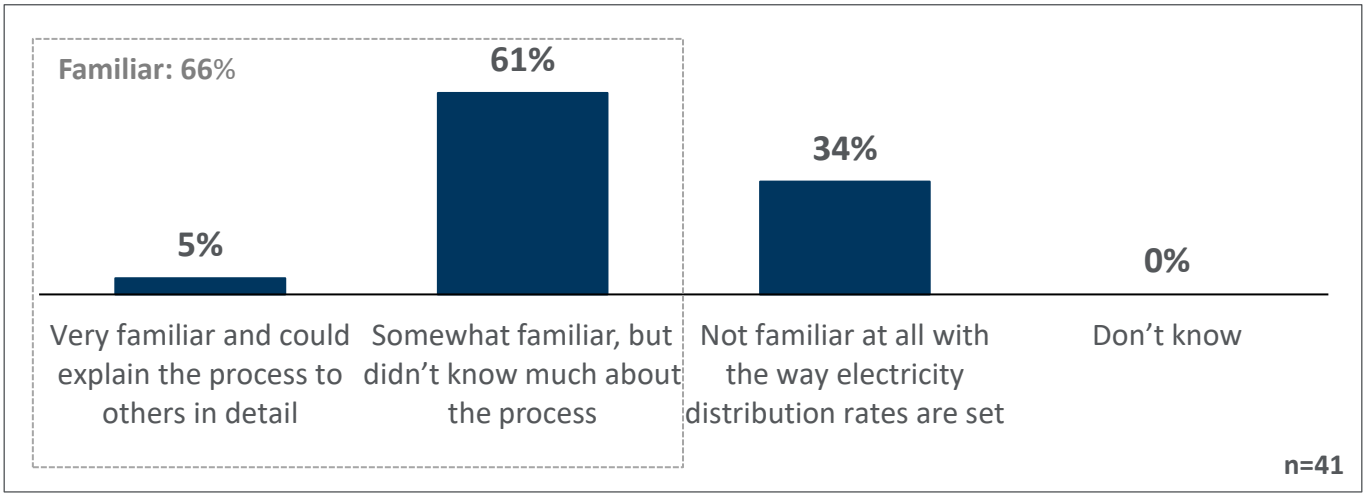
Q Before this survey, how familiar were you with the way electricity distribution rates are set in Ontario?



Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Alectra's Draft Plan

Before you review the specific choices, let's look at the big picture.

In early 2024, Alectra gathered customer input on their needs and priorities. Alectra has since developed a draft plan for the 2027-2031 rate period.

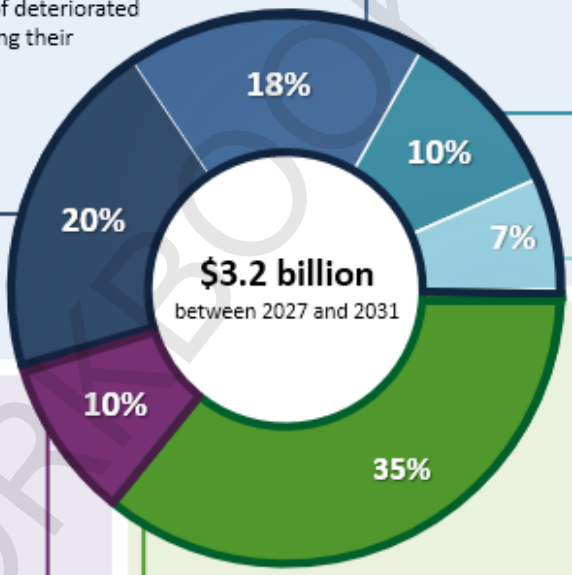
Alectra would like your input on 6 choices within 3 general investment themes to help finalize the plan. This chart provides a brief overview of each theme, including the choices and their investment size.

Where will the money go?

Renewing and Replacing Infrastructure

55% of total spend

Investments that ensure equipment and infrastructure operate reliably, safely, and dependably. Investment in asset and infrastructure renewal is required to address the large population of deteriorated equipment reaching their end of life.



1. Overhead & Transformer Renewal
2. Underground Renewal
3. Meter Replacement & Renewal
4. Fleet, Facilities & Information Technology

10% of total spend

6. Enabling Resiliency & Modernization

This investment section includes projects that harden storm-vulnerable regions of the system. This includes implementing critical systems that enable more effective restoration of the system and enhanced customer communication during outages.

35% of total spend

5. Meeting Growing Electricity Demand

Along with meeting the growing demand from new customers, Alectra is considering how current customers are changing their energy needs and habits. Every day customers are connecting new technology to the grid, whether that is heat pumps to warm their homes, or charging electric vehicles to get around. Alectra is planning ahead to ensure the grid has the capacity to support the electrification of these devices, as more customers begin to adopt them.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $72.67 in 2026 to **$100.09 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$343.27	$72.67	$100.09	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 6 (cont.) – ERZ Version

Open Link
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WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $86.06 in 2026 to **$113.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$356.46	$86.06	$113.48	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $55.06 in 2026 to **$82.48 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$316.72	$55.06	$82.48	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey

Workbook Page 6 (cont.) – HRZ Version

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GS<50

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $77.94 in 2026 to **$105.36 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$346.09	$77.94	$105.36	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

WORKBOOK PAGE

How much will Alectra's draft plan cost me?

Each year, from 2027 to 2031, Alectra's bill will increase. Based on the current draft plan, at the end of this five-year plan (2031) the **average business customer** would see the distribution portion of their monthly electricity bill increase by **$27.42** from an estimated initial cost of $81.38 in 2026 to **$108.80 by 2031**.

2026 Average Monthly Bill	2026 Alectra's Portion	Alectra's Portion By 2031	How much more an average customer will pay Alectra each month by 2031
$343.29	$81.38	$108.80	**$27.42**

Note: These estimated rate increases are preliminary and are subject to change based on customer feedback and other rebasing impacts. A typical business customer is assumed to use 2,000kWh per month. Bill projections assume that other aspects of the electricity bill that are outside of Alectra's control (commodity, transmissions, government, regulatory fees) remain constant.

Phase II Online Survey
Cost of the Draft Plan

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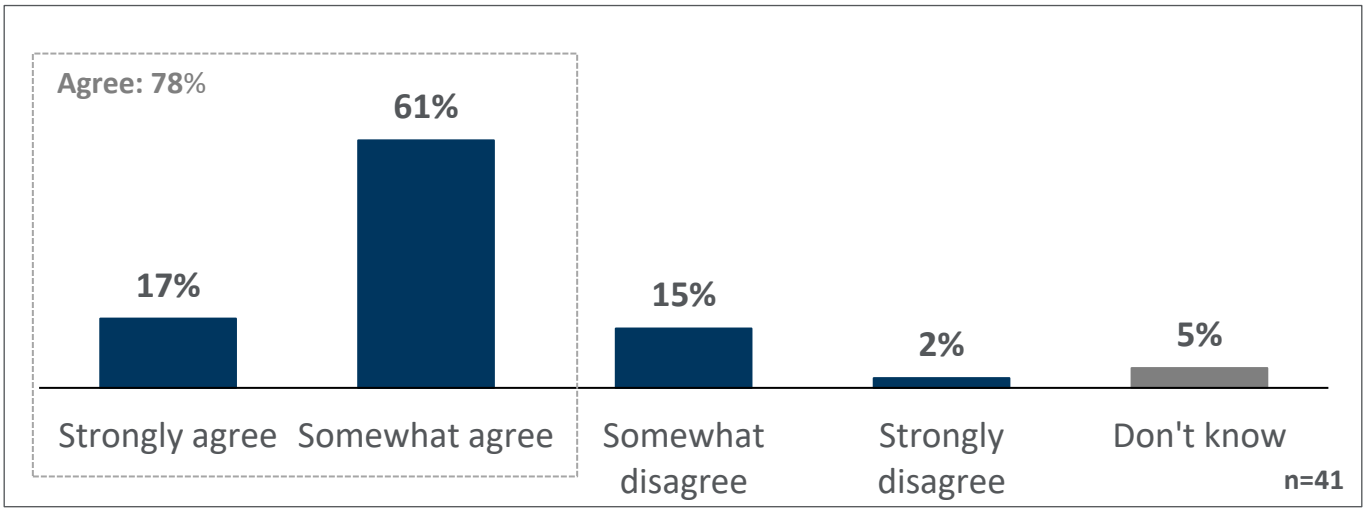
Q Please agree or disagree with the following statement:
I understand how much Alectra's draft plan will likely cost my business.



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Alectra Utilities Customer Survey

Planning for the Future: Introducing the Draft Plan

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Providing Feedback on Alectra's Draft Plan

In the next few pages, you will have a chance to provide your input on 6 key choices that will impact Alectra's draft plan.

You don't need to be an electricity expert to give your feedback. Each section has key background information to help you better understand your local electricity system and how investments are made with distribution rates.

A summary of all your choices and the total rate impact on your bill, will be shown at the end of the survey. Don't feel like you need to keep track of your rate impact through each choice. All your choices will be shown on a summary page. **You can adjust any previous selection once you see the total impact of all the choices on your bill.**

How do I make choices?

Each investment choice has a summary of three options that Alectra would like you to consider:

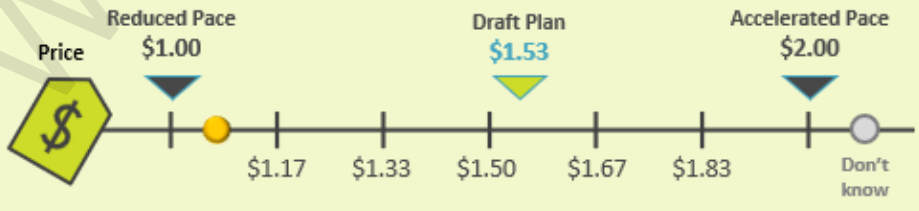
Reduced Pace	Draft Plan	Accelerated Pace
A minimum spending option that keeps immediate prices lower and meets the basic performance requirements, but may entail some trade-offs on key outcomes, such as reduced reliability or higher costs over time.	The option currently in the draft plan. This reflects the planners' assessment of the right balance between competing priorities **and is not necessarily the mid-point between the faster and slower options.**	A faster paced spending option that makes additional progress towards better outcomes while recognizing practical limits due to resources and construction issues.

For each investment option, there is a sliding scale that enables you to chose any of those three options or some amount in between. All options show the impact on your bill.

Try moving the slider below to see how it works.

PRACTICE SLIDER (data not recorded)

Please move the orange dot to any spot on or between the options before proceeding.



$__.__ Your selection.

Along with these options, you are welcome to add additional feedback in the comment box below each choice.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 8

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Alectra Utilities Customer Survey

Planning for the Future: Making Choices

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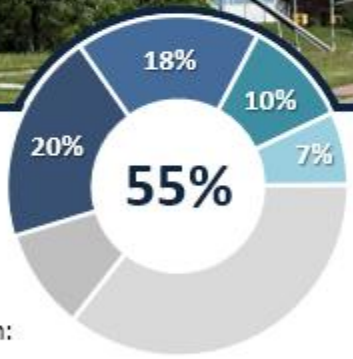
Renewing and Replacing Infrastructure

Ensuring reliable, safe, and dependable equipment and infrastructure



What is this section about?

This section is about managing Alectra's existing grid to maintain reliability.

Alectra needs your input on **four choices** in this section:

- **20%** Renewing overhead wires, poles, transformers and other equipment,
- **18%** Renewing underground equipment,
- **10%** Replacing older, obsolete meters, and;
- **7%** Maintaining efficient facilities, vehicles and IT.

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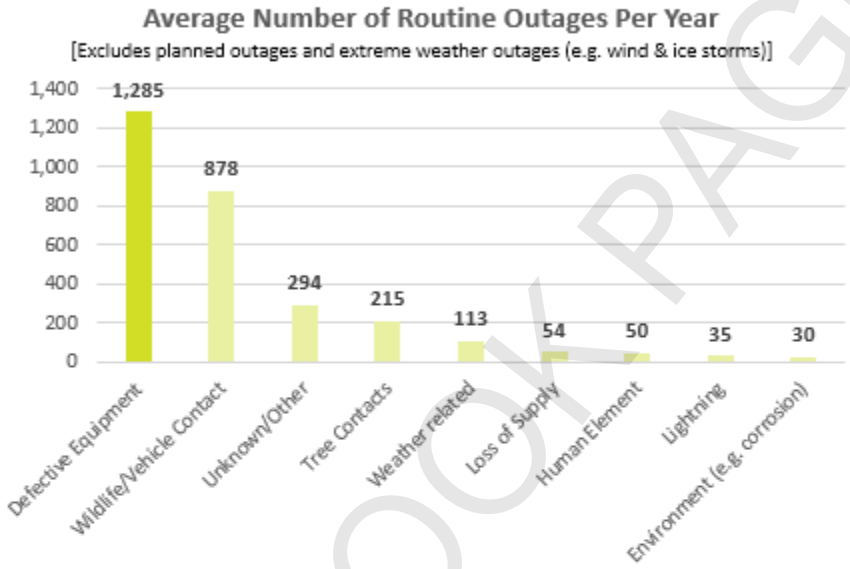
Alectra's existing electricity grid includes 270,000 unique poles, transformers, stations and switches strung together over 41,000 kilometres of overhead and underground cables. Like any type of equipment, parts of the grid wear down over time.

On average, Alectra Customers experience 2,954 outages annually and defective equipment accounts for 44% of those outages.



In setting budgets for replacement, Alectra must balance keeping costs as low as possible with getting the best value for money.

When Alectra replaces equipment after it has failed, it often must be done on an emergency basis to restore power and system reliability.

- This emergency work often happens at night and creates unexpected disruptions for customers and additional repair costs.
- When Alectra replaces aged or damaged equipment proactively, Alectra reduces unexpected outages, allows customers to plan around outages during scheduled repairs, and Alectra can do the work at a lower cost overall.
- Increasing the amount of money Alectra spends on equipment before it fails, both reduces the number of unexpected outages and allows for lower per project costs.

Click 'Next' to continue. **Next**

WORKBOOK PAGE

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

1 Overhead & Transformer Renewal

Overview

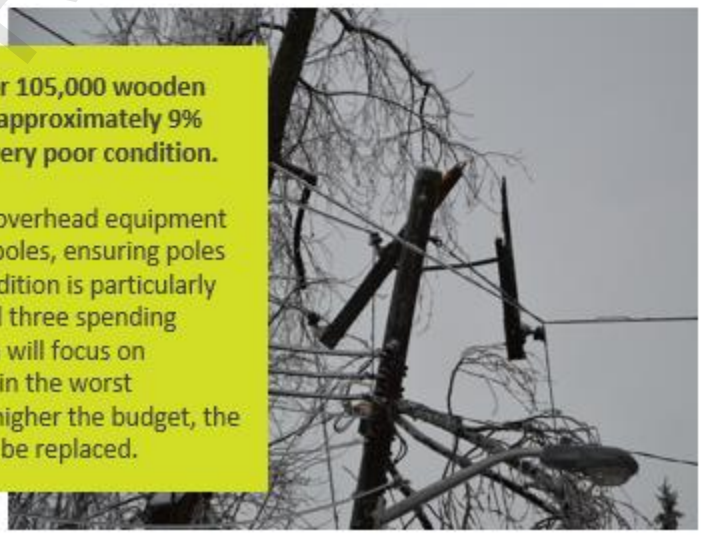
Alectra has 18,000 kilometres of overhead wires and more than 128,000 overhead and pad-mounted transformers serving approximately one million homes and businesses. Alectra has established three priorities in its overhead system and transformer renewal:

1. **Replacing overhead equipment deemed to be in poor or very poor health.**
2. **Replacing both overhead and pad-mounted transformers in poor or very poor health.**
3. **Replacing obsolete lower voltage distribution equipment.**

The overhead system includes equipment such as switches, conductors (wires), insulators, transformers and poles. The largest share of spending on the overhead system goes to poles and transformers.

Alectra has over 105,000 wooden poles of which approximately 9% are in poor or very poor condition.

Since all of the overhead equipment is mounted on poles, ensuring poles are in good condition is particularly important. In all three spending options, Alectra will focus on replacing poles in the worst condition. The higher the budget, the more poles will be replaced.



WORKBOOK PAGE

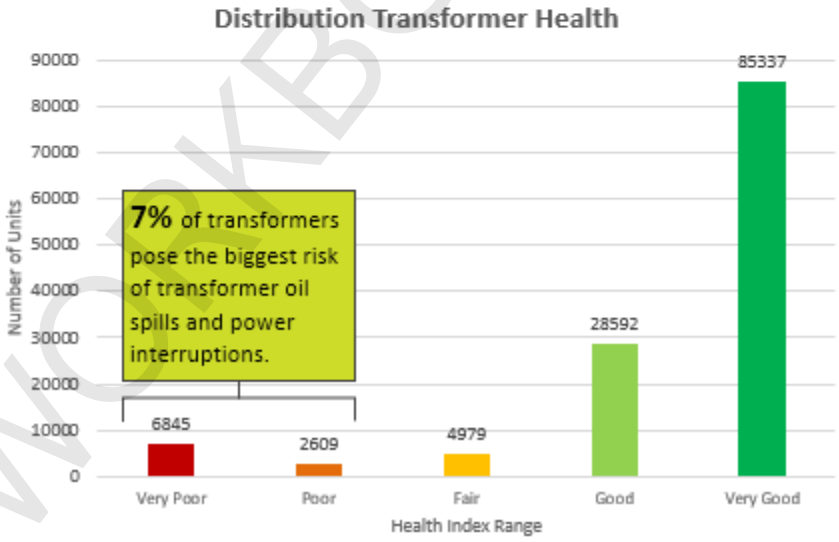
Oil spills from transformers in poor and very poor condition can cost $50,000 on average to clean up.

Alectra has over 128,000 overhead and pad-mounted transformers, of which approximately 7% are in poor or very poor condition.

Transformers take electricity from a high voltage that is needed for efficient distribution to a lower voltage which is safer for homes and businesses. As you see in the chart below, most of Alectra's transformers are in good repair. Transformers use oil for insulation and those in poor and very poor condition can cause spills of oil.

These oil spills can seep into the surrounding soil, damaging the environment and posing a health risk for people and animals nearby. Spills can also lead to overheating and power interruptions

The reduced pace option will see transformers in the worst condition replaced first. Both the Draft Plan and accelerated pace options will result in more poor condition transformers being replaced.



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Phase II Online Survey
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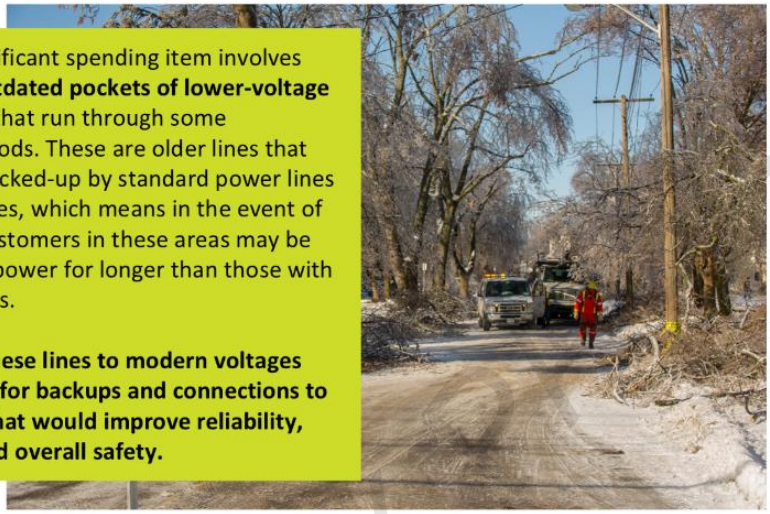

Another significant spending item involves **replacing outdated pockets of lower-voltage power lines** that run through some neighbourhoods. These are older lines that cannot be backed-up by standard power lines during outages, which means in the event of an outage customers in these areas may be left without power for longer than those with standard lines.

Upgrading these lines to modern voltages would allow for backups and connections to other lines that would improve reliability, resiliency and overall safety.

Choice 1 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Disruptions	Higher risk of unplanned outages as more equipment breaks before replacement, creating disruptions; Less efficient since emergency replacements cost more	Proactive approach to reducing the backlog of poles and transformers in poor and very poor condition; Fewer disruptions and better efficiency	A more proactive and efficient approach to reducing backlog, as crews plan to replace more poles and transformers; Fewer disruptions for customers
Environment	**Replace 45%** of transformers in poor and very poor condition, somewhat reducing the risk of transformer oil spills and spending on clean up	**Replace 50%** of transformers in poor and very poor condition, reducing the risk of transformer oil spills and spending on clean up	**Replace 58%** of transformers in poor and very poor condition, substantially reducing the risk of transformer oil spills and spending on clean up
Rate Impact *per month by 2031*	$4.97	$5.42	$6.51

Reduced Pace $4.97 | Draft Plan $5.42 | Accelerated Pace $6.51

Make a selection

$5.23 | $5.49 | $5.74 | $5.99 | $6.25 | Don't know

Your selection: $ --.--

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Phase II Online Survey
Spending on Overhead Renewal

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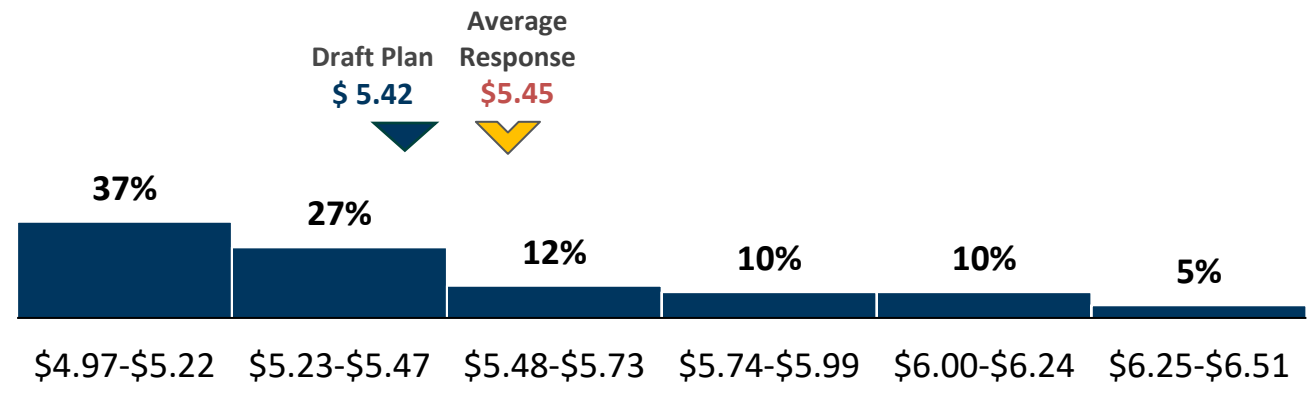
Q How much should Alectra spend on Overhead Renewal?



34% Above Plan | 22% On Plan | 44% Below Plan

n=41

NOTE:
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- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Overhead Renewal

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for overhead & transformer renewal? [OPEN]

Sample Verbatims
Request for system improvements- put wires underground
"why not below ground rather than overhead."
Desire to keep prices low
"We would like Alectra to consider helping manufacturing industry like ours with better rates through subsidy even if it means extra charges where conspicuous consumption takes place."
General approval
"Get everything up to speed and improve the infrastructure as soon as possible."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

2 Underground Renewal

Overview

Underground cables cover over 23,000 kilometres of Alectra's service area, playing an important role in distributing electricity across the grid. While these buried cables are protected from weather, they still deteriorate over time. Currently, defective underground equipment like cables and switchboxes **account for 40% of controllable outages* in Alectra's system.**

* Alectra can't control when a car hits a pole or when animals damage wires, but Alectra can control the condition of its equipment. Repairing or replacing deteriorated equipment preemptively prevents controllable outages.

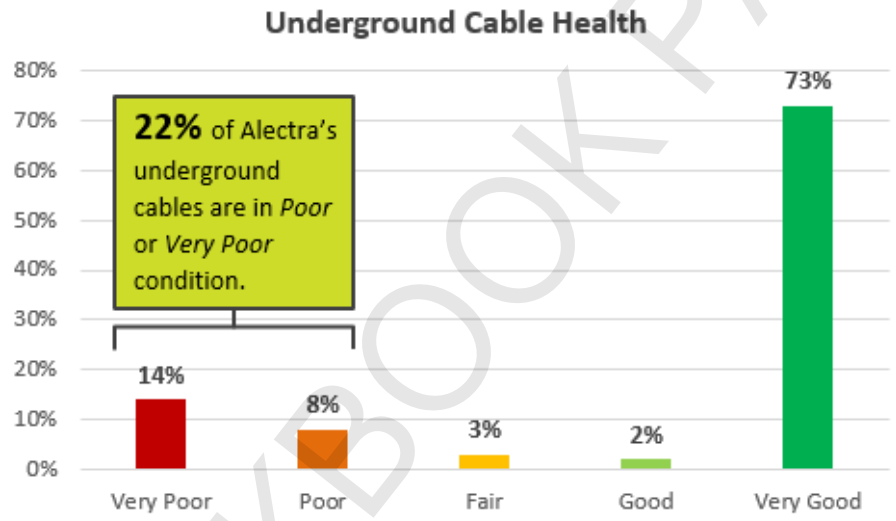
As underground equipment approaches the end of its useful life it will eventually fail, which can cause outages. Repairing breaks in the underground system is more complicated than repairing overhead breaks and often takes longer.

Alectra plans to address deteriorating equipment with new, modern replacements, which brings several benefits.

Older generations of underground cable are buried without conduits. Conduits allow crews to pull cables through them when repairing a break, which avoids the costs, disruptions and time that it takes to dig a trench in the street. More modern cables are usually buried in conduits, making it easier and quicker to replace lines when needed, resulting in shorter outages and interruptions if they were to occur.

WORKBOOK PAGE

Alectra is always replacing underground equipment when it fails, but current assessments show that 22% of cables are already in poor or very poor condition and this number is set to increase over time. If these cables are not addressed before they fail, there will be more frequent outages in neighbourhoods throughout Alectra's service area. It is also more expensive to replace cables on an emergency basis. Alectra is planning to proactively replace these cables that pose a high risk of failure, saving on future costs and ensuring better reliability for customers.



Cascading Cable Failures – A Case Study

The deterioration of cables is directly impacting customers. For example, the York/Hilda neighbourhood in Vaughan was originally scheduled to have its cables replaced in 2019. But in 2018, customers began to experience a cascading series of prolonged outages, due to cable failures. Cables repaired one week would have a different break the next. In that summer, 250 customers experienced eight cable faults (one outage a week). As a result, the cable had to be replaced on an emergency basis at both a higher cost and major inconvenience to the affected customers.

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Phase II Online Survey

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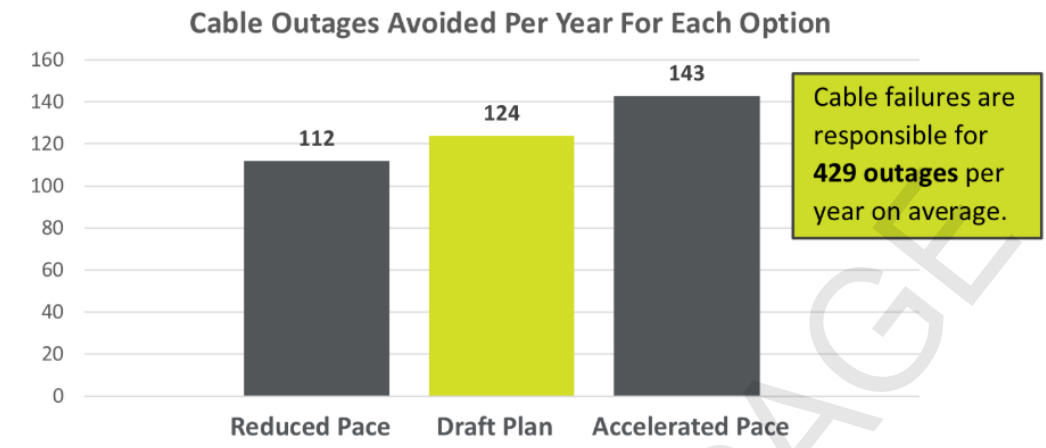
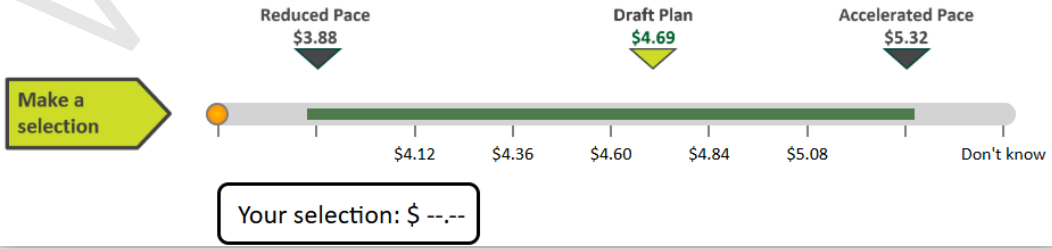


Choice 2 of 6:

	Reduced Pace	Draft Plan	Accelerated Pace
Reliability	Replace **517 km (10%)** of cables in poor and very poor condition to improve customer reliability by avoiding **112 outages**	Replace **683 km (13%)** of cables in poor and very poor condition to improve customer reliability by avoiding **124 outages**	Replace **900 km (17%)** of cables in poor and very poor condition to improve customer reliability by avoiding **143 outages**
Future Costs	Risk of higher future costs (**up to 45% higher**) to replace underground equipment in poor and very poor condition that will need to be addressed in the future	Lower future costs by addressing underground equipment in poor and very poor condition now	Significantly lower future costs by addressing more underground equipment in poor and very poor condition as Alectra will be able to do more work at a lower cost
Disruptions	Risk of frequent and unplanned disruptions for customers as crews address some backlog while focusing most of the budget on emergency repairs	Proactive approach to reducing the backlog of deteriorated cables, meaning less frequent disruptions for customers	A more proactive approach to reducing the backlog, as crews plan to replace large areas of cables, leading to fewer disruptions for customers
Rate Impact *per month by 2031*	$3.88	$4.69	$5.32



Your selection: $ --.--

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Phase II Online Survey
Spending on Underground Renewal

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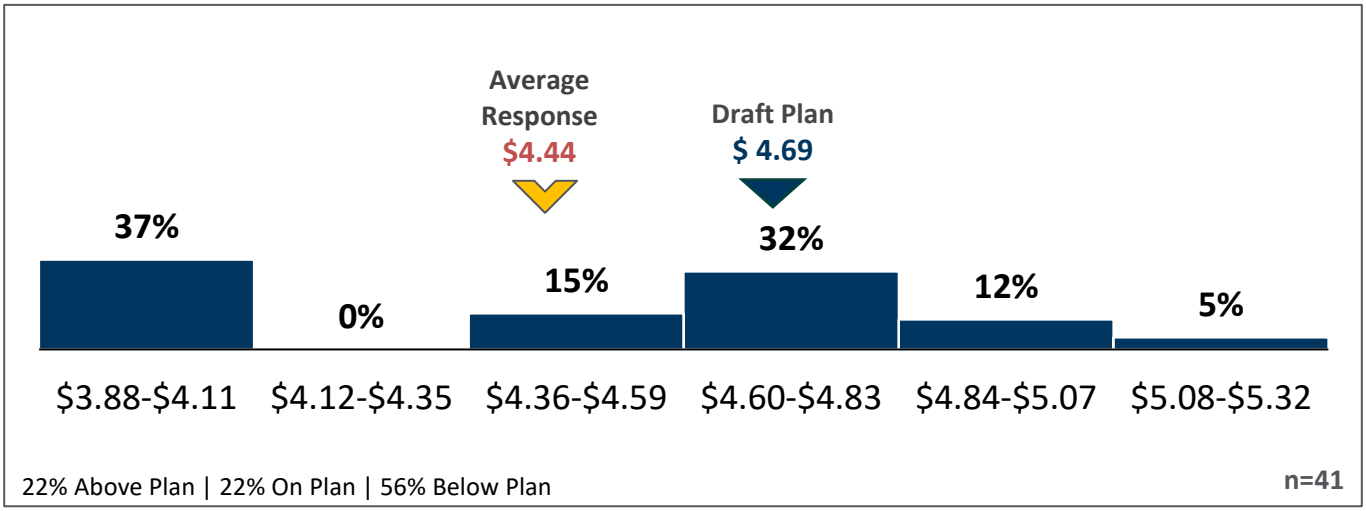
Q How much should Alectra spend on Underground Renewal?



22% Above Plan | 22% On Plan | 56% Below Plan

n=41

NOTE:
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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Underground Renewal

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for underground renewal? [OPEN]

Sample Verbatims
General approval
"Get everything up to speed and improve the infrastructure as soon as possible."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

3 Meter Replacement & Renewal

Overview

Meters are a critical part of the electricity infrastructure in Ontario. Alectra relies on over 1 million residential, commercial and industrial meters to accurately measure energy consumption for customer bills.

The Network Metering program includes investments for wholesale meter projects, Measurement Canada compliance requirements, new customer meter installations, upgrades and replacement of end-of-life meters. **Replacing end-of-life meters makes up approximately 80% of the Draft Plan option in this choice.**

Replacing End-of-Life Meters

- As per directive from the province, Alectra installed a smart meter for every residential and small business customer between 2006 and 2010.
- These meters have a service life of 15 years and are beginning to show increasing rates of failure as they age.
- Just like other electronic devices, meters often fail without any advance indicators. Unlike poles and transformers, meters often do not show external signs of wear.

Alectra expects that as the meters age, failures will be experienced at higher rates.

The chart below shows the average age of the meters with their experienced and forecasted range of meter failures.

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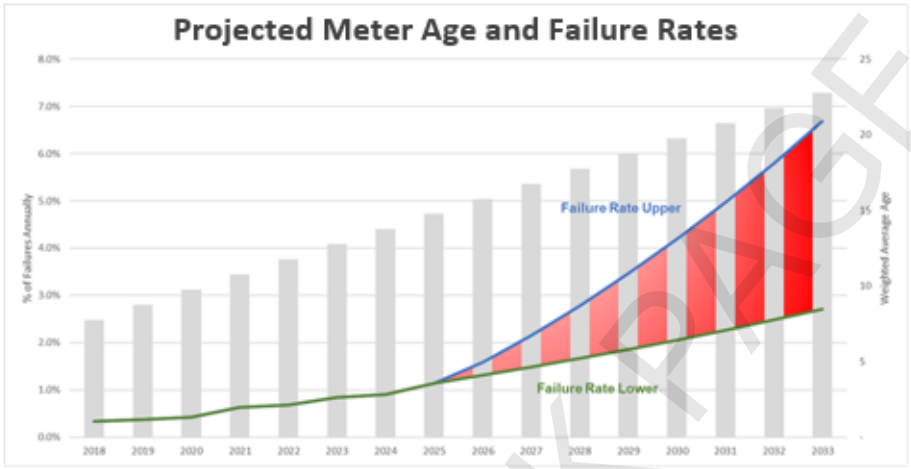

Alectra's Plan

- To avoid rising failure rates, Alectra plans on replacing 850,000 networked meters for residential and business customers. These meters create better information for customers and grid operations.
- It is more expensive to reactively replace meters one at a time as failures occur compared to replacing the meters in larger groups.
- To drive efficiencies, Alectra plans to start with the areas with the highest rates of failing meters.
- Alectra undertook a competitive procurement process which evaluated functionality and price to select its new metering technology.

Higher Rates Today, or Higher Costs in the Future?

Deciding on how quickly we replace meters involves a trade-off between an immediate and longer-term rate increase.

The longer the project takes, the more costs increase. Every year the costs of labour and material grow. Every year there will be more costs incurred replacing failed meters and more spending on compliance issues and other life extending efforts.

The sooner meters are replaced, the sooner the cost of the new meters appear on the bill.

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Phase II Online Survey
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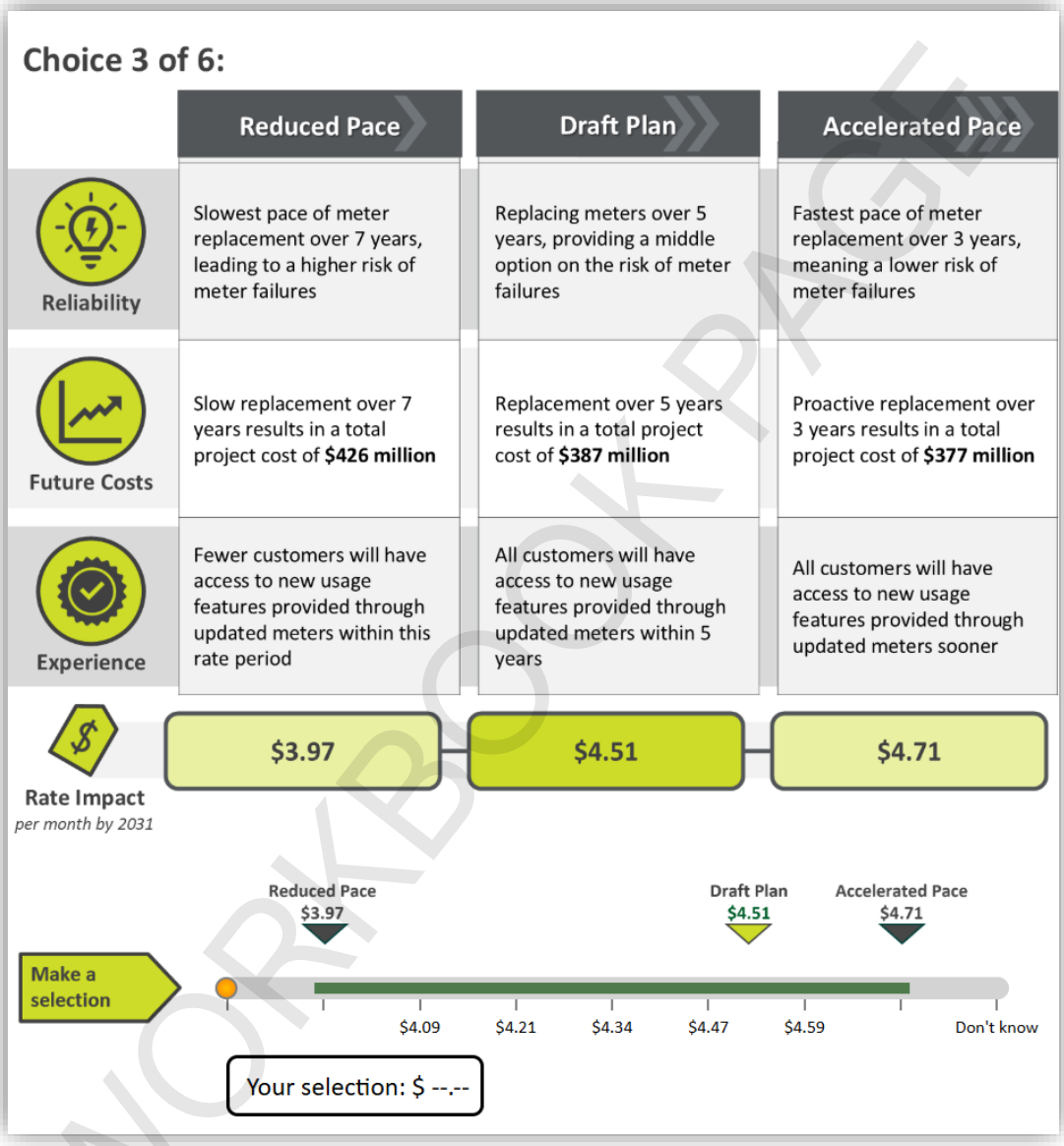

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Phase II Online Survey
Spending on Meter Replacement and Renewal

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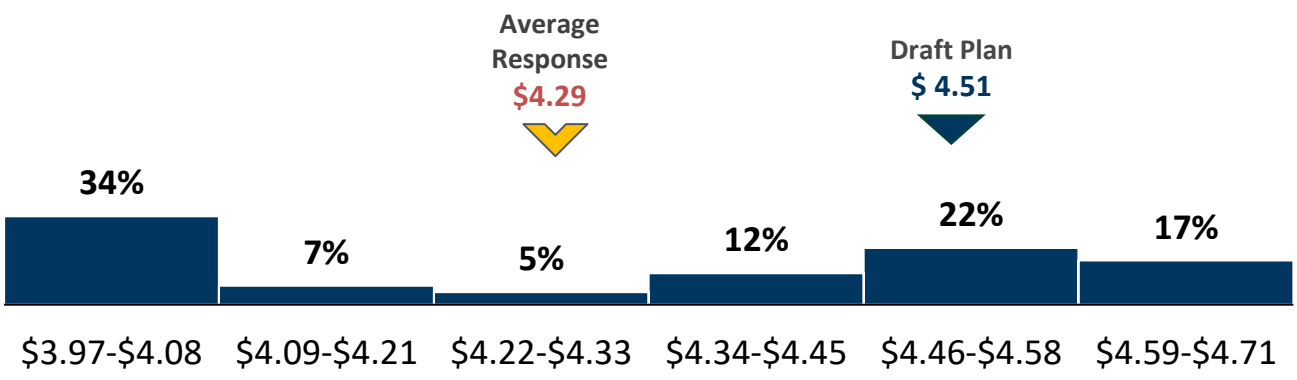
Q How much should Alectra spend on Meter Replacement and Renewal?



"Don't know" (2%) not shown.

17% Above Plan | 17% On Plan | 63% Below Plan

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NOTE:

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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey
Feedback on Meter Replacement and Renewal

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for meter replacement and renewal? [OPEN]

Sample Verbatims
General approval
"Get everything up to speed and improve the infrastructure as soon as possible."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

4 Fleet, Facilities & Information Technology

Overview

Alectra is more than just poles and wires – it's a business that needs to invest in equipment such as tools, trucks, buildings, computers and software.

Keeping Facilities Running

Alectra's grid spans 17 communities and is serviced by 3 administrative offices and 6 operations centres.

Just as with your own home, buildings need regular maintenance to avoid serious problems. Key building components such as HVAC, elevators, and emergency generators need to be modernized or replaced in many of our buildings. As Alectra's grid grows, it is also necessary to expand the control room to effectively manage the expanded system.

Information Technology

Most Alectra staff depend on computers and smart devices and the programs and data they access through those devices to fulfill their duties. Just like our customers, Alectra's applications are constantly being updated, devices continue to advance and security is becoming a more critical consideration every day.

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Key priorities in Information Technology include:

Security – Increasingly, criminal and international threats are attempting to hack electricity systems for their own purposes. Alectra does not compromise on network security. We keep all of our systems up to date and utilize data security systems to protect our operating systems.

Reliability – When grid software fails, it delays power restoration. When business applications fail, Alectra cannot provide services customers depend on and staff cannot do their jobs.

Efficiency - Software straight from the box has a basic level of functionality. However, Alectra can enhance that software to help the company be more efficient. For instance, one potential project will take Alectra's inventory management data and use it to identify supply chain lags. **This will allow Alectra to change our ordering processes so that crews always have critical supplies in stock and don't have to rely on unproductive workarounds while waiting for parts.**

Maintaining the Fleet

Alectra has a fleet of 750 vehicles and equipment, including heavy duty bucket trucks (pictured), medium and light duty vehicles, trailers, forklifts, generators and more. In this draft plan, Alectra plans to renew and replace fleet vehicles and equipment that are either in poor condition, have high mileage, or have surpassed their useful life.

Phase II Online Survey
Workbook Page 12 (cont.)

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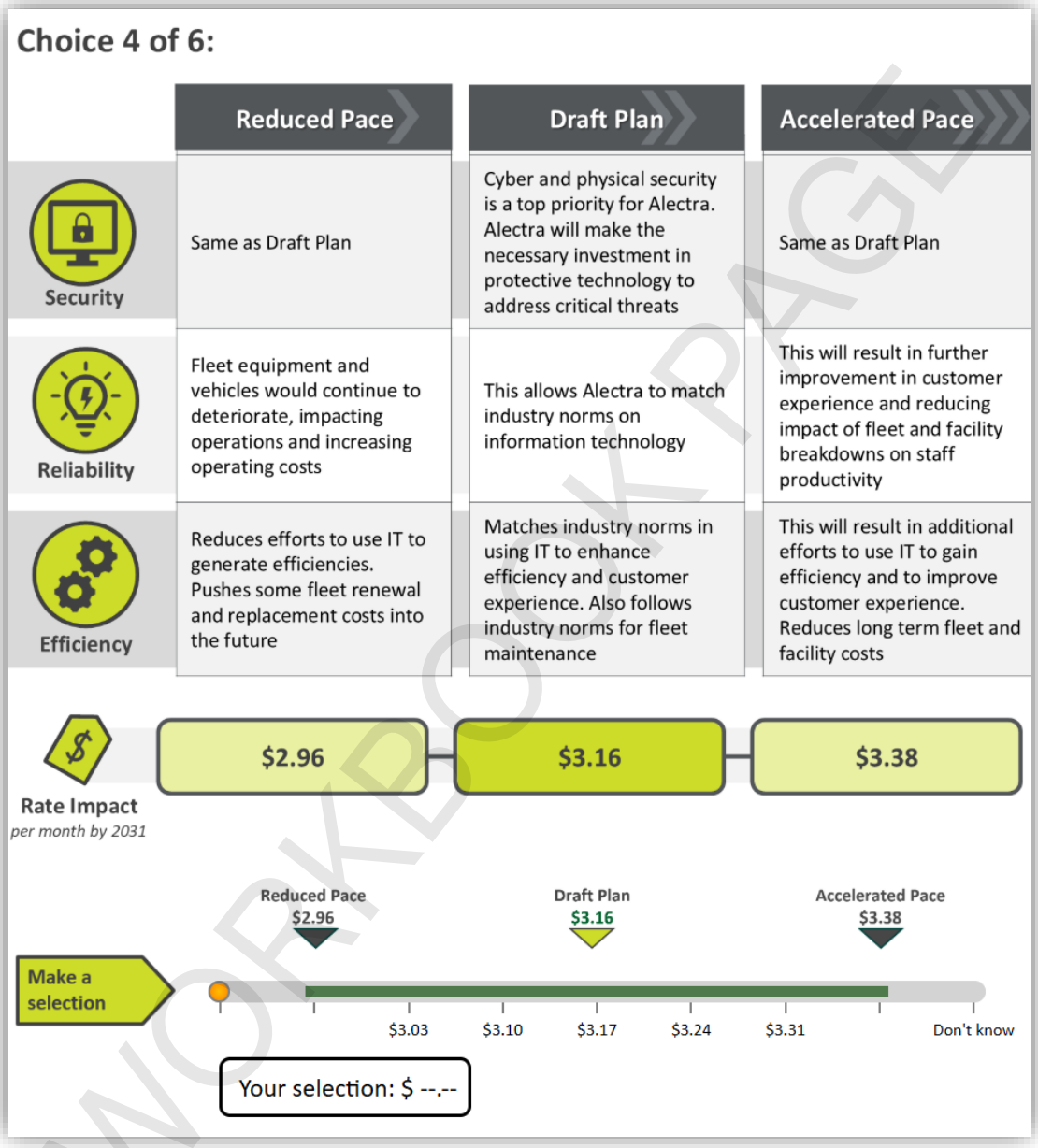

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Phase II Online Survey
Spending on Fleet, Facilities and Information Technology

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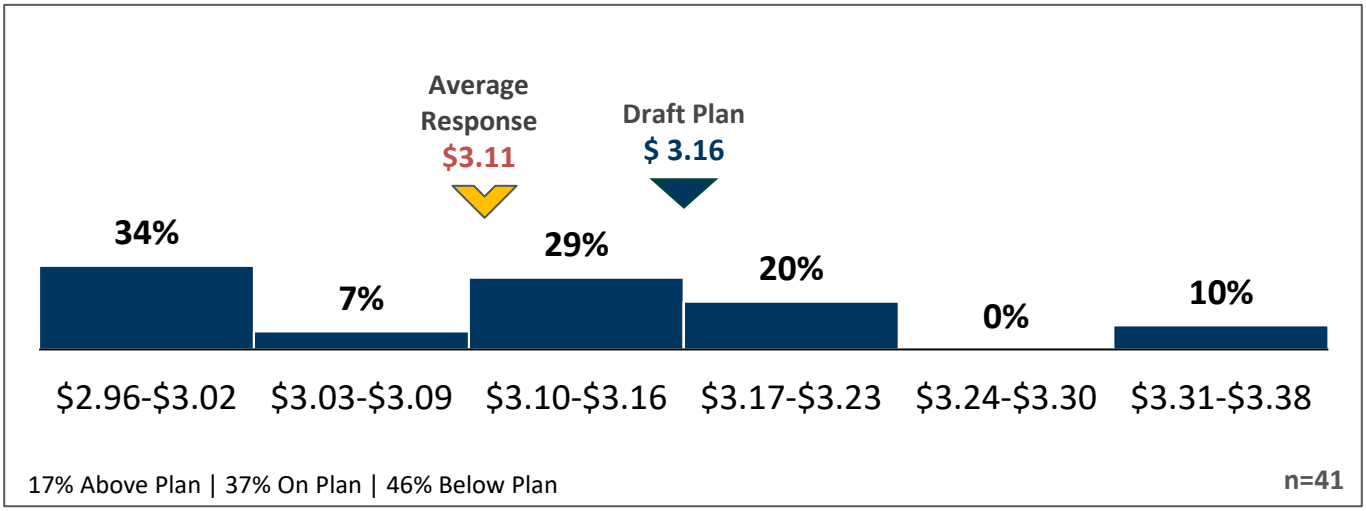
Q How much should Alectra spend on Fleet, Facilities and Information Technology?



17% Above Plan | 37% On Plan | 46% Below Plan

n=41

Note:

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Phase II Online Survey

Feedback on Fleet, Facilities and Information Technology

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for fleet, facilities and information technology? [OPEN]

Sample Verbatims
Cost of living concerns/desire to keep prices low
"Learn to be more efficient with what you have the customers do not have unlimited resources."
Operational inefficiencies
"Learn to be more efficient with what you have. Customers do not have unlimited resources."
Electric vehicle hesitancy/opposition
"I am again choosing draft plan however not knowing what the industry norms entail its hard for me to be completely objective from my point of view most people want a newer vehicle for the sake of appearances I hope Alectra would consider keeping reliable older vehicles."

Alectra Utilities Customer Survey

Planning for the Future: Making Choices

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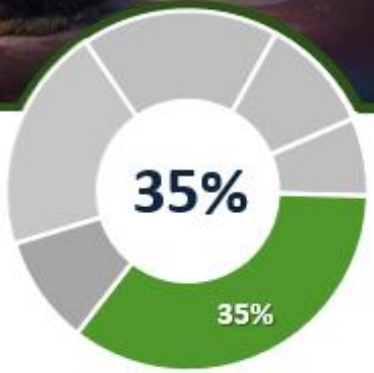
Discover the possibilities

Meeting Growing Electricity Demand

Preparing the grid for anticipated growth and electrification

What is included in this section?

Alectra's distribution system will need to grow to ensure the electricity supply is ready for increased electricity demand from existing customers as well as new customer connections.



Who Pays for Growth?

- **New Customers – When it comes to connecting new homes and businesses, the OEB requires that the forecasted revenues from the new customers must pay for the construction and ongoing maintenance costs of the expansion or those customers must make up the difference.**
- **Existing Customers** – The incremental cost of increased electricity demand among existing customers must be covered by general rates.

While some investments are mandatory, customers do have choices when it comes to how quickly power stations are built and how fast customers can get connected and upgraded.

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Alectra Utilities Customer Survey

Planning for the Future: Making Choices

5 Meeting Growing Electricity Demand

Customers are increasingly using electricity in new ways. Some customers are replacing their natural gas furnaces with heat pumps. Others are replacing gasoline powered vehicles with electric vehicles. In addition to the need to connect new houses and new businesses, all of these new uses require Alectra to build a bigger grid.

Alectra is planning to meet growing demand by making the following investments in:

- New substations to increase electricity capacity,
- New feeder lines to bring power to areas that need it,
- New connections and upgrades to ensure customers can hook up to the grid on a timely basis,
- Relocation of poles and wires to facilitate local development, road work and;
- Back-up projects to support the reliability of the grid.

Mandatory investments

The government and electricity regulators set certain requirements and standards that Alectra must satisfy. Mandatory investments include things like connecting new customers to the grid, ensuring capacity in your neighbourhood, as well as moving equipment for construction projects. **While 87% of this category is made up of mandatory spending, Alectra needs your input on remaining spending in the last 13%.**

Preparing for increased electricity demand from customers.

Customers are often surprised to find that their existing electricity capacity is not sufficient to supply their new devices. For instance, many older homes have lower capacity electricity service which will not support fast vehicle chargers. Just as individual homes need their electricity systems updated, the cables, transformers and substations supporting local power lines also need to be upgraded to support increased

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Phase II Online Survey
Workbook Page 14 (cont.)

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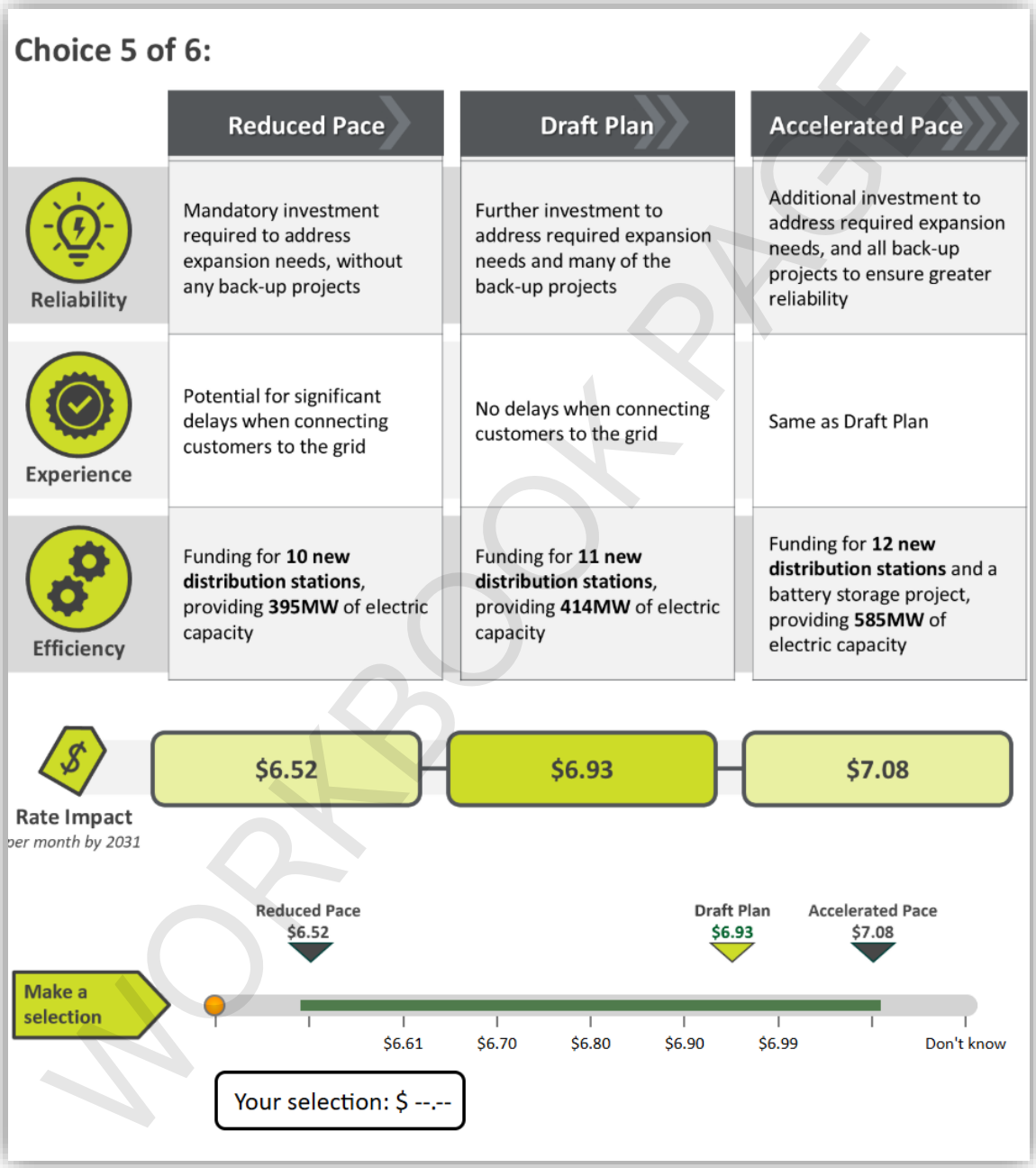

Phase II Online Survey
Spending on Meeting Growing Electricity Demand

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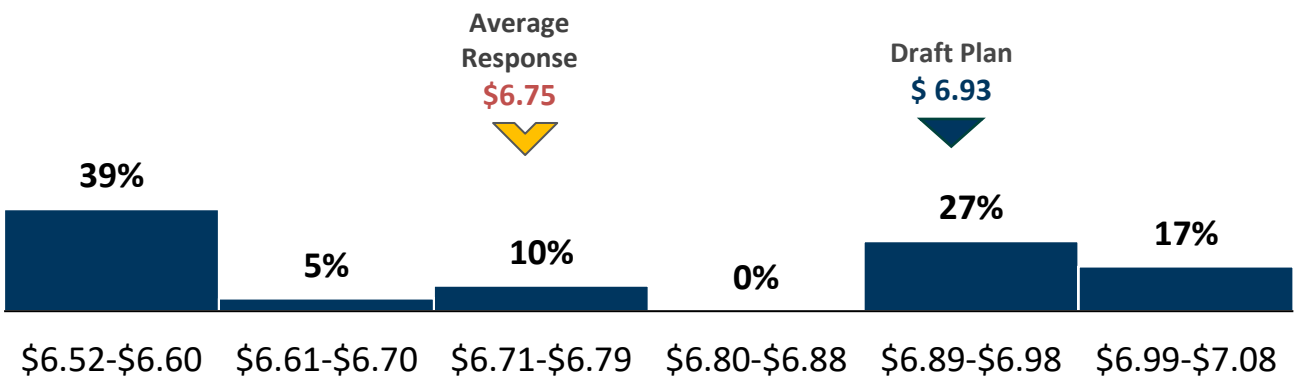
Q How much should Alectra spend on Meeting Growing Electricity Demand?



"Don't know" (2%) not shown.

17% Above Plan | 22% On Plan | 59% Below Plan

n=41

NOTE:

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- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey

Feedback on Meeting Growing Electricity Demand

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for meeting growing electricity demand? [OPEN]

Sample Verbatims
Electric vehicle hesitancy/opposition
"Not interested in EV so would rather not pay for it."
General Approval
"I initially chose the accelerated pace since the difference is so small but I went with draft plan since that is what I figure is the expert's recommendation."

Alectra Utilities Customer Survey
Planning for the Future: Making Choices

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Discover the possibilities

Enabling Resiliency and Modernization

Increasing system uptime and performance against adverse weather

What is included in this section?

Investments that aim to harden the grid and upgrade emergency restoration systems to reduce the risk of considerable storm damage and prolonged outages.

Many modernization investments have the added benefit of also improving the resiliency of the grid.

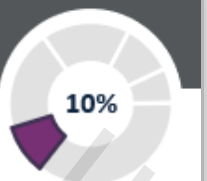
Alectra's resiliency and modernization plan enables:

- Faster and smarter power restoration
- Replacement of vulnerable infrastructure
- Enabling greater customer choice

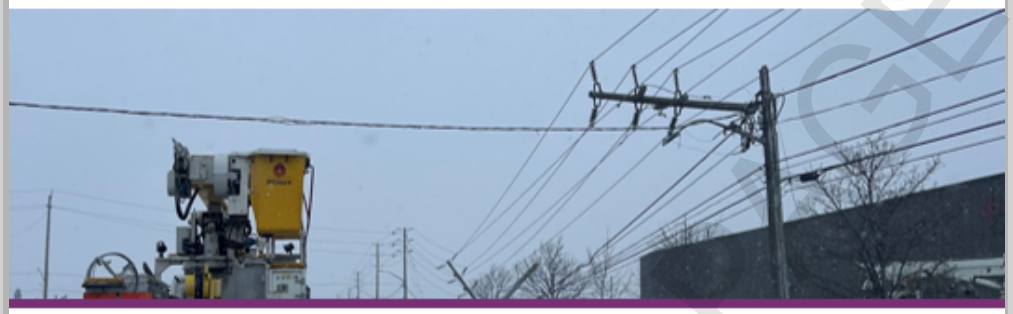
WORKBOOK

Alectra Utilities Customer Survey

Planning for the Future: Making Choices



6 Enabling Resiliency and Modernization



Overview

The electrical grid is exposed to serious weather events that are becoming more frequent and extreme. Hardening vulnerable areas of the grid with proactive investments in emergency restoration can reduce the risk of considerable storm damage and prolonged outages. Combined with new smart grid technology that enhances monitoring and communication systems, Alectra can further reduce the average outage time while keeping customers in the loop.

Faster Power Restoration

- Smart grid technology helps Alectra anticipate where outages might happen, especially during extreme weather events.
- Installing new infrastructure to enable communication can help crews find the source of an outage faster, getting power restored more quickly than before.
- Automation allows Alectra to perform tasks in minutes rather than hours. **In some cases, power can even be restored automatically using smart switches that isolate outages when they happen.**

Replacing Vulnerable Infrastructure

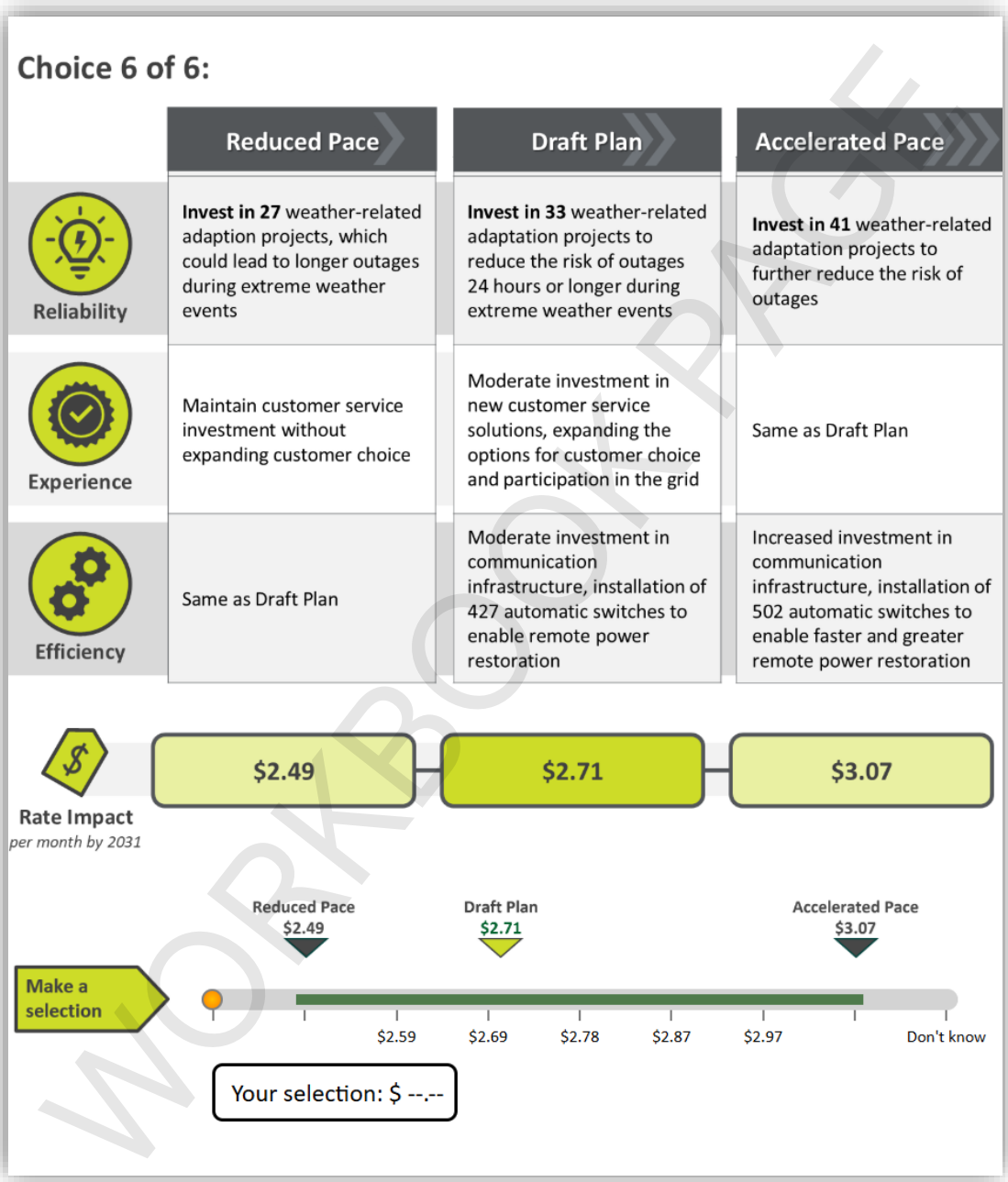
- Wires that run through backyards can often make contact with trees and other vegetation growth.
- These conditions create a higher risk of failure for 'rear lot' wires compared to overhead wires coming into a property from the street.
- **Customers with rear lot wires are disproportionately impacted by storms and high winds. For example, during the 2013 ice storm, customers with rear lot wires faced significantly longer outages.**
- Replacing rear lot infrastructure will reduce the risk of outages and service inconveniences for customers.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 16 (cont.)

Open Link
GS<50



Phase II Online Survey
Spending on Enabling Resiliency and Modernization

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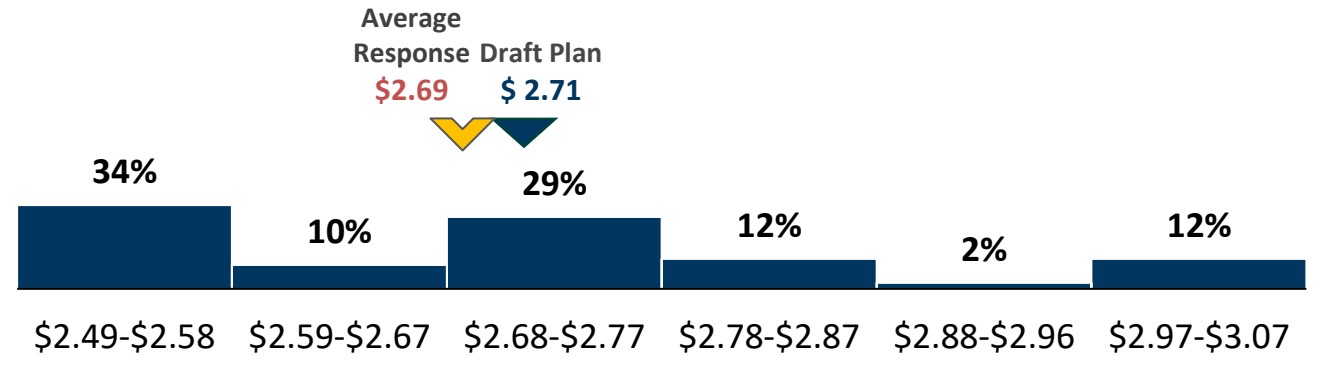
Q How much should Alectra spend on Enabling Resiliency and Modernization?



32% Above Plan | 24% On Plan | 44% Below Plan

n=41

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

Phase II Online Survey

Feedback on Enabling Resiliency and Modernization

Open Link
GS<50

Q Do you have additional feedback on Alectra's draft plan for enabling resiliency and modernization? [OPEN]

Sample Verbatims
General approval
"Get everything up to speed and improve the infrastructure as soon as possible."

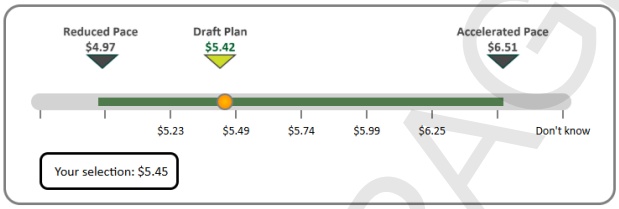
Choices Calculator

Throughout this workbook, you have been asked about 6 key choices that could impact your rates. Below is a summary of your choices.

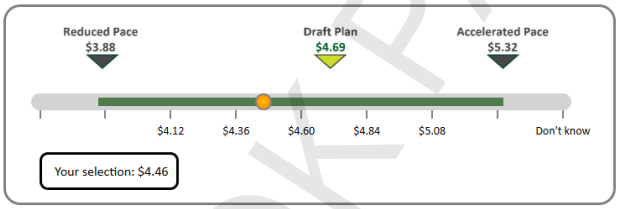
At the bottom of this page, you will find the total bill impact of all your answers.

Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

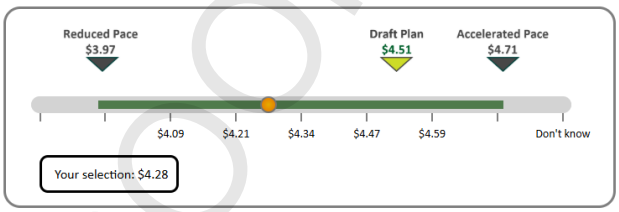
Overhead & Transformer Renewal



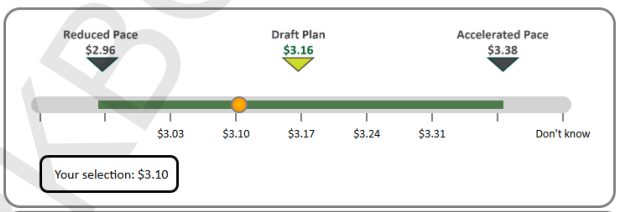
Underground Renewal



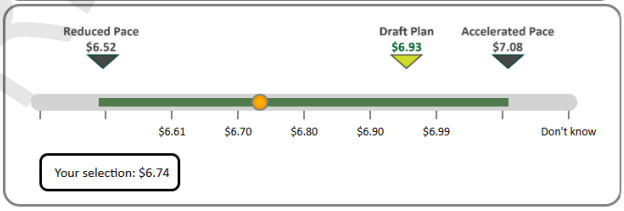
Meter Replacement & Renewal



Fleet, Facilities & Information Technology



Meeting Growing Electricity Demand



Enabling Resiliency & Modernization

Next

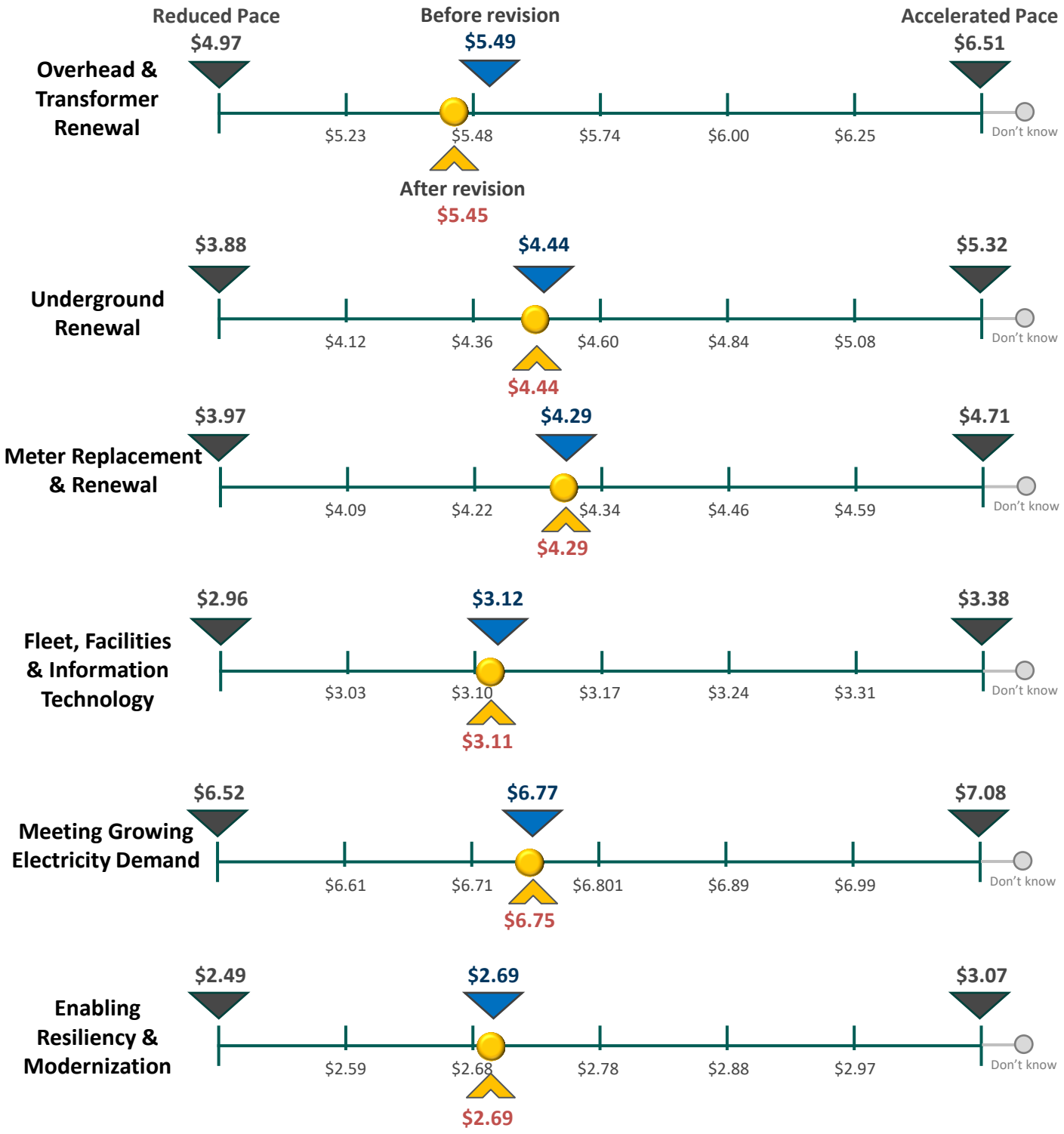
The total impact of your choices would result in an estimated:
$26.68 more on your monthly bill by 2031.

WORKBOOK PAGE

Phase II Online Survey
Calculator Values

Open Link
GS<50

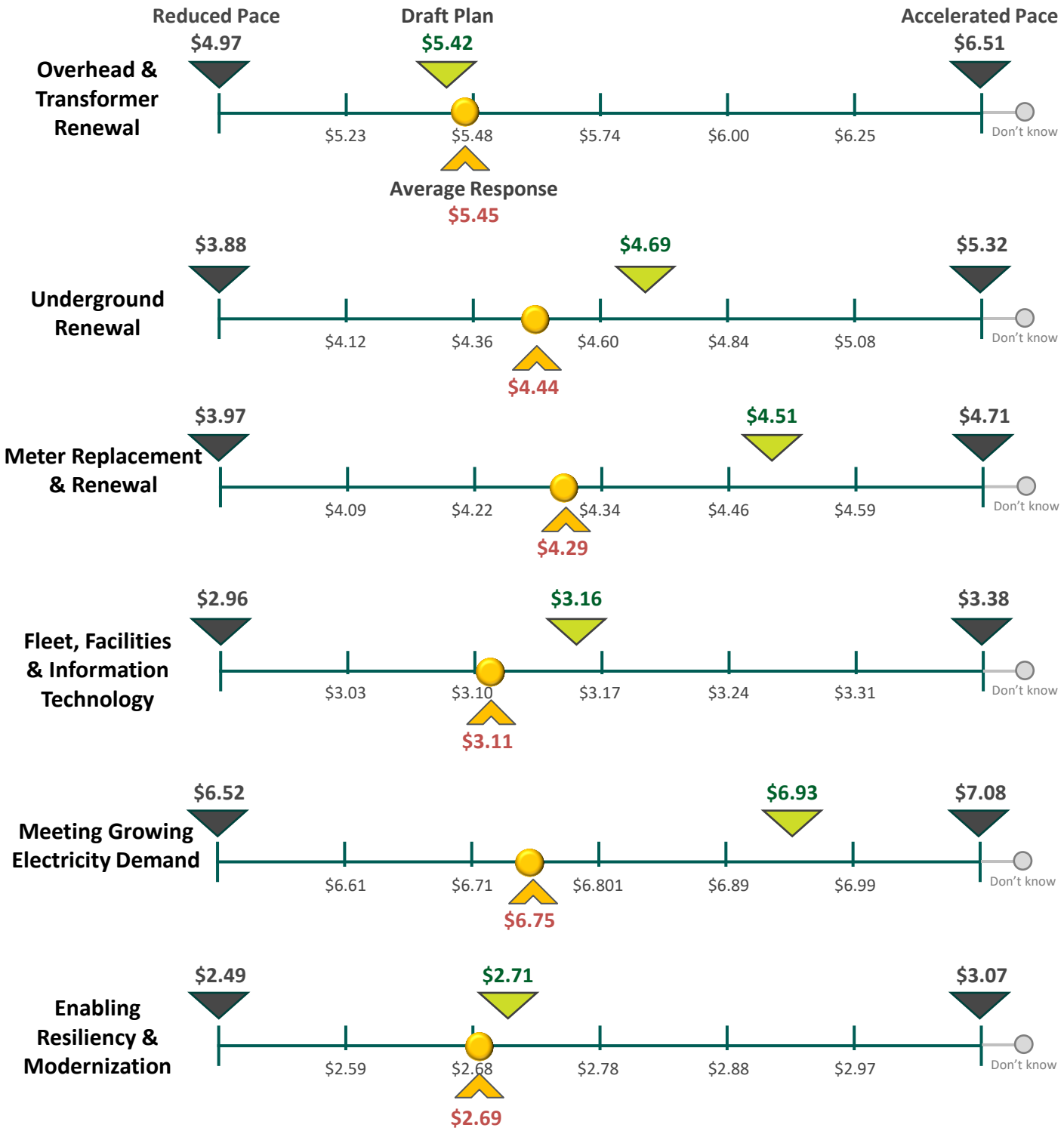
This figure below presents both the average customer responses for each spending area before and after reviewing the draft plan's calculator. This offers a clear visual comparison of how the pre-response aligns with the post-response.



Phase II Online Survey
Calculator Values

Open Link
GS<50

This figure below shows the draft plan cost as well as the average customer responses for each spending area after reviewing the draft plan's calculator. This provides a clear visual comparison of where the average response falls relative to the draft plan's targets.

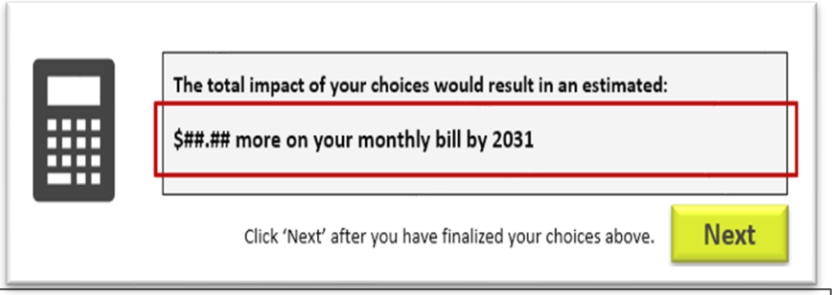


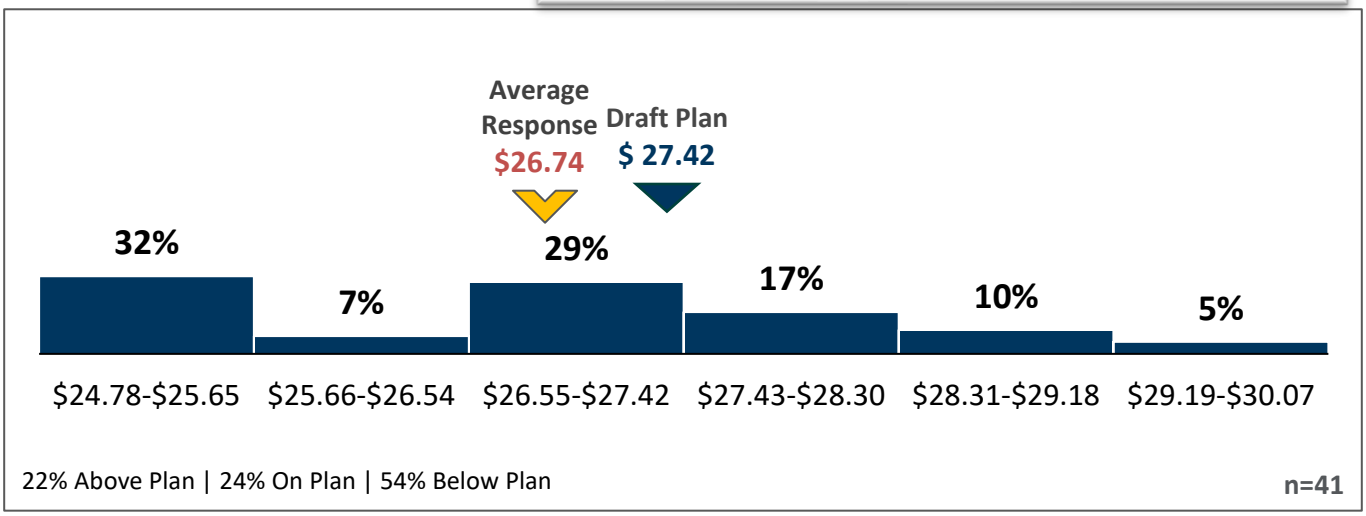
Phase II Online Survey
Calculator Values

Open Link
GS<50

Q Having seen the total bill impact, please review your answers and change your responses if you desire, and your potential rate impact will be re-calculated. You can adjust your answers until you reach the best balance for you.

The chart below shows the distribution of the draft plan options, highlighting the frequency by ranges.





22% Above Plan | 24% On Plan | 54% Below Plan

n=41

NOTE:
- **Above Plan:** A response is more than 5% above the response range from the draft plan value.
- **On Plan:** A response is within **±5% of the response range from the draft plan value**, calculated as 5% of the difference between the accelerated pace and reduced pace value.
- **Below Plan:** A response is more than 5% below the response range from the draft plan value.

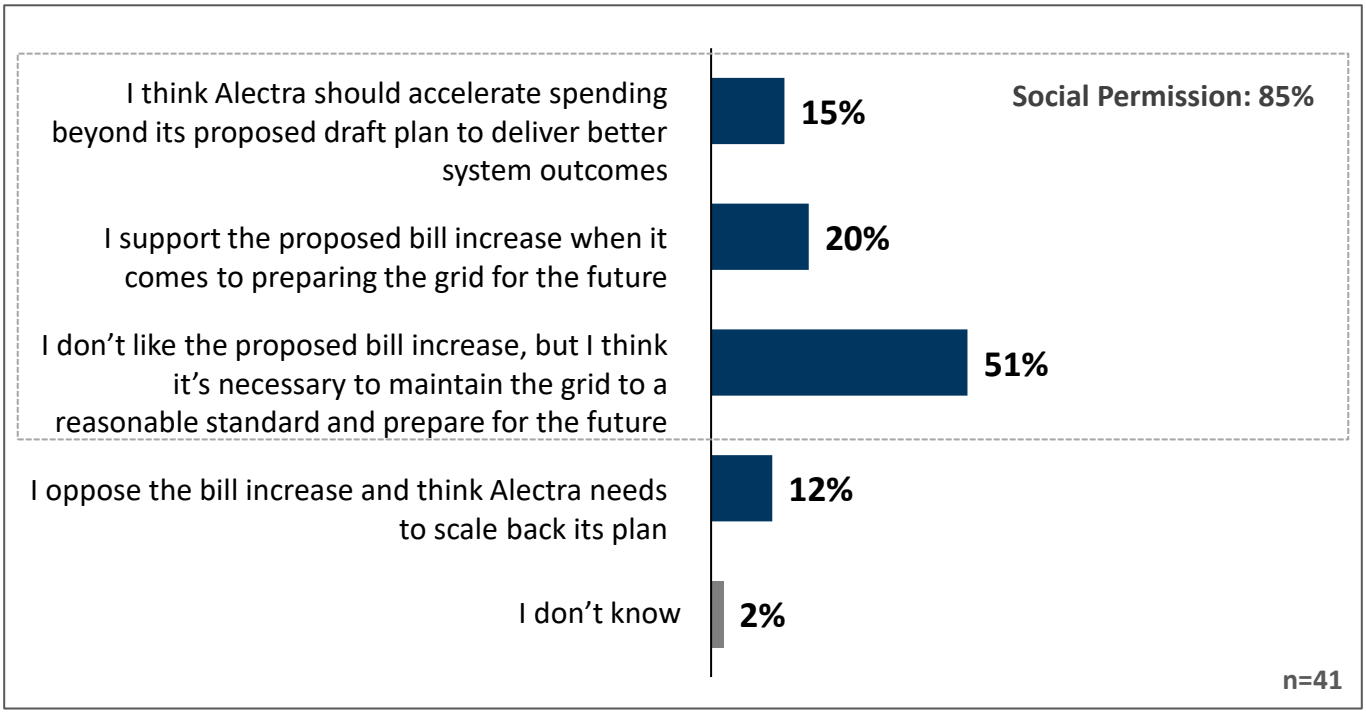
Phase II Online Survey
Social Permission

Open Link
GS<50

Q

Alectra has calculated an overall cost for its draft plan. While the plan may change based on feedback from the earlier questions in this survey, Alectra would like to know how you feel about the total rate impact of its current draft plan.

Considering what you have learned about Alectra's 2027–2031 draft plan and that this may result in a **$26.74 increase** in the distribution portion of your monthly electricity bill by 2031, which of the following best represents your point of view?



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Phase II Online Survey
Social Permission

Open Link
GS<50

Q Do you have any final comments regarding Alectra's draft plan and the proposed rate increase? [OPEN]

Sample Verbatims
General positive comments/support
"No one likes increases, but I better understand the criteria behind the proposed increase."
"Not really. I dont like costs do have to go up since it doesnt allow for things to get cheaper but it is understandable at the same time when you are trying to expand and fix old issues."
Operational inefficiencies
"Alectra should subsidize value creators like manufacturing even if it means extra charges to other sectors."

Alectra Utilities Customer Survey

Planning for the Future: Rate Harmonization

Rate Harmonization

A key principle in rate setting in Ontario is that similar customers pay similar charges wherever they are located within a utility.

As mentioned earlier in the survey, Alectra Utilities is a union of five previous utilities. The rates you pay differ depending on which utility you were served by prior to the merger. **As there were five legacy utilities, there are currently five different sets of rates or rate zones.**

As part of Alectra's first rate-rebasing application since the merger, the OEB requires Alectra to propose a plan to harmonize its rates into a single rate zone.

Impact on Customers

Harmonizing rates will ensure that similar customers pay similar charges and provide a consistent customer experience. It will also change the amount you pay. Some customers will see very little change from harmonizing rates and other customers will see a rate increase or rate decrease.

WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – BRZ Version

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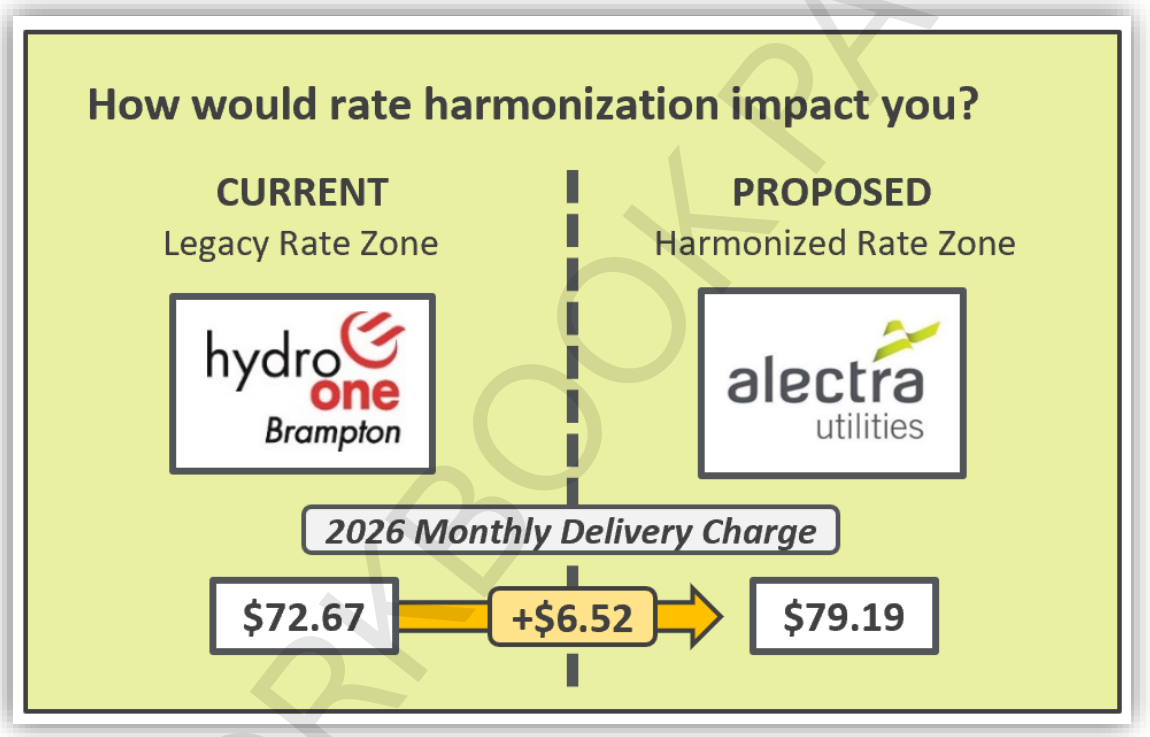
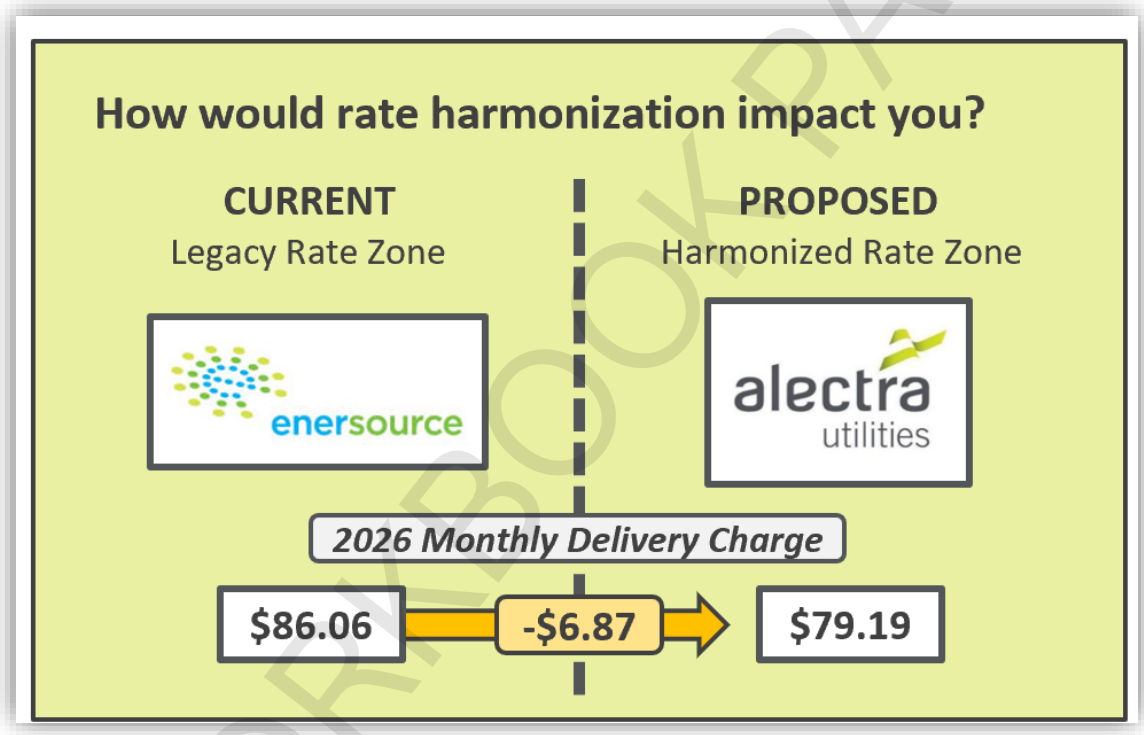


WORKBOOK PAGE

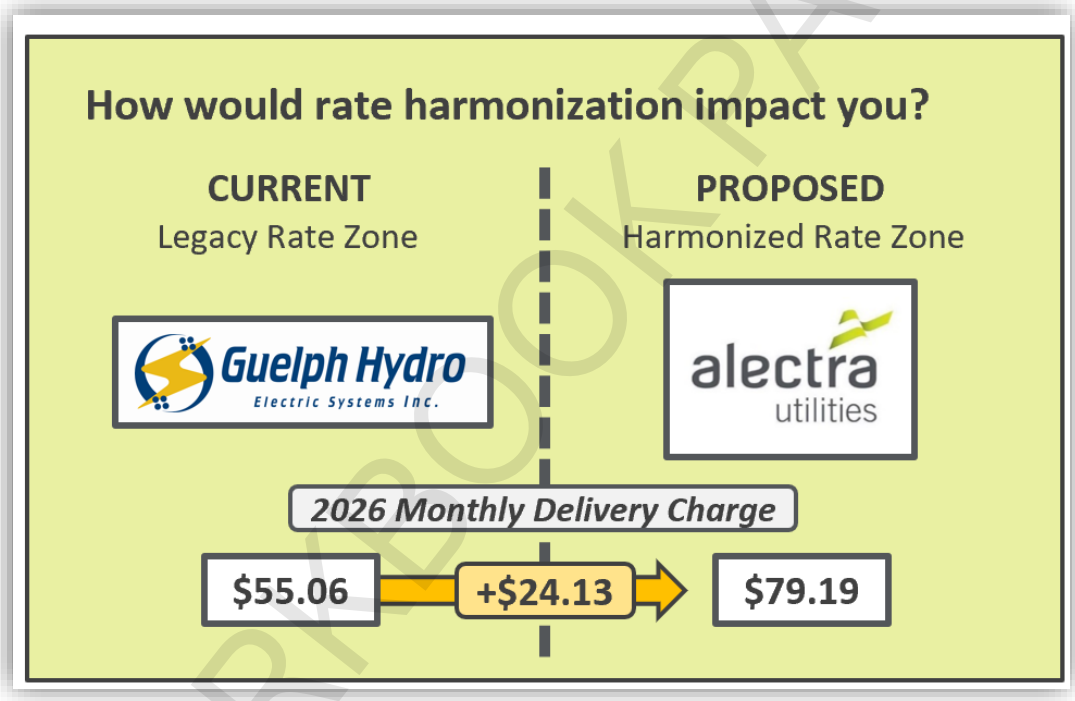
Phase II Online Survey

Workbook Page 17 (cont.) – ERZ Version

Open Link
GS<50



WORKBOOK PAGE



WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – HRZ Version

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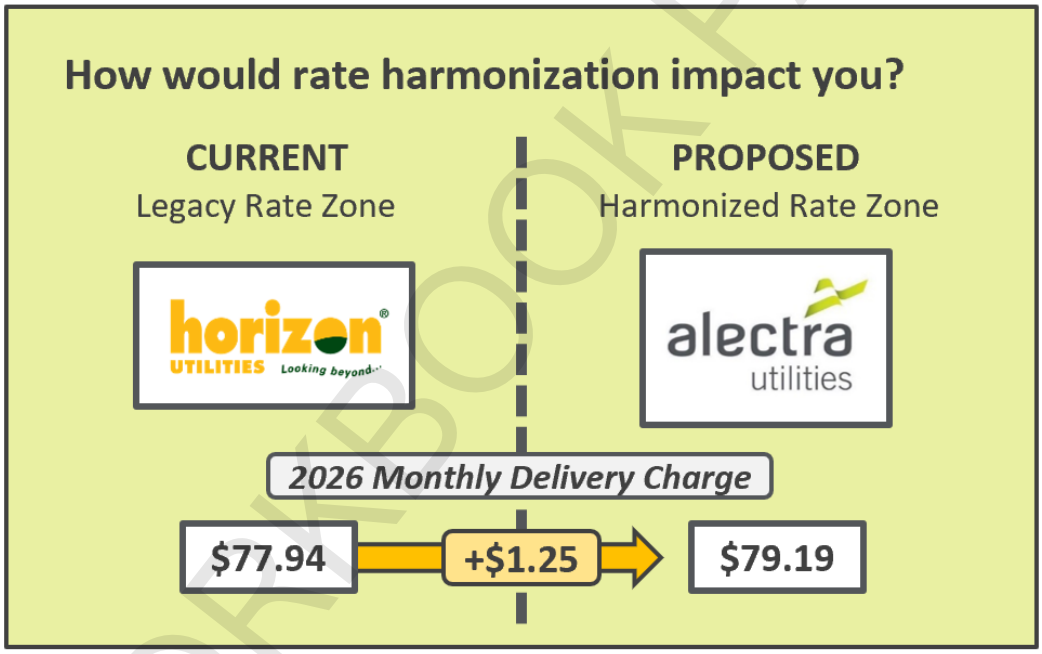
GS<50



WORKBOOK PAGE

Phase II Online Survey

Workbook Page 17 (cont.) – PRZ Version

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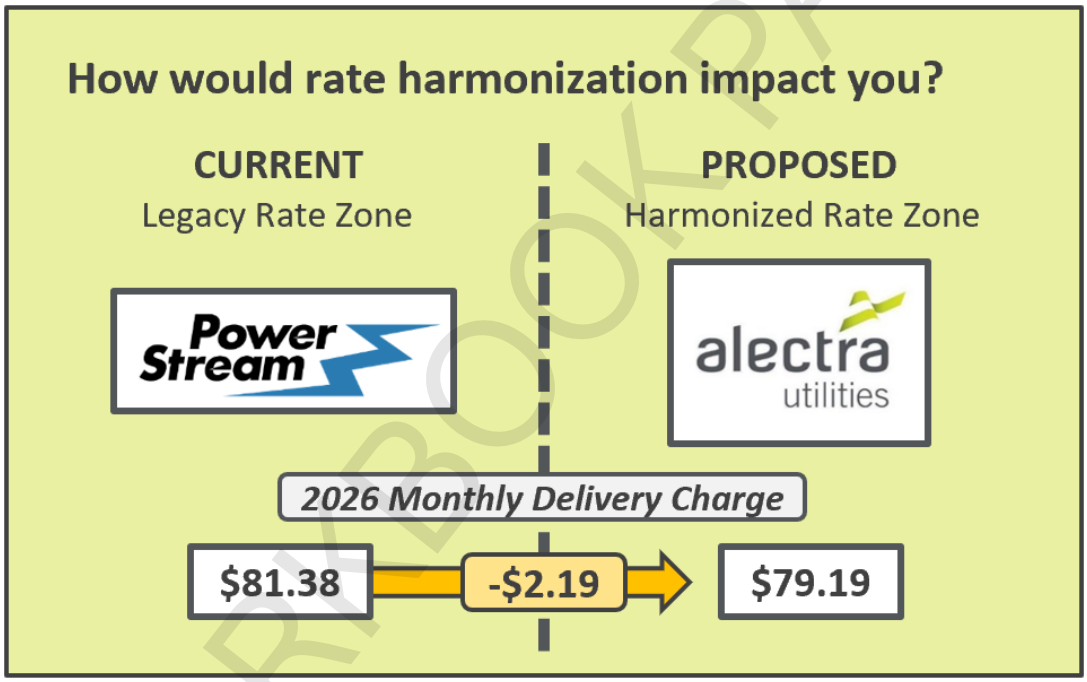
GS<50



WORKBOOK PAGE

Phase II Online Survey
Rate Harmonization

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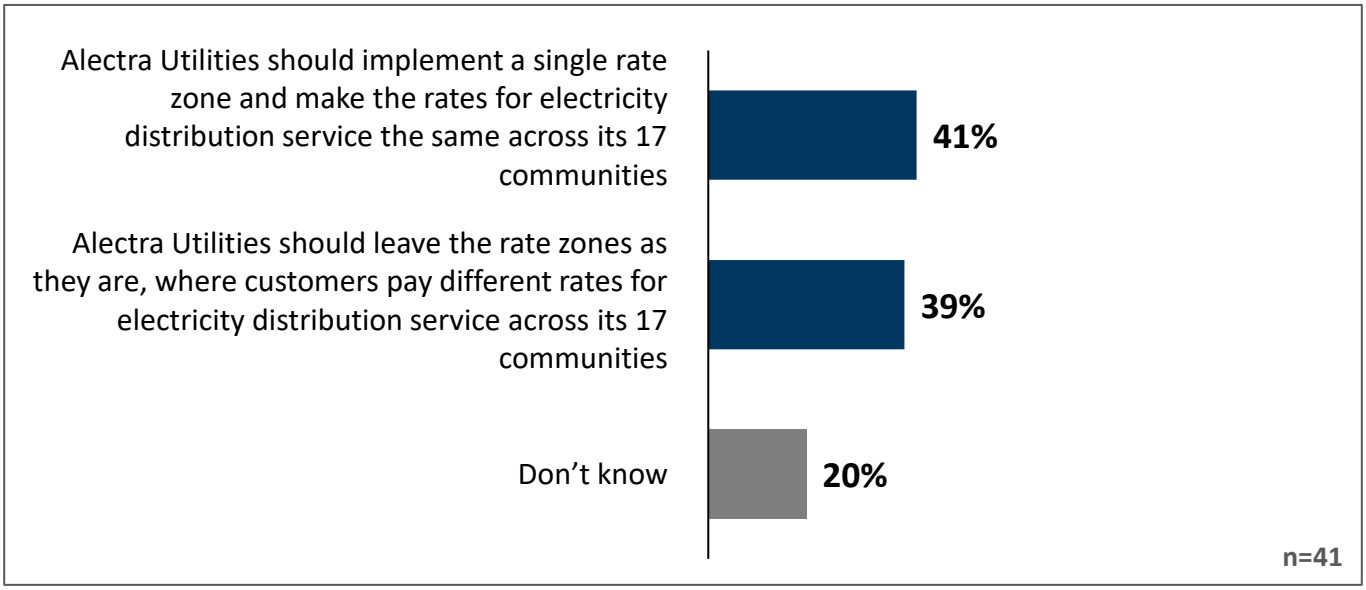
GS<50

Q When it comes to Rate Harmonization, which statement is closest to your view?



Alectra Utilities Customer Survey

Planning for the Future: Specific Service Charges

Specific Service Charges

Overview

Specific service charges are for certain extra services such as special meter reads, returned cheques, and legal letters. Each specific service charge is based on the cost to provide the service and is only charged if a customer uses the service. The costs to provide these services are not included in distribution rates, but they still must be approved by the OEB.

The OEB requires Alectra to inform customers of new specific services charges being proposed.

Alectra proposes to implement a group of five related charges for customer-requested disconnection and reconnection of a residential or business service at a meter, pole, or transformer.

The proposed charges would only apply to connections or disconnections that are initiated by customer requests or actions. In order to facilitate these connections or disconnections, Alectra must send a service crew and, some cases, specialized equipment to the customer location. These charges would only apply in the following circumstances:

1. Any disconnect/reconnect that is requested or initiated by the customer, or their representative/contractor, for any purpose (i.e., including but not limited to maintenance, electrical upgrades, vegetation management), and

2. Any disconnect/reconnect that is required by the utility to address a meter that has been tampered with.

Proposed Charge Description	Time Frame	Proposed Amount
Disconnect/reconnect at meter	During Regular Hours	$295
	After Regular Hours	$470
Disconnect/reconnect at pole or transformer	During Regular Hours	$525
	After Regular Hours	$1,090

WORKBOOK PAGE

Eligible low-income customers will be eligible for one free disconnect/reconnect service per year on a rolling 12-month basis for purposes of maintenance, upgrade, or vegetation management. All requests from commercial customers, and any request from a residential customer who is not an eligible low-income customer will be subject to one of the four charges listed above.

Alectra also proposes to implement a fifth charge that would apply when a customer has requested that Alectra perform a disconnect/reconnect (e.g., for maintenance, electrical upgrade, or vegetation management purposes) and has cancelled the scheduled service with less than two business days' notice (48 hours). This charge is intended to recover costs incurred by Alectra from late cancellations, including 3rd party contractor's costs.

Proposed Charge Description	Proposed Amount
Cancellation of Customer-requested Disconnect/Reconnect	$500

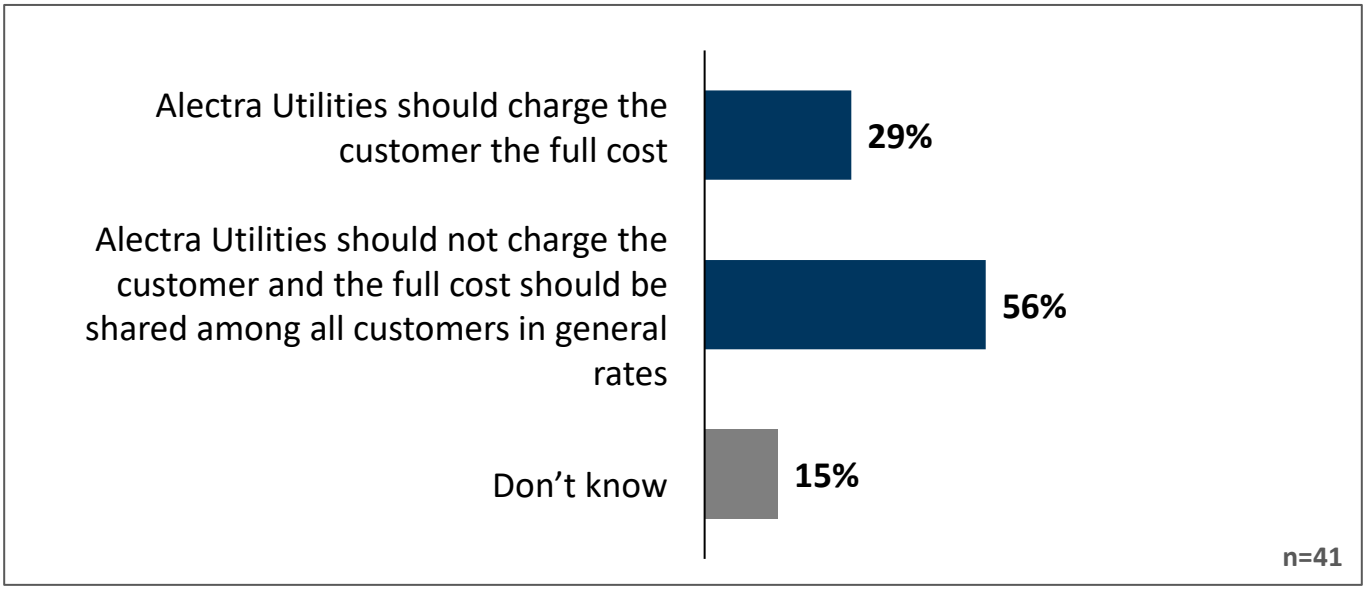
Note: These estimated charges are preliminary and subject to change

WORKBOOK PAGE

Phase II Online Survey
Specific Service Charges

Open Link
GS<50

Q When it comes to charging for disconnections and reconnections, which statement is closest to your view?

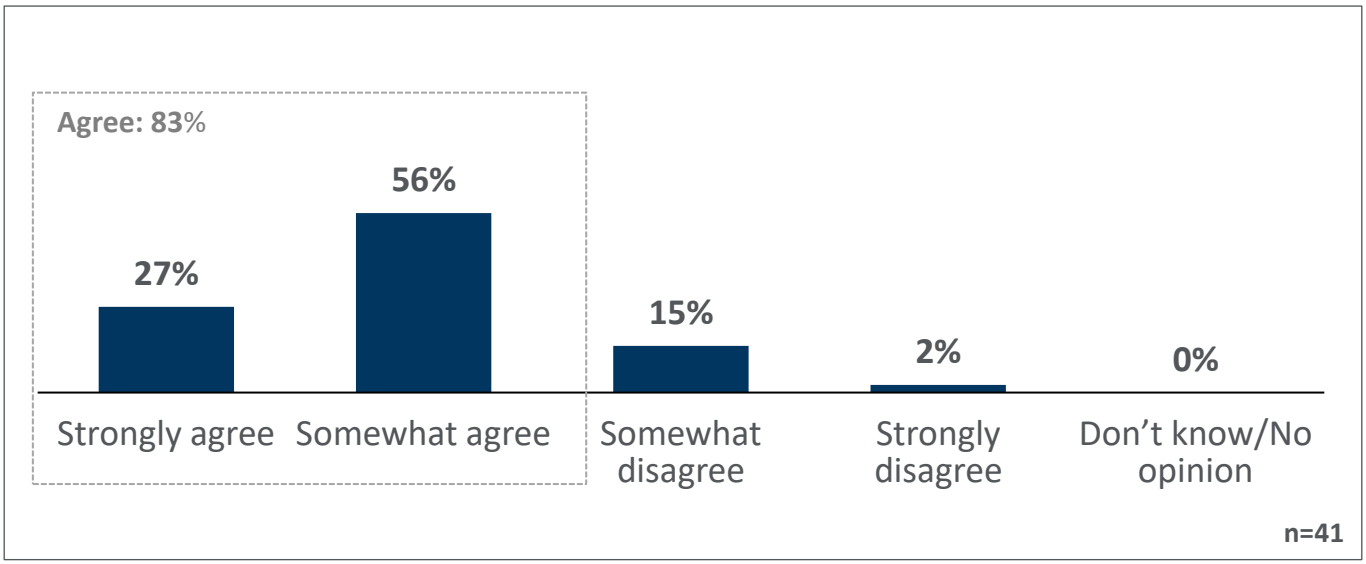


Phase II Online Survey
Customers and the Electricity System

Open Link
GS<50

Q

Now we would like to ask you some general questions about the electricity system in Ontario. To what extent do you agree or disagree with the following statements?
Customers are well served by the electricity system in Ontario



Phase II Online Survey

Workbook Page 19

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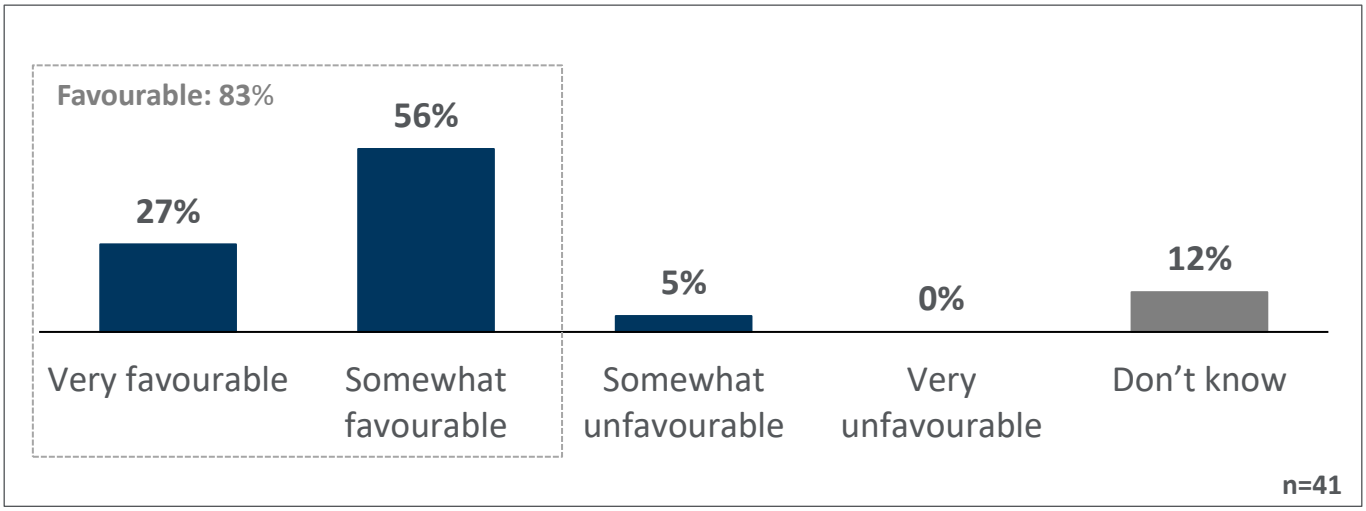
GS<50

WORKBOOK PAGE

Phase II Online Survey
Workbook Impression

Open Link
GS<50

Q Overall, do you have a favourable or unfavourable impression of the survey you just completed?



Phase II Online Survey
Amount of Information

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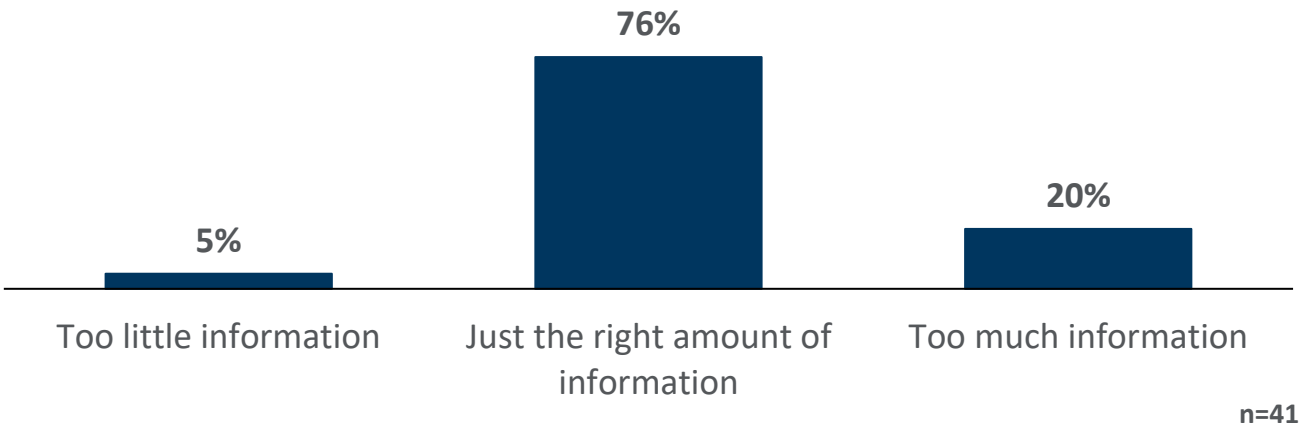
GS<50

Q In this survey, do you feel that Alectra Utilities provided too much information, not enough, or just the right amount?



n=41

Phase II Online Survey
Content Missing

Open Link
GS<50

Q Was there any content missing that you would have liked to have seen included in this survey? [OPEN]

Sample Verbatims
Environmental sustainability
"Tips on improving energy efficiency."
More information/breakdown/examples on the costs/plan/bill
"There should have been more information and explanation of the high cost that is paid to other sources other than Alectra. If an average bill is 350 and only 77 goes to Alectra. Explain the where and why for the remaining and majority of the 350?"

Phase II Online Survey
Final Questions

Open Link
GS<50

Q Is there anything that you would still like answered? [OPEN]

Sample Verbatims
General disapproval- costs
"From the survey, I get the idea that your intention is to raise the price. I can expect my bills to increase."

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PERFORMANCE MEASUREMENT

1. OVERVIEW

The *Renewed Regulatory Framewor*k (RRF) was first established by the OEB in 2012. This comprehensive performance-based approach to regulation is intended to align customer and utility interests within a rate setting framework that enables the achievement of important policy objectives while delivering value for money. A key feature of this policy framework is the evaluation and measurement of performance outcomes to ensure that distributors continue to meet the needs and expectations of customers while delivering cost-effective service.

To this end, the OEB established performance expectations for distributors in four distinct areas:

> *Customer Focus: services are provided in a manner that responds to identified customer preferences;*
>
> *Operational Effectiveness: continuous improvement in productivity and cost performance is achieved; and utilities deliver on system reliability and quality objectives;*
>
> *Public Policy Responsiveness: utilities deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board); and*
>
> *Financial Performance: financial viability is maintained; and savings from operational effectiveness are sustainable.*[8]

Subsequently, several initiatives were implemented to monitor individual distributor performance and to allow for comparability across the sector. First, the electricity utility scorecard is published annually to facilitate benchmarking and performance monitoring amongst LDCs. Second, the OEB engaged Pacific Economics Group (PEG) to produce efficiency rankings through econometric modelling. PEG produces and publishes a model (the PEG model) and report each year which assesses each distributor's total cost performance. The PEG model considers both capital and OM&A costs, and the results of the econometric benchmarking analysis are used to

[8] *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*, Ontario Energy Board, 2012, p. 57.

assign distributors into one of five productivity cohort groupings, which determine stretch factor assignments for the incentive rate-setting period.

As an additional means of performance measurement, the Activity and Program-based Benchmarking (APB) policy has been established to encourage continuous improvement by evaluating unit cost performance relative to benchmark comparators. This policy remains under development by the OEB, however, at the time of writing there are ten measures that comprise this framework.

Consistent with Section 2.1.6 of the Chapter 2 Filing Requirements, and as further outlined in the Handbook for Utility Rate Applications, all distributors are required to demonstrate utilization of benchmarking practices to inform the OEB's review and approval of applications. In addition, the Filing Requirements require that distributors provide a forecast efficiency assessment using the OEB-approved benchmarking model for the Test Years for the purpose of providing the OEB with a directional indicator of efficiency on a forward-looking basis. The Schedules and the Attachments referred to herein present a comprehensive summary of benchmarking evidence, as described below.

Schedule 2 – Performance Scorecard Outcomes. This Schedule describes Alectra Utilities' historical scorecard performance results through the 2019 to 2023 period, along with trends and forecasts through the rebasing period, where applicable. This section includes references to other parts of the application which describe operational plans related to the various scorecard categories in greater detail. Additionally, this Schedule presents Alectra Utilities' cost efficiency assessment with respect to the PEG model, including assignment into one of the five cohort groupings, ranging from Cohort I (stretch factor = 0.0%) to Cohort V (stretch factor = 0.6%), and the resulting stretch factor applied.

Attachment 1-3 – *Clearspring Energy Advisors (*Clearspring*) Econometric Benchmarking and Incentive Regulation Parameter Study*. Alectra Utilities engaged Clearspring to provide an assessment of Alectra Utilities' historic cost performance against a relative peer group, and consistent with the Filing Guidelines, an assessment intended to inform the OEB's review of Alectra Utilities' past and future estimated cost performance. The analysis provides the underpinning for the establishment of a stretch factor as well as other relevant revenue indexing

parameter values. Clearspring produced an econometric total cost benchmarking model to assess and evaluate an appropriate stretch factor recommendation for the Custom IR plan. The form and process used by Clearspring is consistent with the modeling framework first established by PEG and used to assign stretch factors to distributors. Clearspring has produced similar analyses for several other large distributors and has worked directly with PEG to further refine various aspects of the cost study work.

Schedule 3 – Activity and Program-based Benchmarking (APB). This Schedule provides an overview of the unit cost metrics germane to this policy, and provides commentary on the outcomes, as well as the limitations and challenges in preparing the analysis.

Schedule 4 – Productivity Framework. This Schedule provides an overview of Alectra Utilities' Productivity Framework that the utility has established and implemented to identify, execute on, validate, and report productivity savings. This Schedule also details the productivity benefits/ savings that have been achieved and embedded into the 2027 revenue requirement to reduce Alectra Utilities' costs and thus rates for customers.

Altogether, these benchmarking and productivity analyses comprehensively demonstrate that Alectra Utilities is a performance-driven organization focused on delivering value to customers through outcomes and value for money.

Alectra Utilities shows strong performance on the electricity utility scorecard through the 2019 to 2023 period, where the utility met 78% of its defined targets. Alectra Utilities maintains a stable or improving trend according to most measures, demonstrating Alectra Utilities' commitment to adopting the RRF's key values. Strong performance has been exhibited in connecting new services, attending scheduled appointments, billing accuracy, and reliability in particular. The Telephone Accessibility measure under the Customer Focus performance outcome and the Serious Electrical Incident Index measure under the Operational Improvement performance outcome provide opportunities for improvement as further described at Schedule 2.

The PEG benchmarking model establishes Alectra Utilities as a Cohort III performer for each year within the historical period, based on actual costs, which ranged between 9.7% below and 0.1% above, predicted costs for each year between 2019 and 2023. Alectra Utilities' cost

performance results were consistently at or below the PEG model predicted outcomes, demonstrating strong cost management and productivity performance.

The productivity analysis prepared by Clearspring in Attachment 1-3 further demonstrates Alectra Utilities' cost effectiveness. Clearspring's analysis includes the development of a total cost study which is derived through an econometric model that describes total costs for a benchmarked utility. The model uses industry data over the study period to determine the factors that explain total costs, and the relationship among those factors to total cost outcomes. The model is then populated with Alectra Utilities' actual historical, or future projected costs, to evaluate Alectra Utilities' total costs in comparison to the benchmark, as the case may be. A comparison between the actual or projected costs is made for each year of the analysis, and this in turn provides justification for the proposed productivity and stretch factor outcomes within Alectra Utilities' Custom IR plan.

Clearspring finds that Alectra Utilities' costs have been well below benchmark expectations historically, at roughly 24.6% below the estimation. The analysis further finds that during the Custom IR years, Alectra Utilities' cost performance is projected to be roughly 21.5% below the benchmark expectations, which aligns with the Cohort II outcomes for the OEB's stretch factor policy, yielding a proposed stretch factor of 0.15%. This stretch factor is applied to the overall industry productivity outcome of 0.0% established by the OEB, which itself includes an "implicit stretch factor" as the actual productivity trend for the sector in Ontario is believed to be negative, a trend that can be expected to persist as the inputs required to deliver on policy objectives related to the energy transition are expected to grow at levels faster than historically experienced. For these reasons, Clearspring supports a stretch factor of 0.15% based on its empirical total cost benchmarking results.

The evidence shows that Alectra Utilities has historically been a very effective cost performer, and that this trend is expected to continue throughout the Custom IR plan horizon. From the achievement of service quality and safety standards to the outcomes of the annual PEG benchmarking results, as well as the conclusions drawn from the detailed review and analysis undertaken by Clearspring, it is evident that Alectra Utilities has demonstrated effective cost performance. Further, Clearspring has established that Alectra Utilities' cost performance is expected to continue to be superior to the benchmark outcomes that define the sector in

aggregate. While more input resources will be required over the forecast period, the resulting outputs produced will be greater. Said differently, Clearspring's results show continued superior productivity performance is expected as the sector continues to evolve through the energy transition.

As Alectra Utilities implements its capital and operating plans over the 2027 to 2031 period, benchmarking tools such as those described above will continue to be valuable tools for the OEB to monitor and assess performance and outcomes.

2. PERFORMANCE SCORECARD OUTCOMES

2.1. ELECTRICITY UTILITY SCORECARD

The Electricity Utility Scorecard was implemented as part of the *Renewed Regulatory Framework* (RRF) for the purpose of facilitating performance monitoring and communicating meaningful performance outcomes to customers. Alectra Utilities' most recent scorecard can be accessed at the following link: Regulatory Affairs | Alectra Utilities Utilities. The Scorecard provides Alectra Utilities' customers with an opportunity to assess the value they receive across four performance outcome categories: customer focus, operational effectiveness, public policy responsiveness, and financial performance. Customers are encouraged to access the annual scorecard via on-bill messaging, newsletters, social media and website postings.

Table 1-6-1 below summarizes Alectra Utilities' 2019-2023 performance results for scorecard measures which have an industry or distributor-specific target. Overall, Alectra Utilities has performed well in meeting targets across most scorecard measures. Green icons indicate that Alectra Utilities met or exceeded the relevant target, red icons indicate that the target was missed, and the arrow direction is indicative of the rolling five-year trend. Alectra Utilities met 39 of 50 (78%) defined targets through the 2019-2023 period. Eight (8) of 11 missed targets pertain to the number and rate of Serious Electrical Incidents affecting the general public, which are often outside of the utility's control. One missed target occurred once for each of the Telephone Accessibility, Reliability, and Connection of Renewable Generation measures over the five-year period.

Table 1-6-1: Historical Scorecard Performance Results

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023
Customer Focus	Service Quality	Low Voltage Services Connected on Time	↓	↓	↑	↓	↓
		Scheduled Appointments Met On Time	↑	↓	↑	↓	↑
		Telephone Calls Answered On Time	↓	↓	↑	↓	↓
	Customer Satisfaction	Billing Accuracy	↑	↓	↑	↑	↑
Operational Effectiveness	Safety	Level of Compliance with Ontario Regulation 22/04	→	↑	→	→	→
		Number of General Public Safety Incidents	↑	↑	↓	↑	↑
		Rate of General Public Safety Incidents per 1000 km of Line	→	→	↓	→	→
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	↑	↑	↑	↓	↓
		Average Number of Times that Power to a Customer is Interrupted	↓	↑	↓	↓	↓
Public Policy Responsiveness	Connection of Renewable Generation	New Micro-embedded Generation Facilities Connected On Time	↓	↓	↑	↑	↑

The discussion that follows identifies trends observed across the 2019-2023 historical period and self-assessed performance improvement targets over the term of the rate-setting plan that will enhance scorecard performance, where applicable. Alectra Utilities' historical scorecard performance results are presented alongside comparative industry average performance results for each scorecard measure.

The specific outcomes for each category within the RRF policy are presented below. Overall, the results demonstrate a strong commitment to delivering value to customers.

CUSTOMER FOCUS

Service Quality

New Residential and Small Business Services Connected on Time

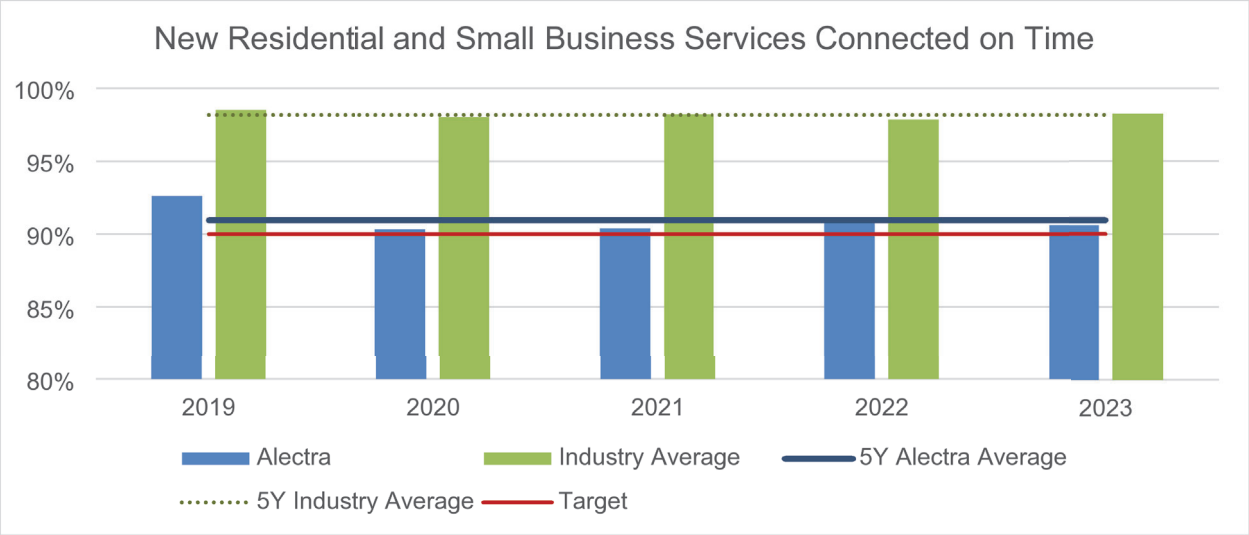
Per Section 7.2 of the DSC, electricity distributors are required to complete a connection for new service under 750 volts within five days of the date that all applicable service conditions are satisfied, or a later date agreed to by both customer and distributor, at least 90% of the time on an annual basis.

Table 1-6-2: Scorecard Performance: New Residential and Small Business Services Connected on Time

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	92.6%	90.3%	90.4%	90.8%	90.6%	90.9%
Industry Average	98.6 %	98.1 %	98.3 %	97.8 %	98.2 %	98.2%

Alectra Utilities has successfully met or exceeded the 90% target each year to date. Alectra Utilities has addressed an average of 8,463 requests annually across the 2019 to 2023 period and achieved an average performance result of 90.9%. The volume of requests for a new service rose significantly in the 2021-2023 timeframe. New connection volumes are expected to increase commensurate with customer volumes and consistent with municipal housing targets through the rate period, and Alectra Utilities forecasts maintaining or exceeding current performance levels.

Chart 1-6-1: Industry Average vs. Alectra Utilities: New Residential and Small Business Services Connected on Time



Scheduled Appointments Met on Time

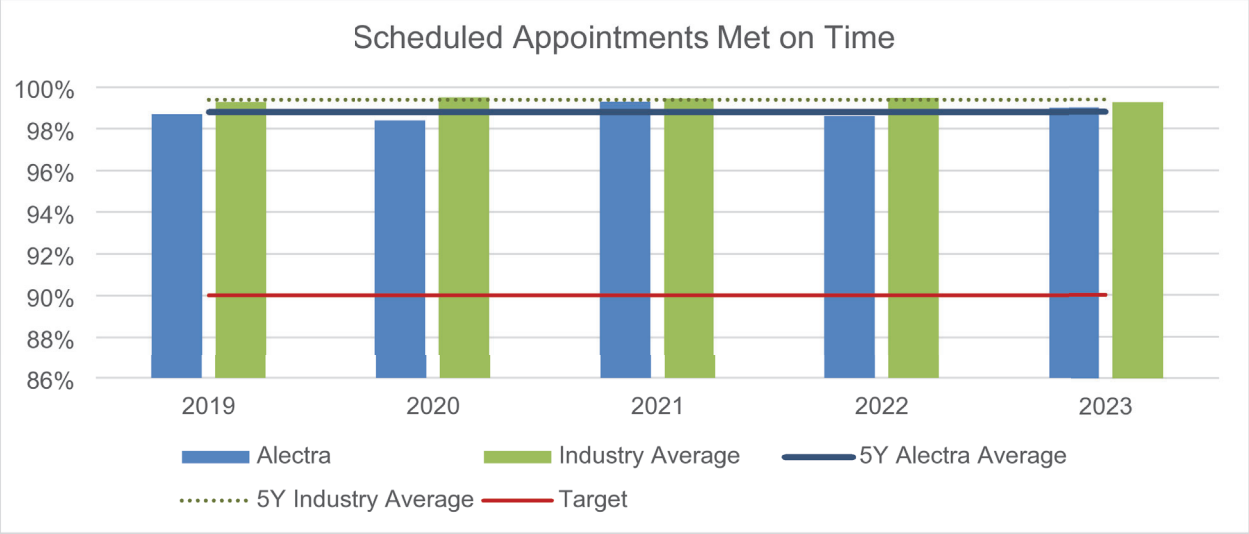
Section 7.4 of the DSC requires electricity distributors to schedule appointments with customers or their representatives within a window of time that is no greater than four hours and to arrive within the scheduled timeframe at least 90% of the time. The services provided under this metric include connection or reconnection of services, locates, meter reads, power isolations, and other necessary work as requested by customers or required by Alectra Utilities.

Table 1-6-3: Scorecard Performance: Scheduled Appointments Met on Time

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	98.7%	98.4%	99.3%	98.6%	99.0%	98.8%
Industry Average	99.3%	99.5%	99.4%	99.5%	99.3%	99.4%

Alectra Utilities has successfully met or exceeded the 90% target each year to date, with an average performance result of 98.8%. Alectra Utilities' performance is in line with industry average. On average, 12,796 appointments are executed per year. Alectra Utilities forecasts the quantity of requested appointments related to locates to increase through the rate period commensurate with customer growth, and that performance levels will be maintained or exceeded.

Chart 1-6-2: Industry Average vs. Alectra Utilities: Scheduled Appointments Met on Time



Telephone Calls Answered on Time

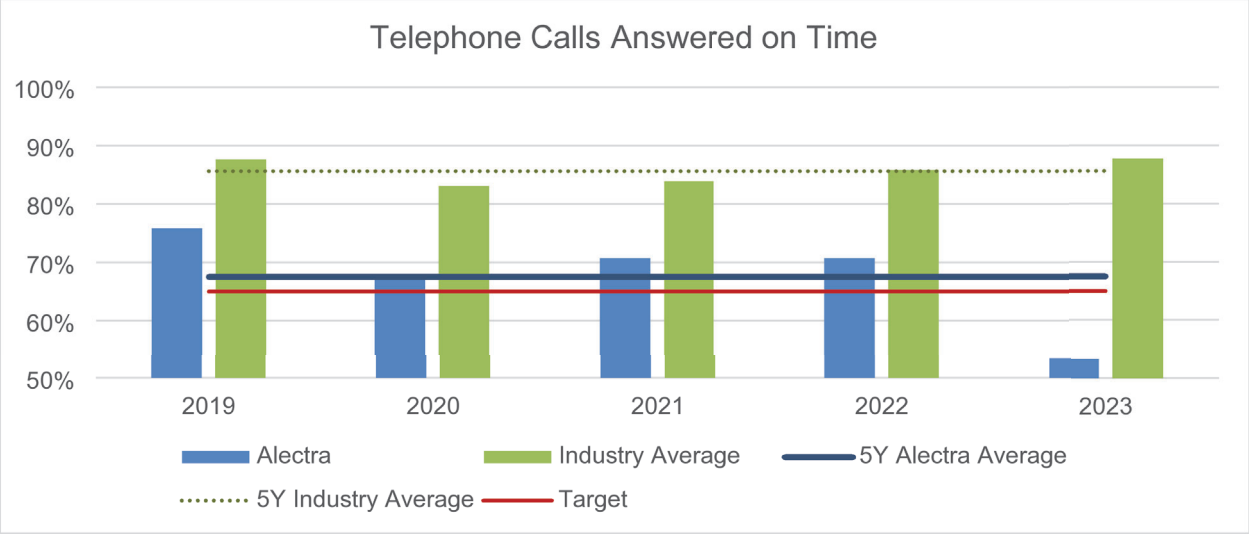
DSC section 7.6 requires customer calls to the contact centre to be answered within 30 seconds at least 65% of the time on an annual basis. During the 2019 to 2023 period, Alectra Utilities fielded an average of 614,550 unique calls per year.

Table 1-6-4: Scorecard Performance: Telephone Calls Answered on Time

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	75.8%	66.9%	70.7%	70.7%	53.4%	67.5%
Industry Average	87.2 %	84.6 %	85.2 %	85.8 %	87.7 %	86.1 %

Alectra Utilities failed to meet the performance standard in 2023 due to increased call complexity and Average Handle Time (AHT) stemming from a high volume of post-pandemic collections activity. To address telephone accessibility challenges, Alectra Utilities has made adjustments to staffing complements and increased online self-serve offerings to help reduce the time required for telephone-based customer interactions.

Chart 1-6-3: Industry Average vs. Alectra Utilities: Telephone Calls Answered on Time



Alectra Utilities forecasts meeting the target performance level of 65% through the duration of the 2027 to 2031 rate period. Forecast performance improvements are expected to be derived from increased third party support, enhanced staff training, and added technological support. For more details, refer to Exhibit 4, Tab 2, Schedule 7 – Customer Service for additional information related to the contact centre.

Customer Satisfaction

First Contact Resolution

This measure focuses on resolving customer queries within a single interaction, thereby eliminating the need for a customer to follow up with the utility. Distributors are permitted discretion in their approach to measurement and reporting under this metric and there is no specific or set performance target.

Alectra Utilities determines first contact resolution results through transactional customer surveys that probe the quality of service received by customers at the time they contact the utility. Alectra Utilities uses the survey results to identify opportunities for enhanced training and improvement in customer service. Alectra Utilities' average performance through the 2019 to 2023 period was 82.5%.

Table 1-6-5: Scorecard Performance: First Contact Resolution

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	85.1%	82.7%	83.5%	81.1%	79.9%	82.5%

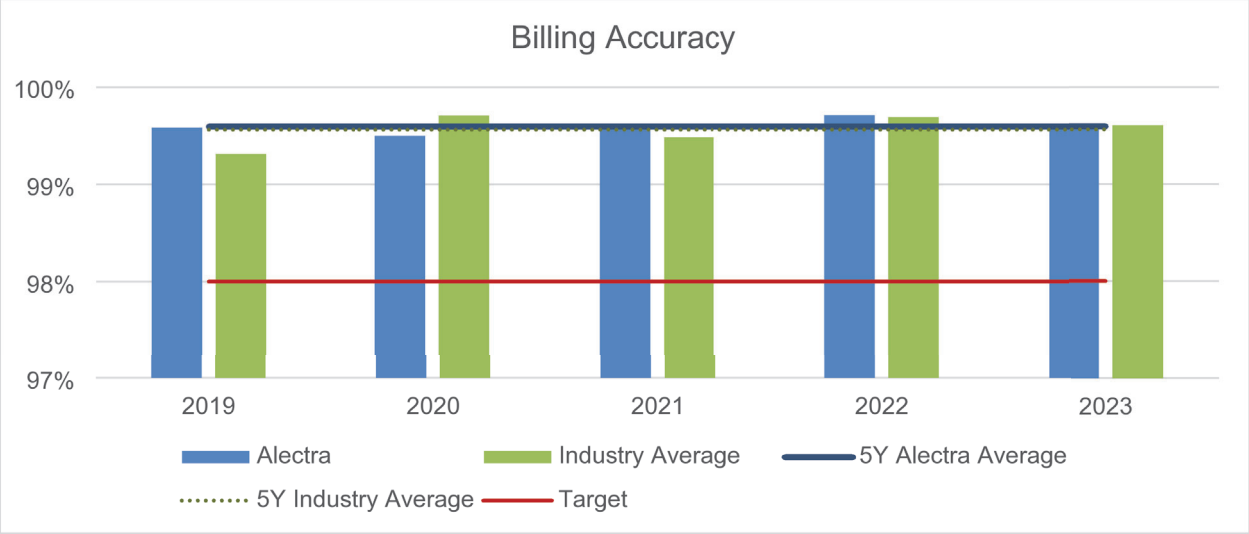
Billing Accuracy

The Billing Accuracy measure reflects the number of accurate bills issued expressed as a percentage of the total number of bills issued. Per Section 7.1 of the DSC, an accurate bill is defined as a bill that has not been subject to any adjustments, meter reading estimates, or to a bill cancellation and re-bill. Billing inaccuracies can be caused by incomplete or inaccurate meter data, incorrect rates, or incorrect account information or dates. The industry-wide billing accuracy target is 98%. Alectra Utilities' sustained attention to business processes contributed to an average billing accuracy performance of 99.6% between 2019 and 2023, during which period an average of 13 million bills were issued annually. Smart meter investment and deployments planned as part of Alectra Utilities' Advanced Metering Initiative (AMI) 2.0 project are expected to further bolster Alectra Utilities' results by reducing both errors and manual meter reads. As a result, Alectra Utilities forecasts that performance targets will continue to be met or exceeded through the rate period.

Table 1-6-6: Scorecard Performance: Billing Accuracy

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	99.6%	99.5%	99.6%	99.7%	99.6%	99.6%
Industry Average	99.4 %	99.7%	99.5%	99.7%	99.6%	99.6%

Chart 1-6-4: Industry Average vs. Alectra Utilities: Billing Accuracy



Customer Satisfaction Survey Results

Electricity distributors are required to measure customer satisfaction results at least once every two years using a survey format of the distributor's choice. Alectra Utilities assessed customer satisfaction via surveys conducted by UtilityPulse, which solicited customer views on service reliability, customer service, billing experience, and corporate image. Alectra Utilities has consistently achieved customer satisfaction survey scores above 92%.

Table 1-6-7: Scorecard Performance: Customer Satisfaction Survey Results

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	93.0 %	93.0 %	92.0 %	94.0 %	94.0 %	93.2 %

Alectra Utilities began surveying customers using J.D. Power's survey model in 2022, under which overall Satisfaction performance is calculated using a multi-factor Index covering 41 attributes across the areas of power quality and reliability, price, customer care, communications, corporate citizenship, and billing and payments. Each attribute is evaluated on a 10-point scale from 'Unacceptable' to 'Outstanding' and weighted based on its respective importance to the customer experience. Alectra Utilities fully transitioned to the J.D. Power survey model for RRR reporting purposes in 2024. Alectra Utilities' 2024 index score of 703 is

within the second quartile, 4 points above the average of comparable large utilities using a representative sample of North American-based North East utilities. The comprehensive J.D. Power Index model provides the transparency needed for continuous improvement across all areas of the utility customer journey. Alectra Utilities is committed to reaching the first quartile of the J.D. Power customer index by 2030.

OPERATIONAL EFFECTIVENESS

Safety

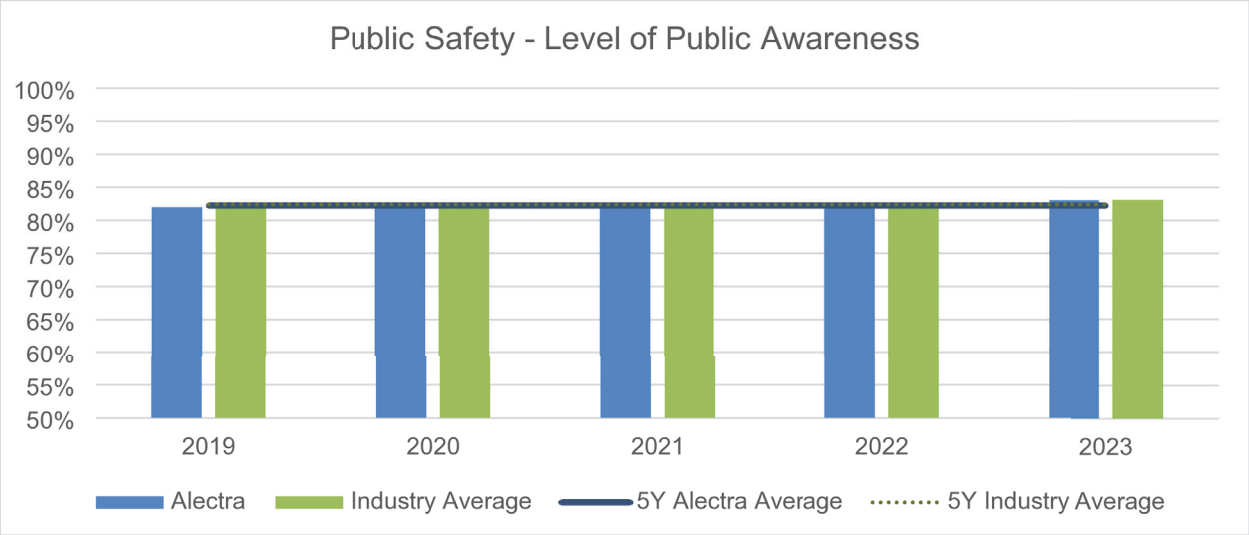
Level of Public Awareness

A standard survey developed by the ESA and OEB is conducted biennially to determine the level of awareness of key electrical safety precautions among members of the general public within a distributor's service territory. The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. Alectra Utilities' assessed Public Safety Awareness Score shows consistency through the 2019 to 2023 timeframe. Historical performance was in line with industry average. There is no established performance target for this metric.

Table 1-6-8: Scorecard Performance: Public Safety - Level of Public Awareness

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	82.0%	82.0%	82.0%	82.0%	83.0%	82.2%
Industry Average	82.0 %	81.9 %	82.7 %	82.6 %	83.1 %	82.5 %

Chart 1-6-5: Industry Average vs. Alectra Utilities: Public Safety – Level of Public Awareness



Level of Compliance with Ontario Regulation 22/04

The metric measuring Ontario Regulation 22/04 exists to assess compliance with the ESA's standard for safety requirements in the design, construction, and maintenance of electrical distribution systems. Alectra Utilities has received a rating of 'compliant' for its performance in each of the last five years and expects to maintain a rating of 'compliant' over the rate period.

Table 1-6-9: Scorecard Performance: Public Safety - Level of Compliance with O.Reg 22/04

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	C	C	C	C	C	C

Serious Electrical Incident Index

A serious electrical incident is defined as any electrical contact or any fire or explosion that caused, or had the potential to cause, critical injury or death in any part of the distribution system operating at greater than 750 Volts (except as caused by lightning strikes).The Serious

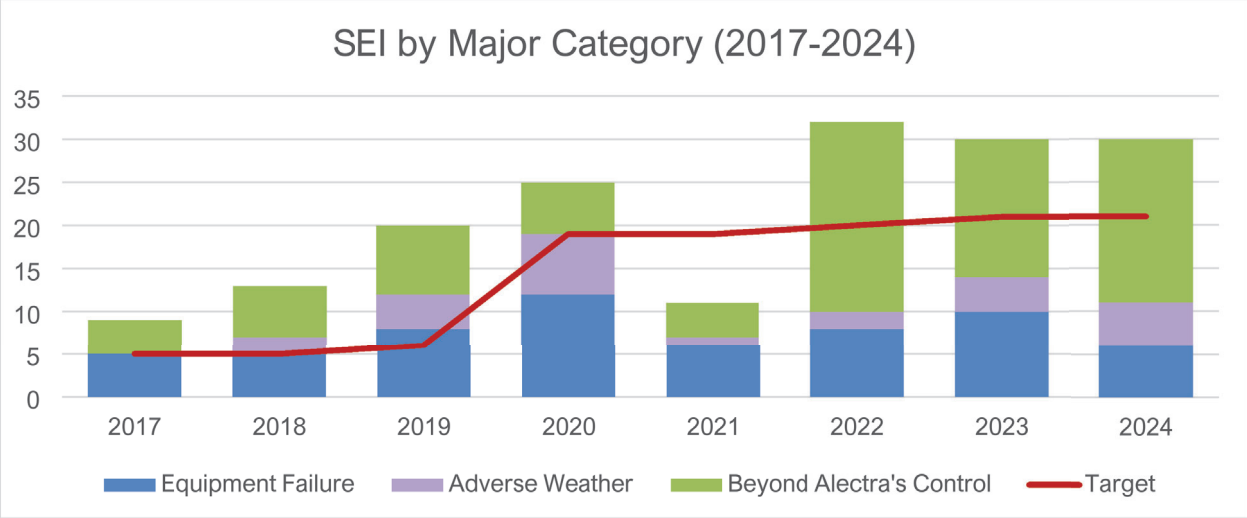
Electrical Incident (SEI) Index measures the number of and rate of serious electrical incidents that have occurred within a distributor's service territory in a given year.

Table 1-6-10: Scorecard Performance: Public Safety – Serious Electrical Incidents

	2019	2020	2021	2022	2023	5 Yr Avg
Serious Electrical Incident Index - Number of General Public Incidents						
Alectra Utilities	20	25	11	32	30	24
Industry Average	1	2	1	2	2	2
Serious Electrical Incident Index - Rate per 10, 100, or 1000 km of Line						
Alectra Utilities	0.950	0.504	0.222	0.617	0.591	0.577
Industry Average	0.144	0.330	0.071	0.099	0.322	0.193

The OEB establishes a distributor-specific target maximum SEI quantity at the outset of each year, calculated as 70% of the five-year rolling historical average. Alectra Utilities has missed the target each year, as described in Chart 1-6-6 below. Notably, however, as shown in the chart below, the number incidents beyond Alectra Utilities' control have consistently been a significant contributor to the overall quantity of SEI's.

Chart 1-6-6: Historical Serious Electrical Incidents by Major Category



Alectra Utilities routinely reviews SEIs and makes adjustments to system renewal and maintenance activities to reduce the risk of serious electrical events to the extent possible. Generally speaking, many of Alectra Utilities' investments in capital and maintenance programs

are intended to or expected to reduce, minimize, or prevent serious incidents. SEIs occurring as a result of events beyond Alectra Utilities' control, including motor vehicle accidents, tree contacts, and animal and inadvertent contacts, present challenges in forecasting SEI quantities with accuracy, due to the unpredictability their occurrence. Alectra Utilities' performance relative to industry average is provided below in Charts 1-6-7 and 1-6-8.

Chart 1-6-7: Industry Average vs. Alectra Utilities: Number of Serious Electrical Incidents

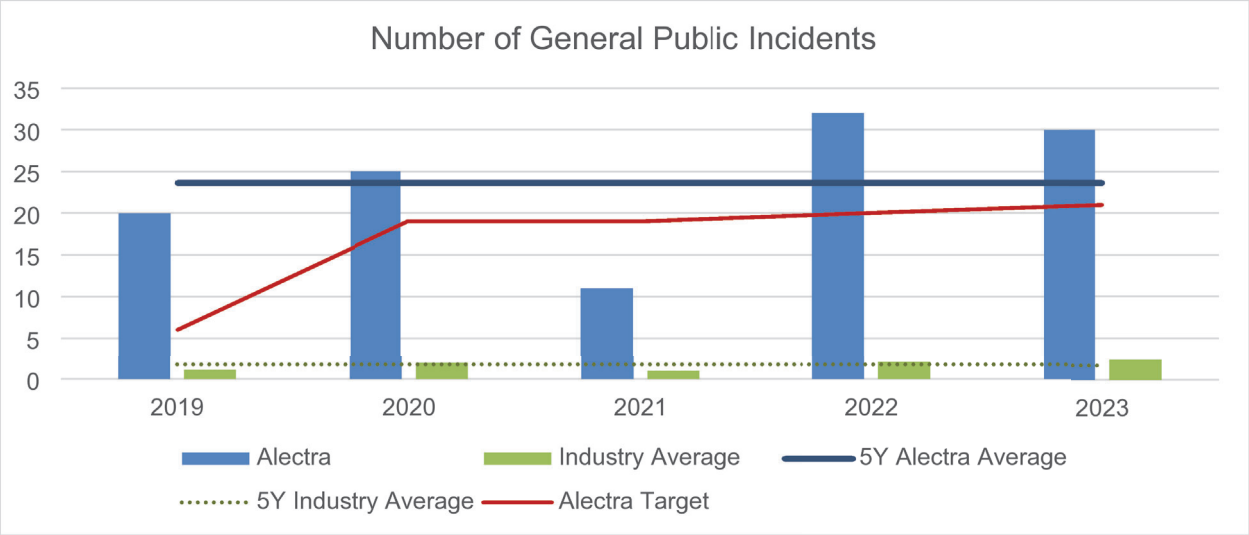
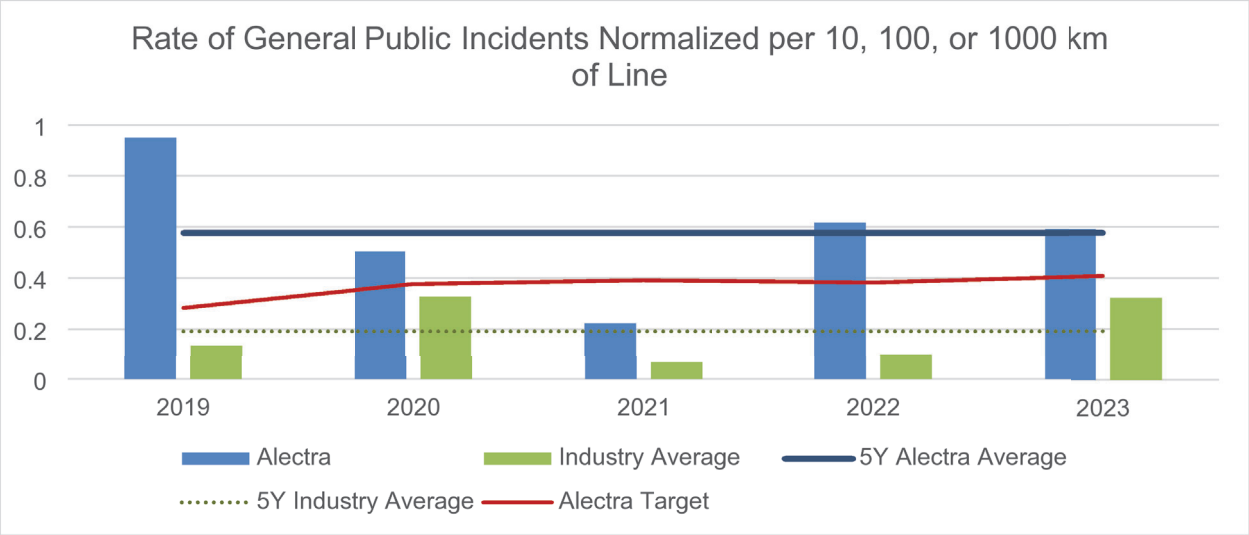


Chart 1-6-8: Industry Average vs. Alectra Utilities: Rate of Serious Electrical Incidents per 1000 Km of Line



System Reliability

Average Number of Hours that Power to a Customer is Interrupted and Average Number of Times that Power to a Customer is Interrupted

Alectra Utilities takes a proactive approach to reliability, including increasing and enhancing the use of automated devices to promptly restore outages following outage events, and investing in infrastructure renewal with respect to deteriorating assets to improve reliability performance. Reliability performance is measured by two metrics appearing on the scorecard, namely the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI), both of which exclude loss of supply and major event days. Alectra Utilities has generally performed above target under each metric. The outcome of Alectra Utilities' efforts include shorter outage durations and reduced outage quantities due to interruptions stemming from defective equipment. As further described in DSP section 5.2.3, Alectra Utilities anticipates further improvement in SAIDI and SAIFI performance over the rate period.

Table 1-6-11: Scorecard Performance: System Reliability

	2019	2020	2021	2022	2023	5 Yr Avg
Average Number of Hours that Power to a Customer is Interrupted (SAIDI)						
Alectra Utilities	1.07	0.95	0.98	0.88	0.83	0.94
Industry Average	1.68	1.90	1.63	1.90	1.83	1.79
Average Number of Times that Power to a Customer is Interrupted (SAIFI)						
Alectra Utilities	1.26	1.18	1.15	1.07	1.06	1.14
Industry Average	1.18	1.19	1.07	1.13	1.05	1.13

Chart 1-6-9: Industry Average vs. Alectra Utilities: Average Number of Hours that Power to a Customer is Interrupted

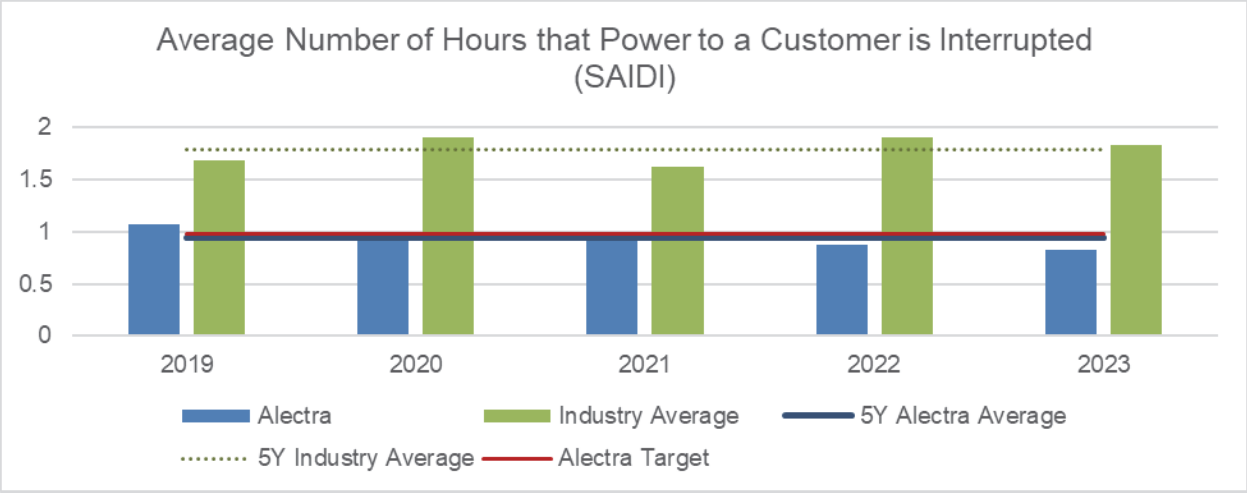
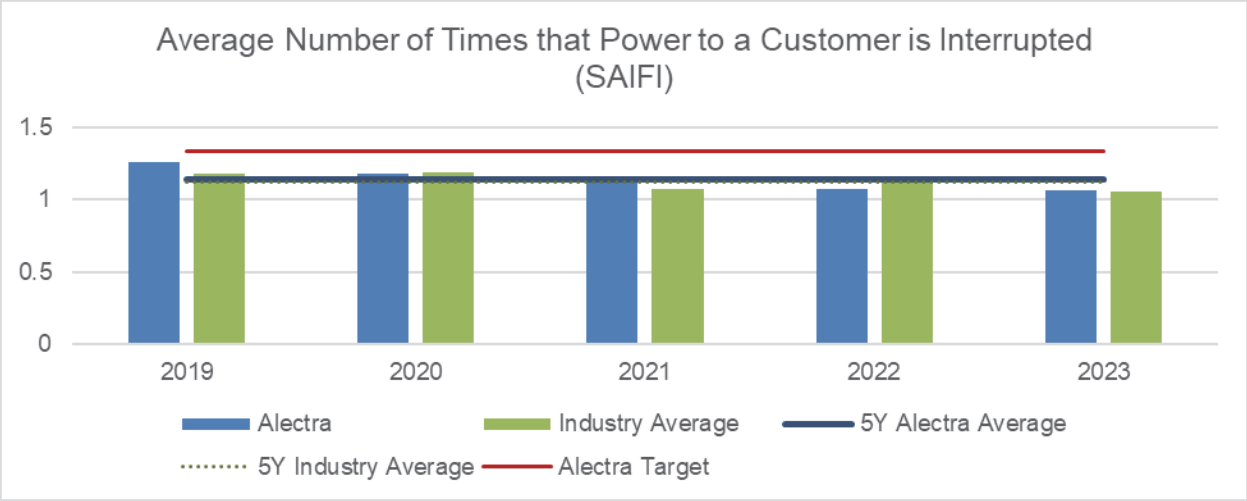


Chart 1-6-10: Industry Average vs. Alectra Utilities: Average Number of Times that Power to a Customer is Interrupted



OEB Appendix 2-G, provided as Attachment 1-5, presents Alectra Utilities' historical system reliability performance consistent with the OEB Scorecard.

Asset Management

Distribution System Plan Implementation Progress

This measure is calculated and reported based on a balance of financial and operational achievements relative to plans established in the DSP.

Table 1-6-12: Scorecard Performance: Distribution System Plan Implementation Progress

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	114.0 %	94.7%	90.3%	87.8%	100.4 %	97.4 %

The annual target for the DSP Implementation Progress measure is 100%. For more details, refer to Exhibit 2, DSP Section 5.2.3 Performance Measurement for Continuous Improvement, which describes planned outcomes over the rate period.

Cost Control

Efficiency Assessment

A total cost efficiency evaluation is conducted annually by Pacific Economics Group LLC (PEG) for all electricity distributors in the province (the PEG model). PEG evaluates a distributor's total costs against total predicted costs to determine a utility's level of efficiency and assigns the utility to one of five cohort groups. Each cohort has a defined stretch factor value, which is to be applied to a distributor's rate application for the next rate year:

1. Cohort I (Stretch Factor = 0.0%) – Actual costs are 25% or more below predicted costs
2. Cohort II (Stretch Factor = 0.15%) – Actual costs are 10% to 25% or more below predicted costs
3. Cohort III (Stretch Factor = 0.30%) – Actual costs are within +/- 10% of predicted costs
4. Cohort IV (Stretch Factor = 0.45%) – Actual costs are 10% to 25% or more above predicted costs
5. Cohort V (Stretch Factor = 0.60%) – Actual costs are 25% or more above predicted costs

Table 1-6-13: Scorecard Performance: Efficiency Assessment

	2019	2020	2021	2022	2023
Efficiency Assessment	3	3	3	3	3

PEG assessed Alectra Utilities as a Cohort III performer for each of the last five years for which data is available (2020-2024 PEG reports, representing 2019 to 2023 data). The methodology used by PEG includes the development of predicted costs for a subject utility generated on the basis of an econometric model, according to the subject utility's specific operating conditions. The distributor's actual cost is then compared to the model prediction to determine the percentage difference between actual and predicted costs as a way to measure cost performance. The magnitude of difference between each utility's actual and predicted cost over

a three-year rolling average is used to assign each distributor into cohorts, each of which has a different stretch factor outcome.

PEG assessed Alectra Utilities' actual costs to be between 9.7% below and 0.1% above predicted costs for each of the five historical years, as shown in Table 1-6-14 below.

Table 1-6-14: PEG Model Performance: Cost Efficiency Assessment

Cost Efficiency Assessment	2019	2020	2021	2022	2023
Alectra Utilities – Annual Result	0.1%	-4.4%	-6.9%	-9.1%	-9.7%
Alectra Utilities – 3 Year Average	1.2%	-1.7%	-3.7%	-6.8%	-8.6%

The results show that using PEG's cost model assessment, Alectra Utilities has outperformed the predictive cost model in every year, except for the first year, in which Alectra Utilities' result was 0.1% higher than the predicted outcome. In Alectra Utilities' view, outperforming cost expectations year after year, and with results that approach nearly 10% in the 2024 report, is very strong evidence of excellent cost management.

The PEG model predicts Alectra Utilities will move from Cohort 3 to Cohort 2 in 2025. A thorough explanation and analysis of these results can be found in Attachment 1-4, PEG Benchmarking Forecast Analysis.

Alectra Utilities has engaged Clearspring Energy Advisors to conduct an econometric benchmarking analysis of total costs, as further described at Exhibit 1, Tab 6, Schedule 2, Attachment 1-3. Clearspring has identified Alectra Utilities as a very strong cost performer with total projected costs that are 21.5% below the model's predicted costs through the 2027 to 2031 rebasing period. This forecast outcome is equivalent to a Cohort II performance according to the OEB's cohort scale.

Total Cost per Customer

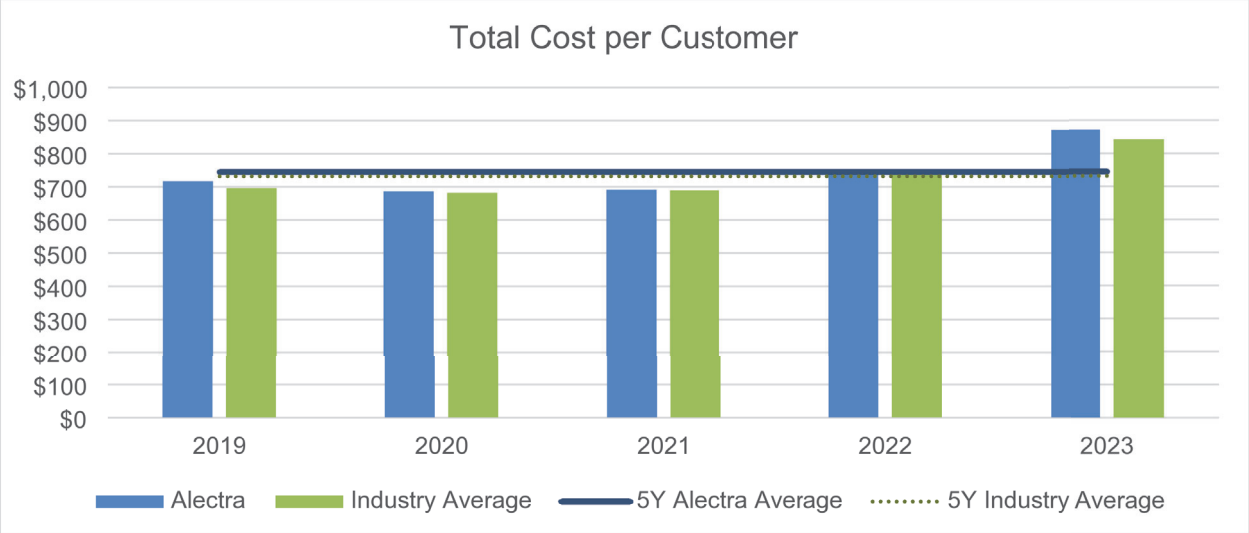
Total costs refer to combined operating and capital costs and include costs to operate, maintain, administer, and renew the distribution system, buildings, and the related systems and processes necessary to operate the distribution system. The total cost per customer is calculated by PEG as the sum of capital and operating costs divided by the total number of customers that Alectra

Utilities serves. Alectra Utilities' total cost per customer was $743 on average through the 2019 to 2023 period, which is in line with the industry average of $731. Alectra Utilities' total cost per customer increased by a larger margin in 2023 than in previous years as result of higher capital spending on specific projects, while operating costs increased by a margin of 3%. Between 2019 and 2023 Alectra Utilities' total cost per customer increased by $155 or 22%, due to capital and operational investments in maintenance and renewal of aging assets, continued efforts to improve service offerings, and efforts to comply with all regulatory obligations.

Table 1-6-15: Scorecard Performance: Total Cost per Customer

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	$ 716	$ 686	$ 691	$ 753	$ 871	$ 743
Industry Average	$ 695	$ 691	$ 700	$ 761	$ 858	$ 741

Chart 1-6-11: Industry Average vs. Alectra Utilities: Total Cost per Customer



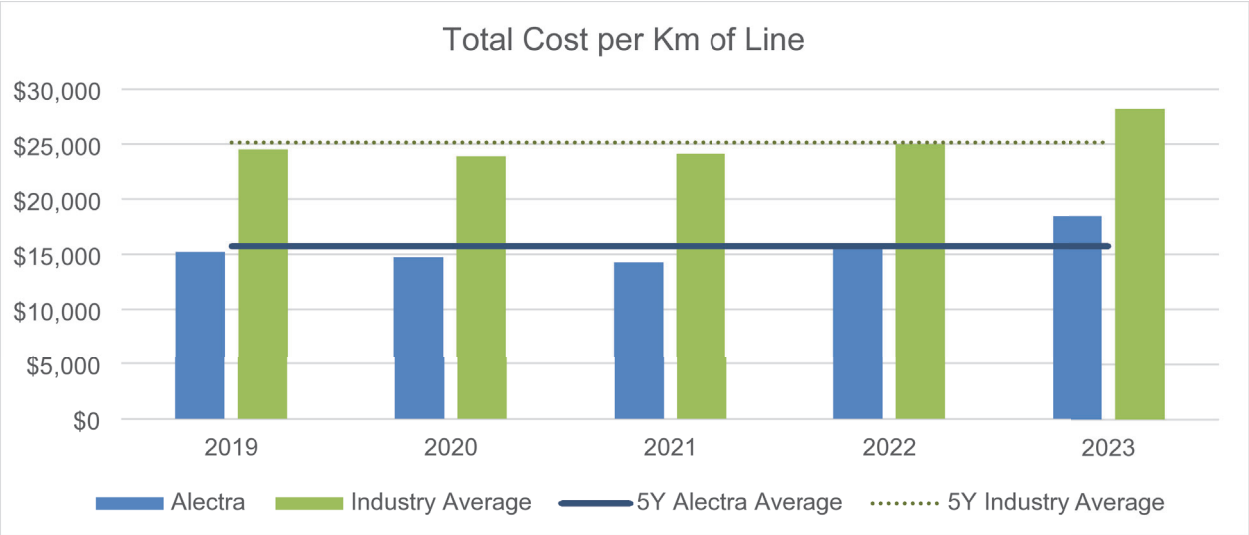
Total Cost per Kilometer of Line

The total cost per kilometer of line is calculated as the sum of capital and operating costs divided by the kilometers of line that Alectra Utilities operates to serve its customers. On average, Alectra Utilities' Total Cost per Kilometer of Line was $15,721 through the 2019 to 2023 period which compares favourably against the industry average. Alectra Utilities' total cost per kilometer increased by $3,247 or 21% over the historical period.

Table 1-6-16: Scorecard Performance: Total Cost per Kilometer of Line

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	$ 15,212	$ 14,730	$ 14,252	$ 15,952	$ 18,459	$ 15,721
Industry Average	$ 24,991	$ 25,180	$ 24,906	$ 25,492	$ 28,719	$ 25,858

Chart 1-6-12: Industry Average vs. Alectra Utilities: Total Cost per Kilometer of Line



PUBLIC POLICY RESPONSIVENESS

Connection of Renewable Generation

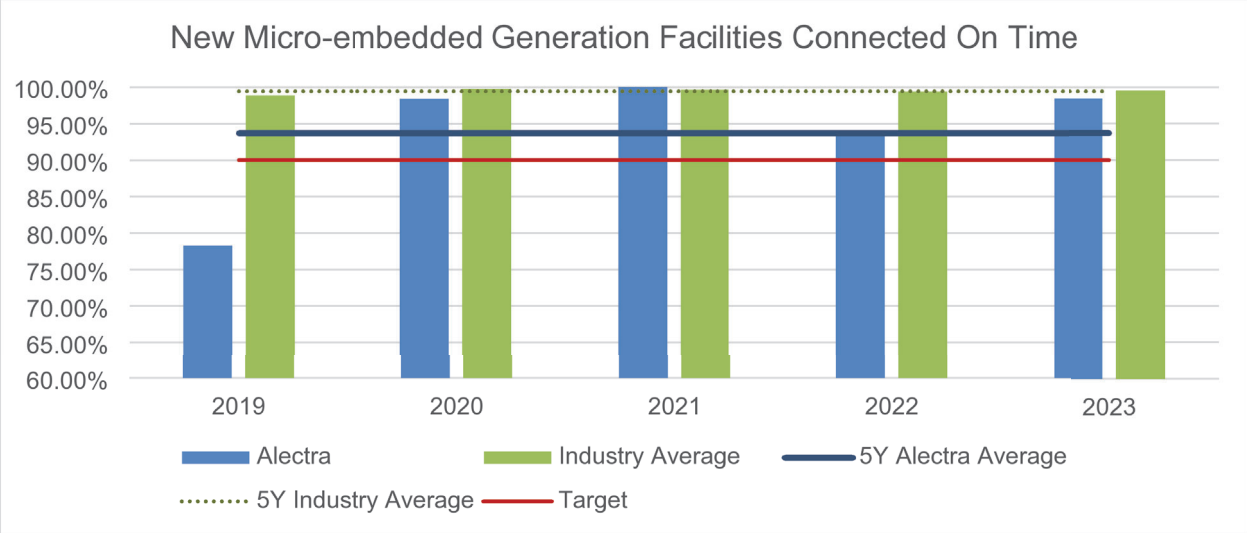
New Micro-embedded Generation Facilities Connected on Time

Per DSC 6.2.7, distributors must connect an applicant's new micro-embedded generation facility within five days of receiving authorization from the Electrical Safety Authority (ESA), at least 90% of the time on an annual basis. Alectra Utilities has performed well, missing one target in 2019 on account of a technology failure which impeded communications between internal departments. On average, Alectra Utilities' performance is 93.7% over the historical period with an average of 115 connections completed per year. Performance is expected to continue to meet and exceed the performance target over the 2027-2031 rate period.

Table 1-6-17: Scorecard Performance: New Micro-embedded Generation Facilities Connected on Time

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	78.3%	98.4%	100.0%	93.3%	98.4%	93.7%
Industry Average	98.8%	99.8%	99.6%	99.3%	99.5%	99.4%

Chart 1-6-13: Industry Average vs. Alectra Utilities: New Micro-embedded Generation Facilities Connected on Time



FINANCIAL PERFORMANCE

Financial Ratios

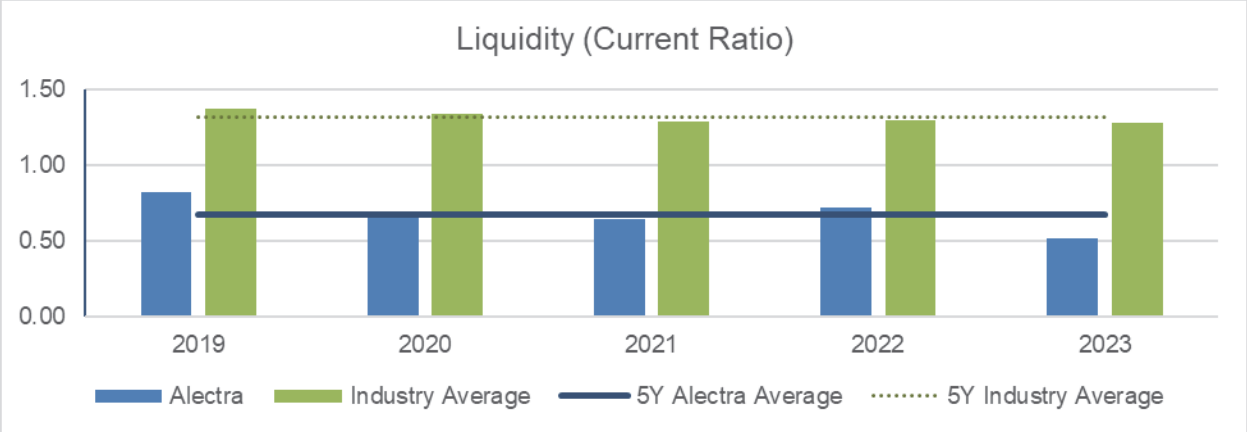
Liquidity (Current Ratio)

The current ratio indicates whether the distributor has enough assets to pay its liabilities over a 12-month term. A current ratio of 1.0 indicates that current assets are equal to the value of current liabilities. Alectra Utilities' current ratio has fluctuated between 0.51 and 0.82 over the 2019 to 2023 period, as outlined in Table 1-6-18 below. Alectra Utilities' performance relative to industry average is presented in Chart 1-6-14.

Table 1-6-18: Scorecard Performance: Liquidity (Current Ratio)

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	0.82	0.67	0.65	0.72	0.51	0.67
Industry Average	1.38	1.34	1.29	1.30	1.28	1.32

Chart 1-6-14: Industry Average vs. Alectra Utilities: Liquidity



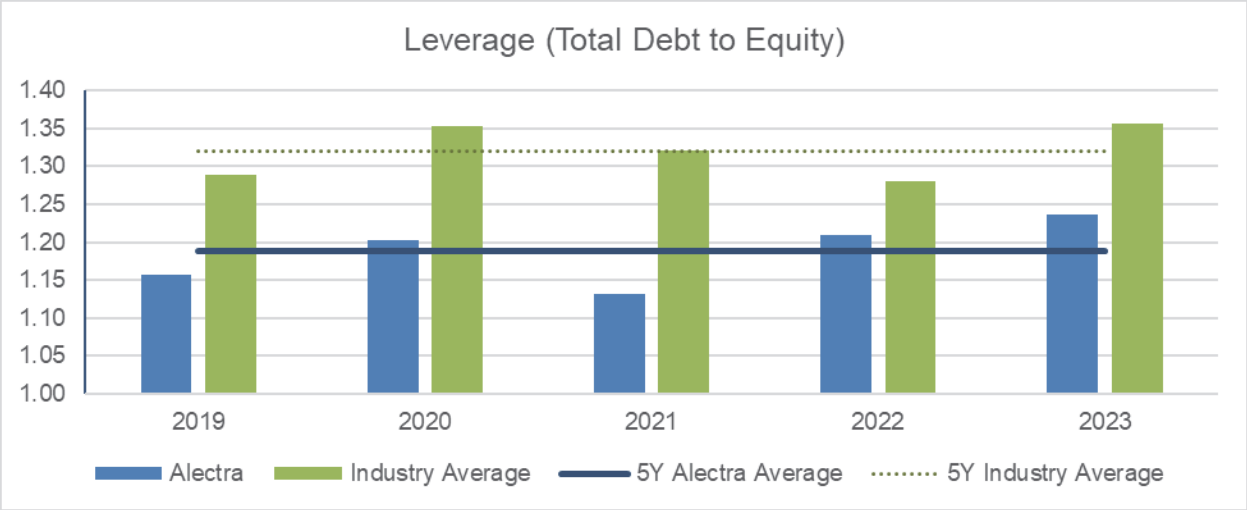
Leverage (Total Debt to Equity Ratio)

The debt-to-equity ratio measures the extent to which assets are financed by debt and equity for an entity. The OEB uses a deemed capital structure of 60% debt and 40% equity for electricity distributors when establishing rates, representing a debt-to-equity ratio of 1.5. A debt-to-equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A debt-to-equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. Alectra Utilities' total debt to equity ratio has remained within an appropriate range, between 1.16 and 1.24, throughout the 2019 to 2023 period. Alectra Utilities' performance relative to industry averages is presented in Chart 1-6-15.

Table 1-6-19: Scorecard Performance: Leverage

	2019	2020	2021	2022	2023	5 Yr Avg
Alectra Utilities	1.16	1.20	1.13	1.21	1.24	1.19
Industry Average	1.29	1.35	1.32	1.28	1.36	1.32

Chart 1-6-15: Industry Average vs. Alectra Utilities: Leverage



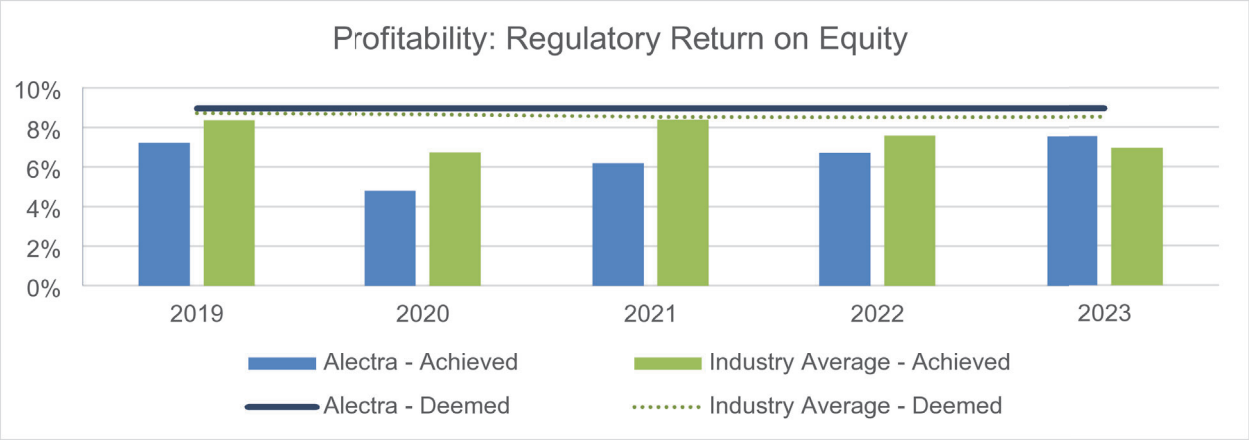
Profitability: Regulatory Return on Equity

The achieved Return on Equity (ROE) earned through OEB-approved distribution rates relative to the deemed ROE is an indicator of a distributor's financial health. If a distributor performs outside of a range of +/- 3% of the deemed ROE, this may suggest the utility is under-earning or over-earning. Alectra Utilities has consistently performed inside a range of +/- 3% of the deemed ROE, with the exception of 2020. Alectra Utilities' under-earning in 2020 was attributable to operating cost increases and bad debt expenses experienced as a direct result of the COVID-19 pandemic.

Table 1-6-20: Scorecard Performance: Return on Equity

	2019	2020	2021	2022	2023	5 Yr Avg
Profitability: Regulatory Return on Equity - Deemed						
Alectra Utilities	8.95 %	8.95 %	8.95 %	8.95 %	8.95 %	8.95 %
Industry Average	8.90 %	8.85 %	8.68 %	8.66 %	8.67 %	8.75 %
Profitability: Regulatory Return on Equity - Achieved						
Alectra Utilities	7.21 %	4.80 %	6.18 %	6.70 %	7.55 %	6.49 %
Industry Average	8.12 %	6.50 %	8.65 %	7.72 %	7.00 %	7.60 %

Chart 1-6-16: Industry vs. Alectra Utilities: Return on Equity



Attachment 1-3

Clearspring Energy Advisors Econometric Benchmarking and Incentive Regulation Parameter Study

Econometric Benchmarking and Incentive Regulation Parameter Study for Alectra Utility's 2027 Custom IR Application

PREPARED BY:

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JULY 2025

Clearspring Energy Advisors LLC

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1 Executive Summary

Clearspring Energy Advisors, LLC ("Clearspring") was engaged on behalf of Alectra Utilities Corporation ("Alectra" or "Company") to conduct an empirical study that would produce total cost benchmarking results for the Company to be used for a stretch factor recommendation, along with recommendations in respect of operations, maintenance, and administration ("OM&A") revenue escalation parameters for Alectra's 2027 custom incentive regulation ("Custom IR") application. The lead researcher of the study is Mr. Steven A. Fenrick. Mr. Fenrick has led numerous studies in Ontario and throughout North America. A copy of Mr. Fenrick's summary *curriculum vitae* is provided in Appendix B.

Clearspring produced results from an econometric total cost benchmarking model to determine Clearspring's stretch factor recommendation for Alectra's Custom IR plan. The cost model is further used in the calculation of the appropriate growth factor ("G Factor") that should be included in the OM&A revenue escalation formula. Clearspring further calculated the difference in the expected OM&A input price inflation that Alectra will encounter relative to the Ontario Energy Board's (the "OEB" or "Board") forecasted input price index ("IPI"). This OM&A-specific input price differential ("IPD") should also be included in the OM&A revenue escalation formula.

The benchmarking research uses the econometric approach to evaluate and compare total costs. This approach aligns with the Board Decision in the 4th Generation Incentive Regulation ("4GIR") proceeding.[1] The benchmark model uses established methodologies that have evolved and been refined through numerous incentive regulation proceedings in Ontario. The research aligns closely with the most recent total cost benchmarking models put forth by Clearspring. Most notably, during Hydro One Network's most recent joint rate application, Clearspring and Board Staff's consultant, Pacific Economics Group ("PEG"), undertook a conferral process regarding benchmarking and together issued a joint report.[2] Clearspring used the Joint Report benchmarking research as the foundation for the current total cost study.

Clearspring updated the dataset and retained all the variables and methodologies used in the Joint Report with the only change being that we improved the model specification by refining the percent congested urban variable to vary over time. This is the same change we made in Toronto Hydro's most recent application.[3] Section two and Appendix A provides more details on the benchmark methodology, narrowing of differences, and the refinements made. Section three displays the model coefficients and results of the total cost benchmark as applied to Alectra.

Production economics and the theoretical underpinnings of incentive regulation dictate that costs will increase primarily due to input price inflation, output growth, and changes in productivity. To more closely align with economic theory and provide an equitable revenue escalation formula that properly accounts

[1] Case EB-2010-0379.

[2] The Hydro One Joint Rate Application was EB-2021-0110. The conferral process produced a report titled, *Clearspring/PEG Joint Report on Hydro One Benchmarking and Productivity Research*, ("Joint Report").

[3] Case EB-2023-0195.

for each of these influences on cost escalation, Clearspring recommends that the following two factors be included in the OM&A revenue escalation formula: the G Factor and the IPD. We understand the Company is proposing to escalate capital revenue using a Capital Factor, and for this reason there is no need to include a G Factor or capital-specific IPD term in the capital revenue escalation formula. Section four will provide the mathematical and theoretical foundations for the above recommended factors. Sections five and six provide details on how each factor is calculated.

1.1 Recommended Custom IR Parameters

The research conducted by Clearspring and described in this report includes an analysis and recommendation on the stretch factor, G Factor, and the OM&A-specific IPD. Each of these three components align with the three main drivers of annual cost escalation, which are: input price inflation, system output growth, and productivity changes. The IPD term customizes the Board's inflation index to account for the expected inflation that the Company will face in its OM&A expenses, the G Factor accounts for the expected growth in Alectra's distribution system and how that is expected to increase annual costs, and the stretch factor provides a productivity goal above and beyond the expected productivity trend of the industry. Clearspring's recommendations for these three escalation components are summarized below:

- **Stretch Factor = 0.15%.** The econometric total cost results reveal that, at the proposed spending levels, Alectra's expected costs are well below benchmark expectations and Alectra will continue to be a very strong cost performer throughout the Custom IR years. During the Custom IR years of 2027 to 2031, Alectra's proposed total costs are projected to be 21.5% below the model's expectations. Given this strong cost performance, it would be extremely challenging to expect the Company to exceed the productivity trend of the industry.

  The stretch factor recommendation of 0.15% is based on the Board's 4GIR stretch factor cohorts. This stretch factor would be added to the base productivity factor of 0.0% to calculate the X Factor. The 0.0% base productivity factor is based on the 4GIR Decision and has been the productivity factor value used in all prior Custom IR proceedings. This proposed base productivity factor already includes an "implicit stretch factor" because productivity trends in Ontario are believed to be negative. As far as Clearspring is aware, there is no evidence establishing that the Ontario industry TFP is above zero.[4] Given the Company's strong total cost performance and the implicit stretch factor already present in the productivity factor, the 0.15% stretch factor is the sole stretch factor that is supported by the benchmarking results. The X Factor reduces the allowed revenue escalation, in this case, by a recommended 0.15% per year. The table below provides Alectra's average percentage difference between its projected total cost levels and the

[4] The productivity trends were found to be negative during the 4GIR proceeding.

econometric model-derived expectation of those costs given Alectra's service territory conditions.

CIR Period	Alectra Average % Difference
2027-2031	**-21.5**

- **G Factor = 1.81%.** Utility costs will increase as outputs grow, and the system expands requiring the utility to correspondingly increase investments and efforts to cover the larger production level. Mathematically, the proper approach in calculating the G Factor is to calculate a cost-elasticity weighted average of the growth rates in the outputs which impact costs. Clearspring uses the cost elasticities of the outputs found in the Clearspring total cost econometric model to weight the expected growth rates in the number of customers and system peak demand. The G Factor should be added to the OM&A escalation formula to increase the allowed revenue escalation by 1.81%.

- **OM&A-Specific IPD = 0.36%.** Input price inflation will push costs higher as the inputs of production increase in price over time. While the IPI acknowledges this, the IPI does not capture the actual labour and non-labour proportions of Alectra's OM&A expenses. The IPD enables the customization of the IPI to Alectra's operating circumstances. The current IPI assumes a 70% weight for the non-labour component (GDP-IPI) and a 30% weight for the labour component (average weekly earnings). In the 4GIR Report of the Board[5] the IPI 30/70 weighting included an assumption for capital and was not specifically designed for OM&A. On page 9 of that report, the assumption used for the OM&A specific components was a 70% weight on labour and a 30% weight on non-labour but the weights flipped to only a 30% weight on labour due to adding capital into the 4GIR input price index.[6] The appropriateness of the inflation adjustment for an OM&A escalation formula is improved by aligning it with the actual component weights of OM&A. Alectra's actual labour and non-labour weights in its OM&A expenses are close to the 70% labour weighting in OM&A used as the assumption in the 4GIR Report of the Board. When an adjustment is made for Alectra's actual proportion of labour in its OM&A expenses, the Company's OM&A input prices are projected to increase by 0.36% higher than what the IPI would otherwise project. This IPD amount should be added to the OM&A revenue escalation formula to increase the revenue escalation formula by 0.36%.

Clearspring recommends that the stretch factor be applied to both capital and OM&A revenue as a challenging stretch goal. Based on the strong cost performance of the Company, a stretch goal of 0.15% is appropriate and sufficient in the circumstances for inclusion in the formula. The G Factor and IPD should

[5] Please see the Report of the Board in EB-2010-0379 issued on November 21, 2013 and corrected on December 4, 2013.

[6] This is shown in footnote 9 of the 4GIR report.

only be applied to OM&A revenue. It is Clearspring's understanding that the Company's proposed Capital Factor already accounts for growth and, therefore, adding a G Factor for capital would be duplicative. The IPD calculation of 0.36% is specific to OM&A input price inflation and customized to Alectra's actual OM&A input proportions. The following formula summarizes Clearspring's recommendations on the revenue escalation formula for OM&A.

$$OM\&A\ Revenue\ Escalation = (IPI + IPD) - X + G$$

$$OM\&A\ Revenue\ Escalation = (IPI + 0.36\%) - 0.15\% + 1.81\%$$

2 Overview of Benchmarking Methodology, Narrowing of Differences, and Improvements Made

The distribution total cost model updates and builds upon the foundation laid in prior Custom IR proceedings. Hydro One Network's most recent Custom IR application included a conferral process involving Clearspring and the Board Staff's benchmarking expert, Pacific Economics Group. Clearspring and PEG issued the Joint Report titled, "Clearspring/PEG Joint Report on Hydro One Benchmarking and Productivity Research" during that application. Both Clearspring and PEG have endeavoured throughout prior Custom IR applications to narrow benchmarking methodological differences. The only consequential difference regarding distribution total cost benchmarking cited by Clearspring and PEG in the Joint Report was the service territory area of Hydro One.[7] That is a non-issue in this proceeding since Hydro One is not included in the sample for this study.

Clearspring used the same methodology for the total cost model as used for Hydro One and the research found in the Joint Report. We made only one variable improvement from the Joint Report specification, which is the same refinement that was made in the most recent Toronto Hydro application, after the Joint Report was issued. This improvement allows the percent congested urban variable to vary by time instead of the time invariant variable that is found and used by both Clearspring and PEG in the Joint Report research. A summary of how prior differences have been narrowed throughout Custom IR proceedings is found in the following sub-section (Section 2.1).

The benchmarking study employed the econometric benchmarking approach. This is the most accurate and fair method when comparing utility cost and/or reliability levels because it explicitly adjusts for the quantifiable differences between utility service territories and business conditions. It is also the same method preferred by the Board in the 4GIR Decision and extensively used for over a decade in Ontario regulation.

By contrast, simple unit comparisons of metrics such as rates, unit costs, or reliability indices do not typically allow regulators to compare the productivity performance of utilities in a comprehensive or robust manner. Importantly, factors that are outside the control of the utility affect costs, reliability and productivity performance. Such factors include geographical size, regional wage levels, rural density, or serving a congested urban territory, by way of example. For the purposes of assessing productivity, it is often difficult or impossible to account for these factors using a simple direct comparison approach.

Adjusting for these and other influencing factors is necessary to accurately evaluate performance. With this concept in mind, Clearspring has estimated an econometric model from a large sample of utilities using variable parameters that are statistically significant and influential on distribution utility costs. The

[7] In the conferral process, there were a few changes made by the consultants to their original reported research. Regarding Clearspring's research, PEG suggested that both Clearspring and PEG include an O&M based scope variable. Clearspring investigated the merits of this suggestion and then agreed to include this variable and update the model results found in the Joint Report with this new variable. We now include this same variable in our current research for Alectra.

benchmarking method adjusts for service territory conditions and other factors that affect the studied metric.

Using a large sample of utilities, the econometric model produces an industry-wide estimation of how the variables (e.g. number of customers, peak demand, etc.) affect the studied metric (e.g. total costs). For the present study, the sample used to estimate the models includes U.S. observations from multiple utilities for multiple years. It is a robust sample that produces an accurate benchmark assessment of Alectra's total costs.

The model uses the industry data over the studied period to determine the relationship between the metric and the factors that drive it. For example, the total cost model estimates the industry-wide relationship between total cost and certain variables, based on the utilities included in the sample. The model is then used to predict Alectra's "expected" (benchmarked) costs, using the same estimated relationship between the costs and the explanatory variables, and using Alectra's particular values for the variables. The Alectra variable values are actual values for the years 2024 and prior. For the years after 2024, they are forecasted variable values.

Total cost predictions are calculated by inserting company-specific variable values into the estimated equation for each year in the study. The benchmark score is defined as the logarithmic percentage difference of the observed data to the predicted value of the data for a given year, as shown below.

$$Benchmark\ Score = \text{Natural Log}\ \left(\frac{Observed\ or\ Projected\ Cost\ Data}{Predicted\ Cost\ Data}\right)$$

The general approach of our benchmarking analysis is:

1. We assembled a dataset that includes the historical costs of all the observations, along with the variables that affect cost, such as customer totals, peak demands, service territory size, forestation, congested urban, wage levels, etc.
2. Using the sample data, Clearspring estimated a total cost model. The model expresses the relationship between the variables and total costs.
3. We can then produce "benchmark" values for Alectra for any given year. The benchmarks denote the expected value for an average-performing utility with identical explanatory variable values for that year.
4. A comparison between the actual values and the benchmarks can then be made for each year.
5. Future years for Alectra, based on the proposed spending plan, are also benchmarked and compared to projected benchmark costs, using the same model parameter estimates, and *projected* explanatory variable values (instead of *actual* variable values for historical years).

2.1 Prior Methodological Differences Addressed and Improvements Made

There have been several differences that have been addressed and narrowed by both Clearspring and PEG regarding distribution total cost benchmarking. As stated earlier, the only remaining consequential

difference in the Hydro One application was what value to give regarding Hydro One's service territory.[8] This remaining difference is moot regarding benchmarking Alectra since Hydro One does not enter the sample and Alectra's service territory is far easier to define and matches how other utilities in the sample have this variable defined.

Other past methodological issues or differences that have already been addressed, or were determined to be inconsequential, prior to this study include the following.[9]

- **Sample Period** – Clearspring used 2000 as a start year of the sample for the Hydro One research and also uses 2000 for this study, while PEG used 2002 in the Hydro One application for distribution benchmarking. However, this is not a consequential difference. Clearspring also used this same 2000 start year in the most recent Toronto Hydro study, while PEG did change their start year to 2007 in that study.

- **Estimation Procedure** – Both Clearspring and PEG used the Driscoll-Kraay ("DK") method in the Joint Report and Clearspring continues to use the DK method for this study. The DK method uses ordinary least squares estimators to formulate the benchmark values. Both PEG and Clearspring continued the use of the DK method in the most recent Toronto Hydro studies.

- **Model Specification** –The model specification of the Joint Report is continued in this research by Clearspring with one improvement: further refining the congested urban core by allowing the variable to change over time. This refinement -- making the congested urban variable time variant -- was implemented by Clearspring in the most recent Toronto Hydro study.

- **Peak Demand Variable Definition** – Clearspring used a 10-year rolling average for our peak demand variable in the Hydro One research and applied that same definition in this study. PEG uses a ratchet definition for its variable in its Hydro One research. Both consultants agreed in the Joint Report that this was not a consequential difference. Both consultants continued with their same approaches in the Toronto Hydro proceeding.

- **Capital Asset Price Levels** – Clearspring adjusted its definition of these prices in our Hydro One research in response to PEG raising an issue that the price levels should be based more on the entire service territory of each utility rather than just the headquarter city. PEG also used these same prices in its Hydro One research. Both consultants continued with the same approaches in the Toronto Hydro proceeding. Clearspring continues this practice of using the service territory rather than the headquarter city as the basis for the price levels in the current research.

- **Canadian Input Price Inflation** – In the Hydro One proceeding, Clearspring and PEG used the same

[8] Even regarding this difference, both consultants acknowledged the "difficulty and challenge in getting the perfect number for this variable".

[9] For a fuller description of these, please see the Clearspring report in the most recent Hydro One application. On p. 9, section 2.1 of that report we provide more details on each of these differences and how they were addressed.

input price inflation assumption. This was based on using a 50% weight of PEG's preferred index and a 50% weight of Clearspring's preferred index. Both consultants continued with the same approaches in the Toronto Hydro proceeding. Clearspring continues with this compromise in the current research although we remain partial to using the Handy-Whitman electric distribution indexes.

- **Older Capital Benchmark Year** – In the Hydro One application, Clearspring undertook considerable efforts to begin the capital stock calculation as early as possible. For most of the sampled utilities, we were able to begin that calculation in 1947. This helped address one of the issues PEG had previously raised that an older capital benchmark year is preferred and more accurate. Both consultants continued with the same approaches in the Toronto Hydro proceeding. Clearspring continues this practice in the current research.

- **Customized Labour and Non-Labour OM&A Weights** – In the Hydro One application, Clearspring and PEG both used weights based on utility-specific data for the labour and non-labour components of the OM&A price index. Both consultants continued with the same approaches in the Toronto Hydro proceeding. Clearspring continues this treatment in the current study.

- **Pensions and Benefits Treatment** – Both Clearspring and PEG agreed to exclude pensions and benefits in the Hydro One proceeding and Joint Report. Both consultants continued with the same approaches in the Toronto Hydro proceeding. Clearspring continues this exclusion in the current study.

Most of the differences between the consultants have therefore been narrowed considerably. Even a model specification difference such as whether to include the distribution work variable has only minor impacts on results. PEG did not include that variable in its distribution Joint Report model, and Clearspring did, but both consultants agree it has minor implications for the results.[10]

2.1.1 Model Specification Improvement to the Joint Report

There is only one difference between the Joint Report distribution total cost methodology and model specification that Clearspring estimated and the model for this application. This is the same improvement that Clearspring made in the most recent Toronto Hydro application. Clearspring refined the percent congested urban variable by adding a time dimension, shifting it from a time invariant variable to a time variant variable. This is desirable because it better reflects that congested urban areas are not static; they may change and expand over time.

Clearspring and PEG have included a congested urban variable in benchmarking research for several recent CIR applications. In the Hydro One Joint Report, both Clearspring and PEG used the time invariant version of the model. In the subsequent Toronto Hydro proceeding, Clearspring refined the variable to

[10] Clearspring tested its model in this application and the variable continues to have minor implications (less than 2%) on the results for Alectra's total costs.

allow it to vary over time based on the annual change in high-rise skyscrapers within each utility's service area. PEG incorporated this same congested urban core escalation methodology in its total cost benchmarking research.[11]

Using a time variant percent congested urban variable is a better and more accurate approach because cities may grow or contract over time. Accounting for these changes improves both the model accuracy and the time trend variable estimate in the model. Using a method that allows the congested urban variable to adjust for growth produces a more accurate depiction of historical and projected total cost performance.[12]

The original congested urban core variable data was gathered in 2016 and 2017. This involved multiple engineers and mapping experts spending hundreds of hours going over digital maps of North American cities to identify areas with buildings that were predominantly seven stories or higher and would most likely cause higher infrastructure challenges, and thus cost challenges, to the utility serving those areas. However, the 2017 challenges faced by each utility are not the exact same challenges faced in future (or past) years. This is especially true for utilities serving cities that are either rapidly growing or rapidly declining.

To make this congested urban variable time variant, Clearspring gathered the number of high-rise skyscrapers at or above 100 metres for each year and for each city served within the U.S. sample. This data was gathered from the Council on Tall Buildings and Urban Habitat ("CTBUH").[13] The CTBUH dataset spans the years of the sample period, 2000 to 2023, enabling the changes in skyscrapers in each utility's service territory to be used to modify the congested urban variable.

One issue with using the change in the number of skyscrapers per year to modify the congested urban variable is that some of the increase in skyscrapers may be to infill areas that are already classified as congested urban. For example, a seven-story building might be torn down for a building that is higher than 100 metres. Therefore, it is appropriate to reduce the growth rate escalation to account for this reality. During the Toronto Hydro research, Clearspring created a regression model that estimated how the change in the skyscraper count would impact the congested urban variable. Using the sample observations with a congested urban area, we found that every 1% change in the number of skyscraper buildings equated to a 0.63% change in the congested urban variable.[14]

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[11] PEG did change the variable to be the total congested area rather than a percentage variable in the most recent Toronto Hydro proceeding. Clearspring in its Reply Report disagreed with this change and discussed several drawbacks to changing from the established percent congested urban variable to one that only measures the area of congested urban territory. Nonetheless, PEG did implement the same escalation method that Clearspring put forth for the variable.

[12] Improving the congested urban variable to be time variant has a negligible impact on Alectra's total cost benchmark score. The change worsens the score by less than one percent.

[13] The CTBUH website and data is available at www.ctbuh.org.

[14] The econometric equation was simply the natural log of the congested urban area as the left-hand side variable, with a constant and the natural log of the number of skyscrapers in 2017 for those utilities in the sample with a non-zero value for the congested urban variable and skyscrapers (n = 35).

To adjust the congested urban variable for years subsequent to 2017 the formula is:

$$Congested\ Urban_t = Congested\ Urban_{t-1} * exp\left[0.63 * ln(\frac{Skyscrapers_t}{Skyscrapers_{t-1}})\right]$$

To adjust the congested urban variable for years prior to 2017 the formula is:

$$Congested\ Urban_t = Congested\ Urban_{t+1} * exp\left[0.63 * ln(\frac{Skyscrapers_t}{Skyscrapers_{t+1}})\right]$$

The prior time invariant approach assumed there was no change in a city's congested urban area during the sample period. This is the same as assuming a 0.0% impact on skyscraper changes to the congested urban value rather than the 0.63 value used in the equations above.

2.2 Benchmarks for Future Years

The same econometric model and its associated parameter values that are estimated using historical data (and used to develop Alectra's historical benchmarks) are also used to calculate the Company's benchmarks for future years through 2031. These parameter values are combined with projected variable values to calculate the expected total costs of Alectra in the future years of the Custom IR period.

Clearspring Energy was provided OM&A expense, plant addition, customer counts, and peak demand projections from Alectra. We then inserted these projections for each future year into the estimated econometric model.

2.3 Defining Alectra

Alectra was founded in 2017 and, in its current form, is the amalgamation of five predecessor utilities. These five are: Enersource, Horizon Utilities, PowerStream, Hydro One Brampton, and Guelph Hydro. This study has gathered historical data, including net plant and gross plant additions, going back to 2002 for all five of the predecessor utilities in the years they existed and then summed the data to formulate those values as if Alectra always existed in its current form.

2.4 Other Model Details

The model variables, parameter estimates, cost definition details, and results are provided in Section 3. Appendix A includes methodology details which include the method used to calculate capital quantities and costs (perpetual inventory method), model estimation approach, model specification, and variable parameter hypothesis testing.

3 Distribution Total Cost Benchmarking Variables, Model, and Results

Clearspring undertook a total cost econometric benchmarking study of Alectra's distribution costs. This study provides a comparison of Alectra's distribution total costs to the benchmark costs after adjusting for the specific output levels, input prices, and business conditions that the Company operates within. These comparisons are made for both historical and forecasted years through 2031. For more information on the benchmarking methods please see Section 2 and Appendix A.

3.1 Distribution Variables

The three output variables used in the distribution benchmarking research are:

- Total customers served,
- A 10-year rolling average of peak demand, and
- The total distribution service territory of the utility.

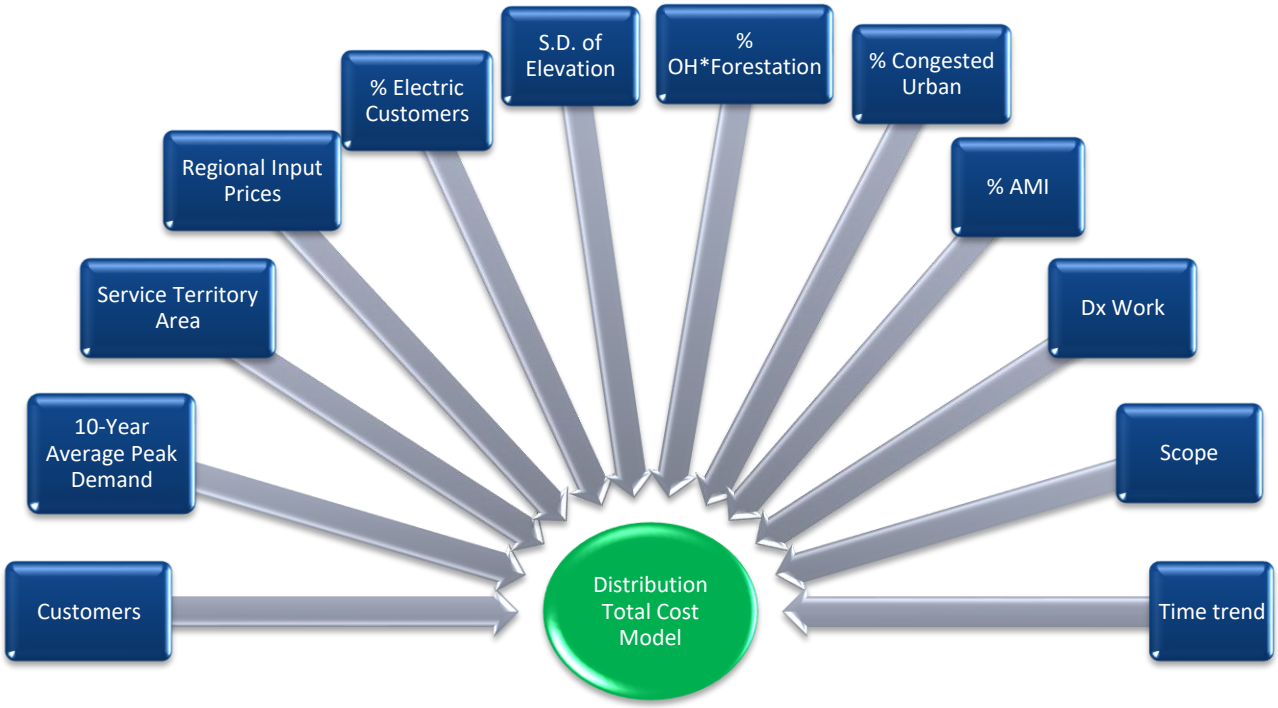
The business condition variables used in the distribution benchmarking research are:

- Regional input prices (total costs in the model are divided by the input price index),
- Percent of electric customers in the total of electric and gas customers,
- Standard deviation of elevation,
- Percent of distribution plant that is not underground multiplied by the percent of forestation,
- Percent of congested urban area within each utility's service territory,
- Percent of AMI (smart meters) deployed by the utility in each year,
- The distribution work variable measures the percent of transmission lines classified as being served by transmission that are above 50 kV,
- The O&M based economies of scope variable which measures the percentage of distribution O&M expenses in total distribution, transmission, and generation expenses, and
- A time trend variable.

These are the same variables used by Clearspring in the Hydro One Joint Report with which PEG had no significant issues, and closely matched PEG's model specification. The one change is the variable refinement to the percent congested urban variable which now is allowed to vary by time based on the annual changes in high-rise buildings, as described further above.

The variables included in the distribution benchmark analysis are shown in the figure below.

Figure 1 Variables in Distribution Cost Model



These variables provide a robust accounting of the varying service territory conditions faced by distribution utilities. All first order variables are statistically significant at a 90% confidence level and all variables are correctly signed (i.e., they are signed the way we would expect).

3.1.1 The Definition of Distribution Costs

OM&A and capital costs used in the benchmarking models for the U.S. distribution utilities are derived using FERC Form 1 filing data.[15] United States investor-owned utilities are required to file FERC Form 1 data annually, which includes operation and maintenance expenses broken down into specific cost categories (e.g., distribution, transmission, customer billing, administrative and general). Form 1s also include information regarding gross plant in service and accumulated depreciation that are used in constructing capital costs.[16]

We used a cost definition that is consistent between both the U.S. sample and Alectra. The cost definition is the same as Clearspring has used in the last several Ontario CIR total cost benchmarking studies led by Mr. Fenrick, including the Hydro One Joint Report total cost benchmarking study. Clearspring began with

[15] Some of the FERC Form 1 data was gathered using HData's database tool and also SNL Energy's database tool.

[16] Clearspring gathered plant addition data going back to 1947. This data was collected from various EIA annual reports.

the benchmark-based cost definition used by PEG in the 4GIR proceeding. To be consistent with the U.S. sample, we added high-voltage expenses to the cost definition for Alectra. The FERC Form 1 does not break down high- versus low-voltage distribution expenses, as Ontario reporting does. For the same reasons, contributions in aid of construction ("CIAC") have been excluded from Alectra's cost definition, due to those expenses not being included in the U.S. Form 1 data. Bad debt expenses (called uncollectible expenses in the FERC Form 1) have been excluded for all utilities, to match the 4GIR benchmark-based definition.

The cost definition also excludes customer service and information ("CSI") expenses from total costs for all utilities. This is due to the possibility that the U.S. utilities include conservation demand management ("CDM") expenses in the CSI expense category. This assures cost consistency between the U.S. sample and Alectra. Pensions and benefits are also excluded from the cost definition for both the U.S. sample and Alectra to assure consistency and not permit the different health care systems of the two countries to impact results. The table below summarizes the cost definition treatment.

Table 1 Distribution Cost Definitions

Cost Element	Treatment
4th Generation IR Benchmark-Based Costs	This is the starting point for the sample.
Contributions in Aid of Construction (CIAC)	We subtracted from Alectra distributor costs, since U.S. cost data does not include CIAC.
High Voltage Expenses	We added to Alectra costs, since U.S. cost data includes distribution high voltage costs.
Customer Service and Information (CSI) Expenses	We excluded CSI expenses for both the U.S. and Alectra, given the possible inconsistency in CDM reporting and effort levels.
Pensions and Benefits	We excluded OM&A pensions and benefits from both the U.S. and Alectra data.

The distribution total cost model includes three output variables. The first is the total number of customers served, the second is the ten-year rolling average of peak demand for each utility, and the third is the total service territory area for each utility. The first two output variables are gathered from FERC Form 1 data. The third uses GIS information on the utility service territory area; this variable uses the same values for the U.S. sample as found in the Hydro One research by Clearspring and PEG. The historical output data for Alectra regarding the number of customers and peak demands comes directly from the Company. The peak demand variable is calculated based on taking the ten-year rolling average of annual

peak demand on the system in the sample that has occurred up to that year. For years without ten years' worth of historical data, the years that are available were averaged.[17]

3.1.2 Distribution Business Condition Variables

Beyond the three output variables and the input price index, there are seven business condition variables included in the model (plus a time trend). Each variable is discussed briefly below.

The **percentage of electric customers** measures the percentage of electric customers served by a utility out of total gas and electric customers. This variable measures the economies of scope available from serving both electric and gas customers. Billing and other customer-related activities can be shared between the gas and electric divisions when a utility serves its customers with both commodities. The value is set to 100% for Alectra since they do not serve natural gas customers. We would expect a positive parameter estimate on this variable.

The **standard deviation of elevation** variable is calculated based on geographic information system ("GIS") elevation topography maps. A higher standard deviation of the elevation indicates increased elevation changes and variance within the utility's service territory. We would expect that a service territory with more hills, mountains, and other elevation changes would be more challenging and costly to serve, *ceteris paribus*. Therefore, a positive parameter estimate is expected (indicating a positive correlation between standard deviation of elevation and costs).

The **overhead percentage times percentage of forestation** variable is based on the overhead plant in service for each utility (for the percent overhead) and GIS land cover maps (for percent forestation). These maps used the GlobCover 2009 product produced by the European Space Agency ("ESA") and the Université Catholique de Louvain. These maps are matched with the areas served by each utility to create the forestation variable. We would expect that the higher the level of overhead lines and forestation, the higher OM&A costs required for right-of-way clearing and service restoration activities.

The **congested urban** variable measures the percentage of a utility's service territory that consists of a major urban load center that is "congested." Congested urban areas have physical constraints that necessitate complex and costly subterranean civil infrastructure for housing and operating electric distribution plant. Congested urban areas also often necessitate electrical equipment unique to such subterranean infrastructure. The variable measures the percentage of service territory classified as "congested urban" area. This variable has been refined and improved to now vary by year based on the estimated impact of the percentage change in skyscrapers in the service territory.

We expect a utility that has a congested urban area within its service territory would experience substantial incremental costs as compared to a utility that does not have such an area within its service

[17] This is another advantage of the 10-year rolling average method. There is no bias if fewer than ten years for a utility are available since we are taking an average rather than a maximum of the peak demands.

territory. The parameter value for this variable is expected to be positive, indicating a positive correlation of percent congested urban with total costs.

The **percentage of smart meters** variable measures the percentage of customers that have an installed smart meter. Smart meters enable hourly or sub-hourly interval use data to be collected from the meter. While installing more capable meters and the necessary infrastructure is expected to increase distribution costs, these meters enable time-of-use ("TOU") electricity rates that can create efficiencies mainly in the realm of power supply. Since this study is focused on distribution total costs, we would expect a positive coefficient on the percent smart meter variable.

The **distribution work variable** measures the percentage of transmission lines that are classified as transmission and are above 50 kV. This helps adjust for utilities classifying transmission and distribution assets differently. Some transmission utilities own lines that are below 50 kV and others do not. If the transmission system is taking on costs and serving lines that otherwise would be classified as distribution, this will tend to decrease costs for the distributor in that region relative to its peers. Likewise, if the distribution system is serving lines that would sometimes be classified as transmission for other utilities, this will tend to increase distribution costs for that utility relative to its sample peers. We use the 50 kV cut-off because this is the line used in the RRR reporting in Ontario between high voltage and low voltage. We would expect a positive correlation between distribution total costs and the percentage of lines above 50 kV served by the transmission utility.

The **O&M based scope variable** measures the percentage of distribution operation and maintenance expenses in the sum of distribution, transmission, and generation expenses. This variable measures the possible cost savings of serving multiple electric utility functions. We would expect that the increased availability of economies of scope would lower expenses and, therefore, a higher proportion of distribution-related expenses in total expenses is expected to have a positive parameter value.

The **time trend** variable captures a general industry total cost level trend over the studied period. Time trend variables are often found in translog cost functions and standard in econometric total cost benchmarking research. In the present study, the variable is calculated by taking the current year of the observation and subtracting 1,999. For observations in the year 2000, the time trend variable equals 1. In 2019, the variable equals 20 (2,019 – 1,999). The coefficient value shows how adding an additional year increases or decreases total costs.

3.2 Distribution Sample

The distribution benchmarking sample is comprised of 82 U.S. utilities. The benchmark sample period begins in 2000 and extends to 2023. The sample is an unbalanced panel, which enables utilities that do not have available and plausible data for all sampled years to still be present in the sample for the years in which they do have available and plausible data. There are 1,903 U.S. utility observations in the sample. This large number of observations enables robust parameter estimates and a strong statistical model.

The sample of utilities within the sample is provided in the following table along with the number of customers for the most recent year within the sample for each utility.[18] The econometric model used to benchmark Alectra does not include the Company itself to assure a fully external benchmark value.

Table 2 Total Cost Benchmarking Sample

Company	Number of Customers	Company	Number of Customers
Alectra	1,086,178	MDU Resources Group, Inc.	144,895
Alabama Power Company	1,537,035	Metropolitan Edison Company	588,329
ALLETE (Minnesota Power)	151,679	Mississippi Power Company	191,697
Appalachian Power Company	965,517	Monongahela Power Company	396,728
Arizona Public Service Company	1,370,930	Nevada Power Company	1,015,168
Atlantic City Electric Company	569,973	New York State Electric & Gas Corporation	919,140
Avista Corporation	413,831	Niagara Mohawk Power Corporation	1,542,713
Baltimore Gas and Electric Company	1,336,794	Northern Indiana Public Service Company	487,079
Black Hills Power, Inc.	76,036	Northern States Power Company - MN	1,556,301
Central Hudson Gas & Electric Corporation	282,115	Northern States Power Company - WI	268,830
Central Maine Power Company	666,319	Ohio Edison Company	1,069,766
Cleco Power LLC	294,508	Oklahoma Gas and Electric Company	892,274
Cleveland Electric Illuminating Company	756,673	Orange and Rockland Utilities, Inc.	242,331
Commonwealth Edison Company	4,130,538	Pacific Gas and Electric Company	5,479,889
Connecticut Light and Power Company	1,281,654	PacifiCorp	2,069,044
Consolidated Edison Company of New York, Inc.	3,645,153	PECO Energy Company	1,700,223
Consumers Energy Company	1,884,290	Pennsylvania Electric Company	588,213
Delmarva Power & Light Company	549,745	Pennsylvania Power Company	171,046
DTE Electric Company	2,266,460	Portland General Electric Company	928,859
Duke Energy Carolinas, LLC	2,845,809	Potomac Electric Power Company	938,263
Duke Energy Florida, LLC	1,968,213	PPL Electric Utilities Corporation	1,472,437
Duke Energy Indiana, LLC	894,160	Public Service Company of Colorado	1,535,755
Duke Energy Kentucky, Inc.	151,127	Public Service Company of New Hampshire	537,201
Duke Energy Ohio, Inc.	752,909	Public Service Company of Oklahoma	575,846
Duke Energy Progress, LLC	1,718,128	Public Service Electric and Gas Company	2,369,557
Duquesne Light Company	611,282	Puget Sound Energy, Inc.	1,224,326
El Paso Electric Company	456,323	San Diego Gas & Electric Co.	1,370,621
Empire District Electric Company	183,990	South Carolina Electric & Gas Co.	790,221
Entergy Arkansas, Inc.	729,557	Southern California Edison Company	5,071,773
Entergy Mississippi, Inc.	460,082	Southern Indiana Gas and Electric Company, Inc.	153,433
Entergy New Orleans, Inc.	209,071	Southwestern Public Service Company	406,427
Florida Power & Light Company	5,845,147	Tampa Electric Company	834,144
Gulf Power Company	477,672	Toledo Edison Company	315,061
Idaho Power Co.	625,440	Tucson Electric Power Company	446,762
Indiana Michigan Power Company	610,647	Union Electric Company	1,254,162
Indianapolis Power & Light Company	523,395	United Illuminating Company	344,026
Jersey Central Power & Light Company	1,163,141	Virginia Electric and Power Company	2,752,726
Kansas Gas and Electric Company	337,830	West Penn Power Company	737,355
Kentucky Power Company	162,742	Wisconsin Electric Power Company	1,159,300
Kentucky Utilities Company	569,612	Wisconsin Power and Light Company	495,097
Louisville Gas and Electric Company	434,120	Wisconsin Public Service Corporation	463,129
Madison Gas and Electric Company	163,278		

[18] For Alectra, we provide the most recent historical year of 2024. Most other utilities have a final year of 2023 within the sample.

The average number of customers in the last year of the sample is 1,092,280. This is remarkably close to Alectra's number of customers. While the econometric method can perform reliably within a large spectrum of variable values due to the flexibility of the translog cost function and the ability to estimate the cost elasticities of several business conditions simultaneously, the method is most accurate at the data means.

3.3 Distribution Total Cost Model

The parameter estimates from the total cost model used to calculate Alectra's total cost benchmark are presented in the following table.

Table 3 Total Cost Model Estimates

Variable	Coefficient	Standard Error	T-Stat	P-Value
Customers (N)	0.5148	0.0113	45.63	0.0000
Peak Demand (D)	0.4584	0.0124	36.83	0.0000
Area (A)	0.0467	0.0045	10.29	0.0000
N*N	0.6967	0.0663	10.50	0.0000
D*D	0.9840	0.0562	17.50	0.0000
A*A	0.0329	0.0041	8.09	0.0000
N*D	-1.6452	0.1244	-13.22	0.0000
N*A	0.1045	0.0131	8.01	0.0000
D*A	-0.1204	0.0168	-7.18	0.0000
% Electric	0.1602	0.0194	8.25	0.0000
Standard Deviation of Elevation	0.0191	0.0028	6.77	0.0000
% OH*% Forest	0.0402	0.0021	19.59	0.0000
% Congested Urban	17.1423	0.9152	18.73	0.0000
% AMI	0.0497	0.0153	3.25	0.0040
Dx Work	0.1472	0.0270	5.46	0.0000
O&M Scope Variable	0.0772	0.0071	10.83	0.0000
Trend	-0.0033	0.0014	-2.31	0.0300
Constant	13.2103	0.0274	482.60	0.0000

All the parameter estimates are plausibly signed and have reasonable magnitudes. The first order terms of all variables have the theoretically expected signs and are statistically significant at a 90% level of confidence. This is the standard confidence threshold used by Clearspring to determine variable inclusion.

3.4 Total Cost Results

The following table breaks down the historical and forecast year benchmark and Company distribution total costs from 2019 through 2031.[19] We note that the benchmark scores for the projected years assume that all the proposed spending will in fact be incurred. If spending is less than the proposed amounts, the scores would improve; if spending is more than the proposed amounts, the scores would get worse.

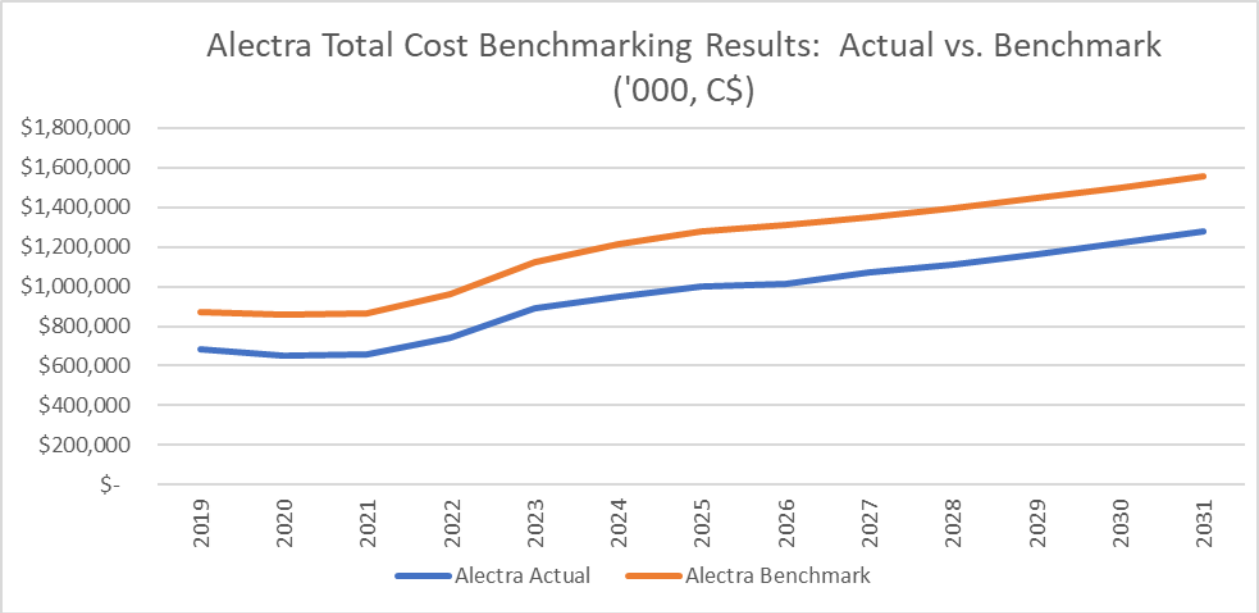
Table 4 2019-2031 Total Cost Benchmark Score for Alectra

Year	% Difference from Total Cost Benchmark
2019	-24.2%
2020	-28.1%
2021	-27.1%
2022	-25.4%
2023	-23.6%
2024	-25.0%
2022-2024 average score	**-24.6%**
2025	-24.1%
2026	-25.0%
2027	-23.2%
2028	-22.7%
2029	-21.7%
2030	-20.0%
2031	-19.9%
2027-2031 average score	**-21.5%**

The following graph displays how Alectra's actual and projected total costs have compared to the benchmark costs over time and through the Custom IR period, respectively.

[19] Given all of the amalgamations occurring within Alectra, gathering all the necessary variable data to produce benchmark scores prior to 2019 was not feasible.

Figure 2 Alectra Total Cost: Actual vs. Benchmark



4 The Revenue Escalation Formula

Since this study ultimately relates to the custom IR revenue escalation formula, an overview of the mathematics underlying the formula is warranted. This section gives a general equation for a generic revenue escalation formula and explains how this formula is determined. It discusses the foundation for including an IPD and a G Factor into the OM&A revenue escalation formula, and X Factor considerations.

The following discussion focusses on OM&A revenue escalation and is based on Clearspring's understanding of the Company's proposal in this application. The reason for not including a G Factor or IPD term for capital is that we understand the Company is proposing to escalate capital revenue using a Capital Factor, which already implicitly includes a G Factor and IPD – and so the inclusion of a G Factor or IPD for capital is unnecessary.

4.1 Derivation of the Escalation Formula

The following equation is what Clearspring recommends as the custom IR formula to escalate allowed OM&A revenue during the CIR period.

$$\boldsymbol{Growth\ OM\&A\ Revenue = OEB\ IPI - X + G\ Factor + IPD} \quad \textbf{[Equation 1]}$$

This section shows how Equation 1 was determined.

The allowed revenue escalation within the revenue escalation formula should mimic the expected growth in costs. Production theory postulates that there are three main components within the escalation formula. These three components are: input price inflation (I), a productivity expectation (X), and output growth (G).

$$Growth\ Costs = \ Growth\ Revenue = I - X + G \qquad \text{[Equation 2]}$$

The mathematical derivation of Equation 2 is provided below. It begins with the assumption that the allowed growth in revenue should be equal to the expected growth in costs.

$$Growth\ Revenue = Growth\ Cost \qquad \text{[Equation 3]}$$

Basic production theory states that costs equal the product of input prices and input quantities (Q). In turn, the growth in costs will equal the growth in input prices (I) plus the growth in input quantities.

$$Growth\ Cost = I + Growth\ \text{Q} \qquad \text{[Equation 4]}$$

If we add and subtract the same term to the right-hand side of the equation, that is the same as adding zero, and the equation remains unchanged. We will both add and subtract output growth (G) to Equation 4 to develop Equation 5 below.

$$Growth\ Cost = I + Growth\ Q + (G\ - G) \qquad \text{[Equation 5]}$$

The total factor productivity ("TFP") trend is defined as the change in output quantity minus the change in input quantity. In equation form:

$$TFP\ trend = G - Growth\ Q \qquad \text{[Equation 6]}$$

We can rearrange the terms in Equation 5 to the following equation.

$$Growth\ Cost = I - (G - Growth\ Q) + G \qquad \text{[Equation 7]}$$

And then insert Equation 6 into Equation 7.

$$Growth\ Cost = I - TFP\ trend + G \qquad \text{[Equation 8]}$$

The last step in getting to Equation 2 is to insert Equation 3, redefine the TFP trend and call it the productivity factor ("PF").

$$Growth\ Revenue = I - PF + G \qquad \text{[Equation 9]}$$

Now let's turn to the "I" portion of the formula. Production theory assumes the "I" in the formula captures the input price inflation faced by the Company. The Board's Input Price Index is not specifically customized to the input price inflation expected by the Company in its OM&A inputs, but rather was constructed with both capital and OM&A weights in mind. In the 4GIR Report of the Board the IPI 30/70 weighting included an assumption for capital and was not specifically designed for OM&A. On page 9 of that report, the assumption used for the OM&A specific components was a 70% weight on labour and only a 30% weight on non-labour but the weights flipped to only a 30% weight on labour due to adding capital into the 4GIR input price index.[20] The appropriateness of the inflation adjustment for an OM&A escalation formula is improved by aligning it with the actual component weights of OM&A. This difference between the customized input price inflation of the Company and the IPI is what is called the input price differential (the IPD). The IPD could be positive or negative. It is an adjustment made to better align the "I" with the expected input price inflation of the Company in its OM&A expenses.

$$I = IPI + IPD \qquad \text{[Equation 10]}$$

If Equation 10 is inserted into Equation 9 we have the following result.

$$Growth\ Revenue = (IPI + IPD) - PF + G \qquad \text{[Equation 11]}$$

A stretch factor is sometimes added to the escalation formula to challenge (or stretch) the utility to achieve TFP gains above and beyond the industry TFP expectation. Because this term is not warranted based on economic theory and mathematical reasoning, it should be added with caution, not be overly burdensome, and be connected to robust performance evaluations, such as the econometric total cost benchmarking research found in this report. Expecting a utility to exceed the productivity trend of the industry, even by a small amount, when it is already outperforming the industry is a significant challenge.

[20] Please see footnote 9 of the Report of the Board in EB-2010-0379 issued on November 21, 2013 and corrected on December 4, 2013.

While Clearspring uses the stretch factor groupings found in the 4GIR proceeding as the basis for our recommended stretch factor, we nonetheless consider that a symmetric system of stretch factors which could be negative for strong performing utilities would better mimic a competitive industry and provide a reasonable productivity target for those utilities.

The stretch factor ("SF") is added to the PF term and the sum of them is called the X Factor ("X").

$$X = PF + SF \qquad \text{[Equation 12]}$$

If we substitute X for the PF term to denote the addition of the stretch factor, we have the following equation.

$$Growth\ Revenue = (IPI + IPD) - X + G \qquad \text{[Equation 13]}$$

By rearranging terms, we have derived Equation 1 from the universally agreed upon production theory equation of costs equalling input prices multiplied by quantity.

$$\boldsymbol{Growth\ OM\&A\ Revenue = OEB\ IPI - X + Growth\ Factor + IPD} \quad \textbf{[Equation 1]}$$

After providing the derivation of the mathematical basis for the G Factor and IPD, the following subsections discuss how each term should be calculated in more detail. Sections 5 and 6 provide the calculations and results that Clearspring undertook for each factor.

4.2 Discussion on the G Factor

The G Factor is determined based on how the growth of the system will impact incurred costs. Cost elasticity parameters are found in the econometric cost model. These are estimates of the percentage change in cost given a percentage change in the output variable. The cost elasticity weights are the best method for estimating the impacts of output growth onto cost levels and, therefore, are used as the basis for the construction of the G Factor.

Using a cost-elasticity based weighting is the same approach used for the calculation of the total factor productivity ("TFP") trends used as the basis for the base productivity factor that partially comprises the X Factor. Having the same procedure for the G Factor assures the proper implementation of the factor in the escalation formula.

4.3 Discussion on the Input Price Differential

The IPD accounts for the expected difference in Alectra's OM&A input price inflation from the IPI. The inputs for OM&A are labour and non-labour. In the 4GIR decision, the index used to measure labour inflation was the Average Weekly Earnings (AWE) for Ontario, published by Stats Canada. The index used to measure non-labour was the Gross Domestic Product-Implicit Price Index, Final Domestic Demand (GDP-IPI FDD) for Canada.[21] For the distributors, the weighting in the 4GIR decision is set at 30% on AWE

[21] November 21, 2013, *EB-2010-0379 Report of the Board, Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors*, p. 11.

and 70% on GDP-IPI FDD. This places a 30% weight on labour inflation and a 70% weight on the non-labour inflation component. These two metrics are defined as follows:

1. **AWE:** Annual percentage change in average weekly earnings for all employees in Ontario (from Statistics Canada CANSIM Table 281-0027).

2. **GDP-IPI:** Annual percentage change in the GDP-IPI FDD for Canada (from Statistics Canada CANSIM Table 380-0066).

As discussed above, the 4GIR weights were set in the context of a price cap that would apply to both capital and OM&A related revenue. Alectra's actual labour and non-labour portions in their OM&A spending are weighted more heavily towards labour than the 30% weighting that is assumed in the IPI calculation. Alectra's weighting also closely corresponds with the OM&A labour weights assumed in the construction of the 4GIR IPI. Since the labour component of the IPI (AWE) tends to grow at a faster rate than the non-labour component (GDP-IPI), the IPI provides an insufficient inflation growth rate for Alectra's OM&A inputs.

The IPD adjusts the escalation formula for the incremental difference between what the inflation index would be using Alectra's true proportion of labour in its OM&A expenses relative to the 30/70 calculation of the IPI. This calibrates the escalation formula to better reflect the actual input price inflation of OM&A expenses which will encountered by the Company.

4.4 Discussion on the X Factor

The X Factor is the sum of the base productivity factor plus a stretch factor. The base productivity factor should be based on an external measure of the industry TFP trend. The utility that it is being applied to should have no (or very little) impact on the measured industry TFP trend. This is because incentive regulation seeks to decouple the link between a utility's cost increases to the allowed revenue escalation.

In the 4GIR proceeding, there was strong evidence of the Ontario electric distribution industry TFP trend being negative.[22] Rather than set a negative base productivity factor, the Board decided to set a productivity factor of zero. This placed a difficult challenge for distributors to surpass industry productivity expectations, even before a stretch factor is applied. A productivity factor set at zero places an "implicit stretch factor" on distributors. As far as Clearspring is aware, there is no evidence establishing that the Ontario industry TFP is above zero.

The stretch factor is included in the X Factor to provide a more challenging productivity expectation for the utility than what the industry experience dictates. The 4GIR proceeding established five stretch factor groups based on econometric total cost benchmarking results. The best cost performers receive a 0.00% stretch factor and then the stretch factors increase by 0.15% increments (based on econometric total cost

[22] In the 4GIR proceeding a TFP trend of -1.10% was calculated for the 2002-2012 time period when including all Ontario distributors, even after only negative outliers were excluded (which causes a bias) from the analysis, the TFP trend remained negative at -0.33%.

results) and are capped at 0.60%. Ontario has a lengthy history of incentive regulation and providing cost containment incentives to distributors. It is Clearspring's view that more symmetrical stretch factors could be considered, including ones that are below zero for the best cost performers. In the current application for Alectra, given the implicit stretch factor already present in the base productivity factor of 0.0% and the Company's strong econometric total cost performance, our view is that the 4GIR prescribed stretch factor of 0.15% is the only stretch factor that is supported by the benchmarking results for inclusion in Alectra's formula.

5 Growth Factor Parameter Calculation

Section 4 provided the mathematical and theoretical grounds for including a G Factor in the revenue escalation formula. As shown, the factor escalates revenue based on how the outputs are expected to increase utility costs. This is different from billing determinant output growth because allowed revenue escalation should track how costs are expected to increase rather than track how price increases will increase revenue (which is what the billing determinant output growth would estimate). This section provides the calculation and mechanics used to estimate the G Factor value.

There are two time variant output variables in the econometric total cost model. These are the number of customers and system peak demand. These two variables have been statistically tested in Clearspring's model and found to be statistically significant. At an extremely high level of confidence, we can state these two variables impact the cost levels of distributors.

It is appropriate to calculate the G Factor using a weighted average of customers and peak demand growth. This approach aligns with the benchmark model findings that these two outputs are statistically significant cost drivers and also the way TFP trends should be calculated. Specifically, the output quantity index in the TFP trend should be comprised of the statistically significant outputs of customers and system peak demands.

Clearspring uses the cost elasticity output weights found in its econometric total cost model as the basis for weighting the projected growth in customers and system peak demands to calculate the proposed G Factor. The weight on customer growth is 52.9% and the weight on system peak demand is 47.1%. These sum to "one" and match the way the output quantity index in a proper TFP study would be calculated.

The Company is projecting an average annual growth rate for the number of customers from 2027 to 2031 of 0.44%. The Company is projecting an average annual growth rate for system peak demand from 2027 to 2031 of around 3.35%.[23] In formulating the average annual growth rate of the G Factor, the customer growth rate is weighted based on the cost elasticity estimated weight of 52.9% and the system peak demand growth rate is weighted based on the cost elasticity estimated weight of 47.1%. The weighted G Factor index weight is 1.81%.

[23] These average annual growth rates are calculated arithmetically to align with how they will be used in the revenue escalation formula.

The following table shows the projected growth rates for customers and system peak demand for Alectra during the 2027 to 2031 years and how they are weighted to produce the proposed G Factor value of 1.81%.

Table 5 G Factor Calculation

Year	Customers	Customer Growth Rate	Customer Weight	System Peak Demand (MW)	Peak Demand Growth Rate	Peak Demand Weight	G Factor Annual Growth Rate
		[A]	[B]		[C]	[D]	A*B+C*D
2027	1,100,560			6,189			
2028	1,105,573	0.46%	52.9%	6,416	3.67%	47.1%	1.97%
2029	1,110,474	0.44%	52.9%	6,588	2.68%	47.1%	1.50%
2030	1,115,340	0.44%	52.9%	6,833	3.72%	47.1%	1.98%
2031	1,120,185	0.43%	52.9%	7,061	3.34%	47.1%	1.80%
Average		**0.49%**			**3.35%**		**1.81%**

6 Input Price Differential Parameter Calculation

Section 4 provided the mathematical and theoretical grounds for including an input price differential, or IPD, in the revenue escalation formula. As shown, the factor is a customized adjustment to the inflation factor that better accounts for the actual input price inflation faced by the Company. This section discusses the methodology in calculating the IPD value.

The IPD calculation utilizes the same inflation indexes that comprise the IPI calculation but customizes and adjusts the index to be specific to OM&A expenses. The difference is derived from using Alectra's labour and non-labour OM&A expenses to provide the weights for the inflation indexes rather than the 30% weight on labour and the 70% weight on non-labour assumed in the 4GIR IPI calculation which was designed with both capital and OM&A expenses in mind.

Clearspring requested Alectra's estimated OM&A salaries and wages, OM&A pensions and benefits, and OM&A outside service provider expenses during the Custom IR period. The proportion of labour in Alectra's OM&A expenses in Year t is calculated as the sum of OM&A salaries and wages plus pensions and benefits divided by the Company's total OM&A minus outside service provider expenses. The rationale for subtracting outside service provider expenses is that those expenses will likely include a substantial amount of labour, but the amount of labour in is unknown, and Alectra is not able to readily provide an estimate.

$$\%\ Labour\ in\ OM\&A_t = \frac{OM\&A\ Salaries\ and\ Wages_t + OM\&A\ Pensions\ and\ Benefits_t}{Total\ OM\&A_t - OM\&A\ Outside\ Service\ Provider\ Expeneses_t}$$

The estimated percentage of labour in OM&A expenses is 75.9% in 2027 and this is estimated to grow to 78.6% by 2031. Alectra's OM&A expense increases will be driven much more by labour-related inflation, as measured by the average weekly earnings in Ontario (AWE), than non-labour inflation as measured by the GDP-IPI for Canada.

The table below provides the annual estimated labour and non-labour proportions within Alectra's OM&A expenses by year.

Table 6 Alectra's OM&A Labour and Non-Labour Percentages

Year	Labour OM&A Proportion	Non-Labour OM&A Proportion
2027	75.0%	25.0%
2028	75.7%	24.3%
2029	77.2%	22.8%
2030	77.0%	23.0%
2031	77.6%	22.4%
Average	**76.5%**	**23.5%**

The importance of including an IPD is due to the expected faster growth rate of the AWE during the custom IR period relative to the GDP-IPI. AWE has historically grown a bit faster than GDP-IPI, however, this difference is forecasted by the Conference Board of Canada to accelerate in future years. Accordingly, this

now becomes a more relevant factor to include in the escalation formula to assure inflation in OM&A expenses is properly accounted for.

The Conference Board of Canada ("CBoC") projects the AWE and GDP-IPI to 2029. Clearspring uses the 2029 forecasted growth rate for the years 2030 and 2031 in the calculation.[24] The forecasts project that the AWE will grow by an average of 2.46% over the Custom IR period and GDP-IPI will grow by 1.69%. The forecasted inflation difference in the two indexes is 0.77%.

The table below provides the annual growth rates forecasted for AWE and GDP-IPI for 2028 through 2031.

Table 7 Difference in AWE and GDP-IPI Forecasts

Year	AWE Growth Rate	GDP-IPI Growth Rate	Difference
2028	2.37%	1.71%	0.65%
2029	2.49%	1.68%	0.81%
2030 (assumed 2029)	*2.49%*	*1.68%*	*0.81%*
2031 (assumed 2029)	*2.49%*	*1.68%*	*0.81%*
Average	**2.46%**	**1.69%**	**0.77%**

The IPD should not equal the 0.77% number above because the IPI already includes a 30% weight on the AWE to partially account for labour-related inflation. Alectra's OM&A labour proportion is expected to average 76.5%. If we subtract the 30% assumed labour weight from Alectra's forecasted labour weight we have a difference of 46.5%. This is the proportion of Alectra's OM&A expenses that is not receiving the proper inflation adjustment. To adjust for this, we multiply the 46.5% by the difference in the indexes of 0.77%. This results in an inflation correction of 0.36%.

$$IPD = (Alectra\ Labour\ \% - 30\%) * (AWE\ growth\ rate - GDPIPI\ growth\ rate)$$

$$= (76.5\% - 30\%) * 0.77\% = \mathbf{0.36}\%$$

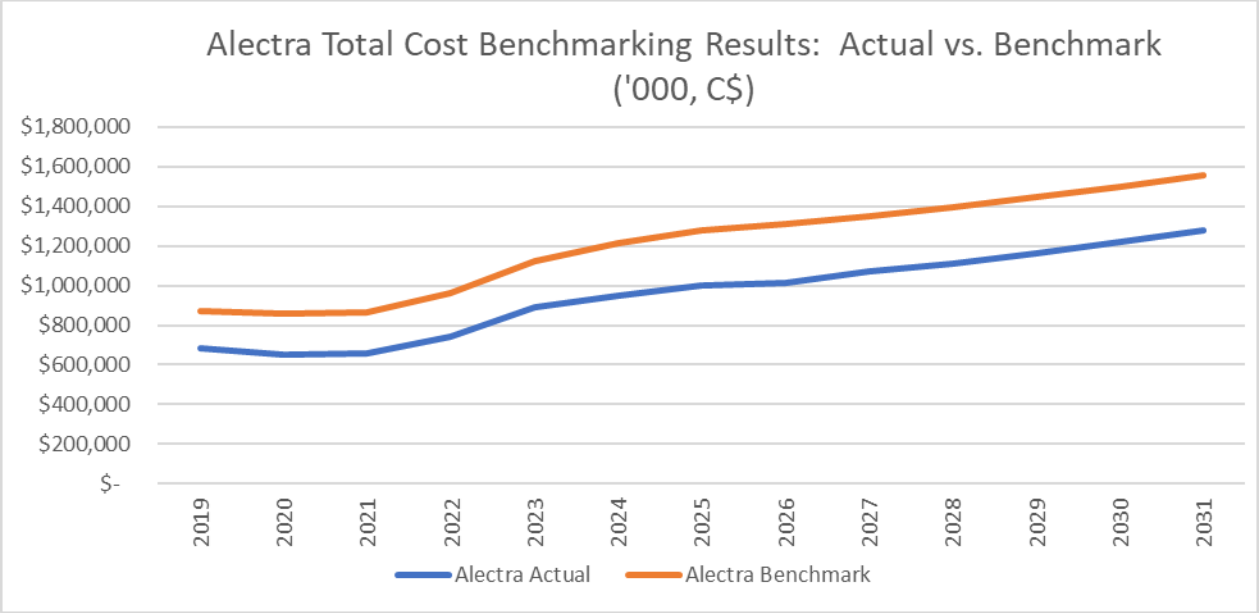
[24] We use arithmetic growth rates to align with the mechanics of the revenue escalation formula.

7 Concluding Summary and Recommendations

This study provides econometric total cost benchmarking results useful for evaluating Alectra's 2027-2031 Custom IR application. The models are statistically robust, closely align with benchmarking models that Clearspring has put forth for other Ontario distributors and provide accurate benchmarking comparisons. The benchmarking results form the basis for the recommended stretch factor to be applied to capital and OM&A escalation. The study also results in a recommended G Factor and an IPD to be applied to the OM&A escalation formula. Section 4 provides the theoretical underpinnings for why these two factors should be added to the formula.

The total cost benchmarking results show that Alectra's historical and projected cost levels are well below expected levels. Alectra has consistently been a strong cost performer. It has remained below its total cost benchmarks and will continue to remain below them throughout the Custom IR period, given its proposed spending levels. The graph below illustrates this consistency.

Figure 3 Actual and Benchmark Total Cost Over Time



In the 4th Generation IR proceeding, five stretch factor groupings or cohorts were established based on the most recent three-year total cost benchmarking score. A score better than -25% (i.e. costs were more than 25% below benchmark) received the lowest stretch factor of 0.00%. A score between -25% and -10% received a 0.15% stretch factor. Scores that are +/- 10% received 0.30%. Scores between 10% and 25% received a 0.45% stretch factor, and scores exceeding 25% (i.e., costs were more than 25% above benchmark) received the highest stretch factor of 0.60%.

The total cost results for Alectra show that during the Custom IR period, the Company's total cost benchmarking score is -21.5%. Based on the 4th Generation IR stretch factors and Clearspring's econometric benchmarking results, the appropriate and recommended **stretch factor is 0.15%**.

The proposed G Factor estimates how much Alectra's costs will grow due to the growth in output growth. Using the econometric total cost model outputs of customers and system peak demand, we estimate that output growth will increase Alectra's costs by an average annual growth rate of 1.81% during the CIR period. Therefore, the **OM&A revenue escalation formula should include a G Factor of 1.81%** to properly calibrate with expected cost growth.

The proposed IPD, or input price differential, estimates the difference in Alectra's input price inflation to the Board's inflation factor calculation. Since Alectra has a far larger labour component in its OM&A expenses than assumed by the inflation factor calculation, which was not designed to apply only to OM&A expenses, an adjustment is necessary to properly calibrate the inflation factor with the expected experience of the Company. Clearspring estimates that Alectra's input price inflation will grow 0.36% faster than what the Board's inflation factor assumes. Clearspring, therefore, recommends an **IPD adjustment to the OM&A revenue escalation formula of 0.36%**.

The following formula summarizes the recommended OM&A revenue escalation allowance.

$$OM\&A\ Revenue\ Escalation = (IPI + IPD) - X + G$$

$$OM\&A\ Revenue\ Escalation = (IPI + 0.36\%) - 0.15\% + 1.81\%$$

Appendix A: Total Cost Benchmarking Methodology Details

Variable Types

In general, there are two types of variables used in econometric cost benchmarking: output variables and business condition variables. Output variables measure the output of the utility in question (i.e. what the utility "produces"). Business condition variables quantify the factors that drive costs in a particular service territory, such as regional input prices, highly congested urban areas, forestation, etc.

Output Variables

The three output variables for the distribution total cost benchmark study are the number of customers, a rolling ten-year average of peak demand, and the service area of each utility. This matches the outputs specified in Clearspring's benchmarking research for other recent Custom IR applications, including the Joint Report prepared in the Hydro One application.

For the U.S. utilities, the customer and peak demand output variables are calculated from FERC Form 1s. The customers are based on the reported data. The peak demand variable is defined for both studies using the annual peak demand value found on p. 401b of the FERC Form 1. This variable consists of the distribution system peak demands plus the required sales for resale. We adjusted the data to take out the proportion of the required sales for resale. The service area used for each utility is based on variables derived from GIS mappings of each utility's service area.

Business Condition Variables: Input Prices

Business condition variables are discussed in following sections. All of the definitions and calculations are consistent with Clearspring's benchmarking research in the Joint Report, with the exception of the refinement of the percent congested urban variable. However, one important business condition variable merits detailed discussion: input prices. Input prices are divided into two categories: capital and OM&A. The capital input price calculation used in our research is called the Perpetual Inventory Method and is discussed in detail in a following section. The OM&A input price captures the regional market price level that each utility encounters when procuring OM&A inputs, such as employees or materials and services. There are two components used to construct the OM&A input price. These are labour and non-labour.

The labour component is calculated by taking wage levels of numerous job occupations and weighting them based on the U.S. Bureau of Labor Statistics ("BLS") estimates of job occupation weights in the Electric Power Generation, Transmission, and Distribution Industry. The BLS has estimates for wage levels for each job occupation by city and metropolitan area. To ascertain Alectra's wage level, we gathered job occupation wage estimates from the 2011 Canadian Census, using wage data reported for Ontario, translated job occupations to match their U.S. counterparts, and then weighted the job occupation wages by the BLS estimates. This provides consistency from the U.S. and Ontario regarding labour input prices and puts the input price in terms of each country's currency. We then escalated labour prices for U.S.

utilities using BLS employment cost indices for the utility sector and escalated Alectra prices using the Ontario average weekly earnings estimates.

The non-labour component of the OM&A input price uses the U.S. gross domestic product price index for the U.S. utilities. The Alectra non-labour component uses the Canadian GDP-IPI in each year, but with a levelization adjustment using the purchasing power parity ("PPP") index in 2012. This translates the non-labour input price component into Canadian dollars.

To construct the overall OM&A input price we weighted each index using the customized labour and non-labour cost shares calculated from the FERC Form 1 data or based on data provided to us from Alectra. We then took the OM&A input price and combined it with the capital price using the capital and OM&A cost shares. This produces the total input price index.

Total cost is divided by this comprehensive input price index to adjust for regional input price differences between utilities and to account for annual inflation. Dividing total cost by the input price index imposes the requirement that total costs display linear homogeneity with respect to input prices. As the prices of inputs increase by X%, total cost should increase by that same percentage. For example, if all utility input prices (including labour) increase by 10%, its costs would also increase by 10%. This is derived from economic production theory, which states that costs equal input quantity multiplied by input price.

Other Business Condition Variables

Beyond the output variables and input prices, each model contains business condition variables that provide cost adjustments for given service territory conditions. These variables enable unique service territory conditions to be accurately benchmarked on an "apples to apples" basis. This ability to adjust for specific conditions is why the econometric benchmarking approach is more accurate and fair than unit cost approaches. Unit cost benchmarking tends to only reveal which utility has the most challenging service territory, rather than indicating cost performance. This is because service territory conditions have a profound impact on the cost levels of transmission and distribution utilities. Their capital assets are spread across the entire service territory, and the overall cost levels are thus highly influenced by the conditions the utility is faced with. These cost drivers and specific service territory conditions need to be accounted for to reveal and estimate the performance of the utility.

The business conditions used for the distribution total cost model are described in Section Three.

Perpetual Inventory Method

Total cost is defined as the sum of the annual OM&A expenses plus capital costs. Clearspring's calculation of capital cost is based on the capital service price approach. This approach has a solid basis in economic theory; it is the same method used in all the Ontario benchmarking and productivity studies conducted by Mr. Fenrick, and is the same method chosen by PEG in its 4GIR research and its other studies in CIR

applications.[25] The approach allows for a consistent way to account for differences between utilities with respect to historical plant additions and depreciation rates. The service price approach is also prominent in government-sponsored cost research. The Bureau of Labor Statistics of the U.S. Department of Labor uses the capital service price approach in computing multi-factor productivity indices for the U.S. private business sector and for several subsectors, including the utility services industry.

The cost of capital in each year *(t)* is the product of the capital service price index and capital quantity index at the end of the prior year (*t-1)*. The formula for this is given by:

$$CK_t = WKS_t \cdot XK_{t-1}$$

CK_t is the cost of capital, WKS_t is the capital service price index, and XK_{t-1} is the capital quantity index value in the prior period.

The capital quantity index (*XK*) is constructed based on the value of net plant in a benchmark year, and on gross plant additions in years subsequent to the capital benchmark year. In an effort to address past concerns of PEG regarding the start year (capital benchmark year) of this capital series, we put considerable effort into gathering and processing U.S. utility data going back to 1947.[26] We use 1947 for most of the U.S. sampled utilities as the capital benchmark year. A few utilities only had consistent data beginning in 1959, for those utilities we used 1959 as the capital benchmark year. We used 2002 as the capital benchmark year for Alectra, because this is the first year where data is available and can be readily verified.

A "triangulated weighted average" ("TWA") is used to divide the net plant value in order to adjust the net plant value for historical inflation.[27] This results in an estimate of the capital stock in 1947, 1959, or 2002 based on when the capital benchmark year begins for the utility. Subsequent years use the previous year's capital stock multiplied by one minus the depreciation rate and then escalated by that year's plant additions divided by the asset price in that year.[28] This same method is used for both Alectra and U.S. distributors. The

[25] See Hall and Jorgensen (1967) for a seminal discussion of the use of service price methods for measuring capital cost.

[26] In our past studies prior to the last Hydro One research, we used 1989 for the capital benchmark year, as that was the first year of electronically available data. We considered 1989 to be a sufficient start year for the capital series. However, to reduce the research differences, considerable efforts were invested into gathering and processing these data.

[27] For the U.S. sample, the 1947 or 1959 net plant value is for the total utility. To calculate a transmission or distribution net plant value we multiplied the total net plant value by the percentage of transmission or distribution gross plant in service to total gross plant in service, respectively. We note that any error in this net plant value calculation in 1947 or 1959 will have an extraordinarily minimal impact on the cost levels once the sample starts in 2000. This is because any possible small error in 1947 will have also depreciated for 53 years by the time it enters the sample period.

[28] The historical data going back to 1948 and forward all have plant in service additions disaggregated by transmission and distribution, enabling us to build up a robust capital quantity and cost estimate for each function.

formulas for the capital quantity index in 1947 and in subsequent years are provided below.[29]

$$XK^i_{1947} = \frac{Net\ Plant^i_{1947}}{TWA^i_{1947}}$$

$$XK^i_t = XK^i_{t-1} * (1-d) + \frac{Add^i_t}{WKA^i_t}$$

The capital service price (*WKS*) has two components: opportunity cost and depreciation. The capital service price index is thus given by the formula:

$$WKS_t = r_t * WKA_{t-1} + d_t * WKA_t$$

Here, r_t is the allowed rate of return based on the Board's historical calculated returns. This same annual value is also used in the capital service price computation for the U.S utilities in the dataset. Setting the same rate of return for all distributors provides consistency in determining the capital costs, so that decisions by regulators do not enter the benchmark evaluation, which is attempting to assess the performance of the utility itself. The parameter d_t is the economic depreciation rate. For this depreciation rate, we use the same value as we have used in all our distribution CIR benchmarking applications and the same one PEG used in the 4GIR proceeding and subsequent research: 4.59%.

The asset price deflator (*WKA*) is an index of the price of capital assets in each year. In several CIR applications, this has been an area of contention between PEG and our research team. Historically, Clearspring used the U.S.-based Handy-Whitman indices for both the U.S. sample and Canadian utilities, as these are well-known and provide asset inflation estimates that are specific to electric transmission or distribution.[30] Both Clearspring and PEG (at least historically) use the Handy-Whitman indices for the U.S. sample.

However, when estimating asset inflation for a Canadian utility, PEG has used Handy-Whitman indices in some of its prior research but has used a Canadian-specific asset inflation measure in some applications. The advantage of the latter approach is that it is specific to Canadian asset inflation; the disadvantage is that the measure is a comprehensive measure of water, sewer, gas, and electric utilities (including generation). In the last Hydro Ottawa CIR research, PEG compromised between these two asset inflation measures and used a 50% weighting on the Handy-Whitman indices and a 50% weighting on their implicit capital stock index measure. In the Hydro One research and the Joint Report, Clearspring also moved to this compromise of a 50/50 weighting. In that application, both researchers used the 50/50 weighting which eliminated this area as a point of contention. Clearspring is using that same 50/50 weighting index in this application.

For the U.S. sample, we compute this index using data on differences in the cost of constructing utility plant between regions over time. For U.S. distributors, we use the Handy-Whitman indices for total power

[29] For the Ontario distributors, the subscripts would change to 2002 in the first equation.

[30] For Canadian utilities we adjust the Handy-Whitman for the purchasing price parity (PPPs) in each given year to put the inflation estimate into Canadian dollars.

distribution plant; these indices vary over time and across six geographic regions.[31] For Alectra, we use the same Handy-Whitman index for total distribution plant in the North Atlantic region and then adjust for the Canadian purchasing power parity in the given year. This is for half of the weight in the index; for the other half, we use PEG's implicit capital stock deflator index found in the Capital Flows and Stocks data provided by Stats Canada.[32] For future years, we escalate the WKA index using a 50/50 calculation of the projections for the average weekly earnings in Ontario and the GDP-IPI index available from the Conference Board of Canada.

We determine the relative levels of utility plant asset prices for 2015 by using the City Cost Indices for electrical work in the 2016 edition of RSMeans' *Heavy Construction Cost Data*. These indices measure differences among cities in the cost of labour needed to install electrical equipment and differences in equipment prices. The construction service categories covered are: raceways; conductors and grounding; boxes and wiring devices; motors, starters, boards, and switches; transformers and bus ducts; lighting; electric utilities; and power distribution.

We modified this calculation in response to concerns put forth by PEG and other stakeholders prior to the most recent Hydro One application. The prior method was to calculate the level of the asset price index for each utility by the headquarter city in the service territory (or the closest available city). The concern was that the headquarter city might not be reflective of the entire service territory of the utility.

In response to this concern, we modified the asset price level calculation in the most recent Hydro One research to be based on a population-weighted average of the RS Means value for each 3-digit zip code served by a given utility. This spreads the levelization across the entire service territory, rather than centering on the headquarter city. We follow this same procedure in the current Alectra research. The index is already adjusted for currency differences between the two countries.

Model Estimation Procedure and Specification

We assume that the relationship between a utility's cost and the conditions that affect it, called "cost drivers," can be quantified and captured by a statistical function. This function, called a "cost function," allows Clearspring to specify cost as a dependent variable that can be explained by relevant independent or explanatory variables and associated parameters; the latter capture the effect of the independent variables on cost. Such a cost function is estimated using econometric techniques that rest on certain fundamental assumptions.

As implied by the term "independent," one of these assumptions is that the explanatory variables used in the model are factors that are outside the control of utility decision-makers. For instance, the wage paid to labour is driven by market conditions in the service territory and is largely outside the control of a firm's

[31] Handy-Whitman indexes are widely used throughout the U.S. utility industry. They measure the construction cost trends for specific utility functions in six different regional areas of the U.S. For more information, please see: https://wrallp.com/about-us/handy-whitman-index

[32] We note that at the time of the research, this Canadian index was only available through 2023.

managers. On the other hand, the number of employees hired is within management's control, and thus should not serve as an independent variable.

The data used to estimate this cost relationship can be from a single firm with multiple time observations (time series data), from many firms observed at a single time period (cross-sectional data), or from many firms with multiple time observations (cross-sectional time-series or panel data). The estimation procedure used to estimate model parameters is affected by the type of data used to estimate the model. In our present study, we have a panel dataset with cost data from multiple firms with observations starting in 2000 and extending to 2023. For benchmarks of past years, we use the model to produce benchmarks for each year and compare Alectra's benchmark costs with its actual costs.

Additionally, for future years we can take Alectra's cost projections through 2031, allowing us to also benchmark those forecasts "out of sample." We use the model (which is based on historical data) and apply the estimated coefficients and projected independent variable values for Alectra to calculate a predicted benchmark value. This predicted benchmark value is then compared to Alectra's projected total cost amount.

Statistical Tests on Parameter Estimates

The precision of parameter estimates is an important dimension of the cost estimation exercise. It identifies business condition variables that have a statistically significant effect on cost. Standard errors of parameter estimates, which measure the precision with which a parameter is estimated, are used to construct a test of a relevant hypothesis. The hypothesis to be tested is "the explanatory variable in question has no statistically significant effect on cost." This procedure is called the *t*-test. A variable is statistically significant if this hypothesis is rejected at a pre-specified level of confidence. We use a 90% confidence threshold in our research for all first order terms. This restriction is not placed on the quadratic and interaction output terms that comprise the translog cost function.

A cost model with plausibly signed and statistically significant parameter estimates is ultimately used to assess the cost performance of each firm in the sample. By "plausibly signed" we mean that its sign (positive/negative) accords with our intuitive understanding of the relationship between that parameter and the variable. For example, we would expect to see distribution costs rise as the number of customers served increases (i.e. we expect that the customer parameter would be positively signed).

Once the industry cost model is estimated, the cost model with estimated parameters is fitted with the business conditions of each utility to generate cost benchmarks, against which actual cost is evaluated. A cost benchmark for a particular utility reflects the performance we would expect from an average hypothetical utility facing the business conditions of that utility.

If a given utility's actual cost is below the benchmark cost, its cost performance is better than average—it spent less than a hypothetical utility (with the same particular characteristics) would be expected to spend. If its actual cost is above the benchmark cost, its cost performance is worse than average. A statistical test of a cost efficiency hypothesis, based on the *t*-test, can also be constructed to identify whether the cost performance identified by the above exercise is statistically significantly different from

average.

Model Specification

A translog function is selected for the total cost model estimated in this study. The translog cost function was the same functional form we have used in all our prior CIR research, and the one chosen by PEG in its 4GIR benchmarking research and subsequent CIR research. The function's general form, after suppressing time and firm subscripts, is given by:

$$ln\left(\frac{C}{W}\right) = \propto_0 + \sum_i \alpha_i \, ln\, Y_i + \sum_j \alpha_j ln Z_j + \frac{1}{2}\left[\sum_{i,k} \propto_{ik} \, lnY_i * ln\, Y_k\right] + \alpha_t t + \varepsilon$$

In this specification, $\alpha's$ are model parameters, and ε is the random noise term. In addition, Y_i quantifies output, W is the input price, Z_j is the other business condition variables, and *t* is a time trend term. This form has been widely used in cost function research.[33] A major advantage is its flexibility, which permits it to provide a good approximation for the wide range of functional forms that the data can reflect.[34]

Estimation Approach

As discussed earlier, the estimation approach has generated considerable discussion between benchmarking consultants in prior CIR proceedings. This is especially difficult for intervenors and the Board, due to the intricacies and difficulties for non-econometricians to evaluate these different approaches. However, it appears this difficulty has been addressed as both PEG and Clearspring used the same estimation approach in the Joint Report. Clearspring believes this best serves the Ontario industry for the benchmarking consultants to use consistent and pre-determined estimation approaches for all CIR benchmarking research.

The estimation procedure used to estimate model parameters is affected by the type of data used to estimate the models. In our present benchmarking studies, we have an unbalanced panel dataset with cost data from multiple utilities with multiple observations starting in 2000 and extending to 2023.

In multivariate regression analysis, the constructed model is designed to use a set of independent (often called explanatory or right-hand-side) variables to "explain" movement in the dependent (often called the left-hand-side) variable. The numerical relationship between an independent variable and the dependent variable is provided through an estimated coefficient value. Under the assumptions of the model, this coefficient value is considered an unbiased estimator of the relationship. Multivariate regression analysis also makes statements about the precision of each coefficient value. Precision in this context is a statement about how confident or statistically valid the coefficient value is. When all the assumptions of

[33] In their Monte Carlo studies of functional forms' performance, Gagne and Ouellette (1998) use the translog as a benchmark because "it is the most widely used" functional form.

[34] See Guilkey, et al. (1983)

multivariate regression are satisfied, the coefficient values are the best (or most precise) unbiased estimators that are available.

Two common issues arise in multivariate regression using real world data: heteroscedasticity and autocorrelation. Neither of these issues causes the coefficient values to be biased or less precise. This is important because it means the researcher does not need to worry about correcting the coefficient values: they are not misleading. However, both conditions render the standard error estimates which measure precision problematic. Specifically, the problem with heteroscedasticity and autocorrelation is that they increase the regression variance calculations, which means the researcher is less confident in the calculated coefficient values. For decades, the standard correction procedure involved trying to figure out the nature of each problem and strategically weighting the regression to render heteroscedasticity and autocorrelation less of a problem. One key issue with this strategy is that the researcher may have a hard time truly understanding how to reweight the regression. Additionally, the coefficient values will be different after the reweighting.

More recent treatments for dealing with heteroscedasticity and autocorrelation focus the correction procedures on methods that do not alter the regression or the coefficient values. Instead of reweighting the regression itself, these strategies leave the regression unaltered and focus on altering the way the variances of the coefficients are calculated. These procedures are systematic and do not depend on understanding the underlying reason for the heteroscedasticity and autocorrelation.

For our analysis, we have chosen to estimate the precision of our coefficients using Driscoll-Kraay standard errors.[35] Driscoll-Kraay standard errors have been coded and available in the STATA software suite since 2007.[36] The computer software calculates information crucial to understanding whether each relationship (as described by each coefficient) can be supported statistically.

[35] Driscoll, J., and A. C. Kraay, 1998. "Consistent covariance matrix estimation with spatially dependent data," *Review of Economics and Statistics* 80: 549–560.

[36] Hoechle, Daniel, 2007 "Robust standard errors for panel regressions with cross-sectional dependence," *The Stata Journal* 7(3): 281-312.

Appendix B: Resume of Steve Fenrick

STEVEN A. FENRICK, Principal Consultant

steve.fenrick@clearspringenergy.com (608.334.5994)

SUMMARY OF EXPERIENCE AND EXPERTISE

- I have directed project teams and engaged in research in the fields of performance based regulation, performance benchmarking, DSM, load research and forecasting, and survey design and implementation
- I have been a expert witness in a number of cases involving performance-based ratemaking and incentive regulation, load forecasting, and peak time rebates.

PROFESSIONAL EXPERIENCE

Clearspring Energy Advisors, LLC (2019 to Present)
Principal Consultant

Responsible for providing consulting services and expert witness testimony to utilities and regulators in the areas of reliability and cost benchmarking, productivity studies and other empirical aspects of performance-based ratemaking and incentive regulation. Direct activities in the areas of demand-side management programs, peak time rebate programs, load forecasting, and market research.

Power System Engineering, Inc.– Madison, WI (2009 to 2018)
Director of Economics

Responsible for providing consulting services to utilities and regulators in the areas of reliability and cost benchmarking, incentive regulation, value-based reliability planning, demand-side management including demand response and energy efficiency, ran peak time rebate programs, load research, load forecasting, end-use surveys, and market research.

Pacific Economics Group – Madison, WI (2001 - 2009)
Senior Economist

Co-authored research reports submitted as testimony in numerous proceedings in several states and in international jurisdictions. Research topics included statistical benchmarking, alternative regulation, and revenue decoupling. Managed and supervised PEG support staff in research and marketing efforts.

EDUCATION

University of Wisconsin - Madison, WI

Bachelor of Science, Economics (Mathematical Emphasis)

University of Wisconsin - Madison, WI

Master of Science, Agriculture and Applied Economics

Expert Witness Experience

- Docket EB-2023-0195, Toronto Hydro Electric System Limited, Econometric Benchmarking research.
- Case No. 2023-00310, Big Rivers Electric Corporation, Integrated Resource Plan. Econometric Load Forecasting research.
- Docket EB-2022-0149, Wataynikaneyap Power LP, Benchmarking Research.
- Docket EB-2021-0110, Hydro One Networks, Joint Rate Application for Transmission and Distribution. Custom Incentive Regulation Benchmarking and Productivity research.
- Case No. 2020-00299, Big Rivers Electric Corporation, Integrated Resource Plan. Econometric Load Forecasting research.
- Docket EB-2019-0261, Hydro Ottawa, Custom Incentive Regulation Application. Econometric Benchmarking research.
- Docket EB-2019-0082, Hydro One Networks Transmission, TFP and Econometric Benchmarking research.
- Docket EB-2018-0165, Toronto Hydro Electric System Limited, Econometric Benchmarking research.
- Docket EB-2018-0218, Hydro One Transmission Sault St. Marie, TFP and Econometric Benchmarking research.
- Docket EB-2017-0049, Hydro One Distribution, TFP and Benchmarking research.
- Docket EB-2015-0004, Hydro Ottawa, Custom Incentive Regulation Application.
- Docket 15-SPEE-357-TAR, Application for Southern Pioneer Electric Cooperative, Inc., Demand Response Peak Time Rebate Pilot Program.
- Docket EB-2014-0116, Toronto Hydro, Custom Incentive Regulation Application.
- Docket EB-2010-0379, The Coalition of Large Distributors in Ontario regarding "Defining & Measuring Performance".
- Docket No. 6690-CE-198, Wisconsin Public Service Corporation, "Application for Certificate of Authority for System Modernization and Reliability Project".
- Expert Witness presentation to Connecticut Governors "Two Storm Panel", 2012.
- Docket No. EB-2012-0064, Toronto Hydro's Incremental Capital Module (ICM) request for added capital funding.
- Docket No. 09-0306, Central Illinois Light rate case filing.
- Docket No. 09-0307, Central Illinois Public Service Company rate case filing.
- Docket No. 09-0308, Illinois Power rate case filing.

Publications & Papers

- "Peak-Time Rebate Programs: A Success Story", *TechSurveillance*, July 2014 (with David Williams and Chris Ivanov).
- "Demand Impact of a Critical Peak Pricing Program: Opt-In and Opt-Out Options, Green Attitudes and other Customer Characteristics:, *The Energy Journal*, January 2014. (With Lullit Getachew, Chris Ivanov, and Jeff Smith).
- "Evaluating the Cost of Reliability Improvement Programs", *The Electricity Journal*, November 2013. (With Lullit Getachew)
- "Expected Useful Life of Energy Efficiency Improvements", Cooperative Research Network, 2013 (with David Williams).
- "Cost and Reliability Comparisons of Underground and Overhead Power Lines", *Utilities Policy*, March 2012. (With Lullit Getachew).
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- "Enabling Technologies and Energy Savings: The Case of EnergyWise Smart Meter Pilot of Connexus Energy", Utilities Policy, November 2012. (With Chris Ivanov, Lullit Getachew, and Bethany Vittetoe)
- "The Value of Improving Load Factors through Demand-Side Management Programs", Cooperative Research Network, 2012 (with David Williams and Chris Ivanov).
- "Estimation of the Effects of Price and Billing Frequency on Household Water Demand Using a Panel of Wisconsin Municipalities", *Applied Economics Letters*, 2012, 19:14, 1373-1380.
- "Altreg Rate Designs Address Declining Average Gas Use", *Natural Gas & Electricity*. April 2008. (With Mark Lowry, Lullit Getachew, and David Hovde).
- "Regulation of Gas Distributors with Declining Use per Customer", *Dialogue*. August 2006. (With Mark Lowry and Lullit Getachew).
- "Balancing Reliability with Investment Costs: Assessing the Costs and Benefits of Reliability-Driven Power Transmission Projects." April 2011. *RE Magazine*.
- "Ex-Post Cost, Productivity, and Reliability Performance Assessment Techniques for Power Distribution Utilities". Master's Thesis.
- "Demand Response: How Much Value is Really There?" *PSE whitepaper.*
- "How is My Utility Performing" *PSE whitepaper*.
- "Improving the Performance of Power Distributors by Statistical Performance Benchmarking" *PSE whitepaper*.
- "Peak Time Rebate Programs: Reducing Costs While Engaging Customers" *PSE whitepaper*.
- "Performance Based Regulation for Electric and Gas Distributors" *PSE whitepaper*.
- "Revenue Decoupling: Designing a Fair Revenue Adjustment Mechanism" *PSE whitepaper.*

Attachment 1-4

PEG Benchmarking Forecast Analysis

Please see live Excel version

Attachment 1-5

OEB Appendix 2-G

Please see live Excel version

3. ACTIVITY AND PROGRAM-BASED BENCHMARKING (APB) RESULTS

On March 30, 2021, the OEB issued a Report prepared by Pacific Economics Group Research LLC (PEG) titled *New Developments in Activities and Program Benchmarking* dated March 9, 2021 (revised May 11, 2021). The *Activities and Program Benchmarking Report* provides sector-wide unit costs and econometric results for ten specific spending areas, including six OM&A and four capital program areas. The OEB issues an APB report on an annual basis; the most recent of which was the *Activity and Program-based Benchmarking 2023 Unit Cost Report* issued on October 17, 2024.

This evidence presents Alectra Utilities' results in the domain of the Activity and Program-Based Benchmarking (APB) policy as established by the OEB. The *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications* direct that distributors should discuss how the results have informed the distributor's business plan and application[9]. Alectra Utilities views the APB unit cost analysis contained in this application as a complement to benchmarking the utility's total cost envelope, however, it has not relied on these results to inform decision making, for several reasons.

First, certain limitations in the comparisons raise questions about the validity of specific conclusions drawn from the outcomes. In particular, differences, variability, or inconsistencies in cost tracking or cost allocation practices among utilities can complicate or compromise direct comparisons for benchmarking purposes. As a utility formed through the harmonization of five legacy utilities, Alectra Utilities has observed differences in cost tracking and cost allocation practices even within its own legacy utilities. Four of Alectra Utilities' legacy utilities were harmonized under a common Enterprise Resource Planning software (ERP) in 2019, at which time General Ledger (GL) accounts were generally mapped to USoAs according to each legacy utility's practices. That process revealed that there were certain inconsistencies which have since been addressed. Alectra Utilities undertook a broad review of USoA mappings in 2024 which significantly improved the accuracy of cost allocations for several APB O&M program areas. However, this does raise concerns around the legitimacy of comparability among other entities.

[9] Chapter 2 Filing Requirements, Ontario Energy Board, May 7, 2025, Section 2.1.6, Performance Measurement, p. 12.

Second, Alectra Utilities also has concerns that the results could be misleading if they fail to consider the unique contextual circumstances of the comparators subject to the comparison. That is, differences in some characteristics may lead to invalid or inconsistent conclusions for decision making. For example, some ways that subject utilities' costs may be materially affected, and therefore impact the legitimacy of decision making based on such comparisons, might include the following:

- Terrain, climate, and customer density can significantly influence the costs of one distributor compared to another.
- Local variations in wage rates may impact differences in cost levels;
- Prices for other non-wage inputs may vary dramatically depending on the location of service and can impact cost levels. [10]

As a result, conclusions drawn from these benchmarking results may either under- or over-state performance relative to peers and could therefore result in false or misleading conclusions.

Finally, and perhaps most importantly, Alectra Utilities' investment plans have been developed based on the discrete assessment of asset conditions, system needs, and customer preferences, and to achieve specific outcomes, such as reliability or safety. As Alectra Utilities undertakes investment planning on a programmatic basis based on operational needs, it has not relied on comparisons of unit costs with other utilities.

While Alectra Utilities is committed to continuing its work to improve the presentation and understanding of these results, for the reasons outlined above, Alectra Utilities does not believe it is yet in a position to rely on APB results for the purpose of assessing performance nor for the development of discrete investment plans. That said, Alectra Utilities remains committed to further developing and enhancing the various facets required to establish credible results. OEB staff is planning to expand the universe of program-based unit cost metrics beyond 2025. Alectra Utilities submits that part of the scope of further work to be completed in this policy area would ideally also include working with stakeholders to ensure that USoA mapping is aligned consistently across the sector so that the benchmark results are valid and useful.

[10] Some of these deficiencies and differences in input price levels among distributors were addressed and discussed in PEG's *Report to the OEB on New Developments in Activities and Program Benchmarking* issued on May 11, 2021.

Activity & Program-Based Benchmarking: Unit Cost Results

The following section provides an overview of Alectra Utilities' unit cost performance for each of the ten APB programs.

As indicated above, in 2024 Alectra Utilities identified that some O&M costs were not allocated to the correct USoA between 2019, when legacy rate zones were merged under a common enterprise resource planning software, and 2023. As a corrective measure, Alectra Utilities undertook a broad review of USoA mappings which resulted in some costs being remapped from one USoA to a more appropriate USoA on a go-forward basis, effective January 2024. The 2019 to 2023 cost data presented in this Appendix has been restated to align with remapped USoAs. Alectra Utilities has presented capital additions costs in a similar manner in this Appendix. Any reclassifications impacting the 2019 to 2023 timeframe have been restated under the correct USoA. Therefore, the cost data presented in this Appendix provides an accurate representation of costs in each historical year, though does not consistently align with historical RRR data or Fixed Asset Continuity Schedules. Alectra Utilities additionally acknowledges that historical Fixed Asset Continuity Schedules have been updated for purposes of this application, as described in Exhibit 2B, Tab 2, Schedule 2 and presented in Appendix 2-BA (Attachment 2B-1). Capital addition values presented in this Appendix reflect the updated FACS.

3.1. BILLING O&M

The Billing O&M unit cost is determined by dividing customer billing costs by the total number of customers. Billing costs include direct labour, stationary, postage, delivery expenses and charges for contract billing performed by outside service providers. Alectra Utilities' historical cost performance under the Billing O&M metric is provided below in Table 1-6-21.

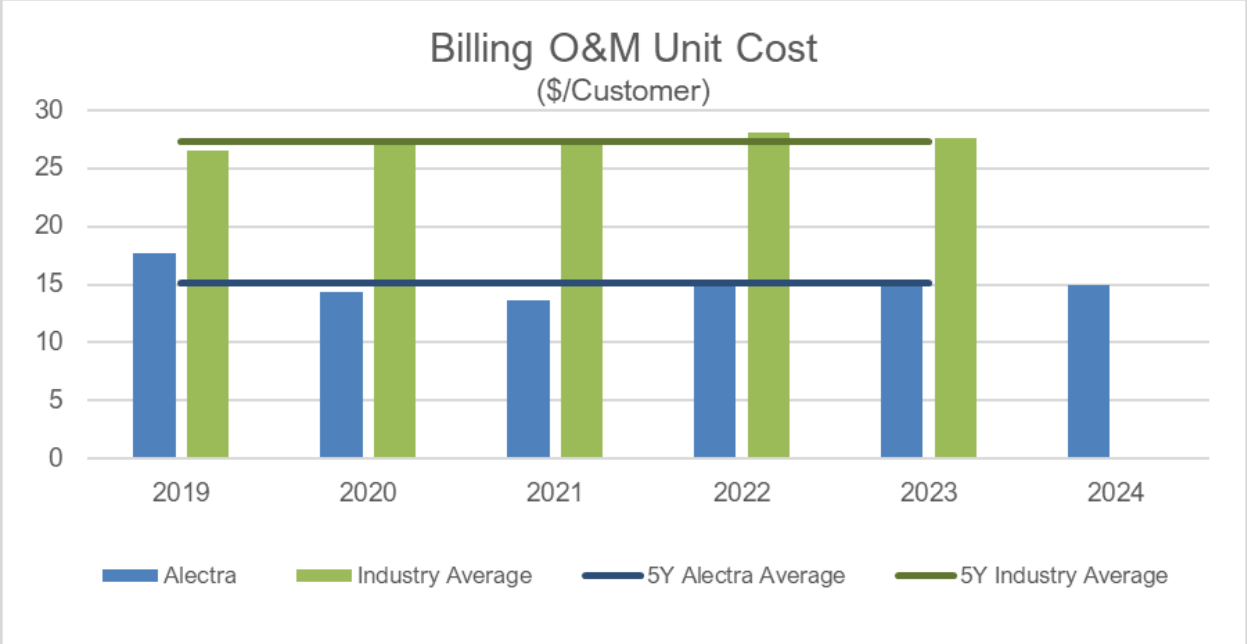
Table 1-6-21: Billing O&M - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	18,594	15,212	14,601	16,201	16,065	16,134
Total Customers (000s)	1,055	1,062	1,070	1,077	1,083	1,069
($/Customer)	17.63	14.32	13.65	15.05	14.84	15.10
YoY Change (%)		-19%	-5%	10%	-1%	

Alectra Utilities' unit cost performance in 2023 was 1% lower than 2022, and 2% lower than Alectra Utilities' five-year average.

Chart 1-6-17 below provides a graphical representation of Alectra Utilities' historical annual results for the Billing O&M program.

Chart 1-6-17: Billing O&M - Historical Annual Results



For more details, refer to Exhibit 4, Tab 2, Schedule 7, Section 4.2 Productivity and Cost Control for further information related to forecast billing costs.

3.2. METERS O&M

The Meters O&M unit cost is determined by dividing meter expenses by the total number of customers. Meters O&M costs include direct labour and equipment associated with meter installation, removal, sealing, resetting, inspecting, reading, testing and associated materials and expenses. Alectra Utilities' historical cost performance under the Meters O&M metric is provided below in Table 1-6-22.

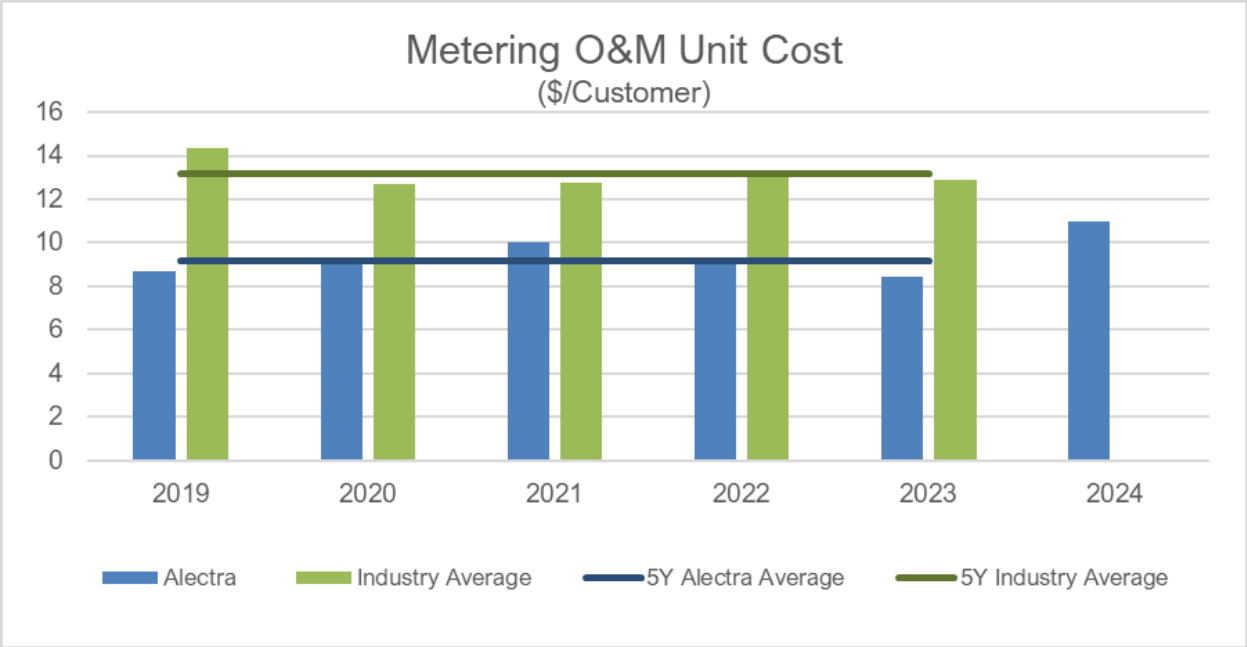
Table 1-6-22: Meters O&M - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost ('000s)	9,143	9,884	10,724	9,985	9,164	9,780
Total Customers ('000s)	1,055	1,062	1,070	1,077	1,083	1,069
$/Customer	8.67	9.31	10.03	9.28	8.46	9.15
YoY Change (%)		7%	8%	-7%	-9%	

Alectra Utilities' unit cost performance in 2023 was 9% lower than 2022, and 7% lower than Alectra Utilities' five-year average.

Chart 1-6-18 below provides a graphical representation of Alectra Utilities' historical annual results for the Meters O&M program.

Chart 1-6-18: Meters O&M - Historical Annual Results



For further information related to forecasting Meters O&M costs through the rate period, refer to Exhibit 4, Tab 2, Schedule 13 - Network Metering.

3.3. VEGETATION MANAGEMENT O&M

The Vegetation O&M unit cost is determined by dividing vegetation O&M costs by the total number of poles. Alectra Utilities' historical cost performance under the Vegetation Management O&M metric is provided below in Table 1-6-23.

Table 1-6-23: Vegetation Management O&M - Historical Performance

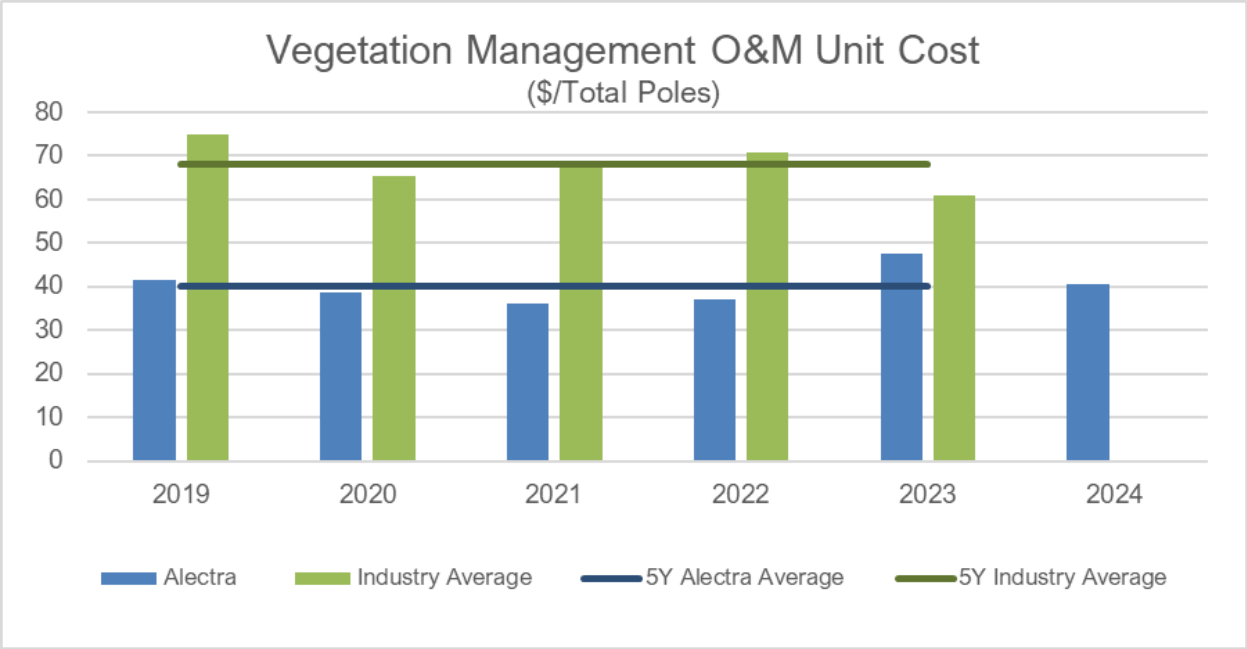
	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	5,119	5,190	4,896	5,059	6,526	5,358
Poles (000s)	123	134	136	136	138	133
$/Pole	41.45	38.71	36.12	37.08	47.44	40.16
YoY Change (%)		(7)%	(7)%	3 %	28 %	

Alectra Utilities' unit cost performance in 2023 was 28% higher than 2022, and 18% higher than Alectra Utilities' five-year average due to a $1MM increase in outside service provider costs and

a $400k increase in direct labour costs. Outside labour contractors cost increases were notable during and subsequent to the COVID-19 pandemic. In addition, Alectra Utilities trimmed a higher number of circuit kilometers in 2023 than in 2022.

Chart 1-6-19 below provides a graphical representation of Alectra Utilities' historical annual results for the Vegetation Management O&M program.

Chart 1-6-19: Vegetation Management O&M - Historical Annual Results



For additional details regarding Alectra Utilities' vegetation management program through the historical and forecast periods, refer to Exhibit 4, Tab 2, Schedule 15 - Vegetation Management and Exhibit 2A, Tab 1, Schedule 1, Section 5.3.2.1.C Climate Trends of the DSP.

3.4. LINES O&M

The Lines O&M unit cost is determined by dividing the sum of lines O&M costs by circuit kilometers of primary lines. Alectra Utilities' historical cost performance under the Lines O&M metric is provided below in Table 1-6-24.

Table 1-6-24: Lines O&M - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	44,996	44,308	43,525	55,890	48,536	47,451
Circuit km of Primary Line	21,112	21,171	21,581	21,684	21,963	21,502
$/km of Primary Line	2,131	2,093	2,017	2,577	2,210	2,207
YoY Change (%)		-2%	-4%	28%	-14%	

Alectra Utilities' unit cost in 2023 was 14% lower than 2022, and consistent with Alectra Utilities' five-year average.

A notable increase in costs occurred in 2022 during the COVID-19 pandemic, which pertained to outside labour contractors' cost increases and temporary changes in operations approaches due to pandemic protocols, such as single occupancy vehicle use.

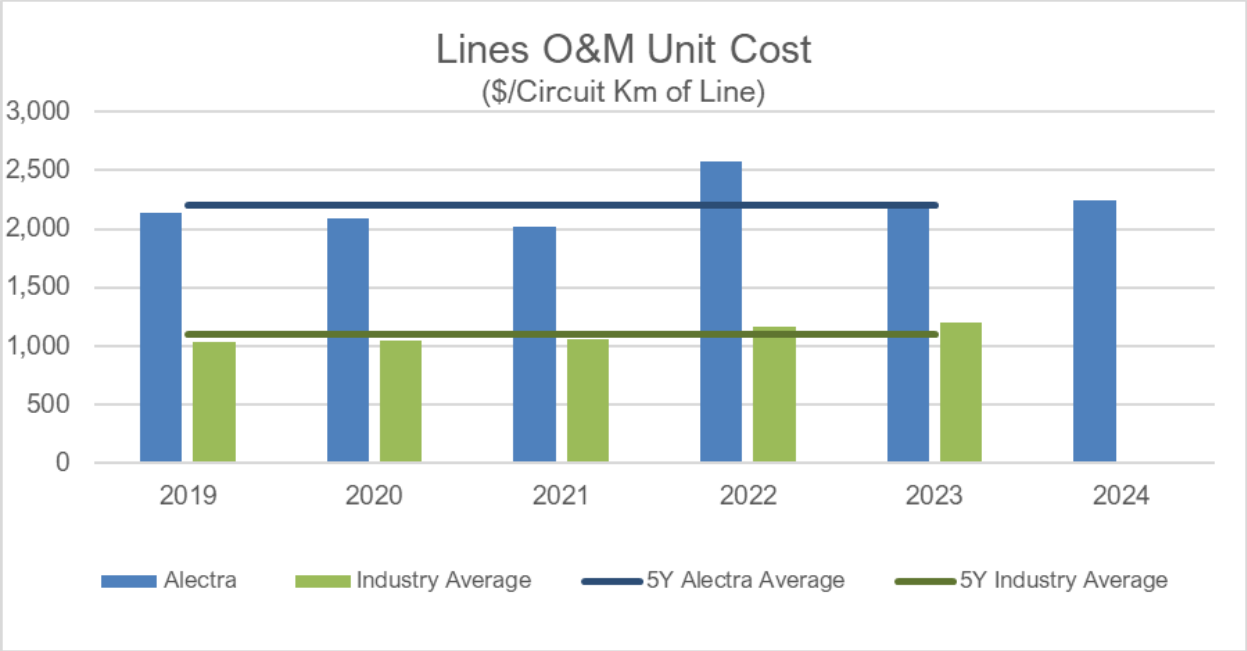
The 2022 year was also impacted by a severe storm season. Alectra Utilities experienced an increase in weather related outages requiring trouble work and repair, experiencing four major event days (MED) compared to 1 in 2021 and 0 in 2023, respectively, as well as a higher number of non-MED events. Alectra Utilities experienced 5,210 sustained outages in 2022, an increase of 5% over 2021 volumes and 14% higher than 2023 volumes.

Alectra Utilities also performed larger volumes of distribution transformer oil (polychlorinated biphenyls or PCB) testing in 2021 and 2022 in response to higher incidence of leaking transformers and soil remediation costs experienced in 2021. An increased number of leaking transformers were identified which drove higher soil remediation costs in 2021 and 2022. While some remediation was undertaken in 2021, not all remediation could be completed immediately, and a large number of sites were remediated in 2022.

In 2022, Alectra Utilities also repaired a large volume of primary and secondary cable faults caused by ageing infrastructure. Cable faults are often identified at the time of failure and triaged for repair at a different date due to factors such as weather, available resources, whether the system can be restored immediately and the potential impact of a second failure in the same cable loop. Alectra Utilities experienced an increase in primary cable fault related outages in 2020 and 2021 (501 and 465 events, respectively) and many of these failures were ultimately repaired in 2022.

Chart 1-6-20 below provides a graphical representation of Alectra Utilities' historical annual results for the Lines O&M program.

Chart 1-6-20: Lines O&M - Historical Annual Results



For additional details regarding Alectra Utilities' planned Lines program through the rate period, refer to Exhibit 4, Tab 2, Schedule 16 - Overhead Inspections and Maintenance.

3.5. DISTRIBUTION STATION EQUIPMENT O&M

The Distribution Station Equipment O&M unit cost is determined by dividing costs associated with distribution station equipment O&M by the total megavolt-amperes (MVA) of all station transformers. Alectra Utilities' historical cost performance under the Distribution Station Equipment O&M metric is provided below in Table 1-6-25.

Table 1-6-25: Distribution Station Equipment O&M - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	8,203	7,041	7,580	8,836	9,960	8,324
Total MVA	7,064	7,044	7,044	7,044	7,038	7,047
$/MVA	1,161	1,000	1,076	1,254	1,415	1,181
YoY Change (%)		-14%	8 %	17 %	13 %	

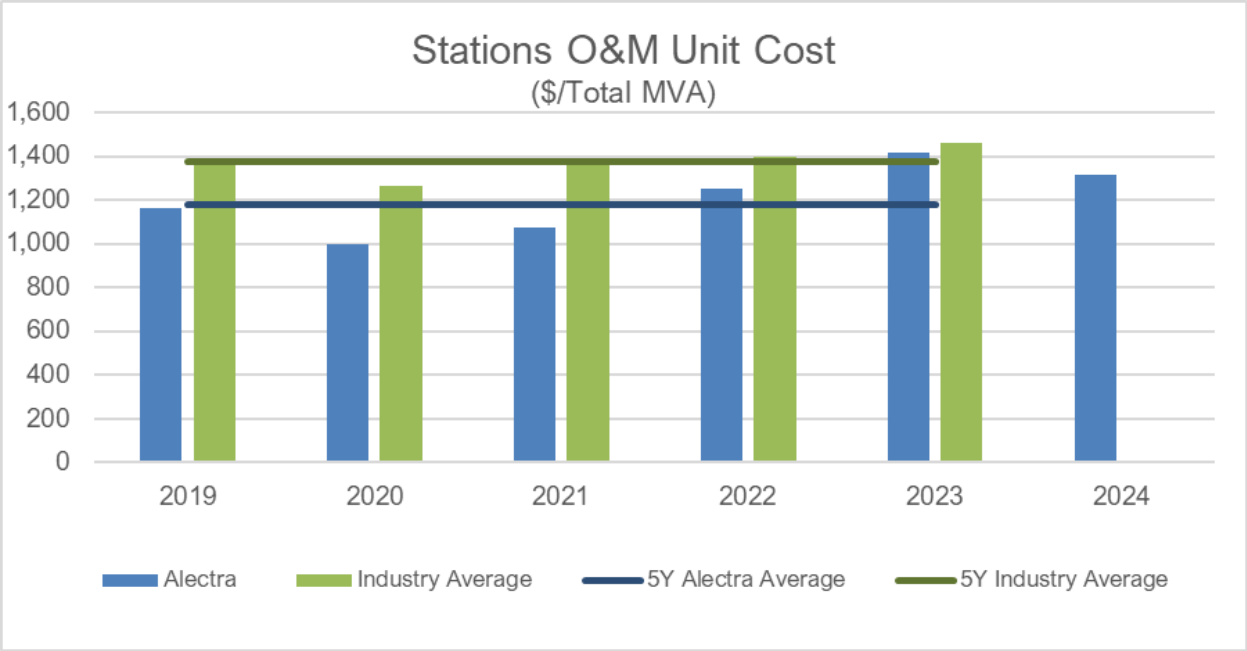
Alectra Utilities' unit cost performance in 2023 was 13% higher than 2022, and 20% higher than Alectra Utilities' five-year average.

Overall program costs have increased as Alectra Utilities developed harmonized stations, protection and control, and communications asset maintenance and inspection programs, adopting a strong maintenance mindset to sustain asset performance. Labour is dedicated to ensuring that Alectra Utilities' transformer and municipal stations, protection and control systems, and communications networks remain in good working condition. Between 2019 and 2023, completed Stations maintenance work orders rose by 41% compared to the previous five years, reflecting the need to address deteriorating or failing assets. Alectra Utilities has implemented comprehensive inspection and maintenance programs to ensure assets remain in optimal working condition. Alectra Utilities' five-year average labour cost is skewed by lower labour costs incurred in 2020 due to pandemic-related restrictions which reduced field activity and deferred maintenance.

At the same time, repair costs have risen as equipment experienced more failures or required corrective action to prevent failure. Repairs and maintenance cost increases include spending on security systems, as Alectra Utilities took proactive steps to reduce the risk of theft and break-ins at station sites by installing new security systems and engaging a third-party service to monitor critical locations with video monitoring systems. In addition, major station HVAC system repairs were carried out in 2023.

Chart 1-6-21 below provides a graphical representation of Alectra Utilities' historical annual results for the Distribution Station Equipment O&M program.

Chart 1-6-21: Distribution Station Equipment O&M - Historical Annual Results



Further information regarding Alectra Utilities' historical and forecast O&M spending related to stations can be found at Exhibit 4, Tab 2, Schedule 10 - Stations.

3.6. POLES, TOWERS AND FIXTURES O&M

The Poles, Towers and Fixtures O&M unit cost is determined by dividing the total poles, towers and fixtures O&M costs by the total number of poles. Alectra Utilities' historical cost performance under the Poles and Fixtures O&M metric is provided below in Table 1-6-26.

Through the course of harmonizing practices across Alectra Utilities' five legacy utilities, Alectra Utilities has found that there were inconsistencies among them in respect of activity related to poles, towers, and fixtures. Depending on the circumstances and the legacy utility, some costs were previously interpreted as, and captured under, "Lines" activity rather than "Poles, Towers, and Fixtures. Notably, in addition to potential inconsistencies for allocating costs across activities, these projects often also include both operational and capital expenditures. As a result, this can further perpetuate inconsistent treatment across the sector, and further call into question the validity of comparisons.

Additionally, Alectra Utilities' scale variable reflects the total quantity of fully dressed poles (i.e., a quantity of one (1) reflects a single pole and associated fixtures). Alectra Utilities does not operate and maintain any towers, and to date, has not reported fixtures. Including the quantity of fixtures in APB reporting would require serialization of minor, low-cost parts such as brackets and insulators. The OEB issued a letter on March 14, 2025, outlining RRR process improvements which makes clear the OEB's intention to require reporting on the number of fixtures. A subsequent letter issued by the OEB on August 22, 2025, indicates that this reporting requirement will remain voluntary until further notice. It is unclear how utilities may have historically reported or recorded the total number of poles, towers and fixtures. Nevertheless, consistent with the APB policy, Alectra Utilities' historical cost performance under the Poles, Towers, Fixtures O&M metric is provided below in Table 1-6-26.

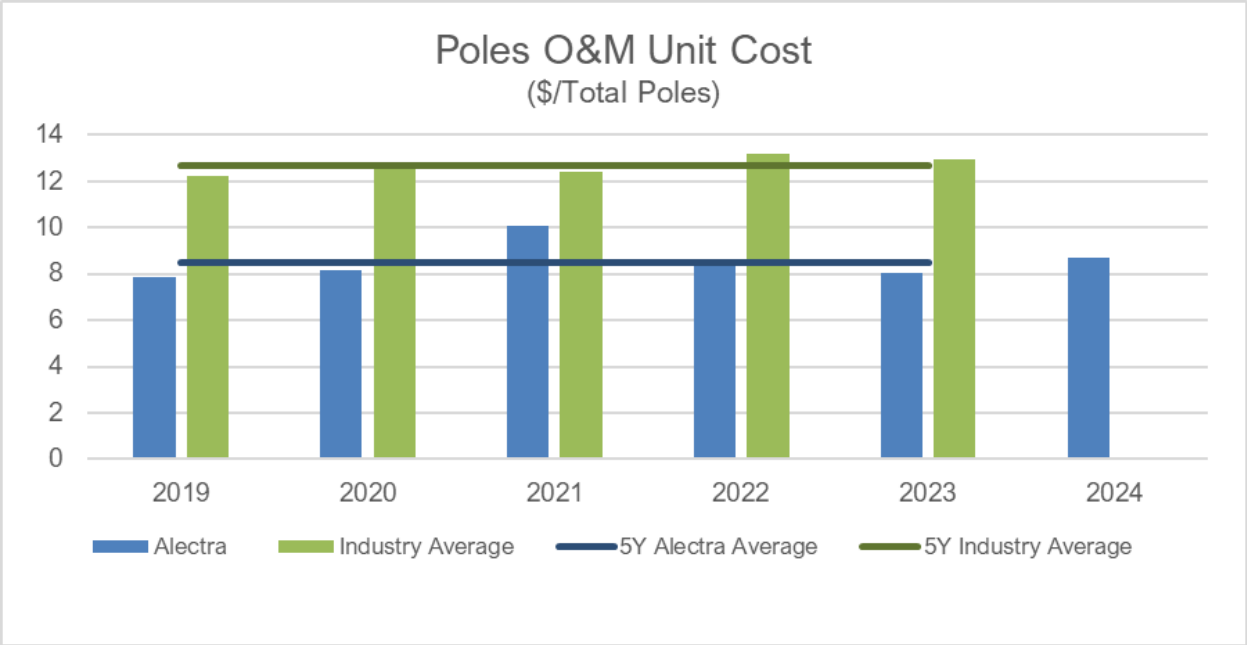
Table 1-6-26: Poles, Towers and Fixtures O&M - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	971	1,097	1,365	1,146	1,110	1,138
Total Poles (000s)	123	134	136	136	138	133
$/Pole	7.86	8.18	10.07	8.40	8.07	8.52
YoY Change (%)		4%	23%	-17%	-4%	

Alectra Utilities' unit cost performance in 2023 was 4% lower than 2022, and 5% lower than Alectra Utilities' five-year average.

Chart 1-6-22 below provides a graphical representation of Alectra Utilities' historical annual results for the Poles, Towers and Fixtures O&M program.

Chart 1-6-22: Poles, Towers and Fixtures O&M - Historical Annual Results



For more information, refer to Exhibit 4, Tab 2, Schedule 16 - Overhead Inspections and Maintenance.

3.7. CAPITAL EXPENDITURES: DISTRIBUTION STATION EQUIPMENT

The Distribution Station Equipment CAPEX unit cost is determined by dividing distribution station equipment capital by total MVA. Costs pertain to the installed cost of transforming and switching equipment used for stepping voltages down to distribution voltages, including all equipment used within the station area, such as transformer equipment, control equipment, switching equipment, station metering equipment, housings, mountings and general equipment.

Costs under this program activity area tend to be highly variable from year to year depending on emerging needs and other circumstances. For example, in 2021, Alectra Utilities incurred atypically high expenditures, which reflect the completion and capitalization of several key projects, namely switchgear replacements, a power transformer replacement, protection system upgrades and the replacement of communication equipment that had reached the end of its service life.

Alectra Utilities' historical cost performance under the Distribution Station CAPEX metric is provided below in Table 1-6-27.

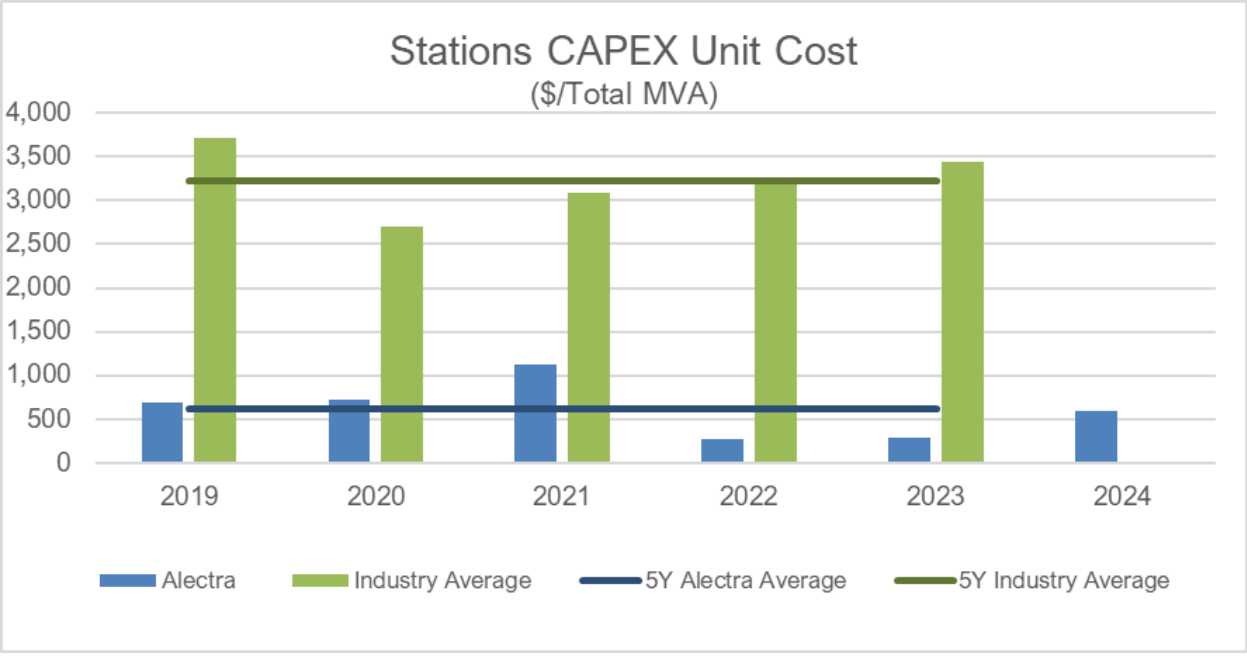
Table 1-6-27: Distribution Station Equipment CAPEX - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	4,908	5,037	7,968	1,873	2,012	4,360
Total MVA	7,064	7,044	7,044	7,044	7,038	7,047
$/MVA	695	715	1,131	266	286	619
YoY Change (%)		3%	58%	-76%	7%	

Alectra Utilities' unit cost performance in 2023 was 7% higher than 2022, and 54% lower than Alectra Utilities' five-year average.

Chart 1-6-23 below provides a graphical representation of Alectra Utilities' historical annual results for the Distribution Station Equipment CAPEX program.

Chart 1-6-23: Distribution Station Equipment CAPEX - Historical Annual Results



3.8. CAPITAL EXPENDITURES: POLES, TOWERS AND FIXTURES

The Poles, Towers and Fixtures CAPEX unit cost is determined by dividing poles, towers, and fixtures capital by the number of pole additions in a calendar year. Costs pertain to the installation of poles, towers and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

Here again, Alectra Utilities has concerns with the presentation of the specific outcomes for cost reporting and comparability. As discussed above, Alectra Utilities has not historically tracked or reported fixtures, and it is unclear what, how, or for how long other utilities have captured this data, if at all.

Additionally, Alectra Utilities' Poles, Towers and Fixtures CAPEX unit cost is impacted by its urban nature and load density. To service its customers, Alectra Utilities uses a mix of overhead and underground feeders of various voltage levels. Where overhead pole lines are installed, these typically carry multiple primary voltage circuits, secondary circuits, multiple telecommunications lines, and large equipment such as transformation and switches. The loading imparted by these appurtenances, combined with the requirements of CSA 22.3 No.1 (2025), and considerations for reliability and weather impacts mean that Alectra Utilities' poles are taller and of a higher strength class than some comparative utilities with less urban, or lower load density. For example, Alectra Utilities regularly installs poles up to and exceeding 85' in length and of classes such as H2, or concrete class J or larger poles. These poles may also have specialized foundations from time to time in order to deal with the confines of an urban setting where land for reinforcing anchors is not available. Larger poles also require larger vehicles, more extensive excavation and additional labour resources to install.

Alectra Utilities' historical cost performance under the Poles, Towers and Fixtures CAPEX metric is provided below in Table 1-6-28.

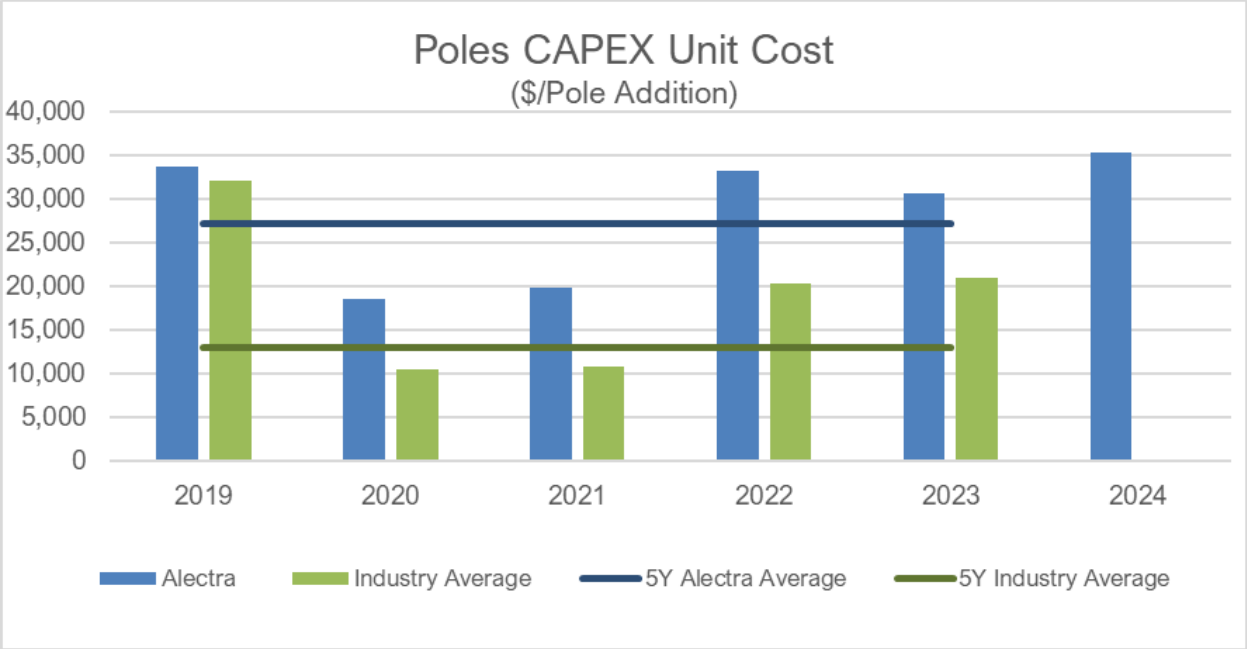
Table 1-6-28: Poles, Towers and Fixtures CAPEX - Historical Performance

	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	73,970	48,663	47,453	49,513	58,318	55,583
Quantity of Pole Additions	2,200	2,621	2,389	1,493	1,908	2,122
$/Pole Added	33,623	18,566	19,863	33,163	30,565	27,156
YoY Change (%)		-45%	7%	67%	-8%	

Alectra Utilities' unit cost performance in 2023 was 8% lower than 2022, and 13% higher than Alectra Utilities' five-year average.

Chart 1-6-24 below provides a graphical representation of Alectra Utilities' historical annual results for the Poles, Towers and Fixtures CAPEX program.

Chart 1-6-24: Poles, Towers and Fixtures CAPEX - Historical Annual Results



For more information, refer to Exhibit 2A, Tab 1, Schedule 1, Section 5.4 Capital Expenditure Plan in the DSP.

3.9. CAPITAL EXPENDITURES: LINE TRANSFORMERS

The Line Transformers CAPEX unit cost is determined by dividing line transformer capital by the number of line transformer additions in a calendar year.

Alectra Utilities' historical cost performance under the Line Transformer CAPEX metric is provided below in Table 1-6-29.

Table 1-6-29: Line Transformers CAPEX - Historical Performance

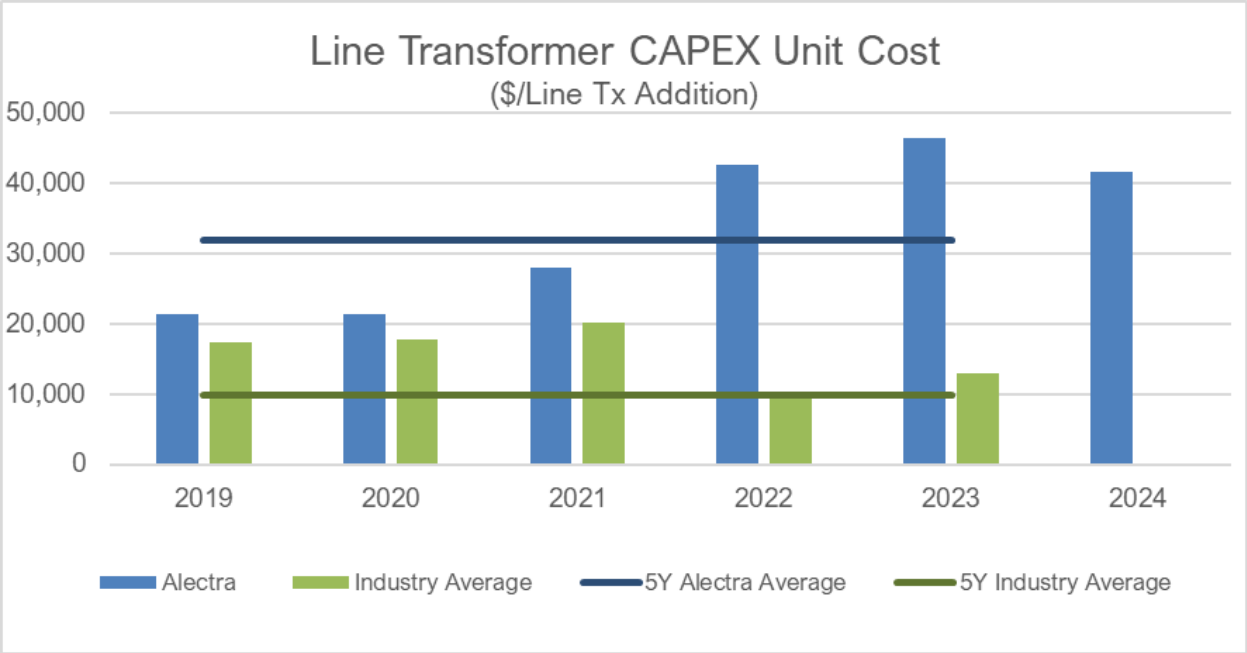
	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	52,971	48,743	63,626	53,888	96,557	63,157
Quantity of Line Tx Additions	2,478	2,288	2,278	1,264	2,078	2,077
$/Line Tx Added	21,377	21,304	27,931	42,633	46,466	31,942
YoY Change (%)		0%	31%	53%	9%	

Alectra Utilities' unit cost performance in 2023 was 9% higher than 2022 and 45% higher than Alectra Utilities' five-year average.

Both contracted labour and material costs rose significantly since 2020, due to related supply chain challenges and labour shortages. Significant increases in labour costs, metals, transportation, and nearly all materials have been experienced, particularly as it relates to line transformers, which increased by 96% overall between 2020 and 2023.

Chart 1-6-25 below provides a graphical representation of Alectra Utilities' historical annual results for the Line Transformers CAPEX program.

Chart 1-6-25: Line Transformers CAPEX - Historical Annual Results



For more information on this program area, refer to Exhibit 2A, Tab 1, Schedule 1, Section 5.4. Capital Expenditure Plan in the DSP.

3.10. CAPITAL EXPENDITURES: METERS

The Meters CAPEX unit cost is determined by dividing meter related capital expenditures by the total number of customers. Costs pertain to installation of meters, devices and appurtenances for use in measuring electricity delivered to customers.

Alectra Utilities' historical cost performance under the Meters CAPEX metric is provided below in Table 1-6-30.

Table 1-6-30: Meters CAPEX - Historical Performance

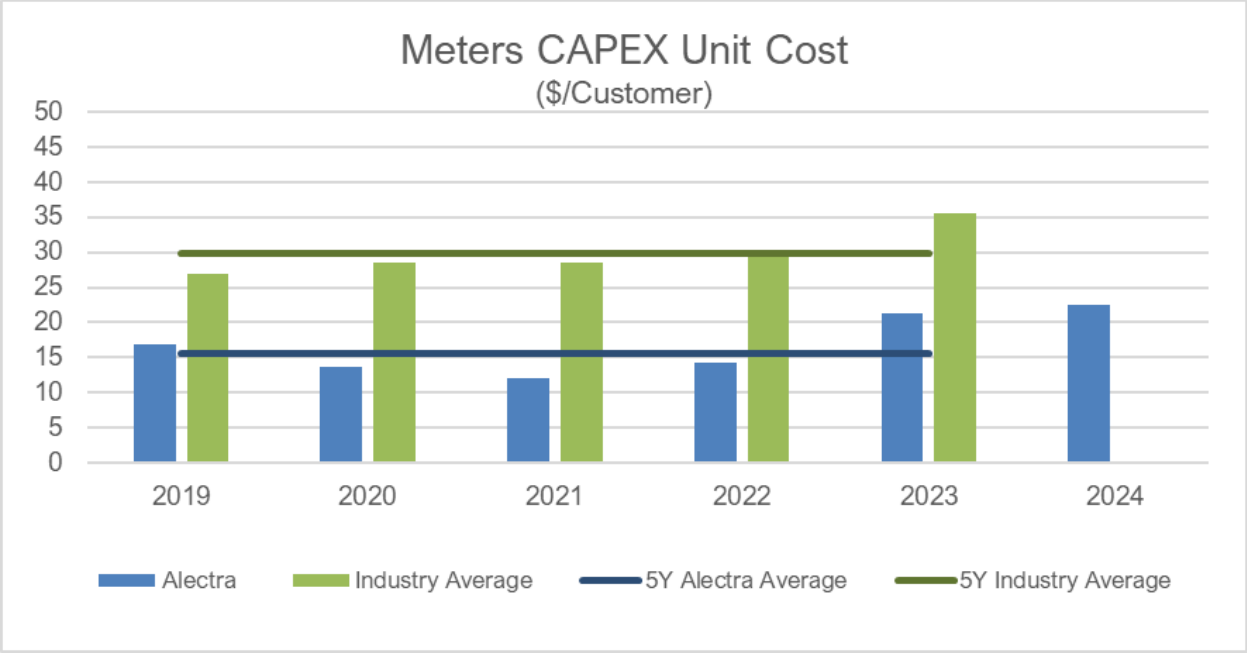
	2019	2020	2021	2022	2023	5Y Avg
Cost (000s)	17,876	14,536	12,793	15,375	23,049	16,726
Total Customers ('000s)	1,055	1,062	1,070	1,077	1,083	1,069
$/Customer	16.95	13.69	11.96	14.28	21.29	15.63
YoY Change (%)		-19%	-13%	19%	49%	

Alectra Utilities' unit cost performance in 2023 was 49% higher than 2022, and 36% higher than Alectra Utilities' five-year average.

Total program expenditures increased in 2023 primarily as a result of the installation of the first AMI 2.0 network equipment and 2,500 single-phase meters, as well as the completion of the Pleasant TS upgrade and recognition of the asset. The AMI 2.0 meters were installed in areas where Alectra Utilities experiences the greatest risk related to inventory shortages caused by AMI 1.0 supply chain constraints.

Chart 1-6-26 below provides a graphical representation of Alectra Utilities' historical annual results for the Meters CAPEX program.

Chart 1-6-26: Meters CAPEX - Historical Annual Results



For further information related to the Meters CAPEX program through the rebasing period, refer to Exhibit 2, Tab 1, Schedule 1, Section 5.4, Capital Expenditure Plan in the DSP.

CONCLUDING REMARKS

As discussed above, for a variety of reasons, Alectra Utilities lacks confidence in the results to be a credible source for comparison or for decision making at present. Alectra Utilities is committed to working with OEB staff, as well as LDCs and stakeholders to ensure greater alignment and consistency in both cost identification and program-specific allocations in order to enhance comparability and decision making.

While there is a lack confidence in the unit cost comparisons for some of the programs described above at the discrete program level, aggregating the measures does present a more holistic picture. It also has the advantage of potentially bypassing specific issues related to program level allocations. Below Alectra Utilities presents a summation for each of the O&M and CAPEX costs described above, respectively, measured on a per customer unit basis and compared with the same outcome for the industry.

Table 1-6-31: Total APB O&M - Historical Performance relative to Industry

	2019	2020	2021	2022	2023	5Y Avg
Total Cost ('000s)						
Alectra Utilities	87,026	82,731	82,690	97,117	91,362	88,185
Industry	678,025	655,844	672,047	715,239	698,618	683,955
Scale - Total Customers ('000s)						
Alectra Utilities	1,055	1,062	1,070	1,077	1,083	1,069
Industry	5,252	5,302	5,352	5,403	5,455	5,353
O&M Unit Cost ($/Customer)						
Alectra Utilities	83	78	77	90	84	82
Industry	129	124	126	132	128	128
Variance						
Alectra Utilities vs. Industry ($/ Customer)	(47)	(46)	(48)	(42)	(44)	(45)
Alectra Utilities vs. Industry (%)	-36%	-37%	-38%	-32%	-34%	-35%

Chart 1-6-27: Total APB O&M – Unit Cost relative to Industry

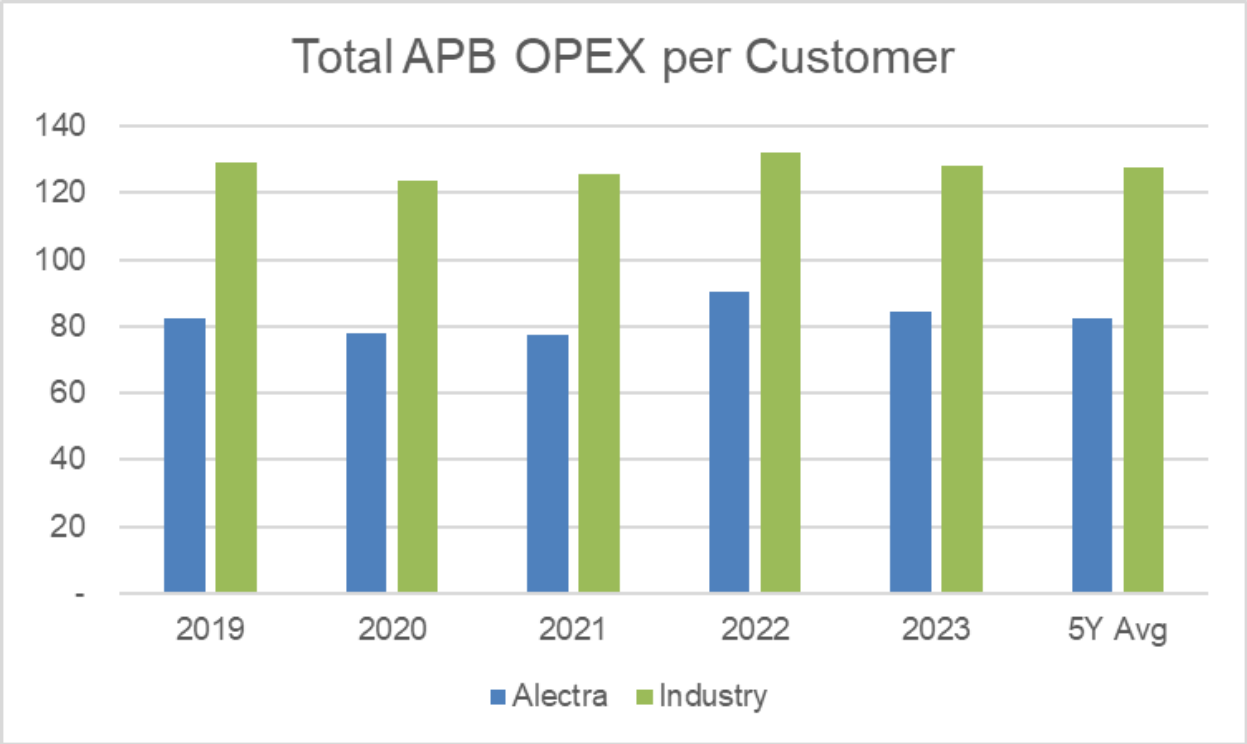
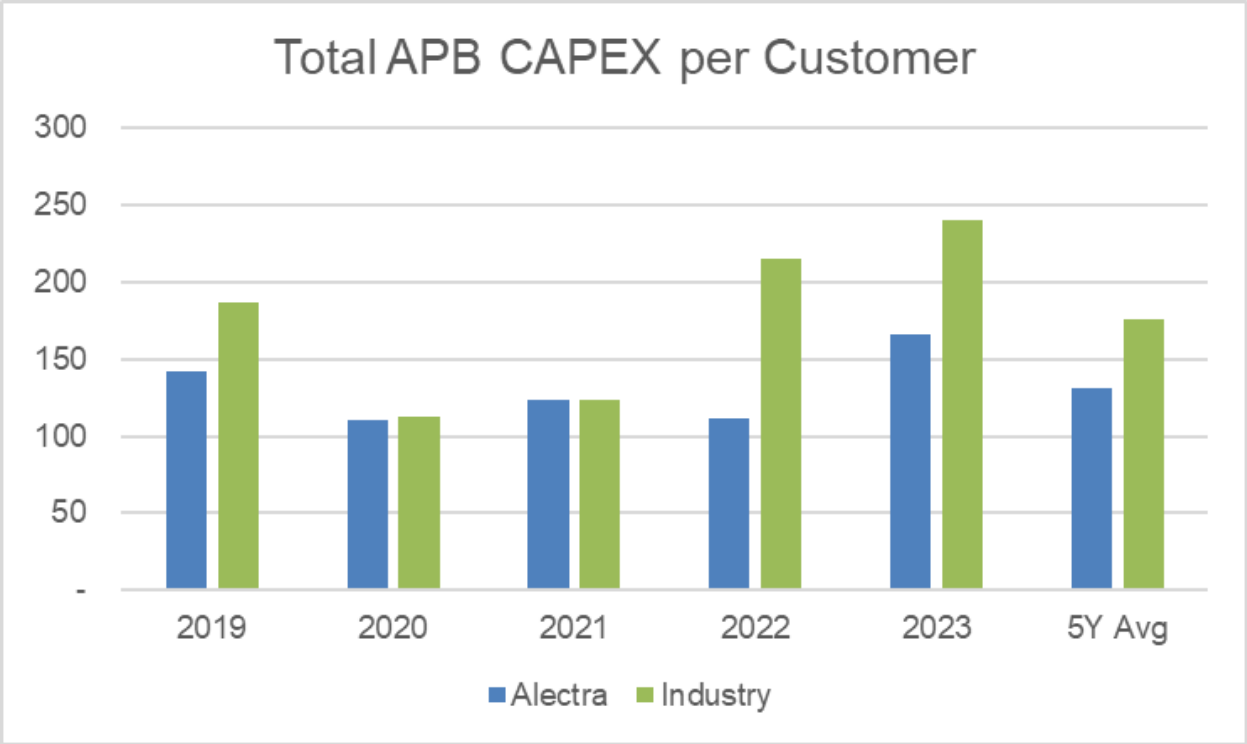


Table 1-6-32: Total APB CAPEX - Historical Performance relative to Industry

	2019	2020	2021	2022	2023	5Y Avg
Total Cost ('000s)						
Alectra Utilities	149,724	116,979	131,840	120,649	179,935	139,826
Industry	978,339	596,490	658,560	1,162,576	1,311,947	941,582
Customers ('000s)						
Alectra Utilities	1,055	1,062	1,070	1,077	1,083	1,069
Industry	5,252	5,302	5,352	5,403	5,455	5,353
Customer)						
Alectra Utilities	142	110	123	112	166	131
Industry	186	113	123	215	240	175
Variance						
Alectra Utilities vs. Industry ($/Cust.)	(44)	(2)	0	(103)	(74)	(46)
Industry (%)	-24%	-2%	0%	-48%	-31%	-26%

Chart 1-6-28: Total APB CAPEX – Unit Cost relative to Industry



The analysis confirms that Alectra Utilities is an excellent performer with respect to both O&M and CAPEX for the summation of the programs identified in the APB framework. Alectra Utilities' unit cost per customer for the six O&M program areas is 35% below that of the industry for the 2019 to 2023 period. Similarly, Alectra Utilities' unit cost per customer for the four CAPEX program areas is 26% below industry results over the same period.

Finally, Alectra Utilities reiterates its commitment to further developing and enhancing the production of, and credibility of, the program-based benchmarking results so that they may be used effectively and efficiently going forward. Early on in the policy development, the OEB indicated that the APB policy and model would continue to evolve with iterative improvements along the way. As with the stated objectives for this relatively new policy, Alectra Utilities anticipates that the expanded use and reliance on utility benchmarking at an activity level will encourage continuous improvement and result in more cost-effective delivery of services valued by customers.

4. PRODUCTIVITY EVIDENCE

Under the OEB's *Renewed Regulatory Framework* (RRF), a distributor is expected to demonstrate continuous improvement in their productivity and costs performance. Since its formation in 2017, Alectra Utilities has proven to be a strong cost performer[11] providing safe and reliable service for customers in a cost-effective manner. The productivity achieved by Alectra Utilities since the merger of its predecessor utilities is the direct result of purposeful and carefully planned processes and corporate culture, which strives for continuous improvement year over year.

As discussed in Exhibit 1, Tab 9, Schedule 3, Alectra Utilities first undertook these efforts as a matter of achieving merger-related synergy savings. Alectra Utilities has clearly distinguished its synergy savings provided at the above noted reference, as cost reductions or efficiency gains directly resulting from the amalgamation of five electricity distributors into one utility. These synergies included, but were not limited to, eliminating redundancies, consolidating operations and leveraging the merged utilities' combined strengths. By early 2021, the organization had largely completed all integration activities, with only a few remaining initiatives to finalize. A clear path was established to sustain the efficiencies and process improvements that emerged from the merger. The path forward would no longer be shaped by the experiences of the former legacy companies, but rather guided by a fresh strategy and goals unique to Alectra Utilities. As a result, management decided to finalize the synergy forecast based on Q1 2021 results, establishing a clear distinction between the conclusion of synergy tracking and the beginning of productivity improvement tracking.

On completion of the integration phase of Alectra Utilities' history, the utility was left with a cultural and procedural foundation on which to identify, execute, and sustain ongoing productivity savings. Separate and distinct from synergy savings, Alectra Utilities defines productivity savings as improvements in cost or efficiency that result from internal efforts such as process optimization, technology upgrades, or workflow enhancements. Unlike synergy savings, these improvements are not linked to the mergers but arise from continuous initiatives aimed at enhancing organizational performance. The focus of this Schedule is to report to the OEB on Alectra Utilities' past and present productivity initiatives and savings.

[11] Refer to Exhibit 1, Tab 6, Schedules 2 and 3

Alectra Utilities has designed and implemented a comprehensive productivity framework (Framework) that guides the utility's iterative approach to identifying, tracking and quantifying cost savings and process efficiencies while optimizing Alectra Utilities' service quality and work outputs to serve its customers. The resulting productivity achievements enable continuous improvement in Alectra Utilities' cost and service performance.

Beyond the Framework, Alectra Utilities has instilled a deep culture of efficiency and productivity in the organization as the utility has moved post-amalgamation from integration to optimization. This is reflected in the wide variety of smaller, business-unit led initiatives identified in this evidence.

This evidence is organized into the following sections:

- **Alectra Utilities' Working Environment:** An overview of the conditions and challenges under which Alectra Utilities operates; contextualizing the productivity savings realized by the utility in the past and future.

- **Alectra Utilities' Productivity Framework:** An introduction to the Framework that Alectra Utilities has established and implemented to identify, execute on, validate, and report productivity savings.

- **Productivity at Alectra Utilities:** The purpose of this evidence is to detail the productivity benefits/savings that have been achieved and embedded into the 2027 revenue requirement to reduce Alectra Utilities' costs and thus rates for customers. A summation of these productivity initiatives, savings, and benefits at Alectra Utilities are further categorized between:

    - **Framework Initiatives:** Projects and initiatives which were subject to Alectra Utilities' end-to-end Framework, and yield significant quantifiable benefits for ratepayers.

    - **Departmental Initiatives:** Bottom-up productivity initiatives raised by individual business units within Alectra Utilities, which may yield smaller but still impactful quantifiable benefits, or may yield qualitative benefits.

4.1. ALECTRA UTILITIES' WORKING ENVIRONMENT

Alectra Utilities serves approximately 1.1 million homes and businesses in a service territory that spans 1,912 square kilometers across Southern Ontario, and 17 different communities with a mix of urban and rural characteristics. Alectra Utilities' service territory is non-contiguous making efficient operation paramount for the utility. Alectra Utilities is the largest municipally owned local distribution company in Canada, with a service territory that is characterized by multiple geographies, degrees of urbanization and ages of distribution system. These characteristics create a unique working environment in which Alectra Utilities has successfully maintained efficient and effective levels of service for customers.

Alectra Utilities' service territory is a dynamic and growing area of the Province, with the population forecasted to grow by 23.6% from 2024 to 2041.[12] Alectra Utilities' service territory includes broad suburban communities which are anticipated to absorb significant proportions of this population growth. This pace of growth has clear and material implications for both Alectra Utilities' System Access and System Service capital expenditures, as well as the General Plant and OM&A expenditures required to support a larger system. At the same time, other areas within Alectra Utilities' diverse service territory encompass mature residential, commercial and industrial clusters, with aging distribution assets requiring increasing levels of System Renewal capital expenditures. Exhibit 2A provides further detail on Alectra Utilities' past and future capital expenditure needs, while Exhibit 4 provides further detail regarding operating expenses.

While Alectra Utilities manages the dual challenge of both growth and an aging system, technology change, customer preferences, and government policy are bringing about an energy transition with significant impacts for Alectra Utilities' system and business. As further described in the DSP, Alectra Utilities needs to invest today in order to prepare its system to meet the near-term needs of customers, which have evolved to require new and expanded capabilities and functionalities at the distribution level of the electricity grid. Similarly, as detailed in Exhibit 4, Tab 3, Schedule 1, Alectra Utilities requires additional resources to execute a larger volume of capital and maintenance work projects and meet increased operational demands resulting from customer growth, government policy, and technological advancement.

[12] Refer to Exhibit 2A, Tab 1, Schedules 1, Section 5.3.2 Overview of Assets Managed in the DSP

The impacts of a growing service territory, aging distribution assets, electrification, and new OM&A needs, combine to place significant cost pressures on Alectra Utilities' business in order to continue to deliver safe and reliable service to customers. Further, all of the above noted cost pressures experienced a significant step-change over the course of 2022 through early 2024, as Canada experienced the highest rate of inflation in 40 years; increasing the baseline cost of Alectra Utilities' business from end-to-end, inclusive of materials, labour, external services, and other costs.

In this environment, Alectra Utilities has and must continue to place emphasis on the pursuit of productivity savings, as a means to mitigate mounting cost pressures and provide value for ratepayer funds.

4.2. ALECTRA UTILITIES PRODUCTIVITY FRAMEWORK OVERVIEW

Alectra Utilities has implemented a comprehensive productivity program to initiate, approve, onboard, track and report on productivity initiatives. This program is governed by a Framework that enables Alectra Utilities to maintain a pipeline of new and ongoing productivity initiatives in line with its strategic goals. The materials making up the Framework are iterative and continue to be improved based on feedback and the program’s progression as the productivity framework matures, in line with Alectra Utilities' culture of continuous improvement. The Framework guides Alectra Utilities' efforts to deliver financial savings and efficiency benefits for ratepayers. It enables Alectra Utilities' to set out its strategic objectives for achieving productivity gains, and it establishes how to identify, track and deliver productivity initiatives to realize these objectives.

Figure 1-6-1: Productivity Framework

The Framework was approved in 2022 and has been in operation organization-wide since 2023. It provides end-to-end guidance for users to identify areas of potential productivity improvement in alignment with Alectra Utilities' strategic objectives and to confirm their eligibility for inclusion; how to apply standardized approaches to measuring productivity benefits and savings; and how to validate productivity achievements. Each of these is discussed in greater detail below. Alectra Utilities' application of the Framework's detailed methodology enables the success of the utility's productivity process to drive meaningful benefits and savings for ratepayers.

Integrating Productivity into Alectra Utilities' Strategic Objectives

The Framework aligns with the company's organizational objectives through top-down direction from leadership, integrated into Alectra Utilities' annual investment planning process. The Executive Committee and Strategic Leadership Team set strategic goals for the upcoming year, ensuring consistency with Alectra Utilities' overall objectives and driving the focus of senior leadership toward the identification, execution, and measurement of productivity.

The integration of the Framework into the planning process encourages departments to maintain a pipeline of new and ongoing productivity initiatives, and to address efficiency challenges while pursuing new savings opportunities. Most importantly, this structure requires a high level of accountability for the identification and achievement of productivity, both at the Executive level of the organization and on the front-line of work completion.

Alectra Utilities' combination of top-down strategy and bottom-up execution empowers employees at all levels to drive productivity, fostering a culture of continuous improvement. Since its launch, the Framework has delivered significant results. In 2023, Alectra Utilities achieved $4.2MM in incremental benefits from cost reductions, avoided costs and efficiency benefits and in the following year in 2024, Alectra Utilities realized $11.9MM in incremental benefits. Overall, from the inception of the Framework, Alectra Utilities achieved total sustained savings of $18.2MM as at December 2024. More details on the three categories of benefits (expected/ achieved reductions, avoided costs and efficiency benefits are provided later in this section. The results for 2022 to 2024 are summarized below:

Table 1-6-33: Productivity Framework Reported Savings

Productivity Framework Reported Savings ($MM)			
Year	**2022**	**2023**	**2024**
Incremental Savings			
Achieved/ Expected Reduction	0.2	2.8	7.8
Avoided Cost	0.0	0.2	2.8
Efficiency Benefit	0.6	1.2	1.4
	0.9	4.2	11.9
Prior Year Sustained			
Achieved/ Expected Reduction	0.7	1.1	4.1
Avoided Cost	0.0	0	0.2
Efficiency Benefit	0.0	0.6	1.9
	0.7	1.8	6.1
Total Benefits	**1.9**	**5.9**	**18.2**

The Framework directs the owners of all projects and initiatives to examine them through a productivity lens and identify any opportunities for productivity savings that they generate. It

does so by providing a set of criteria to guide the evaluation of a project's potential inclusion within the Framework. Project owners are directed to first consider a project's intent. A project can be included in the Framework if it is intended to drive efficiency, process improvements or generate cost savings for Alectra Utilities while maintaining or improving safety, service quality and work outputs. An ongoing spending program will also qualify for inclusion if either a reduction in unit costs or an increase in output/input ratios can be measured. "Like-for-better" initiatives that replace existing components with superior alternatives and demonstrate measurable savings are also eligible. Conversely, "like-for-like" replacement programs and temporary savings achieved by deferring routine tasks are excluded from the framework.

The Framework is structured to create sustainable value for customers, communities, employees and shareholders. It also applies a materiality threshold requiring cost savings to be a minimum of $50K for Expected Reduction and $100K for Avoided Costs and Efficiency Benefits (see below for the three categories of benefits) over five years in order to be subject to the rigours of the Framework. The Framework directs effort away from initiatives whose cost savings are not material enough to justify expended efforts, though these smaller initiatives may still be taken up by Alectra Utilities outside of the Framework, yielding additional qualitative or quantitative benefits. Once projects are centrally reviewed and approved for inclusion within the Framework, they are onboarded into the Framework for tracking. Any projected cost reductions for these projects are verified for inclusion in Alectra Utilities' future budgets or forecasts.

Estimating Productivity Benefits

The Framework contains specific guidance on how to estimate the type of productivity benefits that a given project is expected to produce. Project owners are directed to estimate benefits by performing a savings calculation. This calculation takes the baseline period cost that a given activity would require without action (providing an estimate of costs that would occur without any action to improve productivity) and subtracts the ongoing operational cost of the proposed program to determine the savings that would be realized by implementing the program. Project owners are directed to provide quantitative data to validate this calculation, such as historical cost data or vendor quotes.

Baseline period cost +/- adjustments – reported period cost = benefits (savings) reported

The Framework offers structured guidance to track and validate savings through three phases: planning, implementation, and post-implementation monitoring, ensuring accurate reporting with updated assumptions.

Benefit Types

The Framework further lays out three benefit types that project owners can achieve. A single project can generate multiple benefit streams, across the three benefit types. Baseline costs, as explained above, are established for each of these benefit streams.

The first is achieved or expected cost reductions by finding ways to spend less money while still achieving the same goals. These benefits entail cutting down expenses and saving money without sacrificing quality or performance, based on efforts such as headcount reductions or overtime savings. One example is the Locates 2023 Model initiative described below.

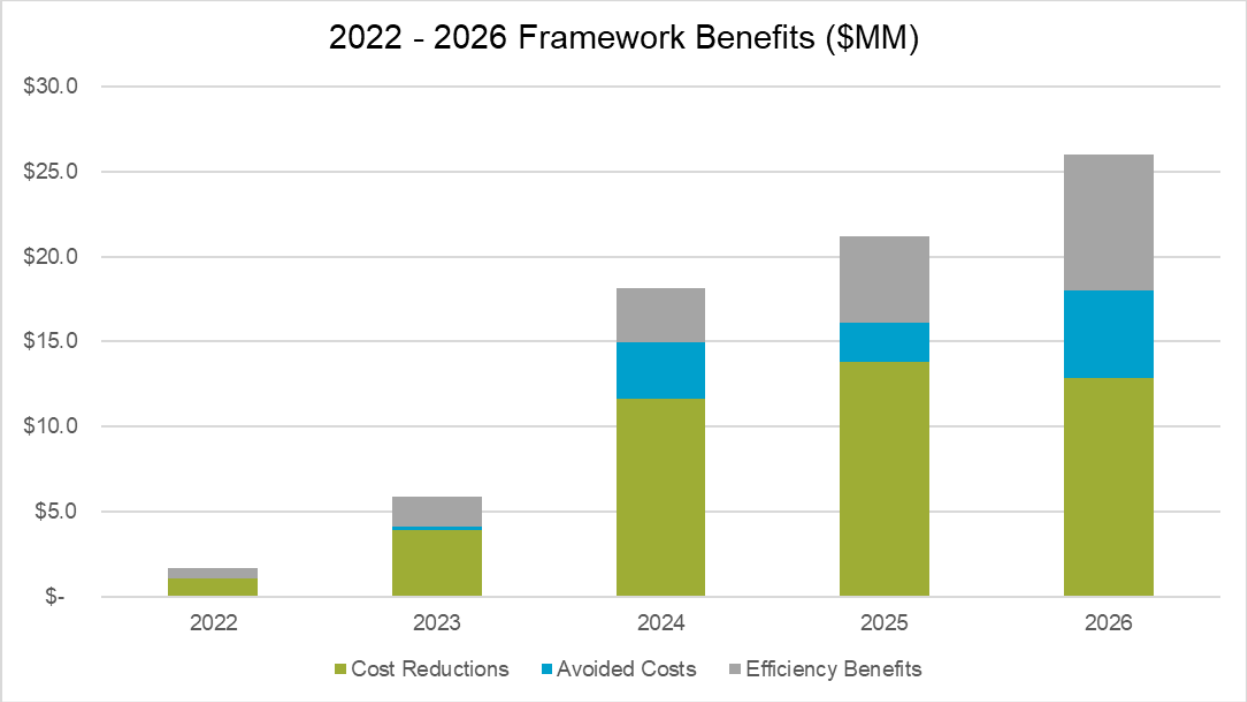
The second benefit type comes from avoided costs. These are costs that Alectra Utilities does not need to incur in the future because it took a different action or made a choice that eliminated the need for these expenses. Benefits in this category include software upgrades to avoid future maintenance costs or training to avoid future incremental headcount costs. One example is the Customer Care and Webchat project described below.

The third benefit type comes from efficiency benefits. These are productivity improvements that have an overall positive impact on Alectra Utilities but cannot be quantified directly through an invoice or financial record. These can include processes that reduce the time to complete a task, such as the Proactive Lifecycle Management Reports initiative described below.

Once a project qualifies for inclusion in the Framework, its owner is directed to measure its expected benefits by calculating the project’s expected Annual Productivity Benefits. These annual benefits have two components: incremental year over year benefits and prior year sustained benefits. Incremental benefits are those that begin in the year under review from newly implemented projects or project phases. Prior year sustained benefits are those financial savings that began in a prior year of the project and continue to yield ongoing benefits in the year under review. The pre-rebasing savings are expected to continue to yield operational and productivity benefits into the future and serve to reduce Alectra Utilities' funding request and

lower rates for customers relative to what rates would have been without Alectra Utilities' productivity efforts. By 2027, due to these efforts, Alectra Utilities expects to achieve capital and operating savings of $26.3MM as outlined in Chart 1-6-29 below.

Chart 1-6-29: 2022 - 2026 Framework Benefits ($MM)



Once Alectra Utilities rebases its costs, both incremental and prior year sustained savings reset and only incremental savings from the new rebasing period will be included in the annual productivity figures.

4.3. PRODUCTIVITY AT ALECTRA UTILITIES

Alectra Utilities has successfully executed the following projects in alignment with its Framework to drive productivity savings for its ratepayers. The following section summarizes the notable productivity initiatives into two categories: 1) Framework Initiatives; and 2) Departmental Initiatives.

4.3.1. FRAMEWORK INITIATIVES

This section outlines projects and initiatives that have been evaluated using Alectra Utilities' end-to-end Framework, demonstrating significant quantifiable achieved and expected benefits for ratepayers during the pre-rebasing period up to 2026. The figures presented below are based on actual results delivered between 2022 and 2024, and the latest forecasts for 2025 and 2026, with the savings for 2025 and 2026 encompassing both ongoing savings from previously completed initiatives and new benefits from current and upcoming projects within this timeframe. While these initiatives have generated an average annual savings of $21.4MM between 2022 to 2026, they are expected to continue deliver annual sustained savings of $23.2MM in the rebasing period.

Table 1-6-34: Summary of Framework Initiatives ($MM)

Initiative	Average Annual Savings 2022 - 2026	Cumulative Savings 2022 - 2026
Locates	$3.2	$12.9
ERP Continuous Improvement	$2.1	$10.6
Business Optimization - ServiceNow Expansion	$1.8	$9.2
Central Consolidation	$2.9	$8.6
Metering Renewal Technology	$2.3	$6.9
MyAlectra Portal Project	$1.6	$4.8
Human Capital Management(HCM) System	$1.2	$3.6
Meter-to- Cash Annual Licenses Growth on Meter-to-Cash platforms	$0.9	$3.6
Continuous Improvement Process	$0.7	$2.8
Meter-to-Cash CIS CC&B Enhancements	$0.4	$1.7
IVR Enhancement	$1.4	$1.4
Payroll Process Improvement	$0.3	$1.3
C55 Alectra: Optimization of Business Practices	$0.4	$1.2
Customer Care Webchat & Chatbot	$0.5	$0.9
New Customer Connections Process (NCCP) Portal Enhancements	$0.2	$0.7
ADP Upgrade to WFN	$0.1	$0.6
Work Force Management	$0.5	$0.5
Business Intelligence and Analytics	$0.1	$0.3
Microsoft Copilot	$0.3	$0.3
Power BI Report Development Reports - Proactive Lifecycle Management	$0.1	$0.3
Customer Connections Portal Replacement Project	$0.2	$0.2
Guelph process improvement - ERP implementation	$0.1	$0.2
Power BI Report Development Reports - Defective Equipment Tracking	$0.0	$0.2
Total Savings	**$21.4**	**$73.0**

1. Locates

Alectra Utilities is forecasting to generate $3.2MM in average annual operational savings and $12.9MM in cumulative savings between 2023 and 2026 by reducing costs through implementing a new process for office clears of Ontario One Call locate tickets. In early 2023, amendments to the *Ontario Underground Infrastructure Notification System Act, 2012* introduced higher costs for utilities to perform locates. To mitigate these rising costs, Alectra Utilities partnered with a third-party vendor to review locate tickets across all regions. The

vendor leverages relevant maps and GIS data to determine whether a physical field locate is necessary.

This new process has improved office clearance performance across all regions and significantly reduced the number of field locates required by the Locate Service Provider (LSP). As a result, Alectra Utilities has realized substantial savings, with office clearances costing only $5–$10 per ticket compared to approximately $100 for each field locate.

The savings are based on a comparison of average 2022 office clearance rates with current performance under the new process. Alectra Utilities has validated these savings by tracking locate costs throughout the benefit period and benchmarking them against baseline expenditures. The productivity savings discussed here stem from management actions taken in 2023 and are incremental to any locates-related synergy savings detailed in Exhibit 1, Tab 9, Schedule 4 - Distributor Consolidation.

2. ERP Continuous Improvement

Alectra Utilities is forecast to achieve an average of $2.1MM in annual labour efficiency savings and $10.6MM in cumulative savings between 2022 and 2026 by enhancing its core ERP system which supports key business areas and processes such as Finance, Supply Chain, Payroll and work order management. The program operates on a continuous improvement model focused on identifying and streamlining business processes across the organization. This model facilitates the submission of change requests aimed at boosting end-user productivity.

Change requests come from various divisions within the organization, with the ERP system team implementing around 70 requests per year. These system modifications, which include processing, reporting, and workflow automation, result in savings. Labour efficiency savings are calculated by comparing processing times before and after an enhancement, multiplied by the standard labour rate.

3. Business Optimization - ServiceNow Expansion

Alectra Utilities is forecast to generate $1.8MM in average annual operational savings and $9.2MM in cumulative savings between 2022 and 2026 by reducing costs, avoiding expenses, and creating efficiencies through enhancements to its platform used for IT Service, IT Contract,

IT Asset and Database Configuration Management. These improvements strengthen IT asset and contract management, streamline processes for reviewing and renewing contracts, and empower IT to make data-driven decisions and negotiate more favorable terms. As enhancements are made to the platform, Alectra Utilities is able to manage IT contracts and software licenses more effectively, including the purchase, repurposing, and removal of unused licenses. These improvements help the IT department make better decisions at contract renewal time.

The cost reductions from this project are measured by comparing the negotiated rates for updated software and the cancellation of unused functionalities against a "do-nothing" baseline, reflecting the fees under the previous contract model. Avoided costs are determined by assessing the IT team's enhanced license management process where licenses are regularly reviewed and underused ones repurposed, against a baseline where no such reviews occurred. Efficiency gains are evaluated by comparing the time savings achieved through streamlined processes for full-time employees (FTEs) against a scenario in which these contract management processes were manual and fragmented.

One notable outcome of the IT Contract Management system includes a Telecommunication consulting contract, aimed at reviewing all Alectra Utilities telecommunication contract charges generating $6.6MM in cumulative savings between 2022 and 2026.

4. Central Consolidation (Kennedy Rd)

Alectra Utilities previously operated two sites in the Central region serving Brampton and Mississauga. Due to the substantial investments required for the previous sites and their inability to meet business needs, the organization streamlined operations by consolidating the work centers into a single location that fulfills all business requirements. In late 2023, these sites were consolidated into a single operating center following the acquisition of a property at 200 Kennedy Rd S. Further details on the investment are available in Exhibit 4, Tab 2, Schedule 18 - Facilities OM&A and Exhibit 2A, Tab 1, Schedule 1, Appendix B07 Facilities Management of the DSP.

This initiative is forecast to reduce operational costs by an average of $2.9MM annually and result in cumulative savings of $8.6MM from 2024 to 2026 from multiple business units. A key

contributor to these savings are reduced facility operating costs. These savings are based on a comparison between the "do-nothing" baseline of maintaining operations at both sites and the costs of running the new consolidated facility.

By streamlining operations, Alectra Utilities also reduced its fleet by 21 vehicles and eliminated one mechanic position effective 2025, resulting in average annual operational savings of $1.2MM and cumulative savings of $3.6MM from 2024 to 2026. These savings represent the estimated running costs that would have been incurred if the 21 vehicles remained in service, along with the associated costs of retaining the mechanic.

Additionally, by merging the Sandalwood and Mavis Field Technicians into a single team, both groups saved time on meetings and travel, streamlined supervision, and reduced duplication in communications and safety initiatives, generating cumulative savings of $0.3MM.

5. Metering Renewal – Technology

Alectra Utilities is forecast to achieve $2.3MM in average annual capital and operating savings and $6.9MM in cumulative savings from 2022 to 2026 by optimizing meter costs through vendor change, targeted meter replacement initiatives and inventory management. The transition to AMI 2.0, replacing four end-of-life AMI 1.0 networks, is discussed in detail in Exhibit 2A, Tab 1, Schedule 1, Appendix B06 Network Metering of the DSP. While the primary driver for the renewal is the aging AMI 1.0 infrastructure and associated failure risks, the shift to AMI 2.0 also delivers operational, financial, and customer benefits. By strategically targeting areas with higher failure rates, Alectra Utilities has partially mitigated operational risks. Furthermore, Alectra Utilities secured favorable volume-based pricing terms for its metering renewal program, which contributed to substantial cost savings. By proactively changing AMI 1.0 meters before they fail, Alectra Utilities also decreased exception management activities, thus alleviating pressure on customer service operations. Additionally, the improved inventory management reduced the cost of managing and holding inventory for over 50 types of meters from four AMI vendors.

6. MyAlectra Portal Project

Alectra Utilities is forecasting to achieve $1.6MM in average annual operational savings and $4.8MM in cumulative savings from 2024 to 2026 from the implementation of the new Customer

Service portal. This platform has been foundational in building Alectra Utilities' digital customer experience, offering enhanced digital options that enable customers to enroll in paperless billing, choose from various payment and billing plans (such as Pre-Authorized Payments and Equal Payment Plans), and access rate comparison tools. The transition to this digital platform has driven higher e-billing adoption, reducing postage and paper costs. Additionally, self-serve capabilities such as payment arrangements and move service (start, stop & transfer) options have reduced operational costs by deflecting calls and back-office manual workload.

The savings are based on (i) an increase in e-bill adoption, rising from a baseline of 39.8% at the beginning of the portal implementation in 2024 to 57.8% by the end of 2026 and (ii) the reduction in call volumes related to move service handled by Alectra Utilities' third party provider.

Postage and paper savings will continue during the rebasing period 2027 through to 2031 from the expected incremental e-billing adoption of 11% in that time frame. These savings have been incorporated in the business plan.

7. Human Capital Management (HCM) System

Alectra Utilities is expected to realize $1.2MM in average annual operational savings and $3.6MM in cumulative savings from 2024 to 2026 through the implementation of a Human Capital Management System (HCMS) in 2024. This new system replaced the previous system which relied on multiple operating systems, practices, processes, and tools, with a uniform, standardized, and integrated platform. It provides leaders and employees with a single source of accurate information and has enabled the repurposing of administrative roles into more strategic HR functions. As a result, Alectra Utilities reduced its reliance on manual processes, lowered payroll administration fees, and cut licensing costs which are now redundant.

The savings reflect avoided capital investment costs for upgrading the old system, the elimination of redundant licensing fees and FTEs, and labour efficiencies from reduced processing times across multiple HR functions.

8. Meter-to- Cash Annual Licenses Growth on Meter-to-Cash platforms

Alectra Utilities achieved $0.9MM in average annual maintenance savings and $3.6MM in cumulative savings from 2023 to 2026 by renegotiating its licensing agreement with the vendor of its meter-to-cash platform for the next-generation system. The right sizing initiative required a capital investment from 2023 to 2027, and has led to a reprieve of maintenance costs in 2023 and 2024, and a secured fixed fee term for the subsequent three years.

These cost reductions are calculated relative to the baseline of the previous licensing model, which included annual maintenance fee increases of 8% and additional 20% charges on capital licensing costs for new customers.

9. Continuous Improvement Process

Alectra Utilities is projecting to deliver $0.7MM in average annual labor efficiency and avoided cost savings, along with $2.8MM in cumulative savings between 2023 and 2026, through a systematic, ongoing process improvement program led by a dedicated Organizational Improvement team. This team partners with business units across the organization to identify and address cross-functional challenges through targeted process and system solutions. Notable improvements include streamlining ERP status codes to optimize inventory management and implementing a standardized protocol for processing Miscellaneous Accounts Receivable cheques. While this team has been working with the business on improvements for several years, only since 2023 have the savings been measured and reported.

Savings for each process improvement initiative are calculated by comparing operating costs or labour hours before and after implementing the process and system enhancements.

10. Meter-to-Cash CIS CC&B Enhancements

Alectra Utilities is estimated to yield $0.4MM in average annual operational savings and $1.7MM in cumulative savings between 2023 and 2026 through various enhancements to the Customer Care and Billing System which aim to improve business processes, monitor security vulnerabilities, and reduce employee manual work efforts to free up their time for higher-value tasks. On average, Alectra Utilities implemented roughly 60 system modifications per year

focused on billing enhancement, process automation, reporting efficiency and similar efforts to improve labour efficiency.

The baseline for this initiative was calculated by asking change request owners to perform time studies that compare time spent on a specific process prior to, and post, implementation.

11. IVR Enhancements

Alectra Utilities will achieve $1.4MM in average annual avoided costs in 2026 through the enhancements made on the IVR system that was initially implemented in 2020. This project continues the build out the functionality with the vendor to optimize costs in the Contact Center as well as improve the customer experience. Scope includes (a) enhancements of account authentication and integrations with CC&B to reduce average handle time, (b) website improvements that help to facilitate self serve options, (c) implementation of a Knowledge Management System, (d) implementation of Agent Assist technology, and (e) Interactive Voice Assistant (IVA) Module.

The costs savings are driven by several factors: Implementing Agent Assist will accelerate response times, reduce average handling times and allow Customer Service Representatives to focus on higher-value tasks, improving overall operational efficiency. IVA technology is designed to increase customer service efficiency and effectiveness by analyzing voice interactions in real-time, providing insights, automating routine tasks, and offering immediate access to relevant information. The Knowledge Management System minimizes the time and effort needed for information retrieval, further enhancing productivity and reducing operational costs.

The savings are calculated from (i) the avoidance of labour hours by the CSRs multiplied by standard labour rates and (ii) reductions in call volumes and average handle times multiplied by the per-minute call rate. Without this technology investment, it was projected that Alectra Utilities would need an incremental 10 additional FTEs.

12. Payroll Process Improvement

Alectra Utilities is forecasting to generate an average annual operational savings of $0.3MM and $1.3MM in cumulative savings between 2022 and 2026 by creating a harmonized end-to-end payroll process, enabling the department to develop and implement standardized procedures. This results in a more effective and efficient payroll operating model within Alectra Utilities' ERP system with strengthened adherence to internal control frameworks. Key improvements include enhanced paystub presentation, automation of payroll processes, and the ability to create new pay codes.

The savings are based on the elimination of payroll costs for two temporary staff previously hired to support the Payroll team’s regular processing functions, whose contracts have now ended.

13. Copperleaf (C55): Optimization of Business Practice

Alectra Utilities is expected to realize $0.4MM in average annual operational savings and $1.2MM in cumulative savings from 2024 to 2026 through the implementation of the Asset Investment Planning and Management (AIPM) software. Since its launch, this tool has become essential to Alectra Utilities' corporate planning process. It enables Alectra Utilities to evaluate investments through a consistent economic approach, developing a portfolio that maximizes value while addressing the needs of both the customer and Alectra Utilities, as well as aligning with budget constraints and timing requirements.

Key features and functions driving productivity savings include the alignment of C55 across rate zones and enhanced reporting capabilities, which allow departments like Finance, Project Management Office (PMO), and Regulatory to access directly-generated system reports, eliminating the need for manual report creation. The integration of project data into a unified system reduces staff time in comparing disparate systems and enhances data accuracy. Structured workflows for business case preparation increase the precision of user input, minimizing the time spent on corrections and follow-ups. Automation of workflows further optimizes the tracking and approval process for business cases, while the inclusion of all business cases in one system allows for optimized resource allocation and project prioritization.

These enhancements collectively aim to improve information sharing and resource management, driving overall productivity gains.

Although the AIPM software has been leveraged for several years, savings have only been measured and reported since 2024.

14. Customer Care Webchat & Chatbot

Alectra Utilities expects to achieve average annual labor efficiency and avoided cost savings of $0.5MM and cumulative savings of $0.9MM from 2025 to 2026 through the introduction of Webchat and Chatbot on the new Customer Service portal. As more customers adopt these digital tools, call volumes and average speed of answer decrease, enhancing service levels, operational efficiency, and customer satisfaction within the call center. By 2026, it is expected that 20% of outage calls are deflected with the implementation of an outage chatbot, reducing Alectra Utilities' spend on our third-party outage call vendors.

Savings are calculated by using pre-implementation call volumes as a baseline and comparing these to post-implementation volumes, multiplied by third-party outage vendor rates.

15. New Customer Connections Process (NCCP) Portal Enhancements

Alectra Utilities is forecasting to generate $0.2MM in average annual cost reductions and labour efficiencies, and $0.7MM in cumulative savings between 2022 and 2026 through enhancements to its new customer connections portal. These improvements include integrating the portal with downstream systems, developing reporting dashboards, implementing compliance tracking functionality, optimizing system performance, and improving the Electrical Safety Authority (ESA) Connection Authorization process. Cost reductions are realized by streamlining processes in the connections group, thereby decreasing employee overtime.

The savings are measured against a “do-nothing” baseline, which assumed no system or process improvements. Overtime reductions are calculated by comparing 2022 baseline data with post-enhancement overtime usage. Alectra Utilities validates these savings by confirming the time reductions achieved for New Connections Clerks after implementing these enhancements.

16. ADP Upgrade to WFN

Alectra Utilities is expected to achieve $0.1MM in average annual operational savings and $0.6MM in cumulative savings from 2022 to 2026 by reducing payroll processing fees through an upgrade to its payroll software. The new software provides enhanced technical support and expanded reporting capabilities. The cost savings are calculated based on the reduction in payroll processing fees achieved by switching from the previous software version to the upgraded one.

17. Work Force Management

Alectra Utilities will achieve $0.5MM in average annual avoided costs and labour efficiencies in 2026 through the implementation of the Workforce Management (WFM) tool. The multi-phased WFM Project will implement a digital solution for field work management, providing automated job scheduling, resource allocation, real-time tracking, electronic work assignment, data capture, and route optimization.

Currently, Alectra Utilities relies on manual, paper-based workflows, creating a challenge to manage the execution of large volumes of capital and maintenance work. Asset data is captured on paper, and updates to systems like GIS and JDE are handled manually, as are work status and performance reporting.

The WFM solution will centralize scheduling, dispatching, and reporting on field work, improving visibility into crew activities and digitizing data flow between the office and field for efficient, real-time updates to back-office systems. Labor efficiencies from WFM will allow staff to take on more work, supporting the renewal of infrastructure, meeting growing demand and enabling grid resiliency and modernization. Additionally, WFM will enhance the customer experience by improving appointment reliability, providing prompt updates on customer requests, and enabling better communication around scheduled appointments.

The benefits are largely from labour efficiency savings for the multiple users involved in field work management such as clerical staff, lines and metering supervisors, lead hands and field crews.

18. Business Intelligence and Analytics

Alectra Utilities is forecast to realize $0.1MM in average annual operational savings and $0.3MM in cumulative savings from 2022 to 2026 by reducing licensing costs for budgeting and data analytics software. These savings were achieved by leveraging enterprise-wide tools and renegotiating contract terms.

The savings are calculated based on the difference between the official renewal quote of the original contract scope and the renegotiated terms.

19. Microsoft Copilot

Alectra Utilities will achieve $0.3MM in annual labour efficiency savings in 2026 from the deployment of Microsoft Copilot. This tool is designed to integrate seamlessly with Microsoft Office applications, enhancing employee productivity by automating routine functions. This strategic deployment will target key areas such as email composition, information retrieval, content creation, and meeting summarization leading to enhanced task execution speed. Employees are expected to save on average of 0.6 hours per week.

Savings are calculated from the projected labour efficiency savings per week per employee multiplied by the number of licensed users.

20. Power BI Report Development Reports - Proactive Lifecycle Management

Alectra Utilities is forecast to achieve $0.1MM in average annual operational savings and $0.3MM in cumulative savings between 2022 and 2026 by leveraging Power BI to develop a *Proactive Lifecycle Management Report* for the Billing team. The automation of the report generation process has eliminated manual tasks associated with data collection, aggregation, and presentation.

Labour efficiency savings are calculated by comparing reporting process times before and after implementing the new tool, multiplied by the standard labour rate. These savings have been validated through a review of the improved labour efficiencies resulting from process automation.

21. Customer Connections Portal

Alectra Utilities will achieve $0.2MM in annual operational savings in 2026 from the replacement of the current New Customer Connections portal (NCCP), on the new Customer Service platform. This project seeks to introduce an out-of-the-box solution with Smart Energy Water (SEW) to replace the existing SilverBlaze NCCP application, permitting (a) greater automation of workflow, (b) improved customer interface, enabling customers to schedule and book their own appointments (c) operational synergies through improved collaboration with operational departments, (d) seamless integrations with enterprise systems and (e) dashboards and reports to review metrics and KPIs.

The new connections application will streamline workflows, automate processes, and eliminate manual handoffs, reducing duplicated efforts improving staff productivity and reducing third party contract costs.

The project will yield $0.6MM in total savings in 2026, $0.4MM of which relate to merger labour synergies and therefore have been excluded from reporting under this Framework. Only the labour efficiency savings of $0.2MM that are not related to the merger have been reported here as productivity savings.

22. Guelph process improvement - ERP implementation

Alectra Utilities is forecasting to generate average annual labor efficiency savings of $0.05MM and cumulative savings of $0.2MM from 2022 to 2026 from the harmonization of Guelph and Alectra Utilities' ERP software into one single platform, which was completed in May 2022. Through process optimization from operating one unified system, Alectra Utilities streamlined various functions including budget mapping, accounting, invoicing, employee expense management, and month-end management, leading to time savings for full-time equivalents (FTEs).

The baseline was calculated from interviews with FTEs to determine labour efficiencies. These savings are captured in the productivity framework as they were not previously contemplated or captured under the Guelph Hydro/Alectra merger and relate to additional process improvements identified following legacy Guelph Hydro’s integration to Alectra Utilities’ ERP. Alectra Utilities

has validated these savings by comparing the time spent on these processes before and after process optimization.

23. Power BI Report Development Reports - Defective Equipment Tracking

Alectra Utilities is expected to achieve $0.2MM in cumulative savings from 2022 to 2026 by leveraging Power BI to develop a Defective Equipment Tracking Report for its Network Operations team. Automating the report generation process has eliminated manual tasks associated with data preparation and presentation, enabling employees to self-serve and closely monitor equipment failures.

Labour efficiency savings are calculated by comparing reporting process times before and after implementing the new tool, multiplied by the standard labour rate. These savings have been validated through a review of the improved labour efficiencies resulting from process automation.

4.3.2. DEPARTMENTAL PRODUCTIVITY INITIATIVES

In addition to the above projects documented under the Framework, Alectra Utilities' culture of employee empowerment and continuous improvement has led business units to conduct smaller productivity initiatives, which yield qualitative benefits, difficult to quantify benefits, or quantifiable benefits below the materiality threshold established for inclusion in the Framework. Some of these initiatives also took place before the formal launch of the Productivity Framework in 2023. These productivity initiatives are categorized as follows: Technology Innovation; Operational Efficiency; and Contract Negotiations.

One notable area Alectra Utilities has achieved significant productivity is in the area of technology innovation by introducing new tools, providing business intelligence and analytics, creating self-service functionality, and leveraging artificial intelligence. The following table presents Departmental Productivity Initiatives centered around technology innovation:

Table 1-6-35: Technology Innovation Departmental Productivity Initiatives

Departmental Initiative	Description
GIS Polygon Request Portal	Distribution Design worked with the Records and Mapping department in 2022 to develop a streamlined process and a GIS Polygon request portal using a custom SharePoint list and workflow. The Polygon process identifies in-progress work areas within the Alectra Utilities GIS system ensuring all Design/Engineering departments are aware of work that may be happening in proximity to their projects. This SharePoint list receives requests from Design, collects all required information and forwards to the Mapping department, sends automatic notifications to both parties when work is requested or complete, and tracks timelines for the completion of these workflows.
Enterprise Data Management Tool (EDMT)	The implementation of the Enterprise Data Management Tool (EDMT) and standardization of business intelligence platforms have automated critical data pipelines and reporting processes. These advancements have reduced manual workload, generating productivity gains equivalent to more than one full-time employee (FTE) annually. These improvements not only reduce operational costs but also enhance the accuracy and timeliness of decision-making, supporting Alectra Utilities' commitment to Operational Effectiveness and improved Customer Focus.
Robotic Process Automation (RPA)	In 2023, the Cognos reporting tool automated financial schedule preparation, while automated allocations in JDE corrected allocation errors, and robotic process automation (RPA) expedited commercial paper transactions, allowing staff to concentrate on high-value tasks. Blanket purchase order approvals were also streamlined. By 2024, enhancements in expense management and multi-currency handling in JDE minimized manual efforts and improved financial accuracy. Additional RPAs are being developed to automatically complete report extraction and synchronization, aimed at automating repetitive processes and allowing Finance to focus on more value added activities.

Departmental Initiative	Description
Barcoding system	Alectra Utilities has integrated its barcoding system with its ERP platform, significantly enhancing the material issuance process by improving accuracy, traceability, and efficiency. This consolidation has led to better inventory management, reduced processing time, and fewer manual errors. By unifying capital work, material requirements, and supply scheduling within a single system, Alectra Utilities has improved operational effectiveness and cost efficiency while continuing to implement ERP enhancements that support productivity and inventory control. Oracle's Orchestrator Studio, part of the JD Edwards toolset, allows users to automate business processes by creating simple, no-code workflows that connect various JD Edwards applications. Tools like Orchestrator Studio further automate routine tasks, cutting down manual data entry and enabling staff to focus on higher-value work, ultimately supporting efficient scaling for future growth.
Online Training	Online learning has become a fundamental part of Alectra Utilities' operations. Compliance policies and training sessions are now delivered online. In 2020, the utility introduced LinkedIn Learning, which provides access to over 18,000 courses, videos, and book summaries on diverse topics such as business skills and leadership. All employees have access to this resource. Investing in online learning significantly boosts productivity by offering continuous educational opportunities. The convenience of online access saves employees time on commuting and allows them to complete courses at their own pace.
E-Learning	Alectra Utilities has implemented a sophisticated software solution that converts non-SCORM files, such as MP4 videos and PowerPoint presentations, into SCORM-compliant files. This conversion process allows these files to be seamlessly integrated into Alectra Utilities' Learning Management System. The transition from classroom-based training to online training has been significantly streamlined, requiring minimal effort and resulting in cost savings. By adopting this technology, Alectra Utilities has effectively reduced the need for traditional in-person training sessions and has enhanced the flexibility and accessibility of training programs.

Departmental Initiative	Description
Non-conformance Reporting	Alectra Utilities introduced a Non-Conformance Reporting system through its GIS platform, which delivers several efficiencies and benefits to the organization. This initiative streamlines the process of reporting discrepancies between electronic records and actual field conditions. By reducing the reliance on paperwork and minimizing the need for repeated site visits, it saves valuable time and resources. The ease of reporting and tracking non-conformances electronically ensures that issues are promptly identified and resolved, leading to improved accuracy and reliability of data as well as enhancing communication and coordination among field personnel and office staff.
Network Metering	Network Metering has successfully delivered several initiatives to improve processes, meet evolving compliance and regulatory requirements, and prepare for AMI Renewal. These initiatives included consolidating fifteen metering systems into ten to simplify processes and reduce costs, creating new templates to streamline maintenance and reduce errors, and developing automated processes in the meter lab to expedite meter testing. Additionally, Network Metering deployed battery and inverter technology to enhance AMI network connectivity during power outages, used annual infrared scans to proactively replace failing infrastructure, and implemented Robotic Process Automation to reduce manual tasks. Other efforts included standardizing metering field equipment and validation protocols, simplifying the new connection process for certain customers, providing enhanced customer load information, consolidation of meter network communication lines and updating meter data processes to support new compliance requirements.

Another area of note in which Departmental Initiatives have proven numerous and effective at Alectra Utilities is the improvement of operational efficiency, through efforts such as process improvement, standardization of practices, centralization, maximizing available resources, and the optimization of resources to complete the most appropriate tasks. The following table presents Departmental Productivity Initiatives centered around operational efficiency:

Table 1-6-36: Operational Efficiency Departmental Productivity Initiatives

Departmental Initiative	Description
Warehouse & Inventory Optimization	Alectra Utilities optimizes its warehouse and inventory by transferring stock across regions, where feasible, to reduce the necessity of purchasing additional materials. Additionally, obsolete or slow-moving inventory is either returned to suppliers or sold as scrap. Furthermore, Alectra Utilities collaborates with other utilities to sell surplus materials.
Stations Efficiencies	Alectra Utilities achieved station efficiencies by coordinating maintenance programs so that, as much as possible, planned Station maintenance coincides with Stations P&C maintenance, reducing need for Station outages and associated switching activities.
Classroom Maximization	Alectra Utilities has created dedicated E-Learning spaces at its Kennedy, John, Nebo, and Vansickle locations. These areas allow field workers who lack regular computer access to complete mandatory E-Learning courses during bad weather.
Regulatory Intelligence Subscription Service	Alectra Utilities subscribes to a Regulatory Intelligence Subscription Service, which tracks, analyzes, and reports on applications and proceedings before the Ontario Energy Board (OEB) on a weekly basis. This includes rate applications, policy proceedings, and compliance matters. The service also provides cost-effective regulatory research on complex issues.
Gatekeeper/ Collector Meter Consolidation	Alectra Utilities initiated a study of the mature AMI 1.0 communications network in 2021 to determine if some network equipment could be retired without impacting the quality of the overall network. The result was a reduction to the number of gatekeepers in service which streamlined the communications network, reduced communications costs and minimized field activities associated with gatekeeper management.

Departmental Initiative	Description
Crew Dispatch Optimization	Alectra Utilities is realizing efficiency gains by increasing the frequency of single-person crew dispatches. This strategy primarily involves tasks that are straightforward and require only a simple check or an on-site visual inspection. By deploying smaller crews for less complex jobs, Alectra Utilities is able to optimize its resource allocation, reduce labor costs, and improve response times. This approach not only enhances operational efficiency but also ensures that more complex tasks receive the necessary attention from larger, specialized teams.
Fleet Telematics, Monitoring and Right-Sizing	Fleet operations has been collaborating with the fleet management provider, Holman, to build reports from data captured by GPS units. These reports focus on identifying faster routes to reduce fuel and maintenance costs. In the future, an initiative aimed at reducing travel time from the shop to job sites and back will be rolled out. Additionally, the anti-idling procedure is being updated and mandatory training will be provided for drivers by the end of 2025. Over the past two years, Fleet has installed idling and fuel reduction solutions, such as Dynacert and Grip Idle, on selected vehicles. Currently, work is ongoing with suppliers to generate reports, with the expectation of having data to inform future initiatives to produce more savings and efficiencies. Alectra Utilities' Fleet Asset Management program includes multiple preventative maintenance initiatives, such as Telematics and Fleet Monitoring. These initiatives extend asset lifespan, enhance efficiency, and reduce unplanned downtime.

Departmental Initiative	Description
Asset Analytics Platform	The implementation of Alteryx Designer and Server in 2020 has streamlined manual data gathering and preparation efforts for the Asset Management team. In the Reliability team, the introduction of Alteryx has had significant efficiency gains in automating the data collection, aggregations and simplified reporting. For instance, Alteryx's spatial analysis tool has greatly minimized the effort required for analyzing defective equipment. The time-saving enables engineers to focus on other data analytics and development efforts.
Distribution Design Manual (DDM)	Alectra Utilities launched a Distribution Design Manual (DDM) in 2020 as an evolving guide aimed at supporting Design Technologists. To date, the manual has been developed to include comprehensive guidelines on design, construction, and maintenance, reflecting industry best practices. Scheduled for completion in 2026, the DDM will continue to undergo updates to stay current. By promoting good engineering practices and ensuring consistency and clarity in processes, the manual has already contributed to efficient execution of work. Its ongoing adaptability and user feedback integration help maintain its relevance, ultimately leading to effective project execution and productivity. Additionally, the DDM's role in standardizing procedures has streamlined operations, clarity and improved overall efficiency. This proactive approach ensures that Alectra Utilities remains at the forefront of distribution design innovation.
Public Utility Coordinating Committee (PUCC) application	Alectra Utilities has created efficiencies in the Record and Mapping Services functions through targeted outsourcing. The utility has controlled the cost of PUCC preparation and approval by outsourcing functions that can be performed at a lower cost by external resources. Similarly, application support for specialized software does not require full-time resources and so it is strategically outsourced.

Departmental Initiative	Description
Vegetation management	By proactively managing vegetation, Alectra Utilities prevents costly emergency repairs and prolonged service outages, allowing these savings to be transferred to customers. Additionally, Alectra Utilities' effective vegetation management strategy protects and extends the lifespan of infrastructure, minimizing the need for frequent replacements and upgrades. Ensuring adequate funding for the planned cut cycle to reduce the need for more expensive reactive tree trimming work. This saves costs from reduced trouble truck rolls and improves overall system reliability and safety.
Fleet Asset Management program	The Fleet department has implemented programs aimed at supporting cost performance and efficiency. These initiatives include minimizing the overall lifecycle costs of fleet services and equipment assets, reducing fuel expenses through the use of hybrid and electric vehicles and anti-idling technologies, optimizing vehicle lifespans, and securing competitive bids for fleet assets and related services such as fueling and telematics.
Facilities management	The Facilities team has taken several measures to reduce costs such as prioritizing preventative maintenance for end-of-life assets in poor condition to help avoid expensive reactive repairs. In addition, they have lowered utility expenses at Alectra Utilities facilities by implementing energy-efficient HVAC and lighting systems.

Alectra Utilities rigorously leverages contract negotiations to secure optimal services at competitive costs, maximizing ratepayer value. The following table presents Departmental Productivity Initiatives centered around contract negotiations:

Table 1-6-37: Contract Negotiation Departmental Productivity Initiatives

Departmental Initiative	Description
Property Tax Assessment	Alectra Utilities takes every effort to reduce the impact of property taxes where possible. Alectra Utilities has been successful in filing request for reconsideration applications to the Municipal Property Assessment Corporation (MPAC) relating to some of Alectra Utilities' Operation Centre properties and transformer station sites. As a result of these applications, Alectra Utilities was able to reduce the property assessment value and/or have the property classified to a more appropriate property tax class, and in turn reduce the taxes on these properties until the next MPAC assessment
IT Contract renegotiation	The Digital and Innovation team views contract renewals as a chance to identify potential efficiencies and cost savings before proceeding with renewal. Although savings from 2022 onwards are recorded under Business Optimization - ServiceNow Expansion project as a Framework initiative, this practice has been implemented since before the framework's inception. For instance, in 2019, the team renegotiated its contract for JD Edwards maintenance with Oracle, resulting in a $590,000 savings by utilizing a "price hold" condition based on 2003 pricing.

4.4. ANTICIPATED FUTURE INITIATIVES

As articulated in Exhibit 1, Tab 11, Schedule 1, Alectra Utilities is proposing a stretch factor of 0.15% within its rate framework, which will result in cumulative funding reductions over the 2028 through 2031 rate term. As is the intent of incentive regulation, Alectra Utilities is accountable to realize significant productivity improvements in this context in order to achieve its OEB-approved ROE over this time period.

Alectra Utilities has not prepared a detailed productivity plan for the 2027 to 2031 period capable of closing the funding gap implemented within its proposed rate framework, as the full scope of opportunities available to the utility cannot be known or planned so far in advance in an environment of significant technological change. Alectra Utilities has however begun preliminary

assessment of a series of longer-term productivity initiatives which it is hopeful will realize material productivity benefits. Alectra Utilities will aim to advance productivity through the rate period. Examples of possible initiatives include leveraging AMI 2.0 data, deploying AI-powered chatbots, automating payment and planning tools, and consolidating asset and network systems via an Integrated Network Management platform. The expanded use of Microsoft Copilot, and a new Identity and Access Management program are potential solutions to further enhance efficiency and security. Further modernizing core systems through continued AMI upgrades, workforce automation, billing redesign, predictive analytics (C55), and a CC&B system upgrade will streamline operations and reduce costs.

FACILITATING INNOVATION

INTRODUCTION

Alectra Utilities is dedicated to driving innovative efforts forward in support of improving its operations and enhancing its customer experience. Through its Green Energy & Technology (GRE&T) Centre, Alectra Utilities partners closely with government agencies, industry partners, and other utilities to explore and implement new ideas and emerging technologies that can enhance how Alectra Utilities serves its customers. These efforts are guided by Alectra Utilities' mission to provide safe, reliable, and sustainable electricity to the customers and communities we serve.

In accordance with section 2.1.7 of the OEB's Chapter 2 Filing Requirements, this section outlines:

- Alectra Utilities' approach to innovation and its integration with core business operations;
- Enabling factors and constraints affecting innovation efforts;
- Specific innovation initiatives undertaken during the 2020-2024 rate period;
- Planned innovation activities during the 2025-2031 bridge period and rate period; and
- How innovation has informed and shaped elements of the DSP and investment planning.

APPROACH TO INNOVATION

The GRE&T Centre is an innovation hub at Alectra Utilities, creating a collaborative environment that drives forward-looking initiatives across the organization. Its mission is to identify, develop, and accelerate innovative and emerging solutions that meet the changing needs of our customers while supporting a more sustainable and resilient energy future.

The GRE&T Centre's innovative efforts are guided by its i4 Innovation Framework, which is applied in close coordination with its business programs throughout the innovation lifecycle. This approach ensures that initiatives remain effective, aligned with business operations, and aid in

the practical exploration and potential adoption of value-added technologies and advanced business models.

The i4 Innovation Framework consists of four key stages, guiding projects from Ideation, to Incubation, to Investigation, and then to Integration into mainstream utility operations.

- **Ideation:** Identify, generate, source, and screen ideas that are aligned with customer needs and Alectra's strategy.
- **Incubation:** Execute pilot projects and conduct agile proof-of-concepts (PoCs). Fail fast and share learnings.
- **Investigation:** Conduct investigations such as developing business models, performing technical feasibility studies and economic analysis.
- **Integration:** Integrate and scale projects into Alectra Utilities – operationalizing and bringing projects to mainstream utility operations.

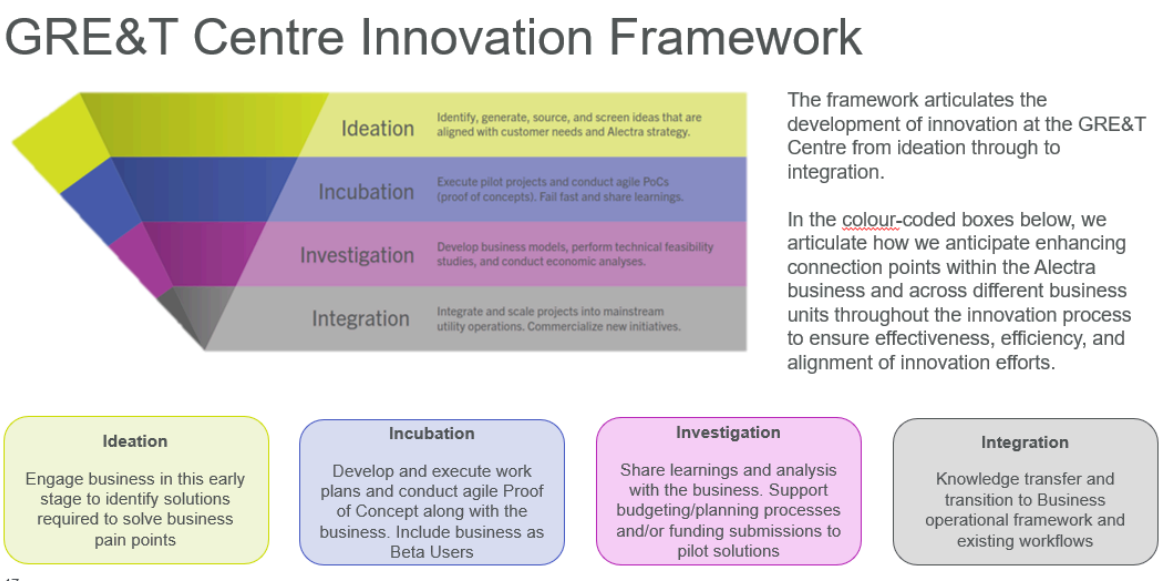


Figure 1-7-1: GRE&T Centre Innovation Framework

At Alectra Utilities' GRE&T Centre, innovation is more than testing and developing new and emerging technologies; it is a catalyst for improving operations and a key driver of the clean energy transition. By fostering innovation across the organization, the Centre enables Alectra

Utilities to explore and test new approaches that enhance service delivery, meet the evolving needs of customers, and guide future system planning.

Collaboration is at the heart of this work. The GRE&T Centre partners with government organizations such as the Ontario Energy Board (OEB), Natural Resources Canada (NRCan), and the Independent Electricity System Operator (IESO) to leverage programs that advance energy sector modernization. By conducting pilot projects, technology demonstrations, and field assessments, the Centre gathers practical insights that support informed investment decisions.

The GRE&T Centre's core functions are tightly connected to Alectra Utilities' day-to-day priorities, with a focus on improving how the organization operates and how customers experience its services. Innovative efforts are guided by a clear and deliberate approach, centered on four primary areas that keep projects focused on delivering value while supporting Alectra Utilities' long-term strategy:

- **Driving Continuous Operational Improvement:** Innovative efforts focus on improving business operations through data analysis, process improvements, and predictive tools. These initiatives help create operational efficiencies and support the ongoing evolution of utility operations.
- **Assessing Technologies and Developing Solutions:** The Centre reviews, develops, and tests new and emerging technologies with an aim to address specific business needs. Solutions that show clear value and work well within Alectra Utilities' existing landscape are moved forward for adoption.
- **Enhancing the Customer Experience:** Innovative initiatives are directed toward meeting customers' evolving expectations by developing responsive, user-centric solutions that empower both Alectra Utilities' employees and the customers we serve with greater control, information, and value.
- **Optimizing Grid Reliability and Resilience:** Through efforts tailored to predictive maintenance, demand management, and system optimization, the GRE&T Centre looks for alternative approaches to support Alectra Utilities' distribution system to meet today's needs and adapt to future challenges.

By intentionally innovating across these four dimensions, the Centre supports Alectra Utilities to address today's operational challenges and evolving customer needs while building the capabilities required for tomorrow. This structured and outcome-driven approach ensures that advancements through innovation are closely aligned with corporate strategy and deliver lasting value to our customers.

ENABLING FACTORS & CONSTRAINTS

Through the GRE&T Centre, Alectra Utilities focuses on initiatives that create a measurable impact by prioritizing efforts that provide significant value. While available resources influence the pace and scope of some activities, the Centre maximizes results by targeting high-impact projects, leveraging partnerships, and pursuing external funding opportunities where applicable.

INNOVATION IN THE 2020-2024 PERIOD

This section describes Alectra Utilities' innovative strategies and initiatives undertaken by the GRE&T Centre during the 2020-2024 period in support of many business programs, categorized by four dimensions.

DRIVING CONTINUOUS OPERATIONAL IMPROVEMENT

The GRE&T Centre supports ongoing operational improvements by applying a combination of data analysis, machine-learning, and predictive modelling to improve business processes and service delivery to our customers.

Examples of recent initiatives that demonstrate this focus include:

- **AI-Enabled Interactive Voice Response (IVR) Redesign:** Generative AI tools were used to analyze customer call data, including sentiment, keyword trends, and patterns in residential billing inquiries. The insights from this analysis guided a redesign of the IVR system, reducing the number of agent transfers, shortening wait times, and connecting customers to the appropriate support more quickly. As a result, the Centre supported Alectra Utilities' overall customer experience plan.

- **Quality Assurance (QA) Process Optimization:** By leveraging generative AI and call transcripts, the GRE&T Centre created a bulk QA review process to analyze a large volume of customer service interactions. This approach shifted quality assurance from manual, call-by-call reviews to trend-based analysis, making it easier to identify training opportunities and improve call handling procedures. As a result, the Centre supported the Customer Service program by strengthening operational oversight of customer interactions, allowing for more targeted staff development.

ASSESSING TECHNOLOGIES & DEVELOPING SOLUTIONS

The GRE&T Centre is central to identifying and introducing new technologies that strengthen Alectra Utilities' operations. Emerging technologies such as artificial intelligence (AI), robotics, machine learning, and other advanced platforms are evaluated for how they can improve efficiency and solve specific business challenges.

Key examples of recent initiatives include:

- **AI Solution Deployment:** Alectra Utilities has begun investigating generative AI technologies, including Microsoft Azure-based OpenAI and Google Gemini language models, to improve internal employee productivity and process efficiency. Through some limited deployments, these models are being used to develop internal bots that allow for improved analytics, document creation, and more efficient data access. Pilot programs with Microsoft Copilot are underway to evaluate its broader organizational value. At the same time, Copilot Studio is being explored to allow business units to build custom bots that automate routine, language-based tasks. Together, these efforts provide employees with innovative tools to increase productivity and support more creative problem-solving.

- **Automated Bill Reconciliation:** The GRE&T Centre developed an automated bill reconciliation tool using custom coding and optical character recognition. This tool subsequently reduced a task that previously required two full days of effort each month to just two hours. By automating the extraction and validation of invoice data, this tool has improved reconciliation accuracy and has significantly reduced human administrative effort.

ENHANCING THE CUSTOMER EXPERIENCE

The GRE&T Centre supports Alectra Utilities' commitment to its customers by developing innovative products and services that help them better understand and manage their energy use. These initiatives aim to enhance the overall customer experience through energy management tools, analytics solutions, educational resources, and new service offerings designed to meet growing customer needs.

Key examples of initiatives that have enhanced the customer experience include:

- **Ultra-Low Overnight (ULO) Pricing Plan:** One of the GRE&T Centre's key achievements is the launch of the Ultra-Low Overnight (ULO) Pricing Plan in May 2023, which grew out of insights from the Advantage Power Pricing (APP) pilot, funded as part of the OEB's Regulated Price Plan Roadmap pilots initiative. By analyzing customer behaviour and cost-saving opportunities, Alectra Utilities was able to present findings to the OEB that directly influenced the design of the ULO plan. This success highlights how targeted pilot programs can assist in shaping provincial energy policy, which is then implemented by LDCs as a means of introducing new tools and solutions for the benefit of customers.

- **AlectraDrive@Home and AlectraDrive@Work**: These two EV charging pilots tested how customers respond to variable pricing, load control and incentive models designed to encourage off-peak charging. These projects, funded by IESO and NRCan, explored affordability, accessibility, and overall customer sentiment toward managed charging solutions. Insights from these pilots have shaped the foundation of Alectra Utilities' future transportation electrification programs and demonstrated how managed charging can reduce system demand while providing cost-effective services for both residential and commercial customers.

OPTIMIZING GRID RELIABILITY & RESILIENCE

The GRE&T Centre supports Alectra Utilities' system planning objectives by piloting energy efficiency and demand response programs that assist customers with consumption

management, leading to reduced strain on the electrical grid. These initiatives are intended to mitigate peak demand and improve overall grid stability.

Recent examples include:

- **EV Detection:** The GRE&T Centre developed an algorithm that identifies level 2 EV charging using historical meter data. This tool supports both the System Planning and Customer Service teams by pinpointing where EV charging is occurring, and which transformers are serving those loads. It allows the System Planning and Customer Service teams to see where transportation electrification is driving load growth, providing valuable insights for infrastructure capacity planning and focusing customer engagement programs.

- **IESO York Region Non-Wires Alternatives Demonstration Project:** In partnership with the IESO and NRCan, Alectra Utilities successfully established North America's first local electricity market at the distribution level. This initiative explored competitive market-based approaches to secure services from Distributed Energy Resources (DERs) to meet local energy needs while maintaining coordination across the electricity system. The findings of the project conducted by ICF[13] validate the approach to and benefits of using DERs as NWAs for distribution-level needs and potentially for transmission-level benefits. The process and tools that were developed, tested, and refined provide the groundwork for future exploration of the demonstrated concepts to increase the potential for DERs to support the energy transition as an alternative or deferment for traditional electricity system infrastructure. The project was funded by the IESO and NRCan, and marks an important step toward enabling local energy flexibility and giving customers a greater role in supporting non-wires solutions.

In addition to these initiatives, the GRE&T Centre continues to support Ontario's energy transition through sectorial initiative engagement (e.g., IESO Transmission – Distribution Working Group) and strategic collaborations with the OEB, NRCan, and the IESO.

INNOVATION IN THE 2025-2031 PERIOD

[13] ICF is a leading global solutions and technology provider.

Over the 2025 to 2031 period, the GRE&T Centre will continue its efforts to drive innovation across Alectra Utilities' business units as well as strategic collaborations with key stakeholders in the sector.

Categorized by the Centre's four core functions, several of the projects to be undertaken over this period include:

DRIVING CONTINUOUS OPERATIONAL IMPROVEMENT

Estimated Time of Restoration (ETR) Prediction Model: During outage events, timely and accurate communication is critical to maintaining customer trust. Alectra Utilities is developing an AI-driven Estimated Time of Restoration (ETR) model that combines real-time grid conditions (e.g., damage assessments and crew progress reports) with historical outage data. Using machine learning, the model will continuously refine restoration time estimates as new information becomes available, improving both ETR accuracy and the customer experience during outages.

- **Expected Outcomes:** Implementing this predictive model is expected to improve customer satisfaction by providing more accurate and transparent communication during outages. System Controllers will use the tool to refine ETR estimates, enabling better operational decisions and helping manage customer expectations more effectively.

- **Expected Benefits:** Once integrated into Alectra Utilities' internal workflows, the ETR model will provide actionable insights that enhance outage response. It is expected to improve customer experience, guide more efficient resource deployment, and support the improvement of Alectra Utilities' customer service performance metrics.

ASSESS TECHNOLOGY & DEVELOP NEW SOLUTIONS

Supply Chain Forecasting: Efficient inventory management is crucial for Alectra Utilities to have parts available to repair the grid after weather-related events or unusual season temperatures. Excess inventory can lead to high storage costs, inefficient ordering, and potential damage to surplus materials. Alectra Utilities is developing machine learning algorithms to forecast material needs based on seasonal weather predictions.

- **Expected Outcomes:** The implementation of these forecasting models will optimize inventory levels throughout the year. Currently, inventory is maintained based on static historical data. The new models will dynamically adjust stock levels, reducing quantities when equipment failure rates are low and increasing them when seasonal forecasts predict higher demand.

- **Expected Benefits:** Integrating these models into Alectra Utilities' workflows will provide actionable insights to align stock levels with demand. This approach will minimize excess inventory, adjust order quantities to reflect forecasted usage rather than historical patterns, and optimize storage costs by reducing unnecessary stock.

Improving Customer Engagement During Outages: Advancements in artificial intelligence are enhancing Alectra Utilities' ability to engage with customers during outages. Often, outage response teams lack detailed information about the conditions they are facing. To address this, Alectra Utilities is developing AI tools that can detect, process, and filter customer-submitted images of storm-damaged infrastructure. These tools will provide real-time updates on an internal map, enabling response teams to review and act promptly.

- **Expected Outcomes:** The AI algorithms will categorize and identify images that have been uploaded of impacted areas for typical storm damage. By placing verified images on an internal map, it will enhance situational awareness for Control Room and repair teams, assisting with job safety planning and hazard awareness. In some cases, it can provide damage updates when damage assessors have moved to a different area.

- **Expected Benefits:** These tools are expected to enhance operational efficiency during outages by providing a greater level of detail to conditions in the field. Additional information from the customers will aid in providing Control Room staff with greater visibility into grid conditions, aiding in prioritizing repairs for repair teams. Improved engagement with customers has shown that it can boost overall customer experience levels.

Predictive Resource Requirements: Alectra Utilities is advancing efforts to improve outage preparedness and response by developing predictive outage mapping algorithms. This approach leverages advanced weather forecasts and historical outage information to anticipate

potential grid disruptions. By integrating detailed weather forecasts with infrastructure and environmental data, the algorithm aims to enhance the Operations team's ability to estimate resource needs required to respond to inclement weather events.

- **Expected Outcomes:** These algorithms are intended to improve Operational readiness by providing early insights into areas at risk of outages from incoming weather systems. This proactive capability will allow Alectra Utilities to enhance estimations of the required amount of internal and external storm response teams needed to be deployed after the weather event.

- **Expected Benefits:** With the increase in the intensity of storms expected due to climate change, this initiative will facilitate more informed decision making. Having the right amount of crews available is important to ensure quick restoration of the grid after a storm. Storms don't always hit the service territory in the same way, and some parts of the territory can be impacted more than others. Understanding where the impacts will be greatest, Alectra Utilities can allocate more resources to those locations than other areas. The additional information from the algorithm will also provide greater certainty to activate third party vendors to support internal crews.

ENHANCING THE CUSTOMER EXPERIENCE

Demand Side Management (DSM) Program Support: The GRE&T Centre is assisting Alectra Utilities' renewed participation in electricity demand-side management (eDSM). This work includes promoting and delivering the IESO's Save on Energy programs, as well as providing planning, reporting, and marketing support. In addition, GRE&T Centre staff are exploring new customer programs (e.g., Stream 2 initiatives) that can help address distribution system needs. These efforts improve system efficiency while delivering added value to customers. Alectra Utilities' past experience operating CDM programs and pilot projects (as described above), give it a strong basis for developing and implementing DSM programs that will reduce customer demand in line with Ontario's 2025-2036 Electricity Demand Side Management Framework. Alectra Utilities' DSM efforts for approved program costs are paid for through the DSM Framework administered by IESO.

- **Expected Outcomes:** Alectra Utilities' support for DSM programs will increase customers' awareness of Save on Energy programs and increase their rate of participation in these programs.

- **Expected Benefits:** Customer participation in DSM programs is expected to provide customers with reduced electricity bills and enhanced awareness and ability to manage their energy costs.

SEW Customer Engagement – eMobility Pilot *(Partially funded by the OEB):* This pilot project is designed to support residential customers considering electric vehicle (EV) adoption by offering targeted tools, information, and engagement around load management. Its goal is to help customers understand how EV ownership may affect their electricity service, including billing and rate plans, energy use analytics, and potential service upgrades. A select group of participants will also take part in a managed charging pilot (SmartCharge), which will assess their satisfaction with the utility controlling the timing of home EV charging to help manage system demand and potentially mitigate against additional local infrastructure investments.

- **Expected Outcomes:** The project will introduce new customer-facing webpages while testing two different approaches to recruiting participants for EV load management programs. These resources will provide customers with practical tools to evaluate the costs and benefits of EV ownership and guide them through the decision-making process. The pilot will also explore how the use of EV energy management systems can reduce the need for customers to undertake costly service upgrades and impact the need for additional utility investments. Should this project be successful, its functionality will be integrated into Alectra Utilities' customer experience platform and made available to all customers.

- **Expected Benefits:** Pilot participants will benefit from the evaluation tools regarding the costs and benefits of EV ownership, reinforcing Alectra Utilities' commitment to customer focus. Testing of the deployment of EV energy management systems will inform Alectra Utilities' educational materials and promotion of solutions that can avoid the need for service upgrades. Alectra Utilities anticipates that this program will generate valuable

insights into the impact of managed charging on the grid, helping to inform future system planning and customer support strategies.

OPTIMIZING GRID RELIABILITY & RESILIENCE

Alectra Drive for Fleets *(Partially funded by NRCan and IESO)*: Alectra Drive for Fleets leverages connected EV charging infrastructure and intelligent software to optimize fleet charging while managing local grid capacity constraints. Alongside the technology demonstration, the project provides educational resources for commercial fleet operators exploring electrification opportunities to ensure that they are aware of relevant utility considerations.

- **Expected Outcomes:** The project will involve testing solutions from multiple EV charging vendors and providing guidance to fleet operators. This initiative aims to help organizations undertaking the conversion to EV fleets to plan and implement cost-effective charging strategies that limit peak demand increases and the need for utility upgrades. It also aims to educate customers about the need to engage with their utility, so that the time required for any necessary infrastructure upgrades can be planned for and optimized proactively wherever possible.

- **Expected Benefits:** By enabling controlled and optimized fleet charging, the program aims to demonstrate how effective EV charging strategies can lead to reduced peak demand impacts, deferred or avoided costly infrastructure upgrades, and an improved ability to manage growing electricity demand from transportation electrification. Over time, participants are anticipated to benefit from lower operational costs through more efficient charging practices, and to have higher satisfaction and ability to manage their energy costs through improved awareness and education. Alectra Utilities' infrastructure investments are also expected to be informed and optimized through proactive customer information about planned load requirements.

Grid Enablement – Alectra V2X Pilot *(Partially funded by NRCan and IESO)*: The Alectra Utilities V2X Pilot aims to understand the potential grid impact of bidirectional EV charging for light and medium-duty vehicles, such as school buses. This project will evaluate how vehicle batteries can support Ontario’s electricity system by providing services like peak demand

reduction and vehicle-to-grid (V2G) applications. By enabling fleet-based Vehicle-to-Everything (V2X) capabilities, this pilot program will help identify how these technologies can be scaled within a utility environment.

- **Expected Outcomes:** The V2X pilot project will produce a technology assessment and evaluation report, examining charger and vehicle performance, demand response potential, and peak shaving opportunities. It will also identify procedural and regulatory barriers to V2X adoption, providing insights to refine utility practices.

- **Expected Benefits:** Alectra Utilities will develop a dataset of V2X performance characteristics and policy recommendations to guide broader integration of these resources into the electrical grid. These insights have the potential to unlock new value streams for both customers and Alectra Utilities.

INNOVATION'S ROLE IN SHAPING THE DSP AND INVESTMENT DECISIONS

Customer Non-Wires Solution (NWS) Design and Development

In alignment with the OEB's *Non-Wires Solutions Guidelines*, this initiative is building Alectra Utilities' internal capability to identify and design NWS as cost-effective alternatives to traditional poles-and-wires investments.

The Filing Requirements indicate that distributors should include an explanation of how innovative alternatives have been considered in place of traditional investments, including the use of non-wires solutions (NWSs) to address distribution system needs. Alectra Utilities considered NWS when developing and prioritizing projects for this DSP. Where system needs, timing, and technical feasibility suggested a credible deferral, those needs were identified for further NWS assessment. As set out in the DSP at Appendix B13 – Stations Capacity, Alectra Utilities has deferred five Stations Capacity investments that would otherwise have been included in this DSP, based on the application of the NWS screening Framework, using Distributed Energy Resources (DERs) and Demand Response (DR). Further details are provided in Section 5.3.5 Non-Wires Solutions to Address System Needs and Appendix B13 Stations Capacity of the DSP.

FINANCIAL INFORMATION

In accordance with Section 2.1.8 of the OEB's Chapter 2 Filing Requirements, Alectra Utilities provides the following financial information:

- Accounting standards used for general purpose financial statements and adoption date for those standards (Schedule 1);
- Alectra Utilities' 2024 audited financial statements which includes comparative information for the 2023 year (Schedule 2, Attachment 1-6);
- A detailed reconciliation of the financial results shown in the audited financial statements with the regulatory financial results. Alectra Utilities has submitted live excel versions of these reconciliations (Schedule 2, Attachments 1-7 and 1-8);
- Alectra Inc.'s 2024 Management's Discussion and Analysis (Schedule 3, Attachment 1-9);
- Rating agency reports (Schedule 4); and
- A description of existing accounting orders since the merger in 2017 (Schedule 5).

ACCOUNTING STANDARDS USED

Alectra Utilities adopted International Financial Reporting Standards (IFRS) on January 1, 2017, and continues to follow these standards. The Audited Financial Statements in Tab 8, Schedule 2 have been prepared in accordance with IFRS.

ACCOUNTING TREATMENT FOR UTILITY-OWNED GENERATION

Alectra Utilities confirms that it has separated the accounting of all non-rate regulated business activities from rate regulated activities.

The financial details of Alectra Utilities' solar operations are included as part of the competitive business. Refer to note 26 in Alectra Utilities' financial statements for information on regulated and competitive business.

ACCOUNTING TREATMENT OF NON-UTILITY BUSINESS

Alectra Utilities confirms that the accounting treatment used by the utility segregates the business activities of its non-utility business from its rate-regulated business.

CHANGES TO ACCOUNTING POLICIES USED IN PREVIOUS APPLICATIONS

Since the initial application date of IFRS for the period starting from January 1, 2017, Alectra Utilities has adopted the following changes to accounting standards:

1. IFRS 15 Revenue from Contracts with Customers (IFRS 15)

Alectra Utilities adopted IFRS 15 on January 1, 2018, replacing previous revenue recognition standards such as IAS 18 and IFRIC 18. IFRS 15 applies to customer contracts but excludes lease contracts and financial instruments. It introduces a five-step model for revenue recognition, based on when performance obligations are fulfilled—either over time or at a point in time.

Alectra Utilities uses the practical expedient, allowing revenue recognition based on the "right to invoice," aligning with the value delivered to customers. It assesses transaction prices for contracts, considering factors like discounts or non-cash elements, but found no significant variable considerations affecting pricing.

Customer contributions continue to be treated as deferred revenue and recognized over the asset's life, with no change under IFRS 15. IFRS 15 was adopted using the modified retrospective approach, with no impact on the Corporation’s financial position or income statements.

2. IFRS 9 Financial Instruments (IFRS 9)

The Corporation adopted IFRS 9 on January 1, 2018, replacing IAS 39. Although the adoption was retrospective, comparative figures were not restated. IFRS 9 covers three main areas: Classification and Measurement, Impairment, and Hedging, and also amends related standards such as IFRS 7.

Classification and Measurement:

Upon initial recognition, financial assets are measured at fair value, including transaction costs (except accounts receivable, which are recorded at transaction price). Subsequently, assets are measured at amortized cost, fair value through Other Comprehensive Income, or fair value through profit or loss, depending on their cash flow characteristics and the business model under which they are held.

Alectra Utilities manages its financial assets to collect contractual cash flows of principal and interest, so these assets are measured at amortized cost. Gains or losses are recognized when these assets are derecognized or impaired.

Details on how IFRS 9 affects the Alectra Utilities' financial instruments are provided in the table below.

Table 1-8-1: How IFRS 9 affects the Alectra Utilities' financial instruments

Financial Instrument	IAS 39 Measurement	IFRS 9 Measurement
Cash (including restricted cash)	Loans and receivable	Amortized costs
Accounts receivable and unbilled revenue	Loans and receivable	Amortized costs
Due from related parties	Loans and receivable	Amortized costs
Accounts payable and accrued liabilities	Financial liability-amortized costs	Financial liability-amortized costs
Customer deposits liability	Financial liability-amortized costs	Financial liability-amortized costs
Due to related parties	Financial liability-amortized costs	Financial liability-amortized costs
Other liabilities	Financial liability-amortized costs	Financial liability-amortized costs
Loans and borrowings from parent	Financial liability-amortized costs	Financial liability-amortized costs
Other long-term liabilities	Financial liability-amortized costs	Financial liability-amortized costs

Impairment

IFRS 9 introduces a unified model for impairment, replacing IAS 39's "incurred loss" model with an expected credit loss (ECL) approach. Unlike IAS 39, which required evidence of credit deterioration before recognizing impairment, IFRS 9 mandates recognizing ECLs earlier—before a loss event occurs.

Post–transition, Alectra Utilities assesses impairment on a forward-looking basis. Alectra Utilities uses the simplified approach for accounts receivable, recognizing expected lifetime losses at initial recognition, and continuously thereafter. ECLs are estimated using a provision matrix based on historical default rates and macroeconomic indicators like GDP growth, inflation, and unemployment, along with customer-specific data.

Comparative figures are not restated, therefore prior-year unbilled revenue excludes ECLs. The adoption of IFRS 9 had no material impact on Alectra Utilities' financial statements.

3. IFRS 16, Leases (IFRS 16)

Alectra Utilities adopted IFRS 16 on January 1, 2019, replacing IAS 17. Unlike the previous standard, which classified leases as either operating or finance, IFRS 16 requires nearly all leases to be recognized on the balance sheet as right-of-use (ROU) assets and lease liabilities.

Using the modified retrospective approach, Alectra Utilities did not restate comparative figures. For leases previously classified as finance leases, the carrying amounts of lease assets and liabilities were retained at transition. Alectra Utilities also elected the practical expedient to retain its prior lease assessments.

On transition, Alectra Utilities recognized $14MM in ROU assets and $18MM in lease liabilities. Lease liabilities were measured using Alectra Utilities' incremental borrowing rate as of January 1, 2019. ROU assets were adjusted for any prepaid or accrued lease payments.

Alectra Utilities applied exemptions for short-term and low-value leases, expensing them on a straight-line basis. A single discount rate was used for lease portfolios with similar characteristics. In 2019, ROU assets were tested for impairment, with no impairments identified.

The adoption of IFRS 16 did not affect the accounting treatment for assets leased out under operating leases.

Using the modified retrospective approach, Alectra Utilities did not restate comparative figures. For leases previously classified as finance leases, the carrying amounts of lease assets and liabilities were retained at transition. Alectra Utilities also elected the practical expedient to retain its prior lease assessments.

There were no changes to the accounting for assets leased under operating leases.

4. Other Amendments

Additionally, the financial statement impact of adopting the following amendments was assessed and it was determined that the impact was insignificant.

- Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material;
- Reference to Conceptual Framework (Amendments to IFRS 3 - Business Combinations);
- Amendments to IFRS 3 - Business Combinations: Definition of Business – Effective January 1, 2022;
- Onerous contracts, cost of fulfilling a contract (Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets) – Effective January 1, 2022;
- Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 - Income Taxes) – Effective January 1, 2023;
- Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors) – Effective January 1, 2023; Classification of Liabilities as Current or Non-current (Amendments to IAS 1 - Presentation of Financial Statements) – January 1, 2023;
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases) – Effective January 1, 2024; and
- Disclosures regarding Supplier Finance arrangements (Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures) – Effective January 1, 2024.

FINANCIAL STATEMENTS

This schedule provides Alectra Utilities' Audited Financial Statements as follows:

- Attachment 1-6: 2024 Audited Financial Statements
- Attachment 1-7: 2023 Reconciliation between Audited and OEB Financial Statements
- Attachment 1-8: 2024 Reconciliation between Audited and OEB Financial Statements

Attachment 1-6

2024 Audited Financial Statements

Consolidated Financial Statements
(In millions of Canadian dollars)

ALECTRA UTILITIES CORPORATION

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
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Canada
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alectra Utilities Corporation

Opinion

We have audited the consolidated financial statements of Alectra Utilities Corporation (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 7, 2025

ALECTRA UTILITIES CORPORATION

Consolidated Statement of Financial Position

(In millions of Canadian dollars)

as at December 31, 2024 and 2023

	Notes	2024	2023
Assets			
Current assets			
Cash		45	—
Trade and other receivables	16	659	601
Other assets	8	86	75
Total current assets		**790**	**676**
Non-current assets			
Property, plant, and equipment and right of use assets	6	4,490	4,204
Goodwill and other intangible assets	7	944	951
Other assets	8	4	2
Total non-current assets		**5,438**	**5,157**
Total assets		**6,228**	**5,833**
Liabilities and Shareholders' Equity			
Current liabilities			
Bank indebtedness		—	8
Trade and other payables	9	460	471
Customer deposits liability		58	57
Deferred revenue	20	26	22
Lease obligations	15	2	1
Loans and borrowings	12	375	672
Other liabilities	11	98	104
Total current liabilities		**1,019**	**1,335**
Non-current liabilities			
Deferred revenue	20	808	702
Employee future benefits	13	74	75
Lease obligations	15	18	20
Loans and borrowings	12	2,278	1,785
Deferred tax liabilities	22	172	136
Other liabilities	11	34	25
Total non-current liabilities		**3,384**	**2,743**
Total liabilities		**4,403**	**4,078**
Shareholders' equity			
Share capital	14	707	719
Contributed surplus		826	826
Accumulated other comprehensive income		9	8
Retained earnings		283	202
Total shareholders' equity		**1,825**	**1,755**
Total liabilities and shareholders' equity		**6,228**	**5,833**

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

Director

Vinay Mehta

Director

ALECTRA UTILITIES CORPORATION

Consolidated Statement of Income and Comprehensive Income

(In millions of Canadian dollars)

for the years ended December 31, 2024 and 2023

	Notes	2024	2023
Revenue			
Distribution revenue	18	797	716
Electricity sales	18	3,306	3,032
Other revenue	18	78	82
		4,181	**3,830**
Expenses			
Cost of power		3,356	3,055
Operating expenses	19	314	304
Depreciation and amortization	6, 7	195	185
		3,865	**3,544**
Income from operating activities		**316**	**286**
Net finance costs	21	(102)	(93)
Loss on derecognition of property, plant, and equipment and intangible assets		(12)	(6)
Income before income taxes		**202**	**187**
Income tax expense	22	(54)	(49)
Net income		**148**	**138**
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to income			
Remeasurement of defined benefit obligation	13	1	(3)
Tax impact on remeasurement of defined benefit obligation		—	1
Total other comprehensive income (loss)		**1**	**(2)**
Total comprehensive income		**149**	**136**

The accompanying notes are an integral part of these consolidated financial statements.

ALECTRA UTILITIES CORPORATION

Consolidated Statement of Changes in Equity
(In millions of Canadian dollars)
for the years ended December 31, 2024 and 2023

	Notes	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total
Balance, January 1, 2023		721	826	10	138	1,695
Net income		—	—	—	138	138
Other comprehensive loss		—	—	(2)	—	(2)
Return of capital	14, 24	(2)	—	—	—	(2)
Dividends paid	14, 24	—	—	—	(74)	(74)
Balance, December 31, 2023		**719**	**826**	**8**	**202**	**1,755**
Net income		—	—	—	148	148
Other comprehensive income		—	—	1	—	1
Return of capital	14, 24	(12)	—	—	10	(2)
Dividends paid	14, 24	—	—	—	(77)	(77)
Balance, December 31, 2024		**707**	**826**	**9**	**283**	**1,825**

The accompanying notes are an integral part of these consolidated financial statements.

ALECTRA UTILITIES CORPORATION

Consolidated Statement of Cash Flows
(In millions of Canadian dollars)
for the years ended December 31, 2024 and 2023

	Notes	2024	2023
Net cash from (used in)			
Operating activities			
Net income		148	138
Adjustments for:			
Depreciation and amortization	6, 7	195	185
Amortization and derecognition of capital contributions	20	(23)	(23)
Loss on derecognition of property, plant, and equipment and intangible assets		12	6
Net finance costs	21	102	93
Income tax expense	22	54	49
Net change in operating working capital	23	(92)	(15)
Net change in non-current assets and liabilities		11	6
Capital contributions received	20	109	116
Cash generated from operating activities		516	555
Income taxes paid	22	(11)	(10)
Income taxes refunded	22	1	7
Net cash from operating activities		**506**	**552**
Investing activities			
Purchase of property, plant, and equipment	6	(441)	(453)
Purchase of intangible assets	7	(23)	(27)
Proceeds from disposal of property, plant, and equipment and intangible assets		1	3
Net cash used in investing activities		**(463)**	**(477)**
Financing activities			
Repayment of loans and borrowings	12, 24	(12,489)	(11,668)
Proceeds from issuance in loans and borrowings, net of transaction costs	12, 24	12,684	11,758
Repayment of lease obligations	15, 24	(1)	(5)
Interest received	24	6	3
Interest paid	24	(111)	(99)
Return of capital	14	(2)	(2)
Dividends paid	14, 24	(77)	(74)
Net cash from (used in) financing activities		**10**	**(87)**
Net cash inflow (outflow)		**53**	**(12)**
(Bank indebtedness) cash, beginning of year		**(8)**	**4**
Cash (bank indebtedness), end of year		**45**	**(8)**

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of the Business

Alectra Utilities Corporation (the "Corporation") is wholly-owned by Alectra Inc. and its registered head office is located at 55 John Street North, Hamilton, Ontario, Canada. The principal activity of the Corporation is to distribute electricity to customers in municipalities in the greater golden horseshoe area.

The accompanying consolidated financial statements of the Corporation include the accounts of the Corporation and its 99% ownership interest in Solar Sunbelt General Partnership ("Solar Sunbelt GP"), which has been established to undertake a solar generation business. The principal solar divisions of the Corporation are: Ring Fenced Solar Portfolio ("RFSP"), a solar generation business within the Corporation; and Solar Sunbelt GP. The Corporation is also the managing partner of Solar Sunbelt GP.

2. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved by the Board of Directors on March 7, 2025.

Certain prior year figures have been reclassified to conform to the presentation of the current year.

(b) Functional and presentation currency, and basis of measurement

These consolidated financial statements are presented in Canadian dollars ("$CAD"), which is the functional currency of the Corporation. These consolidated financial statements have been prepared on a historical cost basis, except for the valuation of employee future benefits, which are recorded at the actuarial present value of the defined benefit obligation. Amounts are rounded to the nearest million, unless otherwise stated.

(c) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the amounts reported and disclosed in these consolidated financial statements.

Estimates are used predominately in determining the measurement of certain of the Corporation's assets and liabilities. Estimates and underlying assumptions are continually reviewed and are based on factors that are considered to be relevant, such as historical experience and forecast trends. Actual results may differ from these estimates. Revisions of estimates are recognized in the period of revision and prospectively.

The areas which require management to make significant estimates and assumptions are as follows:

- Note 4(b)(i) – recognition and measurement of unbilled revenue;
- Note 4(c) – estimation of the fair value for financial assets and liabilities;
- Note 4(e) and (f) – estimation of the useful lives of property, plant and equipment and finite life intangible assets;
- Note 4(g) – impairment of non-financial assets: key assumptions underlying recoverable amounts; and
- Note 4(i) – measurement of employee future benefits – key actuarial assumptions.

Judgments included in the consolidated financial statements are decisions made by management, based on the analysis of relevant information available at the time of each decision. Judgments relate to the application of accounting policies and decisions related to the recognition, measurement and disclosure of financial amounts.

2. Basis of Preparation (continued)

(c) Use of estimates and judgments (continued)

The areas which require management to make significant judgments are as follows:

- Note 4(b)(i) - principal versus agent determination for recording revenue on a gross or net basis;
- Note 4(b)(ii) - deferred revenue: assessment of the performance obligation for contributions from customer;
- Note 4(h) – recognition and measurement of provisions and contingencies, determining whether a present obligation exists and assessing the probability, timing, and amount of any future outflows; and
- Note 4(k) – recognition of deferred tax assets and liabilities.

Changes in the economic environment arising from geopolitical events and uncertainty over economic growth could generate, in future periods, a risk of adjustments to the carrying amounts of balances subject to estimates and judgments.

3. Regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"). In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that differ from IFRS. The regulatory accounting treatments of the OEB require the recognition of regulatory assets and liabilities which do not meet the definition of an asset or liability under IFRS. Refer to Note 26.

(a) Rate Setting

The electricity distribution rates and other regulated charges of the Corporation are determined in a manner that provides the shareholders of Alectra Inc. with opportunity to earn a regulated maximum allowable return on equity ("MARE") on the amount of shareholders' equity supporting the business of electricity distribution, which is also determined by regulation.

The rate-making policies of the OEB are guided by its statutory objectives under *The Ontario Energy Board Act, 1998 (Ontario)* ("OEBA") that include, among other matters, to support the cost-effective planning and operation of the electricity distribution network and to provide an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

The OEB regulates the electricity distribution rates charged by local distribution companies ("LDCs"), such as the Corporation, through periodic rate applications to the OEB and its ongoing monitoring and reporting requirements. At present, LDCs may apply to the OEB for electricity distribution rates under options specified in its *Report of the Board - A Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (“RRF”). The three rate-setting methods available to LDCs under the RRF are: Price Cap Incentive Rate-setting (“Price Cap IR”); Custom Incentive Rate-setting ("Custom IR"); or Annual Incentive Rate-setting Index ("Annual IR").

Price Cap IR

The Price Cap IR method establishes rates on a single forward test-year cost of service basis, indexed for four subsequent years through a formulaic adjustment.

3. Regulation (continued)

(a) Rate Setting (continued)

The Incremental Capital Module ("ICM") is available to distributors under the Price Cap IR method. It is intended to address capital investment needs that arise during the rate-setting plan that are incremental to an OEB prescribed materiality threshold. The requested amount for an ICM claim must be: incremental to a distributor's capital requirements within the context of its financial capacities underpinned by existing rates; and satisfy the eligibility criteria of materiality, need, and prudence. For distributors that are in an extended rebasing deferral period arising from utility consolidations (i.e., distributors in years six to ten of the rebasing deferral period), incremental capital funding may be requested for an annual capital program. The OEB requires that a distributor requesting relief for incremental capital during the Price Cap IR plan term include comprehensive evidence to support the need. This includes the calculation of a rate rider to recover the incremental revenue from each applicable customer class. The incremental revenue is recognized in the year when the actual ICM related expenditures are expected to be in-service. This approach is consistent with the timing of the actual capital investment benefit to customers, which aligns with the expected timing of the OEB approval of ICM rate adjustments.

Custom IR

The Custom IR method establishes rates based on a forecast of an LDC's revenue requirement and sales volumes. This rate-setting method is customized to fit the specific applicant's circumstances. The annual rate adjustment over the Custom IR term is determined by the OEB on a case-by-case basis.

Annual IR

The Annual IR method sets a distributor's rates through an annual adjustment mechanism.

(b) Rate Applications

2024 Rate Application

On July 21, 2023, the Corporation filed an ICM application for the approval of 2024 incremental capital funding for urgent underground cable renewal investments in the PowerStream and Enersource rate zones, effective January 1, 2024. On February 13, 2024, the OEB issued its Decision and Order on the ICM application, approving $17 of the Corporation's $25 ICM capital request. For the 2024 rate year, the OEB approved recovery of the incremental revenue requirement, approved as part of the Decision, over a 10-month period from March 1, 2024, to December 31, 2024, and over a 12-month period in the subsequent rate years.

On August 17, 2023, the Corporation filed an application for all five predecessor utility rate zones for the approval of 2024 electricity distribution rates, effective January 1, 2024. On December 14, 2023, the OEB issued its Decision and Rate Order on the Price Cap IR application, approving a 4.5% rate adjustment to distribution rates effective January 1, 2024 and providing for disposition of deferral and variance account balances.

4. Material Accounting Policies

The following material accounting policies used in the preparation of these consolidated financial statements, have been applied consistently to all periods presented herein;

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries from the date that control commences until the date that control ceases. The Corporation controls a subsidiary if it is exposed, or has rights, to variable returns from its investment in the subsidiary and can affect those returns through its power over the subsidiary. All intercompany accounts and transactions are eliminated on consolidation.

(b) Revenue from contracts with customers

Revenue is recognized at a point in time or over time, depending on when the Corporation has satisfied its performance obligation(s) to its customers. Where the Corporation has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance to date, revenue is recognized in an amount to which the Corporation has a "right to invoice". The right to invoice represents the fair value of the consideration received or receivable.

The following provides a summary of the nature of the various performance obligations within contracts with customers and when performance is recognized on those obligations:

(i) Distribution revenue and electricity sales

The Corporation has identified that its material performance obligation is the distribution and provision of electricity to customers. The Corporation is licensed by the OEB to distribute electricity. Distribution revenue is recognized based on OEB-approved distribution rates, set at a level intended to recover the costs incurred by the Corporation in delivering electricity to customers and a regulated return on invested capital, and includes revenue collected through OEB-approved rate riders. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation has determined that it is acting as a principal for electricity distribution and therefore has presented the electricity sales on a gross basis. Revenue attributable to the delivery of electricity is based upon OEB-approved distribution tariff rates and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution charges, and any other regulatory charges. Revenue is recognized as electricity is delivered and consumed by customers. Electricity sales are recorded based on regular meter readings and estimates of customer usage since the last meter reading date to the end of the year. The Corporation satisfies its performance obligation to the customer over time, which is to use reasonable diligence in providing a regular and uninterrupted supply of electricity over the contract term.

The measurement of unbilled revenue is based on an estimate of the amount of electricity delivered to customers but not yet billed. These accrued amounts are presented as unbilled revenues under IFRS 15, *Revenue from Contracts with Customers.* The Corporation assesses unbilled revenue for impairment in accordance with IFRS 9, *Financial Instruments.*

4. Material Accounting Policies (continued)

(b) Revenue from contracts with customers (continued)

(ii) Other revenue

Other revenue includes revenue from renewable generation and government grants under CDM programs, contributions from customers, and other general revenue. The methods of recognition for other revenue are as follows:

- Revenue from renewable generation sources is recognized in the period in which electricity is generated and delivered, based on regular meter readings, and is measured at the fair value of the consideration received or receivable, net of sales tax.
- Capital contributions received from electricity customers and developers to construct or acquire property, plant, and equipment for the purpose of connecting a customer to a network are recorded as deferred revenue. The deferred revenue is initially recorded at fair value of the capital contribution and amortized to other revenue on a straight-line basis over the estimated economic lives of the assets to which the contribution relates. Contributions received from customers to construct or acquire fixed assets to deliver services other than those related to delivery of electricity are recorded as deferred revenue and amortized to other revenue over the term of the contract with the customer.
- Revenue is recognized as services are rendered where ancillary to: the electricity distribution; delivery of street lighting services; water billing; and pole and duct rentals.

(c) Financial instruments

Financial assets and liabilities include cash, trade and other receivables, trade and other payables, customer deposits liability, and loans and borrowings. All financial assets and liabilities, except trade and other receivables, are initially recognized at fair value plus transaction costs. Trade and other receivables balances are initially recognized at the transaction price. Financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method, less any applicable impairment. Interest income is calculated using the effective interest rate method and is recognized in the Consolidated Statement of Income and Comprehensive Income.

Impairment of the Corporation's financial assets is assessed on a forward-looking basis. The Corporation applies the simplified approach to its trade receivables which requires expected lifetime losses to be recognized from initial recognition of the receivables and on an ongoing basis. The Corporation assesses all information available in the measurement of the expected credit losses ("ECL") associated with its assets carried at amortized cost.

The measurement of ECL for trade receivables is based on management's estimates and assumptions. ECL is determined using a provision matrix based on historical observed default rates and incorporated macroeconomic factors such as GDP growth forecast, inflation rates, unemployment rates, and customer-specific assessments. Trade receivables are written-off against the allowance when they are deemed uncollectible.

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted-moving average basis and includes expenditures incurred in acquiring the inventories and other costs to bring the inventories to their existing location and condition.

4. Material Accounting Policies (continued)

(e) Property, plant, and equipment ("PP&E")

Land is measured at cost. PP&E (other than land) is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and includes contracted services, cost of materials, directly attributable overhead, direct labour, pension and other benefit costs, and borrowing costs incurred in respect of qualifying assets constructed.

Work in progress assets are generally assets that are undergoing active construction or development and are not currently available for use. Such assets are therefore not depreciated.

When items of PP&E are disposed of, a gain or loss on asset derecognition, if any, is determined by comparing the proceeds from disposal with the carrying amount of the item. Any gain or loss on asset derecognition is included in the Consolidated Statement of Income and Comprehensive Income.

Depreciation of PP&E is recognized on a straight-line basis over the useful life of each item. Depreciation on these assets commences when such assets are ready for their intended use.

The assessment of the useful lives of PP&E is based on management's judgment and are reviewed at each financial year-end and adjusted prospectively. When components of an item of PP&E have different useful lives, each component is recorded separately within PP&E and depreciated over each component's useful life. These assets are classified to the appropriate categories of PP&E when completed and ready for intended use.

The method of depreciation and estimated useful lives for each category of PP&E are as follows:

Buildings	Straight-line	10 to 60 years
Distribution assets	Straight-line	10 to 70 years
Other assets	Straight-line	4 to 20 years

(f) Goodwill and other intangible assets

Intangible assets include goodwill; land rights; computer software; and contributions.

Goodwill arising on the acquisition of subsidiaries or on amalgamation represents the excess of the purchase price over the fair value assigned to the Corporation's interest of the net identifiable assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Land rights are measured at cost. Land rights held by the Corporation are effective in perpetuity and there is no foreseeable limit to the period over which the rights are expected to provide benefit to the Corporation. Consequently, no removal date can be determined and no reasonable estimate of the fair value of such asset retirement obligations can be determined. If, at some future date, it becomes possible to estimate the fair value cost of removing these assets and the Corporation is legally or constructively required to remove such assets, a related asset retirement obligation will be recognized at that time. Land rights have been assessed as having an indefinite useful life.

Computer software is measured at cost less accumulated amortization and any applicable impairment losses. Amortization begins when the asset is available for use and is measured on a straight-line basis.

4. Material Accounting Policies (continued)

(f) Goodwill and other intangible assets (continued)

Contributions represent payments made to Hydro One Networks Inc. ("Hydro One"), an electricity distributor and transmitter in the Province of Ontario, for building dedicated infrastructure to accommodate the Corporation's distribution system requirements. Contributions are measured at cost less accumulated amortization.

Work in progress assets are generally assets that are undergoing development and are not currently available for use. Work in progress assets are not depreciated.

Gains or losses arising from derecognition, if any, of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognized in the Consolidated Statement of Income and Comprehensive Income when the asset is derecognized.

The useful lives of intangible assets are assessed based on management's judgment and are reviewed at each financial year-end and adjusted prospectively. The useful lives and amortization methods are as follows:

Goodwill	Not amortized	Indefinite
Land rights	Not amortized	Indefinite
Computer software	Straight-line	4 to 10 years
Contributions	Straight-line	10 to 70 years

(g) Impairment of non-financial assets

For the purpose of impairment testing, the Corporation uses judgment to group its assets into the smallest group that generates cash inflows that are largely independent of those from other assets or cash generating units ("CGUs"). Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Goodwill and intangible assets with indefinite lives are tested for impairment annually and when circumstances indicate that the recoverable amount of an asset or CGU may be below its carrying value. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs of disposal. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU, a suitable discount rate in order to calculate a present value as a basis for determining impairment and an estimated terminal value calculated by discounting the final year in perpetuity. Fair value less costs of disposal is determined based on observable market inputs and categorized as level 2 for fair value measurement.

Impairment losses are recognized if the carrying amount of an asset or CGU exceeds its recoverable amount, and are recognized in net income. Impairment losses relating to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been previously recognized.

4. Material Accounting Policies (continued)

(h) Provisions and contingencies

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be determined reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured as the expected outcome of the consideration required to settle the present obligation at the reporting date. Significant judgement is required in determining whether a present obligation exists and its probability of realization. Provisions are subject to significant uncertainty and are determined by discounting the expected future cash flows at a rate, net of tax, that corresponds to current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as an expense.

Decommissioning provisions are liabilities recognized in the consolidated financial statements for the future costs associated with dismantling and removing assets, and restoring the site to its original condition. The estimated future cash flows of the site restoration costs are risk adjusted and discounted using a pre-tax, risk-free rate that reflects the time value of money. The associated site restoration costs are capitalized as part of the carrying amount of the asset and then amortized over its useful life. Changes due to revision of discount rates, the timing, or the amount of the original estimate of the provision are reflected on a prospective basis by adjusting the carrying amount of the related asset. In the event the amounts resulting from the changes in estimates exceed the carrying amount of the related asset, the excess amount is recognized immediately in Consolidated Statement of Income and Comprehensive Income.

Contingencies are disclosed unless the possibility of an outflow of economic benefits is remote.

An assessment of the likelihood of a contingent event, such as events arising from legal proceedings, third-party contracts and other events, requires management's judgment as to the probability of a loss occurring. Actual results may differ from those estimates.

(i) Employee future benefits

The Corporation provides pension and other benefit plans for its employees. Details on these plans are as follows:

(i) Multi-employer defined benefit pension plan

The Corporation provides a pension plan for all of its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund") and provides pensions for employees of Ontario municipalities, local boards, public utilities, and school boards. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund.

As OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan as a defined benefit plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

4. Material Accounting Policies (continued)

(i) Employee future benefits (continued)

(ii) Non-pension defined benefit plans

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans. These benefits are provided through group defined benefit plans shared between entities under common control of Alectra Inc. The Corporation, which is controlled by Alectra Inc., is the legal sponsor of the plans. There is a stated policy in place to allocate the net defined benefit cost to the participating entities under the common control of Alectra Inc. based on the obligation attributable to the plan participants employed by each participating entity.

The Corporation has incorporated its share of the defined benefit costs and related liabilities, as calculated by the actuary, in these consolidated financial statements.

The Corporation's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting such to determine its present value. The discount rate is the interest yield, at the reporting date, on high quality debt instruments with duration similar to the duration of the plan. Due to the long-term nature of these plans, estimates used in the valuation such as discount rates, expected rates of return on assets, future salary increases and mortality rates, are subject to significant uncertainty.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligation and the current service costs are actuarially determined by applying the projected unit credit method and incorporate management's best estimate of certain underlying assumptions. Remeasurements arising from defined benefit plans are recognized immediately in other comprehensive income and reported in accumulated other comprehensive income. Amounts recorded in OCI are not reclassified to the Consolidated Statement of Income and Comprehensive Income.

The measurement date used to determine the present value of the benefit obligation is December 31 of the applicable year. The latest full actuarial valuation was performed as at December 31, 2022.

(j) Customer deposits liability

Customer deposit liability is comprised of cash collections from customers as security for the payment of energy bills and water bills. Deposits held in respect of commercial customers are applied against any unpaid portion of individual customer accounts. Customer deposit liability in excess of unpaid account balances is refundable to individual customers upon termination of their electricity distribution service. These customer deposits are classified as a current liability as they are refundable on demand once a customer establishes a good payment history in accordance with the policies of the Corporation. This liability includes related interest amounts owed to the customers with a corresponding amount charged to finance costs.

4. Material Accounting Policies (continued)

(k) Income taxes

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Pursuant to the EA, and because of its exemption from income taxes under the Tax Acts, the Corporation is required to make payments in lieu of income taxes (“PILs”) to the Ontario Electricity Finance Corporation ("OEFC"). These payments are calculated in accordance with the Tax Acts. These amounts are applied to reduce certain debt obligations of the former Ontario Hydro continuing in OEFC.

PILs comprise current and deferred payments in lieu of income tax. PILs is recognized in the Consolidated Statement of Income and Comprehensive Income except to the extent that it relates to items recognized directly in either comprehensive income or in equity, in which case, it is recognized in comprehensive income or in equity.

Current PILs is the expected amount of cash taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred PILs comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred PILs assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred PILs assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred PILs asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred PILs assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Finance income and costs

Finance income is recognized as it accrues in net income and is comprised of interest earned on cash.

Finance costs comprise interest expense on borrowings, lease obligations and decommissioning provisions are recognized as an expense in the Consolidated Statement of Income and Comprehensive Income except for those amounts capitalized as part of the cost of qualifying property, plant, and equipment.

(m) Advance payments

Advance payments are prepayments on capital projects that have been purchased and will remain as an advance until the project is in service and billable under the terms of the corresponding service agreements.

5. Future Accounting Changes

The amendments have been published by the International Accounting Standards Board but are not effective as at December 31, 2024, and have not been adopted in these consolidated financial statements. The Corporation is assessing the impact of implementation of these Standards on its consolidated financial statements. The Corporation does not plan to early adopt these standards.

Effective Date: Reporting periods beginning on or after January 1, 2027

(a) Presentation and Disclosure in Financial Statements (IFRS 18)

During the year, the IASB published a new IFRS accounting standard, IFRS 18 -*Presentation and Disclosure in Financial Statements*, to replace IAS 1, *Presentation of Financial Statements*, and will amend IAS 7, *Statement of Cash Flows*. The primary objective of IFRS 18 is to improve the assessment of an entity's performance by increasing comparability in presentation. Changes include: introducing a defined structure for the presentation of the Consolidated Statement of Income and Comprehensive Income, including required totals and sub-totals, management-defined performance measures, enhanced requirements for grouping (aggregation and disaggregation) of information, and disclosure of specific expenses by nature.

(b) Subsidiaries without Public Accountability: Disclosures (IFRS 19)

IFRS 19, allows eligible subsidiaries to apply reduced disclosure requirements in its consolidated, separate or individual financial statements. This new standard aims to simplify and reduce the cost of financial reporting for subsidiaries while maintaining the usefulness of their financial statements.

6. Property, Plant, and Equipment and Right of Use Assets

	Property, Plant, and Equipment					RoU	
	Land and buildings	Distribution assets	Other assets	Work in progress	Sub-Total	RoU assets	Total
Cost							
Balance at January 1, 2023	204	4,207	246	197	4,854	31	4,885
Additions	—	—	—	480	480	1	481
Transfers into service	124	384	15	(523)	—	—	—
Disposals, write-offs	—	(12)	(11)	—	(23)	(8)	(31)
Balance at December 31, 2023	328	4,579	250	154	5,311	24	5,335
Additions	—	—	—	470	470	2	472
Transfers into service	4	440	20	(464)	—	—	—
Disposals, write-offs	—	(20)	(11)	—	(31)	—	(31)
Balance at December 31, 2024	332	4,999	259	160	5,750	26	5,776
Accumulated depreciation							
Balance at January 1, 2023	35	818	121	—	974	13	987
Depreciation	6	136	21	—	163	4	167
Disposals, write-offs	—	(4)	(11)	—	(15)	(8)	(23)
Balance at December 31, 2023	41	950	131	—	1,122	9	1,131
Depreciation	7	143	20	—	170	3	173
Disposals, write-offs	—	(7)	(11)	—	(18)	—	(18)
Balance at December 31, 2024	48	1,086	140	—	1,274	12	1,286
Net book value							
December 31, 2023	287	3,629	119	154	4,189	15	4,204
December 31, 2024	284	3,913	119	160	4,476	14	4,490

Other assets include solar panels, meters, vehicles, furniture and equipment, computer equipment, and leasehold improvements.

RoU assets represent the Corporation's right to use buildings and roof tops over the duration of the lease term.

During the year, borrowing costs of $3 (2023 - $6) were capitalized as part of the cost of property plant & equipment and intangible assets. An average capitalization rate of 4.25% (2023 - 4.20%) was used to determine the amount of borrowing costs to be capitalized with respect to the Corporation. Refer to Note 21.

6. Property, Plant, and Equipment and Right of Use Assets (continued)

Reconciliation between the amounts presented on the Consolidated Statement of Cash Flows and additions to property, plant and equipment:

	Note	2024	2023
Purchase of property, plant and equipment, cash basis		441	453
Non-cash asset contributions	20	13	16
Depreciation expense capitalized		6	6
Accruals		10	5
Additions to property, plant and equipment		470	480

Reconciliation between depreciation and amortization amounts included in continuity tables of Note 6 and 7 and the amounts presented on the Consolidated Statement of Income and Comprehensive Income:

	Notes	2024	2023
Depreciation	6	173	167
Amortization	7	28	24
Depreciation capitalized		(6)	(6)
Depreciation and amortization per Consolidated Statement of Income and Comprehensive Income		195	185

7. Goodwill and Other Intangible Assets

(a) Goodwill and other intangible assets

	Goodwill	Land rights	Computer software	Work in progress	Contributions	Total
Cost or deemed cost						
Balance at January 1, 2023	755	4	175	23	97	1,054
Additions	—	—	—	25	—	25
Transfers into service	—	—	27	(27)	—	—
Disposals / adjustments	—	—	(4)	(5)	—	(9)
Balance at December 31, 2023	755	4	198	16	97	1,070
Additions	—	—	—	21	—	21
Transfers into service	—	—	27	(27)	—	—
Write-offs	—	—	(1)	—	—	(1)
Balance at December 31, 2024	755	4	224	10	97	1,090
Accumulated amortization						
Balance at January 1, 2023	—	—	76	—	23	99
Amortization	—	—	21	—	3	24
Disposals	—	—	(4)	—	—	(4)
Balance at December 31, 2023	—	—	93	—	26	119
Amortization	—	—	25	—	3	28
Write-offs	—	—	(1)	—	—	(1)
Balance at December 31, 2024	—	—	117	—	29	146
Net book value						
December 31, 2023	755	4	105	16	71	951
December 31, 2024	755	4	107	10	68	944

Borrowing costs capitalized in intangible assets and property plant & equipment during the year is included in Note 6 and 21.

Reconciliation between the amounts presented on the Consolidated Statement of Cash Flows and additions to intangible assets:

	2024	2023
Purchase of intangible assets, cash basis	23	27
Accruals	(2)	(2)
Additions to intangible assets	21	25

7. Goodwill and Other Intangible Assets (continued)

(b) Impairment testing of goodwill and other indefinite life intangible assets

Goodwill with a carrying amount of $755 (2023 - $755) and land rights with a carrying amount of $4 (2023 - $4) have been allocated to the Corporation's CGU. The Corporation tested goodwill and land rights for impairment as at September 30, 2024, and September 30, 2023. The impairment test was performed by considering the latest developments and economic conditions. The recoverable amount of goodwill and land rights determined in the analysis for both years was greater than the carrying value and no impairment was recorded.

The recoverable amount is based on the value-in-use. The value-in-use calculations use cash flow projections based on financial plan and extrapolated cash flows using a terminal growth value for AUC and estimated growth rates for other CGUs.

The key assumptions used in the value-in-use calculations include forecast earnings before interest, taxes, depreciation, and amortization ("EBITDA"), weighted average cost of capital ("WACC") and a terminal growth value. Forecast EBITDA is based on expectations of future outcomes considering past experience, adjusted for anticipated revenue growth and cost savings. The terminal growth value is projected using a rate base multiple of 1.3x. In the prior year a percentage growth rate of 3% was used to determine the terminal value. The change in approach incorporates significant future capital expenditures and cost recoveries that are not captured using the percentage growth rate and are not included in the period of forecasted EBITDA.

The WACC of 4.92% (2023 - 5.16%) is based on market and equity risk factors for comparable companies.

Management is not aware of any changes to the key assumptions that would cause the CGUs' carrying amounts to exceed the recoverable amounts.

8. Other Assets

	2024	2023
Current		
Inventories	73	61
Prepaid expenses	11	11
Income tax receivable	—	1
Other receivable	2	2
	86	75
Non-Current		
Prepaid expenses	3	2
Other	1	—
	4	2

Inventories consist of parts and supplies acquired for internal construction or consumption.

9. Trade and Other Payables

	Note	2024	2023
Trade payables - energy purchases		254	227
Due to related parties	10	74	72
Accrued liabilities		68	105
Trade payables - other		36	37
Customer receivables in credit balances		28	30
		460	471

10. Related Party Balances and Transactions

(a) Balances and transactions with related parties

The Corporation provides services to and receives services from Alectra Inc. and affiliates under its common control. These services generally include administrative support such as information technology, finance, human resources and other services.

Expenses with Alectra Inc. also include interest expense on the unsecured outstanding loan.

Revenue earned from related parties includes: electricity distribution; street lighting; road projects; water; and sewage billing. Expenses paid include: municipal taxes; facilities rental and interest.

These transactions are summarized in the table below:

	2024				
	Revenue/ Deferred revenue	Expenses	Capital	Due from related party	Due to related party
Alectra Energy Solutions Inc.	2	4	5	1	1
Alectra Inc.	—	116	—	2	15
City of Barrie	8	—	—	2	—
City of Guelph	11	—	—	—	7
City of Hamilton	37	1	—	5	26
City of Markham	9	1	—	2	11
City of Mississauga	17	1	—	2	—
City of St. Catharines	4	—	—	1	—
City of Vaughan	10	1	—	4	14
	98	124	5	19	74

10. Related Party Balances and Transactions (continued)

(a) Balances and transactions with related parties (continued)

	2023				
	Revenue/ Deferred revenue	Expenses	Capital	Due from related party	Due to related party
Alectra Energy Solutions Inc.	2	3	3	1	3
Alectra Inc.	—	107	—	—	15
City of Barrie	7	—	—	2	—
City of Guelph	10	—	—	—	7
City of Hamilton	33	1	—	2	24
City of Markham	9	1	—	2	11
City of Mississauga	14	3	—	2	—
City of St. Catharines	4	—	—	1	—
City of Vaughan	8	1	—	1	12
	87	116	3	11	72

The corporation has lease agreements with the City of Hamilton, City of Barrie and City of Markham that are included in RoU assets. Refer to Note 6.

The Corporation also has unsecured intercompany loans with Alectra Inc. as described in Note 12.

The Corporation paid dividends to the shareholders during the year. Refer to Note 14.

(b) Key management personnel compensation

Key management personnel includes individuals who are directly or indirectly responsible for planning, directing and controlling the activities of the Corporation. Annual compensation of key management personnel that is directly attributable to the Corporation is as follows:

	2024	2023
Salaries and current employment benefits	16	15
Employee future benefits	1	1
	17	16

11. Other Liabilities

	2024	2023
Current		
Advance payments	91	97
Income tax payable	5	—
Other	2	7
	98	104
Non-current		
Expansion deposits	30	25
Decommissioning provision	4	—
	34	25

Advance payments represent amounts received from customers and developers for services that will be performed in the future and are recognized in revenue when the performance obligation is satisfied.

Expansion deposits represent security deposits received from customers, which are expected to be returned to the customer upon project completion.

The decommissioning provision relates to the Corporation's obligation to restore leased rooftops upon expiration or termination of the lease. The timing of restoration work is expected to range from 2031 and 2036 based on the contract terms.

12. Loans and Borrowings

	2024	2023
Non-current		
2.883% Promissory note due 2027[1]	598	596
5.327% Promissory note due 2030[1]	65	65
1.815% Promissory note due 2031[1]	199	199
3.441% Promissory note due 2032[3]	34	40
4.718% Promissory note due 2034[1]	199	—
4.391% Promissory note due 2034[1]	298	—
5.340% Promissory note due 2041[1]	209	209
4.010% Promissory note due 2042[1]	199	199
4.199% Promissory note due 2045[1]	30	30
3.497% Promissory note due 2049[1]	199	199
5.272% Promissory note due 2052[1]	248	248
	2,278	1,785
Current		
Intercompany variable rate grid note[4]	370	352
4.410% Promissory note due 2024[2]	—	78
4.410% Promissory note due 2024[2]	—	68
4.410% Promissory note due 2024[2]	—	20
3.310% Promissory note due 2024[1]	—	150
3.441% Promissory note due 2032 (principal payments)[3]	5	4
	375	672

All loans and borrowings are payable to Alectra Inc.

All interest rates are per annum.

[1] payable at maturity date with interest paid semi-annually.

[2] payable at maturity date with interest paid quarterly.

[3] principal payments due within a year with interest paid monthly.

[4] principal payments due within a year with interest settled at the time of borrowing.

Loans and borrowings are presented net of transaction costs. Interest on these loans and borrowings was $104 (2023 - $96).

On June 13, 2024, the Corporation issued a 4.718% promissory note payable to Alectra Inc. for $200 maturing in 2034 and incurred a debt issuance cost of $1.

On October 30, 2024, the Corporation issued a 4.391% promissory note payable to Alectra Inc. for $300 maturing in 2034 and incurred a debt issuance cost of $2.

The three 4.410% promissory notes due 2024 were repaid on May 31, 2024. The 3.310% promissory note was repaid on November 21, 2024.

12. Loans and Borrowings (continued)

On May 19, 2017, the Corporation issued an amortizing promissory note payable to Alectra Inc. with initial principal in the amount of $70, which matures in 2032 and is repayable in monthly instalments of $0.5 including principal and interest. In 2024, the Corporation made principal repayments in the amount of $5 (2023 - $4) and interest payments in the amount of $1 (2023 - $2). As at December 31, 2024, the outstanding balance of the promissory note is $39 (2023 - $44).

The Corporation has access to short-term liquidity under terms of an intercompany loan agreement with its parent company, Alectra Inc., through Alectra Inc.'s $1,100 (2023 - $1,000) credit facilities. The Corporation can borrow from Alectra Inc. on a revolving basis to finance general corporate requirements, capital investments, working capital requirements and its prudential obligations to the IESO. As at December 31, 2024, $370 (2023 - $352) was borrowed from Alectra Inc. Interest expense on this intercompany loan was $23 (2023 - $17).

For the year ended December 31, 2024, the average annual outstanding variable rate grid notes from Alectra Inc. were $497 (2023 - $347) with a weighted average interest rate of 4.68% (2023 - 4.92%).

The table below summarizes principal repayments on loans and borrowings due in the next five years and thereafter as at December 31, 2024.

2025	375
2026	5
2027	610
2028	5
2029	5
Thereafter	1,669
	2,669

13. Employee Future Benefits

(a) Multi-employer defined benefit pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined benefit pension plan with equal contributions by the Corporation and its employees. During the year ended December 31, 2024, the Corporation made employer contributions of $19 (2023 - $19) to OMERS. These contributions have been recognized as an expense net of the amount capitalized in assets. The expected payment for 2025 is $22 and represents 94% of the group plan contributions. As at December 31, 2023, and subject to the estimates, assumptions and valuations of OMERS, the plan obligations are 97% (2022 - 95%) funded by its assets. OMERS has a strategy to return the plan to a fully funded position. The Corporation is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.

13. Employee Future Benefits (continued)

(b) Non-pension defined benefit plans

The Corporation provides certain unfunded health, dental and life insurance benefits on behalf of its retired employees, based on the availability of such through its parent, Alectra Inc. These benefits are provided through group defined benefit plans. There is a policy in place to allocate the net defined benefit cost to the entities participating in the group plans. The allocation is based on the obligation attributable to the plan participants. There are four defined benefit plans. Independent actuarial valuations of the plans were performed as at December 31, 2023. The group defined benefit plans as a whole provide benefits to eligible retirees of the Corporation.

Information about the group unfunded defined benefit plan and changes in the present value of the aggregate unfunded defined benefit obligation and the aggregate accrued benefit liability are as follows:

	2024	2023
Defined benefit obligation at January 1	75	71
Benefit cost recognized in net income:		
Current service costs	1	1
Interest expense	2	3
Benefit cost recognized in net income	3	4
Amounts recognized in other comprehensive income:		
Remeasurement of defined benefit obligation	(1)	3
Amounts recognized in other comprehensive income	(1)	3
Payments from the plans	(3)	(3)
Defined benefit obligation at December 31	74	75

The main actuarial assumptions underlying the valuation are as follows:

	2024	2023
Discount rate	4.70 %	4.60 %
Medical benefits costs escalation	5.10 %	4.90 %
Dental benefits costs escalation	5.40 %	5.10 %

(c) *Sensitivity analysis*

The approximate effect on the defined benefit obligation if the main actuarial assumptions underlying the valuation increased or decreased by 1% is as follows:

		2024	2023
Discount rate	1% increase	(9)	(9)
	1% decrease	11	11
Medical and dental benefits costs escalation	1% increase	9	9
	1% decrease	(7)	(7)

14. Share Capital

The Corporation's authorized share capital is comprised of an unlimited number of voting common shares and 99,999 Class S non-voting shares, all of which are without nominal or par value as follows:

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Issued and outstanding				
Common shares	114,149	682	114,149	682
Issued and outstanding				
Class S shares	99,999	25	99,999	37
	214,148	707	214,148	719

During the year, the Board of Directors approved a return of capital to the Class S shareholders in the amount of $2 (2023 - $2) in accordance with the Alectra Dividend Policy incorporated as Schedule C to its Unanimous Shareholder's Agreement.

Dividends on the common shares and Class S shares of the Corporation may be approved by the Board of Directors through a resolution.

During the year, the Corporation declared and paid dividends as follows:

- Common share dividends aggregating $76 or $661.29 per share (2023 - $72 or $631.88 per share); and
- Class S share dividends aggregating $1 or $14.72 per share (2023 - $2 or $15.04 per share).

The Class S share dividends, other than return of capital, are subject to Part VI.1 tax under the *Income Tax Act (Canada)* at a rate of 25% based on the amount of dividend paid. The Corporation is also eligible for a corresponding deduction equal to a specified multiple of the dividend. The deduction does not fully offset the Part VI.1 tax, resulting in a net effective tax rate of 1.8% on the Class S share dividends to the former PowerStream Shareholders.

Subsequent to the year end, on March 7, 2025, the Corporation declared a dividend in the amount of $25 and $1 on its common shares and Class S shares respectively, payable to its shareholders. The Corporation has also declared a return of capital in the amount of $1 on Class S shares payable to its shareholders.

15. Lease Obligations

The Corporation leases assets including properties for its various offices and operation centre, building rooftops for installing and operating solar panels projects, vehicles, and equipment. Property leases which include both land and building elements, of which the land portion does not qualify as a lease is not included in the lease liability.

The Corporation has different lease terms and bargain purchase options at the end of lease term for different property leases. The Corporation has assessed that it is not likely to exercise the purchase options. For property and building rooftop leases that includes extension options, the Corporation has assessed that it is not likely to exercise these options and is not included in the lease liability.

The Corporation leases vehicles for qualifying employees with a standard lease term of three years. The Corporation does not purchase or guarantee the value of leased vehicles.

15. Lease Obligations (continued)

The contractual undiscounted cash flows for lease obligations are as follows:

	2024	2023
Less than one year	3	3
Between one and five years	10	10
More than five years	13	15
Total undiscounted lease obligations	26	28

The Corporation expensed the land portion of the operations centre lease.

	2024	2023
Amounts recognized in the Consolidated Statement of Income and Comprehensive Income		
Interest on lease obligations	1	1
Variable lease payments and non-lease components not included in the measurement of lease obligations	1	1
	2	2

	2024	2023
Amounts recognized in the Consolidated Statement of Cash Flows		
Payments for the principal portion included within financing activities	1	5
Payments for the interest portion included within financing activities	1	1
Variable lease payments included within operating activities	1	1
Total cash outflow for leases	3	7

16. Financial Instruments and Risk Management

(a) Fair value of financial instruments

The carrying amount of cash, trade and other receivables, customer deposits, trade and other payables and current portion of loans and borrowings approximates fair value because of the short maturity of these instruments.

16. Financial Instruments and Risk Management (continued)

(a) Fair value of financial instruments (continued)

		2024		2023	
	Maturity Date	Carrying Value[1]	Fair Value[2]	Carrying Value[1]	Fair Value[2]
Loans and borrowings					
Promissory notes issued in 2017	2027	605	593	605	574
Promissory notes issued in 2010	2030	65	70	65	69
Promissory notes issued in 2021	2031	200	179	200	171
Promissory notes issued in 2017	2032	34	34	39	37
Promissory notes issued in 2024	2034	200	209	—	—
Promissory notes issued in 2024	2034	300	304	—	—
Promissory notes issued in 2011	2041	210	229	210	229
Promissory notes issued in 2012	2042	200	186	200	186
Promissory notes issued in 2015	2045	30	28	30	28
Promissory notes issued in 2019	2049	200	169	200	170
Promissory notes issued in 2022	2052	250	277	250	283
Total loans and borrowings - long-term portion		2,294	2,278	1,799	1,747
Less: unamortized transaction costs		(16)	—	(14)	—
		2,278	2,278	1,785	1,747

[1] The carrying value of long-term debt represents the par value of the promissory notes.

[2] The fair value of long-term debt is based on unadjusted year-end market prices for the same or similar debt of the same remaining maturities. The fair value measurement of long-term debt is categorized as Level 2.

(b) Financial risks

The risks associated with the Corporation's financial instruments and policies for managing these risks are described below:

(i) Credit risk

The Corporation's primary source of credit risk to its trade and other receivables results from customers failing to discharge their payment obligations for electricity consumed and billed, as they come due.

The carrying amount of trade and other receivables is reduced, to the extent deemed necessary by management's judgment, through the use of ECL with the amount of such during the year recognized in net income. Subsequent recoveries of trade and other receivables previously recorded as impaired are credited to net income.

16. Financial Instruments and Risk Management (continued)

(b) Financial risks (continued)

(i) Credit risk (continued)

The Corporation considers current economic and credit conditions to determine the ECL allowance of its trade and other receivable balances. During the years ended December 31, 2024, and 2023 management revised the estimates and judgments used in the preparation of the ECL allowance on its trade and other receivable balances, which were subject to a higher degree of estimation uncertainty. This includes disaggregating the customer base into commercial and residential customers and applying provision rates based on recent and evolving trends for customer collections and current and forecasted economic and other conditions. The Corporation has further segmented customers that are at a higher risk of payment default and have applied higher provision rates to their aged balances.

As at December 31, 2024, and 2023, there was no significant concentration of credit risk with respect to any financial assets.

Trade and other receivables and respective aging are as follows:

	Note	2024	2023
Trade receivable		355	339
Unbilled revenue		301	271
Due from related parties	10	19	11
Other		10	10
		685	631
Less: expected credit losses		(26)	(30)
Total trade and other receivables, net		659	601
Less than 30 days		633	562
30 - 60 days		17	15
61 - 90 days		11	12
Greater than 90 days		24	42
		685	631
Less: expected credit losses		(26)	(30)
Total trade and other receivables, net		659	601

16. Financial Instruments and Risk Management (continued)

(b) Financial risks (continued)

(i) Credit risk (continued)

	Expected credit losses
Balance, January 1, 2023	(40)
Additional allowances	(6)
Write-offs	18
Recoveries	(2)
Balance, December 31, 2023	(30)
Additional allowances	(8)
Write-offs	15
Recoveries	(3)
Balance, December 31, 2024	(26)

ECL is sensitive to the inputs used in internally developed models, the macroeconomic variables in the forward-looking forecasts, and other factors considered when applying judgments. A 1% increase or decrease in these inputs, assumptions, and judgments would not have significant effect on the assessment of credit risk and the measurement of ECL.

(ii) Interest rate risk

The Corporation is exposed to fluctuations in interest rates for the valuation of its post-employment benefit obligations. The Corporation is also exposed to short-term interest rate risk on its intercompany variable rate grid note, customer deposits liability balances and cash. Most of its remaining obligations are either non-interest bearing or bear fixed interest rates, and its remaining financial assets were predominately short-term in nature and primarily non-interest bearing.

The Corporation manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking action as necessary to maintain an appropriate balance.

The Corporation estimates that a 1% increase in short-term interest rates, with all other variables held constant, would result in an increase of approximately $4 (2023 - $4) to annual finance costs.

16. Financial Instruments and Risk Management (continued)

(b) Financial risks (continued)

(iii) Liquidity risk

Liquidity risk is the risk associated with the Corporation's inability to meet its financial obligations as they fall due. Liquidity risk associated with financial liabilities using undiscounted cash flows is as follows:

2024				
	Due within 1 year	Due between 1 and 5 years	Due past 5 years	Total
Trade and other payables	458	—	—	458
Customer deposits liability	58	—	—	58
Other liabilities	91	30	—	121
Intercompany variable rate notes payable to Alectra Inc.	370	—	—	370
2.883% Promissory note due 2027[1]	15	628	—	643
5.327% Promissory note due 2030[1]	3	14	68	85
1.815% Promissory note due 2031[1]	4	14	205	223
3.441% Promissory note due 2032[1]	6	24	14	44
4.718% Promissory note due 2034[1]	9	37	242	288
4.391% Promissory note due 2034[1]	13	52	365	430
5.340% Promissory note due 2041[1]	11	44	338	393
4.010% Promissory note due 2042[1]	8	32	303	343
4.199% Promissory note due 2045[1]	1	5	50	56
3.497% Promissory note due 2049[1]	7	28	335	370
5.272% Promissory note due 2052[1]	13	52	550	615
Lease obligations[1]	3	10	13	26
	1,070	970	2,483	4,523

[1]The balances for promissory notes and lease obligations include both principal and interest.

16. Financial Instruments and Risk Management (continued)

(b) Financial risks (continued)

(iii) Liquidity risk (continued)

2023	Due within 1 year	Due between 1 and 5 years	Due past 5 years	Total
Bank indebtedness	8	—	—	8
Trade and other payables	471	—	—	471
Customer deposits liability	57	—	—	57
Other liabilities	104	25	—	129
Intercompany variable rate notes payable to Alectra Inc.	352	—	—	352
4.410% Promissory note due 2024[1]	21	—	—	21
4.410% Promissory note due 2024[1]	70	—	—	70
4.410% Promissory note due 2024[1]	81	—	—	81
3.310% Promissory note due 2024[1]	155	—	—	155
2.883% Promissory note due 2027[1]	15	643	—	658
5.327% Promissory note due 2030[1]	3	14	72	89
1.815% Promissory note due 2031[1]	4	14	209	227
3.441% Promissory note due 2032[1]	6	24	20	50
5.340% Promissory note due 2041[1]	11	44	349	404
4.010% Promissory note due 2042[1]	8	32	311	351
4.199% Promissory note due 2045[1]	1	5	51	57
3.497% Promissory note due 2049[1]	7	28	342	377
5.272% Promissory note due 2052[1]	13	52	564	629
Lease obligations[1]	3	10	15	28
	1,390	891	1,933	4,214

[1]The balances for promissory notes and lease obligations include both principal and interest.

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet its operational and investment requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest rate exposure and cost. The Corporation monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial obligations as they come due.

17. Capital Structure

The main objectives of the Corporation when managing financial capital are to:

- ensure ongoing cost-effective access to financial capital and to provide adequate investment in support of its regulated electricity distribution and other businesses;
- comply with covenants within its financial instruments;
- prudently manage its capital structure, as it relates to maintaining a high level of creditworthiness;
- recover financing charges permitted by the OEB on its regulated electricity distribution business; and
- deliver reasonable returns on the investments of its shareholders.

The Corporation's definition of capital includes current and long-term portion of the loans and borrowings, and shareholders' equity. The following table represents the Corporation's total capital:

	Note	2024	2023
Current portion of loans and borrowings	12	375	672
Long-term portion of loans and borrowings	12	2,278	1,785
Shareholders' equity		1,825	1,755
		4,478	4,212

The OEB regulates the amount of interest on debt and MARE that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries based on a deemed capital structure represented by 60% debt to rate base and 40% equity to rate base. The actual capital structure for the Corporation may differ from the OEB deemed structure.

18. Revenue

	2024	2023
Electricity sales	3,306	3,032
Distribution revenue	797	716
Amortization and derecognition of capital contributions	23	23
Solar generation revenue	15	15
Regulatory service charges	14	14
Water and wastewater billing and customer charges	12	12
Pole and other rental income	6	6
CDM revenue	1	2
Other	7	10
	4,181	3,830

18. Revenue (continued)

Energy sales and distribution revenue by customer class are as follows:

	2024	2023
Residential service[1]	1,541	1,354
Commercial[2]	2,312	2,159
Large users[3]	250	235
	4,103	3,748

[1] "Residential Service" means a service that is for domestic or household purposes, including single family or individually metered multi-family units and seasonal occupancy.

[2] "Commercial" means a service supplied to premises other than those receiving "Residential Service" and "Large Users" and typically includes small businesses and bulk-metered multi-unit residential establishments. This service is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a 12-month period.

[3] "Large Users" means a service provided to a customer with a monthly peak demand of 5,000 kW or greater averaged over a 12-month period.

19. Operating Expenses

	2024	2023
Labour	159	154
Contract and consulting	56	54
General and administrative	25	26
Information and technology	19	18
Repairs and maintenance	16	15
Business taxes and fees	12	11
Legal, audit and insurance	9	8
Provision for ECL	7	6
Facility expenses	4	5
Other	7	7
	314	304

20. Deferred Revenue

	Notes	2024	2023
Deferred revenue at January 1		724	607
Capital contributions received		120	124
Non-cash asset contributions	6	13	16
Amortization and derecognition	18	(23)	(23)
Deferred revenue at December 31		834	724
Less: Current portion of deferred revenue		26	22
Non-current portion of deferred revenue		808	702

Reconciliation between the amounts presented on the Consolidated Statement of Cash Flows and total additions to customer contributions:

	2024	2023
Capital contributions, cash basis	109	116
Accruals	11	8
Total capital contributions received	120	124

21. Net Finance Costs

	Notes	2024	2023
Finance costs			
Interest on long-term loans and borrowings	12	81	79
Interest on short-term debt	12	23	17
Other interest		8	6
Less: capitalized borrowings costs	6	(3)	(6)
Total finance costs		109	96
Interest income		(7)	(3)
		102	93

22. Income Taxes

(a) Income tax expense

PILs recognized in net income comprise the following:

	2024	2023
Current tax expense	18	10
Deferred tax expense	36	39
	54	49

Income taxes paid and refunded during the year were $11 (2023 - $10) and $1 (2023 - $7), respectively.

22. Income Taxes (continued)

(b) Reconciliation of effective tax rate

PILs income tax expense differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rates. The reconciliation between the statutory and effective tax rates is as follows:

	2024	2023
Income before taxes	202	187
Statutory Canadian federal and provincial income tax rates	26.5 %	26.5 %
Expected tax provision on income at statutory rates	54	50
Decrease in income taxes resulting from permanent differences	—	(1)
Total income tax expense	54	49
Effective income tax rate	26.5 %	26.2 %

The statutory income tax rate for the current year comprises a combined 15% (2023 - 15%) federal corporate tax rate and 11.5% (2023 - 11.5%) Ontario corporate tax rate.

(c) Deferred tax balances

Net deferred tax liabilities per the table below:

	January 1, 2024	Recognized in net income	Recognized in OCI	December 31, 2024
Deferred tax liabilities:				
Employee future benefits	(19)	—	—	(19)
Property, plant and equipment, RoU and intangible assets	194	22	—	216
Tax credit carryovers	(6)	2	—	(4)
Non-deductible reserves	(1)	—	—	(1)
Energy variances	(32)	13	—	(19)
Decommissioning provision	—	(1)	—	(1)
	136	36	—	172

	January 1, 2023	Recognized in net income	Recognized in OCI	December 31, 2023
Deferred tax liabilities:				
Employee future benefits	(18)	—	(1)	(19)
Property, plant and equipment, RoU and intangible assets	165	29	—	194
Tax credit carryovers	(6)	—	—	(6)
Non-deductible reserves	(1)	—	—	(1)
Energy variances	(42)	10	—	(32)
	98	39	(1)	136

23. Net Change in Operating Working Capital

	2024	2023
Trade and other receivables	(48)	(42)
Other assets	(11)	(22)
Trade and other payables	(20)	14
Other liabilities	(13)	35
	(92)	(15)

24. Financing Activities Reconciliation

Summary of changes in assets and liabilities arising from financing activities:

	Notes	January 1, 2024	Cash inflow	Cash outflow	Provision	December 31, 2024
Loans and borrowings	12	2,457	12,684	(12,489)	1	2,653
Lease obligations	15	21	—	(1)	—	20
Interest receivable[1]		—	6	—	(7)	(1)
Interest payable[2]		19	—	(111)	112	20
Share capital	14	719	—	(2)	(10)	707
Dividend payable	14	—	—	(77)	77	—
		3,216	12,690	(12,680)	173	3,399

	Notes	January 1, 2023	Cash inflow	Cash outflow	Provision	December 31, 2023
Loans and borrowings	12	2,365	11,758	(11,668)	2	2,457
Lease obligations	15	26	—	(5)	—	21
Interest receivable		—	3	—	(3)	—
Interest payable[2]		16	—	(99)	102	19
Share capital	14	721	—	(2)	—	719
Dividend payable	14	—	—	(74)	74	—
		3,128	11,761	(11,848)	175	3,216

[1]Included in due from related parties.
[2]Included in due to related parties and other trade payables.

25. Commitments, Contingencies, and Guarantees

(a) Commitments

(i) Security with IESO

Entities that purchase electricity in Ontario through the IESO are required to post security to mitigate its risk of their default on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. The Corporation has posted a letter of credit as security in the amount of $33 (2023 - $33).

25. Commitments, Contingencies, and Guarantees (continued)

(a) Commitments (continued)

(*ii*) *Unrecognized contractual commitments*

As at December 31, 2024, the Corporation's commitments for capital expenditures contracted for but not recognized as liabilities, were $224 (2023 - $266). Included within the commitments for capital expenditures, are amounts for property, plant and equipment, and intangible assets. The Corporation's commitments for operating expenditures were $43 (2023 - $51).

Aggregated minimum payments under there arrangements over the next five years and thereafter are as follows:

2025	230
2026	22
2027	11
2028	4

(b) Contingencies

(i) Legal claims

The Corporation is subject to legal actions and claims in the normal course of business from customers, former employees, and other parties. On an ongoing basis, the Corporation assesses the likelihood of any adverse judgments or outcomes as well as potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after an analysis of each individual claim. Such provisions are subject to change based on ongoing assessments or settlements of individual claims, including potential mitigation under the Corporation's insurance policies or otherwise. As at December 31, 2024, and 2023, in the opinion of management, the outcome of such matters will not have a material adverse effect on the Corporation’s consolidated financial position, results of operations or cash flows.

(ii) Insurance

The Corporation is a member of a reciprocal insurance exchange. The reciprocal insurance exchange is a pooling of electricity industry liability insurance risks of many of the sector participants in Ontario. All members of the pool are subject to assessment for losses experienced by the pool, for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur it would be funded over a period of up to five years. As at December 31, 2024, and 2023, no assessments have been made.

(c) Guarantees

In the normal course of operations, the Corporation enters into agreements that meet the definition of a guarantee as follows:

(i) The Corporation has provided indemnities under lease agreements for the use of certain operating facilities. Under the terms of these agreements, the Corporation agrees to indemnify the counterparties for various matters including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

25. Commitments, Contingencies, and Guarantees (continued)

(c) Guarantees (continued)

(ii) The Corporation has agreed to indemnify the directors and/or officers of the Corporation for various matters including, but not limited to, all costs to settle suits or actions due to association with the Corporation, subject to certain restrictions. The Corporation has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The indemnified period is not explicitly defined, but it is limited to the period over which the indemnified party served as a director or officer of the Corporation. The maximum amount of any potential future payment cannot be reasonably estimated.

(iii) In the normal course of business, the Corporation has entered into agreements that include indemnities in favour of counterparties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisor's and consultants, outsourcing agreements, leasing contracts, information technology agreements, and service agreements. These indemnification agreements may require the Corporation to compensate counterparties for certain losses incurred by the counterparties as a result of breaches of agreements such as breaches of representation or regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which results from the unpredictability of future events. Historically, the Corporation has not made any significant payments under such or similar indemnification agreements and, consequently no provision has been made in the Statement of Financial Position with respect to these agreements. The Corporation is unaware of any breaches that would result in an indemnity claim against it.

26. Divisional and Regulatory Information

The Corporation consists primarily of two operating divisions: regulated operations and competitive operations. Competitive operations are comprised of: RFSP; Solar Sunbelt; Eastview Landfill Gas Energy Plant; the Southgate Solar Photovoltaic Facility; and Stone Road Mall Electric Vehicle Charging Station.

The designation of activities to the two operating divisions is based on a combination of regulatory status and the nature of the products and services provided. The accounting policies followed by the divisions are consistent with those described in the summary of material accounting policies.

Financial information that adjusts IFRS results to show the effect of rate regulation is used by the Corporation's Board of Directors, the shareholders, OEB, as well as management.

2024				
	Regulated	Adjustment for regulatory activities	Competitive activities	Total
Revenue				
Distribution revenue	671	126	—	797
Electricity sales	3,356	(50)	—	3,306
Other revenue	34	29	15	78
	4,061	**105**	**15**	**4,181**
Expenses				
Cost of power	3,356	—	—	3,356
Operating expenses	295	16	3	314
Depreciation and amortization	164	22	9	195
	3,815	**38**	**12**	**3,865**
Income from operating activities	**246**	**67**	**3**	**316**
Net finance costs	(95)	(4)	(3)	(102)
Loss on derecognition of property, plant, and equipment and intangible assets	(10)	(2)	—	(12)
Income before income taxes	**141**	**61**	**—**	**202**
Income tax expense	(21)	(33)	—	(54)
Net income	**120**	**28**	**—**	**148**
Other comprehensive income				
Remeasurement of defined benefit obligation	1	—	—	1
	1	**—**	**—**	**1**
Total comprehensive income	**121**	**28**	**—**	**149**

26. Divisional and Regulatory Information (continued)

	2023			
	Regulated	Adjustment for regulatory activities	Competitive activities	Total
Revenue				
Distribution revenue	632	84	—	716
Electricity sales	3,055	(23)	—	3,032
Other revenue	40	27	15	82
	3,727	**88**	**15**	**3,830**
Expenses				
Cost of power	3,055	—	—	3,055
Operating expenses	292	10	2	304
Depreciation and amortization	158	20	7	185
	3,505	**30**	**9**	**3,544**
Income from operating activities	**222**	**58**	**6**	**286**
Net finance costs	(83)	(9)	(1)	(93)
Loss on derecognition of property, plant, and equipment	(3)	(3)	—	(6)
Income before income taxes	**136**	**46**	**5**	**187**
Income tax expense	(8)	(40)	(1)	(49)
Net income	**128**	**6**	**4**	**138**
Other comprehensive loss				
Remeasurement of defined benefit obligation	(2)	(1)	—	(3)
Tax impact on remeasurement of defined benefit obligation	—	1	—	1
	(2)	**—**	**—**	**(2)**
Total comprehensive income	**126**	**6**	**4**	**136**

26. Divisional and Regulatory Information (continued)

2024				
	Regulated	Adjustment for regulatory activities	Competitive activities	Total
Assets				
Current assets				
Cash	37	—	8	45
Trade and other receivables	659	—	—	659
Other assets	86	—	—	86
Total current assets	**782**	**—**	**8**	**790**
Non-current assets				
Property, plant, and equipment and right of use assets	3,577	845	68	4,490
Goodwill and other intangible assets	936	8	—	944
Regulatory assets	437	(437)	—	—
Other assets	8	—	(4)	4
Total non-current assets	**4,958**	**416**	**64**	**5,438**
Total assets	**5,740**	**416**	**72**	**6,228**
Liabilities and Shareholders' Equity				
Current liabilities				
Trade and other payables	460	—	—	460
Customer deposits liability	58	—	—	58
Deferred revenue	—	26	—	26
Lease obligations	1	—	1	2
Loans and borrowings	370	—	5	375
Other liabilities	98	—	—	98
Total current liabilities	**987**	**26**	**6**	**1,019**
Non-current liabilities				
Deferred revenue	—	808	—	808
Employee future benefits	74	—	—	74
Lease obligations	10	—	8	18
Loans and borrowings	2,245	—	33	2,278
Regulatory liabilities	130	(130)	—	—
Deferred tax liabilities	230	(71)	13	172
Other long-term liabilities	30	—	4	34
Total non-current liabilities	**2,719**	**607**	**58**	**3,384**
Total liabilities	**3,706**	**633**	**64**	**4,403**
Shareholders' equity				
Share capital	682	—	25	707
Contributed surplus	839	(13)	—	826
Accumulated other comprehensive income	4	5	—	9
Retained earnings	509	(209)	(17)	283
Total shareholders' equity	**2,034**	**(217)**	**8**	**1,825**
Total liabilities and shareholders' equity	**5,740**	**416**	**72**	**6,228**

26. Divisional and Regulatory Information (continued)

2023				
	Regulated	Adjustment for regulatory activities	Competitive activities	Total
Assets				
Current assets				
Trade and other receivables	600	—	1	601
Other assets	75	—	—	75
Total current assets	**675**	**—**	**1**	**676**
Non-current assets				
Property, plant, and equipment and right of use assets	3,395	735	74	4,204
Goodwill and other intangible assets	943	8	—	951
Regulatory assets	434	(434)	—	—
Other assets	6	—	(4)	2
Total non-current assets	**4,778**	**309**	**70**	**5,157**
Total assets	**5,453**	**309**	**71**	**5,833**
Liabilities and Shareholders' Equity				
Current liabilities				
Bank indebtedness	15	—	(7)	8
Trade and other payables	471	—	—	471
Customer deposits liability	57	—	—	57
Loans and borrowings	668	—	4	672
Lease obligations	1	—	—	1
Deferred revenue	—	22	—	22
Other liabilities	104	—	—	104
Total current liabilities	**1,316**	**22**	**(3)**	**1,335**
Non-current liabilities				
Deferred revenue	—	702	—	702
Employee future benefits	75	—	—	75
Lease obligations	12	—	8	20
Loans and borrowings	1,746	—	39	1,785
Regulatory liabilities	94	(94)	—	—
Deferred tax liabilities	196	(76)	16	136
Other long-term liabilities	25	—	—	25
Total non-current liabilities	**2,148**	**532**	**63**	**2,743**
Total liabilities	**3,464**	**554**	**60**	**4,078**
Shareholders' equity				
Share capital	682	—	37	719
Contributed surplus	839	(13)	—	826
Accumulated other comprehensive income	3	5	—	8
Retained earnings	465	(237)	(26)	202
Total shareholders' equity	**1,989**	**(245)**	**11**	**1,755**
Total liabilities and shareholders' equity	**5,453**	**309**	**71**	**5,833**

26. Divisional and Regulatory Information (continued)

The Corporation derecognizes all rate-regulated debit and credit balances that do not qualify for recognition under IFRS. The table below presents a summary of rate-regulated debit and credit balances as prescribed by the OEB irrespective of their recognition under IFRS.

	2024	2023
Regulatory Assets:		
Deferred income tax asset[a]	252	223
Retail settlement variance accounts (RSVA's)[b]	116	142
Large commercial interval meter recovery[c]	16	16
OEB cost assessments deferral[d]	16	12
Collection of account lost revenue[e]	15	12
Net recovery of regulatory balances[f]	11	2
Incremental locate costs deferral[g]	5	3
Renewable generation capital and operating cost deferral[h]	4	4
LEAP EFA Funding Deferral[i]	1	—
Incremental cloud Implementation Cost[j]	1	—
Lost revenues adjustment mechanism variance account (LRAMVA)[k]	—	20
	437	434
Regulatory Liabilities:		
PILs and tax variance[l]	40	38
Retail settlement variance accounts (RSVA's)[b]	37	12
Capitalization policy[m]	25	21
Pole rental variance account[n]	16	14
Re-measurements of post-employment benefits[o]	7	6
Other[p]	5	3
	130	94

(a) Deferred income taxes are presented as regulatory liabilities or assets and are not expensed through the Consolidated Statement of Income and Comprehensive Income as is the case under IFRS.

(b) The most significant regulatory activities included in the regulatory adjustments are: retail settlement variances; the difference between the cost of the electricity commodity and the sales revenue at the OEB allowed rates. Specifically, these amounts include variances between the amounts charged by Hydro One and the IESO for the operation of the electricity markets and grid, as well as various wholesale market settlement charges and transmission charges as compared to the amount billed to consumers based on the OEB-approved rates. Under regulatory accounting, the Corporation would have adjusted energy sales or purchases for these variances with corresponding assets or liabilities. Under IFRS, the Corporation recognizes these differences in future periods as an increase or decrease to distribution revenue, when these differences are settled with customers.

(c) The OEB approved a deferral account to record costs associated with replacing interval meters for its large commercial customers in order to meet amendments made to its Distribution System Code. Under IFRS, the Corporation capitalizes or expenses the amounts in the period they were incurred.

26. Divisional and Regulatory Information (continued)

(d) The OEB established a variance account for electricity distributors to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of a new cost assessment model effective April 1, 2016. Under IFRS, the Corporation recognizes these costs under operating expenses in the period they were incurred.

(e) The OEB approved a deferral account to record the lost revenues related to the administration of the Collection of Account charge. In 2020, the OEB mandated that collection of account charges are part of normal business activities and eliminated any customer charges for this activity. However, as the associated revenue was factored into the rate-setting process the established deferral account allows the Corporation to record the lost revenues for recovery through future distribution rates.

(f) The OEB approved deferral accounts to record the amounts recovered (or refunded) through rates including those recovered (or refunded) through deferral and variance accounts rate riders. Under IFRS, the Corporation recognizes amounts collected or refunded through rate riders as an increase or decrease to distribution revenue.

(g) The OEB established a generic, sector-wide variance account, effective April 1, 2023, to record the incremental cost of locates resulting from the implementation of Bill 93. The bill includes amendments to the *Ontario Underground Notification System Act, 2012* imposing a five-business day deadline for completing standard locate requests and introducing administrative penalties for failing to comply. Under IFRS, the Corporation recognizes costs of locates under operating expenses in the period they were incurred.

(h) The OEB approved four deferral accounts to record qualifying incremental capital investments, operating, maintenance and administration expenses, and funding adders related to the connection of renewable generation or the development of smart grid. Under IFRS, the Corporation capitalizes or expenses these items as incurred and recognizes revenue when funding is received.

(i) The OEB established a generic deferral account effective March 1, 2024, for electricity distributors to record prudently incurred incremental Low-income Energy Assistance Emergency Financial Assistance (LEAP EFA) contributions that exceed the funding amounts currently embedded in their rates. Under IFRS, the Corporation recognizes LEAP EFA contributions under operating expenses in the period they were incurred.

(j) The OEB established a deferral account effective December 1, 2023 to record incremental cloud computing implementation costs incurred and any related offsetting savings. Under IFRS, the Corporate recognizes cloud computing implementation costs under operating expenses in the period they were incurred.

(k) The OEB approved a variance account to record revenues associated with the delivery of conservation and demand management ("CDM") programs. The variance account tracks the difference between the results of actual, verified impacts of CDM activities and the level of CDM program activities included in a distributor's load forecast. The Corporation may recover or refund this revenue through future distribution rates.

26. Divisional and Regulatory Information (continued)

(l) The OEB requires utilities to record the impact of any differences that result from a legislative or regulatory change to the tax rates or rules that are not incorporated in the distributor's rates. On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given Royal Assent, which introduced the Accelerated Investment Incentive ("AII") program. This program provides for a first-year increase in capital cost allowance (CCA) deductions on eligible capital assets acquired after November 20, 2018. On June 23, 2022, Bill C-19, Budget Implementation Act, 2022, No. 1, was given Royal Asset. Bill C-19 implements new CCA immediate expensing rules, up to a maximum of $1.5MM, on eligible capital assets acquired after April 19, 2021, and available for use before January 1, 2024. The Corporation has recorded the revenue related to the CCA tax rule changes to be refunded through future distribution rates.

(m) The OEB approved four variance accounts to record the cumulative difference between the PP&E calculated using pre-merger capitalization policies and the PP&E calculated using the Corporation's capitalization policy. Under IFRS, the Corporation recognizes these differences as an increase or decrease to distribution revenue and will recover or refund these differences through future distribution rates.

(n) The OEB approved a new pole attachment revenue variance account to record the difference between pole attachment revenue at the prior rate of $22.35 per pole, and pole attachment revenue based on the updated rate as set by the OEB. Effective January 1, 2024, the new pole attachment charge is set at $37.78 per pole based on the OEB's decision issued on September 26, 2023. Under IFRS, the Corporation recognizes the revenue based on the effective rate in the period the revenue was earned.

(o) The OEB approved a deferral account for PowerStream, Enersource and Guelph rate zones to record any re-measurements of the post-employment net defined liability including actuarial gains or losses. Under IFRS, the Corporation recognizes any re-measurements of the post-employment net defined liability in other comprehensive income.

(p) The OEB requires the Corporation to record eligible incremental capital investments subject to the assets being used and useful, accumulated amortization and revenues collected through rate riders related to incremental capital projects approved by the OEB. Under IFRS, the Corporation capitalizes or expenses these items as incurred and recognizes revenue in the period it was earned.

Attachment 1-7

2023 Reconciliation between Audited & OEB Financial Statements

Please see live Excel version

Attachment 1-8

2024 Reconciliation between Audited & OEB Financial Statements

Please see live Excel version

ANNUAL REPORTS AND MANAGEMENT DISCUSSION & ANALYSIS

This schedule provides Alectra Utilities' Management Discussion & Analysis as follows:

- Attachment 1-9: 2024 Management Discussion & Analysis

Attachment 1-9

2024 Management Discussion & Analysis

Management's Discussion and Analysis
(In millions of Canadian dollars)

ALECTRA Inc.

Year ended December 31, 2024

GLOSSARY

The following acronyms and abbreviations are used in this document.

ACD	Alectra Convergent Development LP
AES	Alectra Energy Solutions Inc.
AESI	Alectra Energy Services Inc.
AFFO	Adjusted Funds from Operations
Alectra Utilities	Alectra Utilities Corporation
AMSP	Alectra Microgrid Master Limited Partnership
APSI	Alectra Power Services Inc.
CC	Customer Contributions
CDM	Conservation and Demand Management
CP	Commercial Paper
DBRS	Dominion Bond Rating Service
DER	Distributed Energy Resource
DSC	Distribution System Code
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ECL	Expected Credit Loss
ERM	Enterprise Risk Management
ESG	Environmental, Social and Corporate Governance
GA	Global Adjustment
GHG	Greenhouse Gas
GLC	Gagnon Line Construction Inc.
GP	General Plant
HPSI	Holland Power Services Inc.
HPS	HPS Holdings Inc.
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBEW	International Brotherhood of Electrical Workers
ICI	Industrial, Commercial and Institutional
ICM	Incremental Capital Module
IDR	Issuer Default Rating

IESO	Independent Electricity System Operator
IFRS	International Financial Reporting Standards
IR	Incentive Rate
LDC	Local Distribution Company
LPC	Late Payment Charge
MD&A	Management Discussion and Analysis
MIFRS	Modified International Financial Reporting Standards
NWS	Non-Wires Solutions
OEB	Ontario Energy Board
OEBA	Ontario Energy Board Act
OEFC	Ontario Electricity Finance Corporation
PP&E	Property, Plant and Equipment
PV	Photovoltaic
PWU	Power Workers' Union
ROE	Return on Equity
RoU	Right of Use
RRF	Renewed Regulatory Framework for Electricity Distributors
S&P	Standard & Poor's
SA	System Access
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SP	Spare Parts
SR	System Renewal
SS	System Service
UA	Util-Assist Inc.
VASH	Vulnerability & System Hardening
WFM	Workforce Management
WMS	Wholesale Market Service
YoY	Year over Year

LEGEND:

	Higher	Lower
Revenue	↑	↓
Expenses	↑	↓

	Lower	Higher
Assets	↓	↑
Liabilities	↓	↑

FORWARD LOOKING STATEMENTS AND INFORMATION

The oral and written public communications of Alectra Inc. ("the Corporation"), including this document, often contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about the business and the industry in which the Corporation operates, and include beliefs and assumptions made by the management of the Corporation. Such statements include, but are not limited to:

- Statements about strategy, including strategic objectives;
- Statements related to economic conditions;
- Statements regarding liquidity and capital resources and operational requirements;
- Statements regarding credit facilities and other sources of corporate liquidity;
- Statements regarding ongoing and planned projects and/or initiatives including the expected results of these projects and/or initiatives and their completion dates;
- Statements regarding expected future capital and development expenditures, the timing of these expenditures and investment plans;
- Statements regarding contractual obligations and other commercial commitments;
- Statements related to the Ontario Energy Board ("OEB");
- Statements regarding future post-retirement benefit contributions, and actuarial valuations;
- Statements related to the outlook and approach of the Corporation to distribution sector rationalization;
- The estimated impact of changes in the forecasted long-term Government of Canada bond yield (used in determining the regulated rate of return) on the results of operations;
- Expectations regarding financing activities; and
- Expectations regarding the recoverability of large capital expenditures.

Words such as “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “aim”, “target”, and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

The Corporation does not intend, and disclaims any obligation, to update any forward-looking statements, except as required by law. These forward-looking statements are based on a variety of factors and assumptions including, but not limited to the following:

- Unforeseen changes in the legislative and operating framework for Ontario’s electricity market;
- Decisions from the OEB and other regulatory bodies concerning outstanding rate and other applications;
- Delays in obtaining required approvals;
- Unforeseen changes in rate orders or rate structures;
- A stable regulatory environment;
- Unexpected changes in environmental regulation; and
- Unforeseen significant events occurring outside the ordinary course of business.

These assumptions are based on information currently available to the Corporation, including information obtained from third-party sources. Actual results may significantly differ from those predicted by such forward-looking statements.

FORWARD LOOKING STATEMENTS AND INFORMATION (continued)

Readers are cautioned that the above list of factors is not exhaustive. Some of these and other factors are discussed in more detail in the section “Risk Management and Risks” in this Management Discussion and Analysis ("MD&A"). In addition, the Corporation cautions the reader that information provided in this MD&A regarding the Corporation’s outlook on certain matters, including future expenditures, is provided in order to give context to the nature of some of the Corporation’s future plans and may not be appropriate for other purposes.

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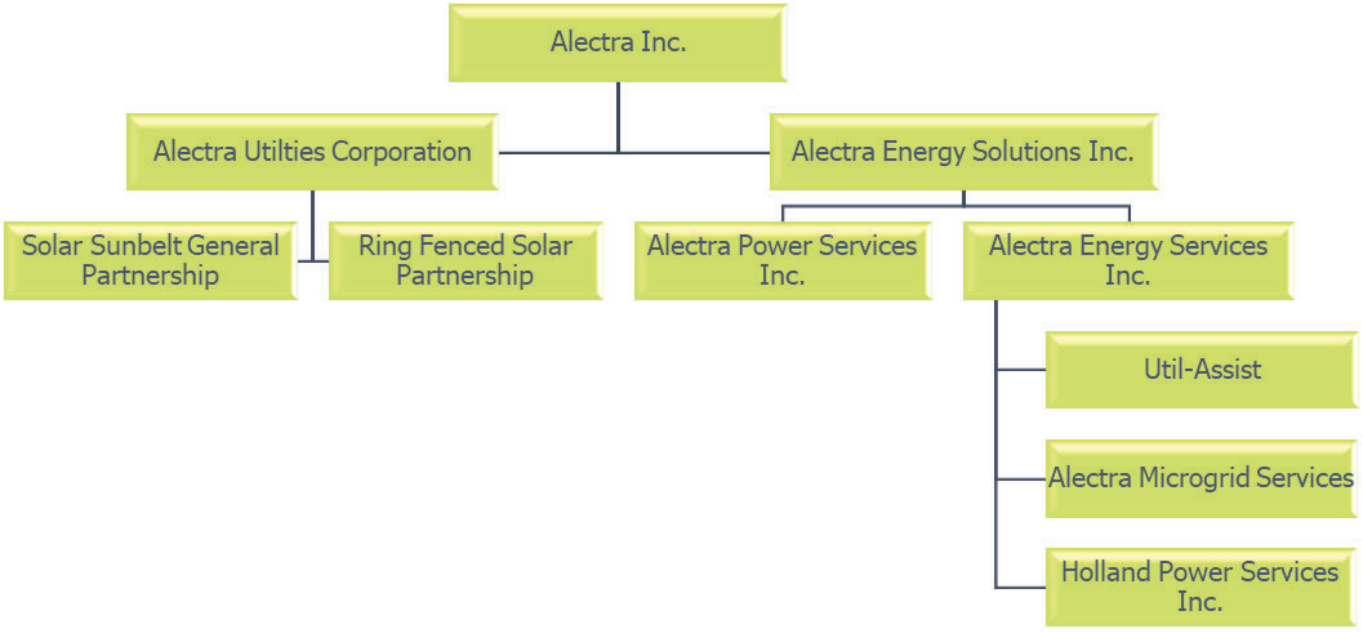
INTRODUCTION

The following discussion and analysis of the consolidated financial condition and results of operations of the Corporation should be read together with its Consolidated Financial Statements and accompanying notes for the year ended December 31, 2024, (the “Consolidated Financial Statements”).

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB") and in effect at December 31, 2024. All dollar amounts in the tables are in millions of Canadian dollars, which are presented in whole numbers.

CORPORATE OVERVIEW



Alectra Inc. is indirectly owned through holding companies by eight shareholders: the City of Barrie; the City of Hamilton; the City of Markham; the City of Mississauga; the City of St. Catharines; the City of Vaughan; the City of Guelph; and BPC Energy Corporation.

Vision and Strategic Intent

The Corporation's goal is to be a trusted energy partner empowering a sustainable and brighter future. The traditional centralized and unidirectional electricity system of the past is now transforming into one that is much more customer-focused, distributed, and integrated.

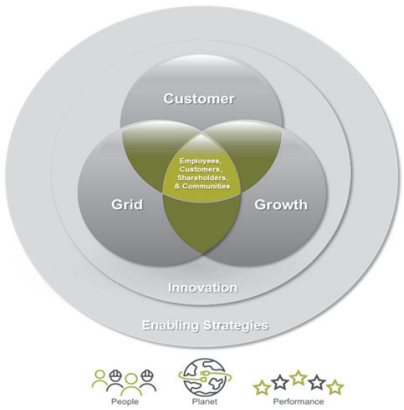
CORPORATE OVERVIEW (continued)

Vision and Strategic Intent (continued)

Responding in part to the profound transformation that the electricity sector is experiencing, and the risks and opportunities it creates, in 2020, the Corporation evolved its strategy beyond the initial merger transaction and integration. "Strategy 2.0" builds upon the Corporation's integration and synergy successes achieved to date. The ability to prepare for and adapt to changing conditions as well as adapt to transformation is essential to achieving the objectives of Strategy 2.0.

"Strategy 2.0" was designed to be a natural evolution from the initial strategy focusing on three core strategic pillars:

- Customer (Experience);
  - Improving service, building stronger customer relationships and understanding of their needs, and creating a digital experience
- Grid (Modernization);
  - Adapting to the news of the future, while ensuring reliability for today, a digital grid
- Growth (Enterprise).
  - Seeking new opportunities in distribution and energy solutions



These core strategic pillars are intertwined and supported by three enabling strategies, culture and transformation, advocacy and financing, which will provide Strategy 2.0 with greater reliability and resiliency.

As a sustainable company, the Corporation is committed to meeting the needs of current and future generations by empowering its customers, communities, and employees, protecting the environment, and embracing innovation.

AlectraCARES is the umbrella program and framework that embeds sustainability principles into the Corporations core business strategy and operations helping to create enduring value and connects the Corporation to the three pillars of sustainability: People, Planet, and Performance.

For further details on the values and the mission of the Corporation, please review Alectra's latest Annual Environmental Social and Corporate Governance ("ESG") Reports on the Corporation's website at: https://www.alectra.com/annual-sustainability-report

REGULATED BUSINESS

Alectra Utilities Corporation

Alectra Utilities provides electricity distribution to over one million customers and is the second largest municipally owned local distribution company ("LDC") in North America by number of customers. In addition to its electricity distribution business, Alectra Utilities also has a competitive commercial rooftop solar photovoltaic generation business ("Solar PV Business") under which it develops, constructs, owns, finances, and operates rooftop photovoltaic ("PV") generation equipment ("Solar PV Property"). The electricity generated by the Solar PV Business is sold to the IESO under its Feed-In-Tariff long-term power purchase agreements.

Industry Regulation

The Corporation, through Alectra Utilities, is regulated by the OEB. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that differ from IFRS. The regulatory accounting treatments of the OEB require the recognition of regulatory assets and liabilities which do not meet the definition of an asset or liability under IFRS.

Rate Setting

The electricity distribution rates and other regulated charges of the Corporation are determined in a manner that provides shareholders of the Corporation with opportunity to earn a regulated Maximum Allowable Return on Equity on the amount of shareholders' equity supporting the business of electricity distribution, which is also determined by regulation.

The rate-making policies of the OEB are guided by its statutory objectives under The Ontario Energy Board Act, 1998 (Ontario) ("OEBA") that include, among other matters, to support the cost-effective planning and operation of the electricity distribution network and to provide an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

The OEB regulates the electricity distribution rates charged by LDCs, such as Alectra Utilities, through periodic rate applications to the OEB and its ongoing monitoring and reporting requirements. At present, LDCs may apply to the OEB for electricity distribution rates under options specified in its *Report of the Board - A Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (“RRF”). The three rate-setting methods available to LDCs under the RRF are: Price Cap Incentive Rate-setting (“Price Cap IR”); Custom Incentive Rate-setting ("Custom IR"); or Annual Incentive Rate-setting Index ("Annual IR"). These methods are described in more detail in the Consolidated Financial Statements.

REGULATED BUSINESS (continued)

Rate Setting (continued)

The Incremental Capital Module ("ICM") is available to distributors under the Price Cap IR method. It is intended to address capital investment needs that arise during the rate-setting plan that are incremental to an OEB prescribed materiality threshold. The requested amount for an ICM claim must be: incremental to a distributor's capital requirements within the context of its financial capacities underpinned by existing rates; and satisfy the eligibility criteria of materiality, need, and prudence. For distributors that are in an extended rebasing deferral period arising from utility consolidations (i.e., distributors in years six to ten of the rebasing deferral period), incremental capital funding may be requested for an annual capital program. The OEB requires that a distributor requesting relief for incremental capital during the Price Cap IR plan term include comprehensive evidence to support the need. This includes the calculation of a rate rider to recover the incremental revenue from each applicable customer class. The incremental revenue is recognized in the year when the actual ICM related expenditures are expected to be in-service. This approach is consistent with the timing of the actual capital investment benefit to customers, which aligns with the expected timing of the OEB approval of ICM rate adjustments.

Alectra Utilities is required to charge its customers for the following amounts (all of which, other than distribution rates, represent a pass-through of amounts payable to third parties):

- Commodity Charge - the commodity charge represents the market price of electricity consumed by customers and is passed through the Independent Electricity System Operator ("IESO") back to operators of generating stations. It includes the Global Adjustment ("GA"), which primarily represents the difference between the market price of electricity and the rates paid to regulated and contracted generators;
- Retail Transmission Rate - the retail transmission rate represents the costs incurred in respect of the transmission of electricity from generating stations to local distribution networks. Retail transmission rates are passed through to operators of transmission facilities;
- Wholesale Market Service Charge ("WMS") - the WMS charge represents various wholesale market support costs, such as the cost of the IESO to administer the wholesale electricity system, operate the electricity market, and maintain reliable operation of the provincial grid. Wholesale charges are passed through to the IESO; and
- Distribution Rate - the distribution rate is designed to recover the costs incurred by Alectra Utilities in delivering electricity to customers, including the OEB-allowed cost of capital. Distribution rates are regulated by the OEB and include fixed and variable (usage-based) components, based on a forecast of Alectra Utilities customers and electricity load.

REGULATED BUSINESS (continued)

Rate Applications

2024 Rate Applications

On July 21, 2023, Alectra Utilities filed an ICM application for the approval of 2024 incremental capital funding for urgent underground cable renewal investments in the PowerStream and Enersource rate zones, effective January 1, 2024. On February 13, 2024, the OEB issued its Decision and Order on the ICM application, approving $17 of Alectra Utilities' $25 ICM capital request. For the 2024 rate year, the OEB approved recovery of the incremental revenue requirement, approved as part of the Decision, over a 10-month period from March 1, 2024, to December 31, 2024, and over a 12-month period in the subsequent rate years.

On August 17, 2023, Alectra Utilities filed an application for all five predecessor utility rate zones for the approval of 2024 electricity distribution rates and other charges, effective January 1, 2024. On December 14, 2023, the OEB issued its Decision and Rate Order on the Price Cap IR application, approving a 4.5% rate adjustment to distribution rates effective January 1, 2024, and providing for disposition of deferral and variance account balances.

2025 Rate Applications

On August 15, 2024, Alectra Utilities filed an application for all five predecessor utility rate zones for the approval of 2025 electricity distribution rates and other charges, effective January 1, 2025. On December 12, 2024, the OEB issued its Decision and Rate Order on the Price Cap IR application, approving a 3.3% rate adjustment to distribution rates effective January 1, 2025, and providing for disposition of deferral and variance account balances.

Please refer to https://www.alectrautilities.com/regulatory-affairs/ for the status of the Corporation's rate applications.

2027 - 2031 Rate Application

Alectra Utilities is preparing to file a rate application in 2025 for the period spanning from 2027 to 2031. This application will outline proposed electricity distribution rates aimed at ensuring the continued delivery of reliable and efficient electrical services to the communities it serves.

Select Energy Policies and Regulation Affecting the Corporation

Ontario Energy Board Initiatives and Consultation:

- Cost of Capital – OEB Generic Hearing – In March 2024, the OEB commenced a hearing on its own motion to consider the methodology used to determine the values of the cost of capital parameters and deemed capital structure to be used to set rates for utilities. The methodology for determining the OEB's prescribed interest rates and matters relating to the Cloud Computing Deferral Account will also be considered, including what type of interest rate should apply. The cost of capital methodology was last reviewed in 2009. Alectra is participating in the OEB's Cost of Capital Generic Hearing through a consortium of Ontario Energy Association members. The OEB is expected to issue its decision in Q1 2025.

REGULATED BUSINESS (continued)

Select Energy Policies and Regulation Affecting the Corporation (continued)

- System Expansion for Housing Developments – In late 2024, the OEB issued final Code amendments pertaining to system expansion for housing developments. The amendments extend the connection horizon from five years to a maximum of 15 years for qualifying housing developments and extend the revenue horizon from 25 years to 40 years for all residential developments, whether they are qualifying housing developments or not. All other load types will maintain a 5 year connection horizon, and a 25 year revenue horizon.

- Non-Wires Solutions ("NWS") – In 2024, the OEB released the NWS Guidelines, which establish new requirements for distributors to document their consideration of NWSs when making investment decisions for electricity system needs that have an expected capital cost exceeding $2 million as part of Distribution System Planning, excluding general plant. As a result, this new policy will impact future investment planning, as well as operational costs necessary to operate the NWSs, as applicable.

- Reliability & Power Quality – In 2022, the OEB established a policy review of reliability and power quality to focus on developing enhanced reliability reporting and approaches for benchmarking in order to establish performance expectations going forward. It is expected that this will result in the development of an analytics framework that links investment plans to performance expectations. The policy review remains on-going.

- Vulnerability & System Hardening ("VASH") – The VASH Initiative was launched in June 2024 and will require the integration of resilience and system hardening into the investment planning process. The initiative will result in policies and a framework to protect customers against climate change by obligating distributors to: incorporate climate resiliency into investment planning activities; engage in regular assessment of vulnerabilities in the event of severe weather; and to prioritize value for customers when investing in enhancements. As a result, the outcomes of this initiative will impact expectations for utility performance, and investment planning and prioritization.

KEY BUSINESS STATISTICS

	2024	2023	2023 Average Urban Distributor Benchmark [1]
SAIDI [2]	0.75	0.83	1.03
SAIFI [3]	1.08	1.06	1.14

[1] The Average Urban Distributor is based on the average 2023 System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI") performance results for Urban Ontario Distributors with at least 50k customers from 2023 Open Data published by the OEB.

[2] SAIDI equals the average duration of a sustained interruption per customer during a predefined period. A sustained interruption has a duration greater than or equal to one minute, adjusted for loss of supply and major events. The lower the SAIDI, the better the reliability. SAIDI figures presented in the table above are in hours and have been adjusted to exclude loss of supply customer interruptions and major events.

[3] SAIFI equals the average number of times a customer experiences a sustained interruption over a predefined period of time. A sustained interruption has a duration greater than or equal to one minute, adjusted for loss of supply and major events. The lower the SAIFI, the better the reliability. Alectra Utilities' SAIFI results have been adjusted to exclude loss of supply customer interruptions and major events.

Loss of Supply customer interruptions are due to problems associated with assets owned and/or operated by another party that supplies power to Alectra Utilities and as such are beyond Alectra's control.

A Major Event is defined as an event that is beyond the control of the distributor and is: a) unforeseeable; b) unpreventable; c) unavoidable and causes exceptional and/or extensive damage to assets, takes significantly longer to repair and affects a substantial number of customers.

Alectra Utilities' SAIDI and SAIFI were 0.75 and 1.08, respectively, in 2024, compared to SAIDI and SAIFI of 0.83 and 1.06, respectively, in 2023.

Alectra Utilities’ SAIDI performance improved in 2024 due to increased use of distribution automation to promptly isolate faults and restore power to affected customers.

Alectra Utilities’ SAIFI performance declined in 2024 due to an increase in customer interruptions from outages caused by tree contacts and defective equipment, partially offset by a decrease in customer interruptions from outages caused by external factors such as adverse weather, adverse environment and foreign interference.

COMPETITIVE BUSINESS

Overview of AES

Alectra Energy Solutions Inc. ("AES") is a competitive energy services company that provides innovative energy solutions including power services, street lighting, distributed energy solutions, energy storage, metering, emergency power restoration and sub-metering services to institutional, commercial, and industrial customers.

AES provides effective solutions to its customers through the use of current and emerging technologies, and empowers homeowners, businesses and communities with efficient energy solutions that offer more choices and deliver sustainable value.

Alectra Power Services Inc. ("APSI") provides street lighting services including design, construction, and maintenance.

Alectra Energy Services Inc. ("AESI") provides wholesale metering and sub-metering services for condominium and commercial properties.

Util-Assist Inc. ("UA") provides consulting services with respect to advanced metering systems procurement and implementation; customer information systems procurement and implementation; billing and meter data exception management services; an outage management call centre (PowerAssist); and other smart grid applications and services.

Alectra Microgrid Master Limited Partnership ("AMSP") provides energy management services which includes installing, owning, and operating an energy storage battery and gas system while providing services to third parties.

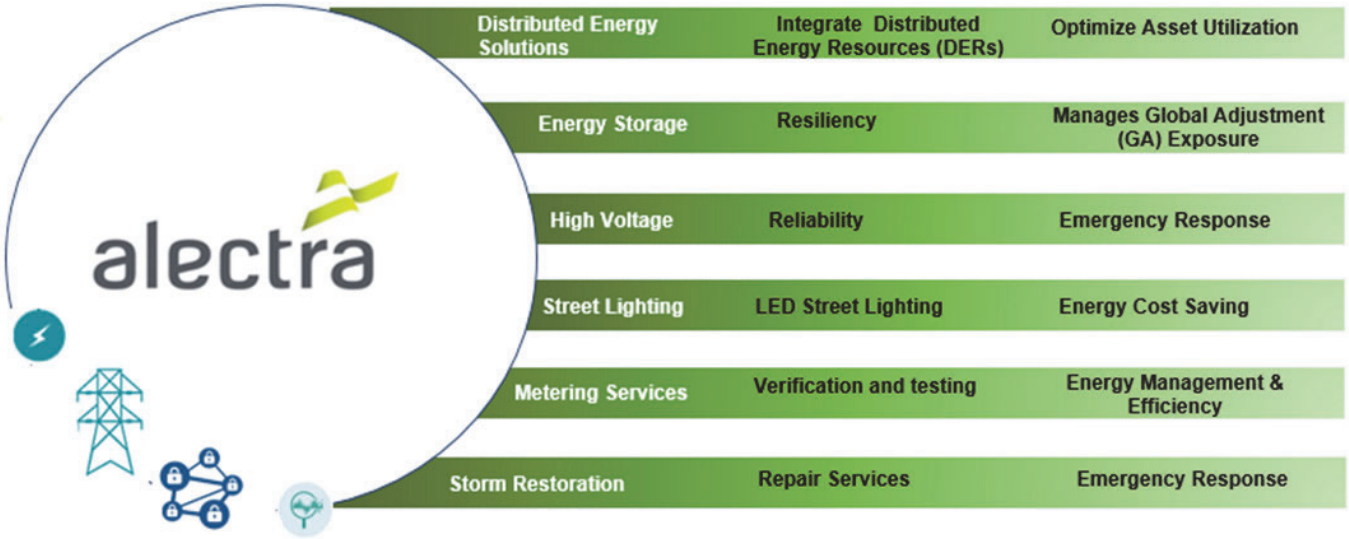
Holland Power Services Inc. ("HPSI") provides emergency restoration services to utilities primarily located along the eastern seaboard of the United States and Canada; and industrial electrical services to utilities and industrial clients.

Alectra Convergent Development LP ("ACD"), a joint venture in which AESI owns a 50% share, provides distributed energy solutions which includes developing, constructing, commissioning, owning, operating and maintaining front-of-the-meter storage system projects in Ontario.

COMPETITIVE BUSINESS (continued)

Key Business Updates

The competitive business provides opportunities for customers to find energy solutions that fit their needs through services offered in each of its key divisions.

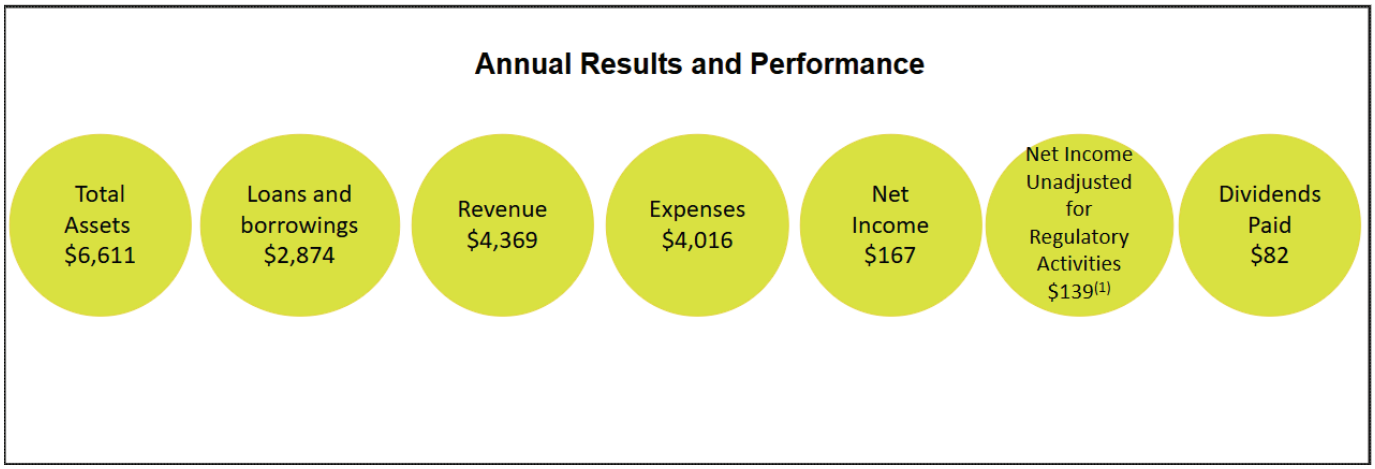


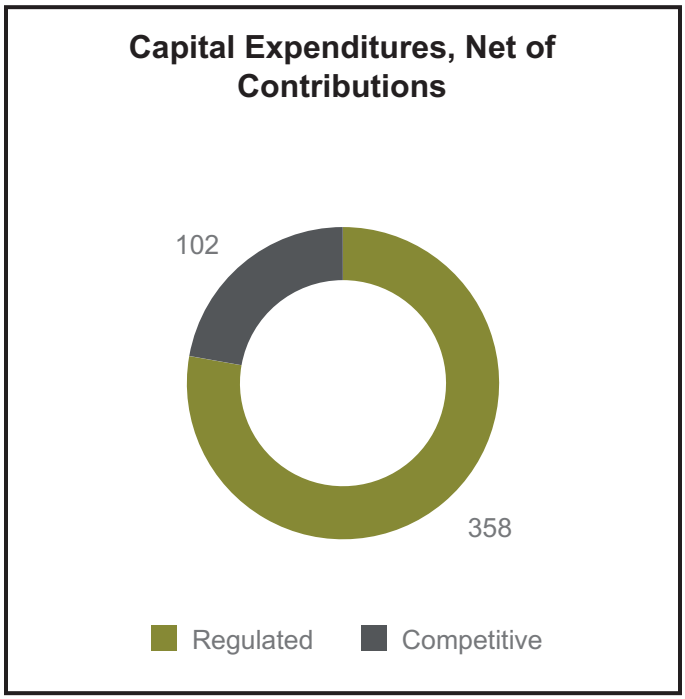
Latest Investments

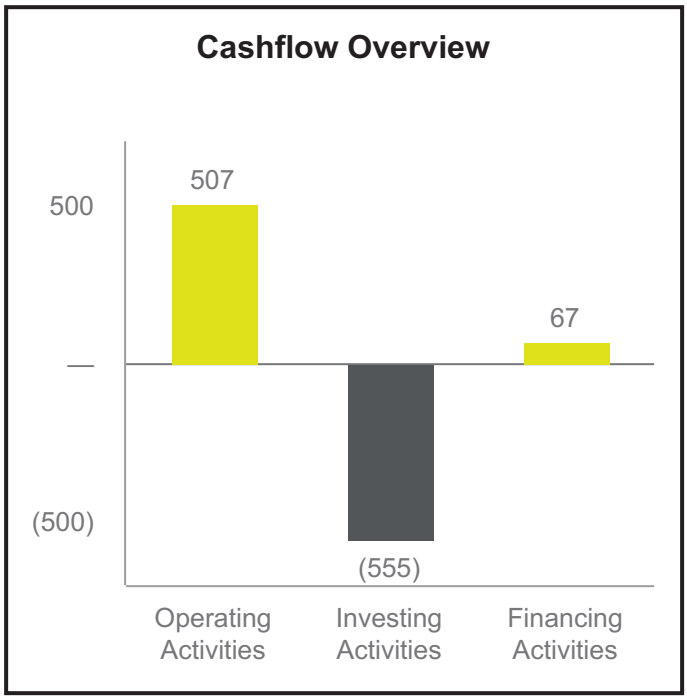
On October 12, 2023, HPSI incorporated a wholly owned subsidiary, 748953 N.B. Ltd. On May 31, 2024, 748953 N.B. Ltd. acquired assets from Gagnon Line Construction Inc. ("GLC"), a private company specialized in providing emergency power restoration services in Eastern Canada and the United States.

The acquisition of assets from GLC has created the largest electricity grid storm restoration company in Eastern Canada providing emergency power restoration services in the wake of power outages caused by severe weather events. GLC also provides various electrical services to utility and industrial customers in Atlantic Canada, including specialized equipment testing, installation, maintenance and repairs to power infrastructure.

2024 FINANCIAL RESULTS AT A GLANCE

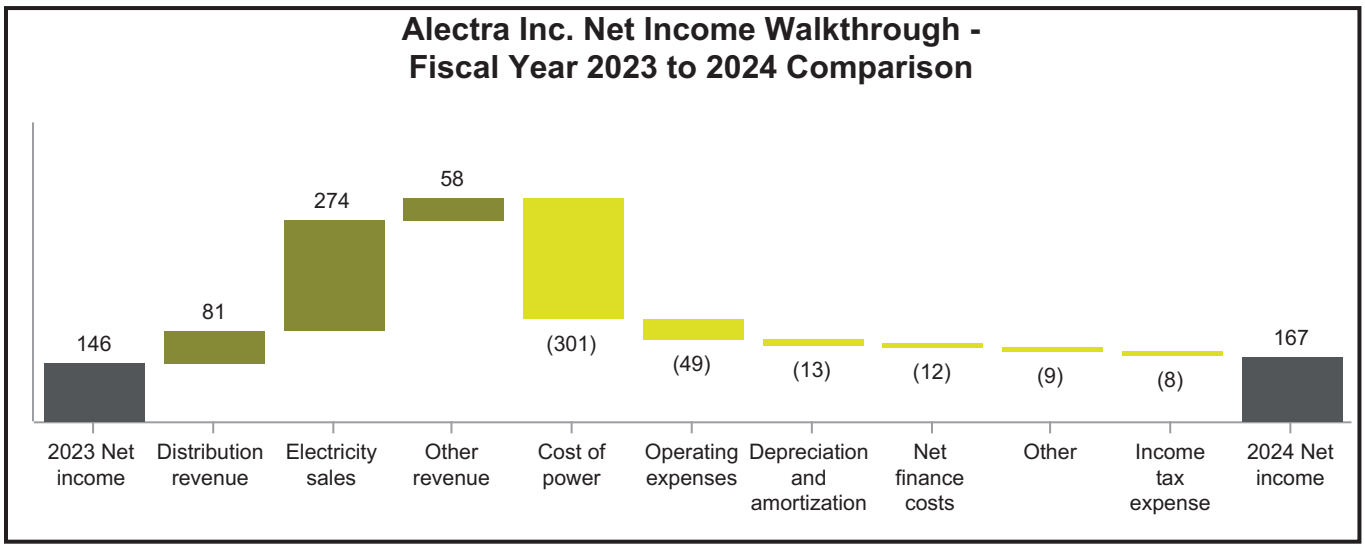






(1) Net Income Unadjusted for Regulatory Activities represents the net income for the year, adjusted for the effect of rate regulation. Refer to Note 28 for further details.

RESULTS OF OPERATIONS



	2024	2023	Change
Net Income	167	146	21 ↑

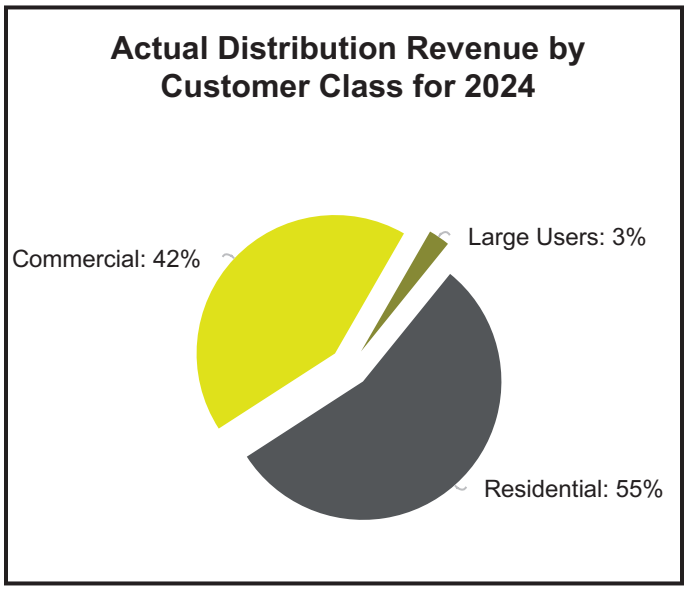
Net income for the year ended December 31, 2024, was $167 and $21 higher than 2023 net income of $146. The increase in net income is principally attributable to:

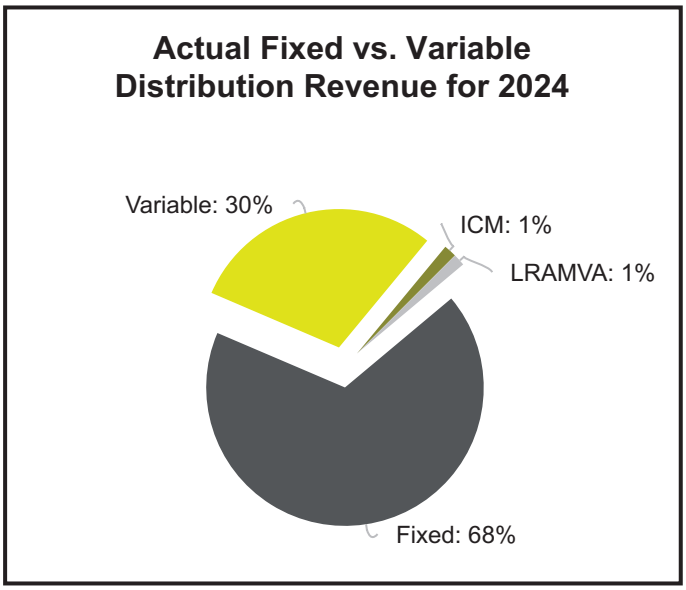
i. higher electricity sales ($274) largely driven by higher electricity prices and higher electricity consumption;
ii. higher distribution revenue ($81) mainly because of higher revenue recovered from customers through OEB approved rate riders; and
iii. higher other revenue ($58) mainly due to higher power restoration services revenue due to higher storm response activities in the competitive business; partially offset by
iv. higher cost of power ($301) primarily due to higher wholesale electricity prices and higher wholesale electricity consumption;
v. higher operating expenses ($49) mainly due to higher storm response activity in the competitive business;
vi. higher depreciation and amortization costs ($13) primarily due to new in-service additions of distribution assets and computer software in 2024; and
vii. higher net finance costs ($12) primarily due to higher average volume of short-term borrowings;

RESULTS OF OPERATIONS (continued)

Distribution Revenue

Distribution revenue is recorded based on OEB-approved distribution rates to recover the costs incurred by Alectra Utilities in delivering electricity to customers.





Alectra Utilities' customer classes are as follows:

- Residential - the residential class includes single family or individually metered multi-family units and seasonal occupancy;
- Commercial - the commercial class typically includes small businesses and bulk-metered multi-unit residential establishments that is provided to customers with a monthly peak demand of less than 5,000 kW averaged over a twelve-month period; and
- Large users - customers in the large users class have a monthly peak demand of 5,000 kW or greater averaged over a twelve-month period.

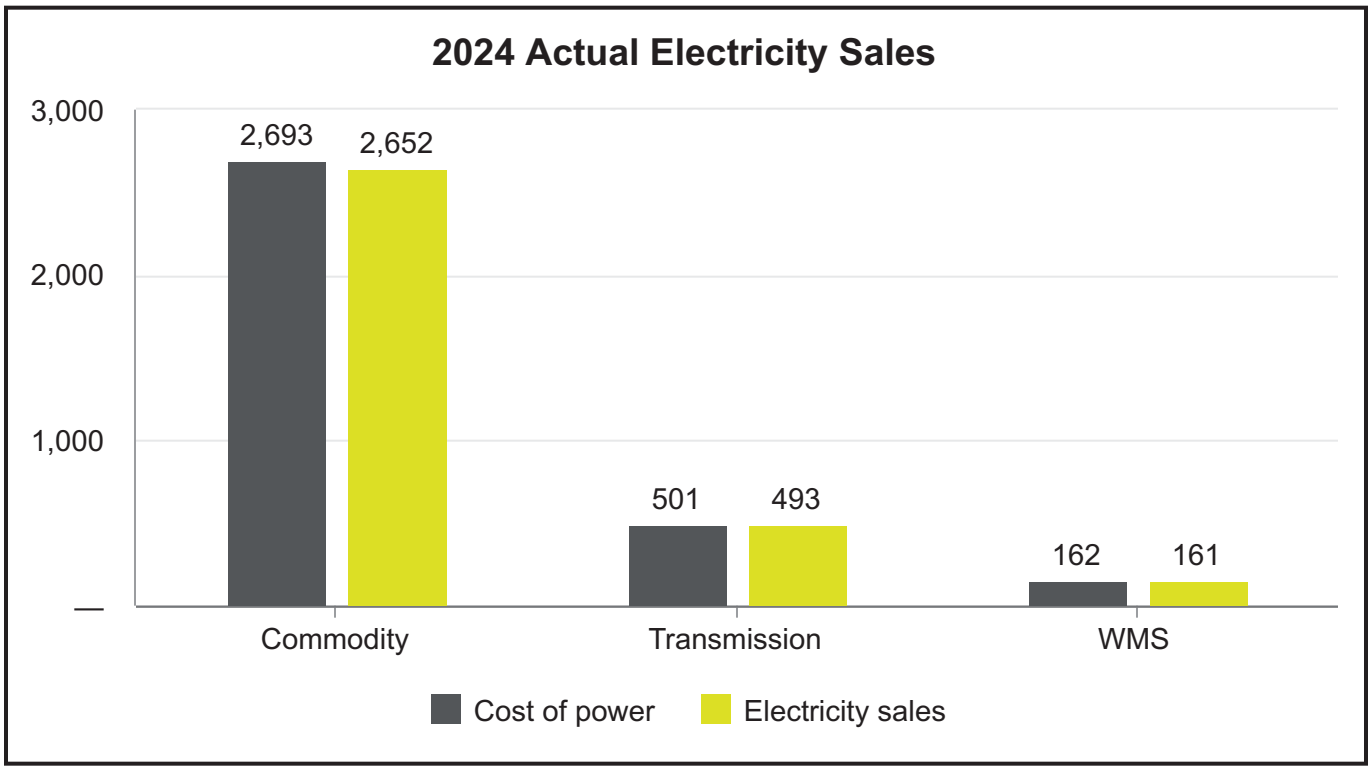
	2024	2023	Change
Distribution Revenue	797	716	81 ↑

The increase in distribution revenue is mainly attributable to: (i) higher revenue recovered from customers through OEB approved rate riders ($50); and (ii) higher OEB approved distribution rates driven by a higher inflation factor ($31).

RESULTS OF OPERATIONS (continued)

Electricity Sales

Electricity sales arise from the responsibility of the Corporation for billing customers for electricity generated by third parties and the related costs of providing electricity service, as shown in the chart below. The amounts billed to the Corporation for electricity generation by the IESO and Hydro One Networks often differ from the amount that the Corporation recovers from its customers. The difference between sales of energy and the corresponding cost of power is a timing difference ultimately recoverable from or repayable to ratepayers prospectively through annual applications to the OEB to adjust the rates of the Corporation to settle such timing differences. Such differences as at the end of the prior fiscal year are generally settled over a twelve-month period as of the effective date of such annual applications, or, more generally, the thirteenth to twenty-fourth month following the end of the prior fiscal year.



	2024	2023	Change
Electricity Sales	3,306	3,032	274 ↑

The increase in electricity sales of $274 is mainly driven by (i) higher electricity prices ($220); and (ii) higher electricity consumption ($54) in the current year.

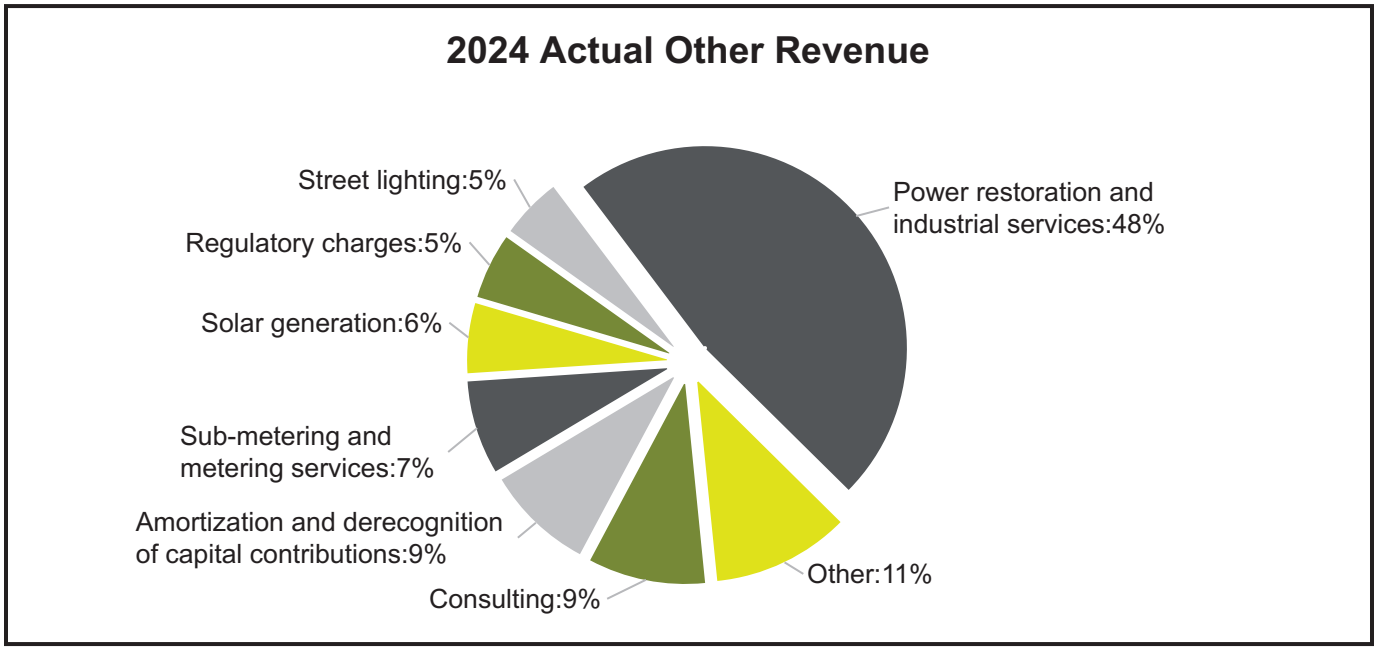
RESULTS OF OPERATIONS (continued)

Other Revenue

Other revenue is earned from regulated electricity distribution activities as well as competitive activities.

Other revenue from regulated activities include: (i) the amortization and derecognition of capital contributions; (ii) solar generation revenue; (iii) rates charged to customers for connections, reconnections, late payment charges ("LPCs"), and ancillary services; (iv) water and wastewater billing and customer charges; and (v) pole attachment charges to other utility service providers that attach equipment to poles owned by Alectra Utilities; and (vi) conservation and demand management ("CDM") incentives.

Other revenue from competitive activities include: (i) power restoration and industrial services; (ii) consulting services; (iii) sub-metering and meter services; (iv) street lighting and ancillary services; and (v) distributed energy services.



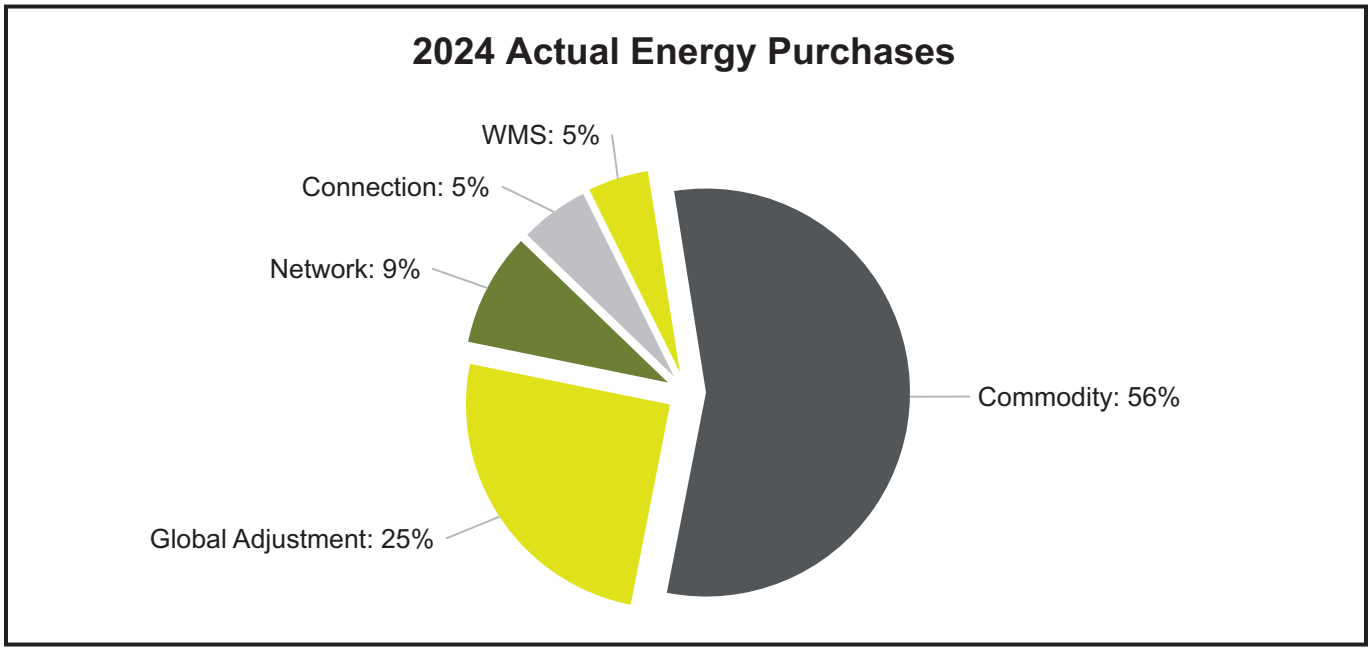
	2024	2023	Change
Other Revenue	266	208	58 ↑

The increase in other revenue of $58 primarily relates to: (i) higher storm response activities in the competitive business ($52); and (ii) higher sub-metering and metering services revenue due to customer growth in the competitive business ($4).

RESULTS OF OPERATIONS (continued)

Cost of Power

Cost of Power represents actual charges for electricity generated by third parties, which are delivered by Alectra Utilities and passed through to customers in the form of energy sales.



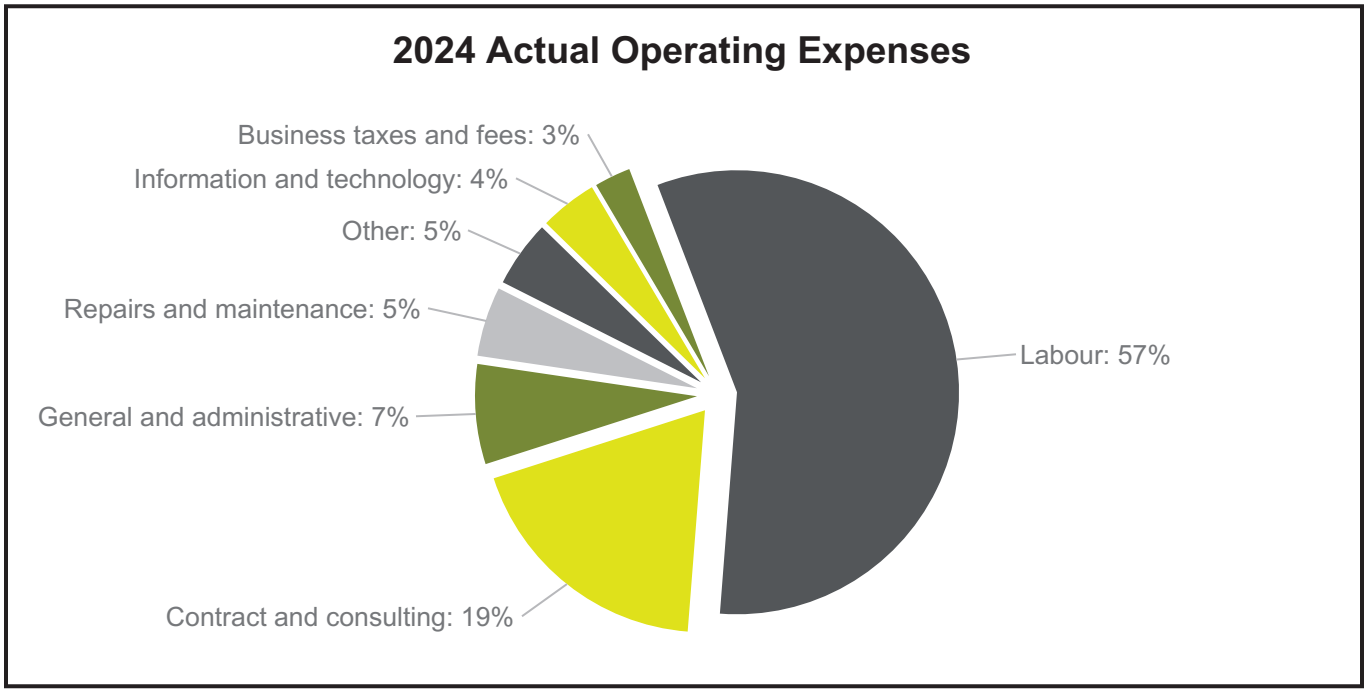
	2024	2023	Change
Cost of Power	3,356	3,055	(301) ↑

The increase in cost of power by ($301) is primarily due to (i) higher wholesale electricity prices ($246); and (ii) higher wholesale electricity consumption ($55).

RESULTS OF OPERATIONS (continued)

Operating Expenses

Operating expenses primarily include (i) labour; (ii) contract and consulting; (iii) general and administrative; (iv) repairs and maintenance; (v) information and technology; and (vi) other third-party service costs in support of the activities underlying the business of the Corporation.



	2024	2023	Change
Operating Expenses	452	403	(49) ↑

The increase in operating expense of $49 is principally due to: (i) higher temporary and contract labour costs due to higher storm response activity in the competitive business ($28); (ii) higher labour costs related to headcount increases, higher salaries and benefits ($6); (iii) higher consulting costs due to incremental rebasing application support, system implementation costs and increased scope of work from existing customers ($4); and (iv) higher repairs costs due to a larger number of fleet vehicles and higher security service costs ($3).

	2024	2023	Change
Depreciation and amortization	208	195	(13) ↑

The increase in depreciation and amortization expense of $13 is primarily due to new in-service additions for distribution system and computer software assets.

RESULTS OF OPERATIONS (continued)

	2024	2023	Change
Net finance costs	108	96	(12) ↑

The increase in net finance costs of $12 is primarily due to: (i) higher average volume of short-term term borrowings ($7); (ii) lower capitalized interest on projects under construction ($4); and (iii) higher interest on the decommissioning provision for leased assets ($3); partially offset by (iv) higher interest on bank deposits ($3).

Other

Other include: (i) loss on derecognition on property, plant, and equipment and intangible assets; (ii) loss on fair value of contingent consideration; and (iii) share of net loss of joint venture.

	2024	2023	Change
Loss on derecognition of property, plant and equipment and intangible assets	12	6	(6) ↑

The increased loss on the derecognition of property, plant and equipment and intangible assets of $6 is primarily related to higher derecognition of distribution assets and meters removed from service.

	2024	2023	Change
Loss on fair value of contingent consideration	4	—	(4) ↑

The loss on fair value of contingent consideration of $4 is related to the earnout payment associated with the acquisition of assets from GLC.

Income Tax Expense

The Corporation and its subsidiaries, other than AESI, HPSI and UA, are currently exempt from taxes under the *Income Tax Act (Canada)* and the *Ontario Corporations Tax Act* (collectively the "Tax Acts").

As a consequence of this exemption from income taxes under the Tax Acts, the Corporation is required to make payments in lieu of income taxes to the Ontario Electricity Finance Corporation ("OEFC"). These payments are calculated in accordance with the Tax Acts. These amounts are applied to reduce certain debt obligations of the former Ontario Hydro continuing in OEFC. AESI, HPSI and UA are subject to the payment of tax under the Tax Acts.

	2024	2023	Change
Income tax expense	62	54	(8) ↑

The increase in income tax expense by $8 primarily relates to higher income before tax.

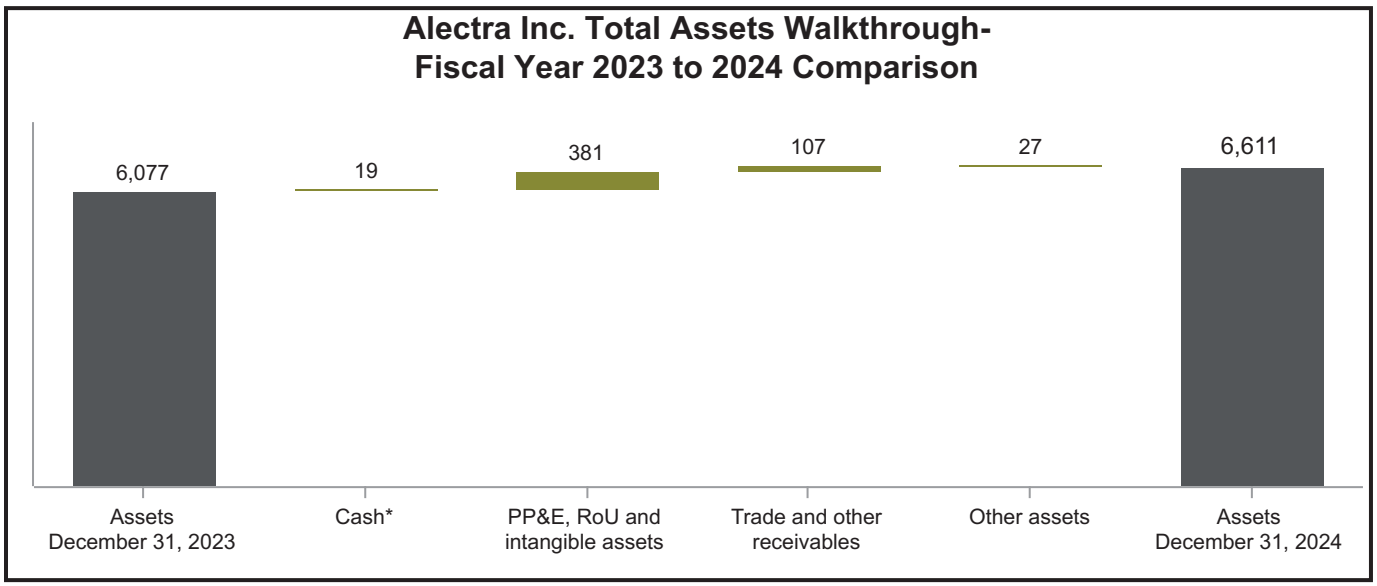
RESULTS OF OPERATIONS (continued)

Competitive Operations Variance Analysis

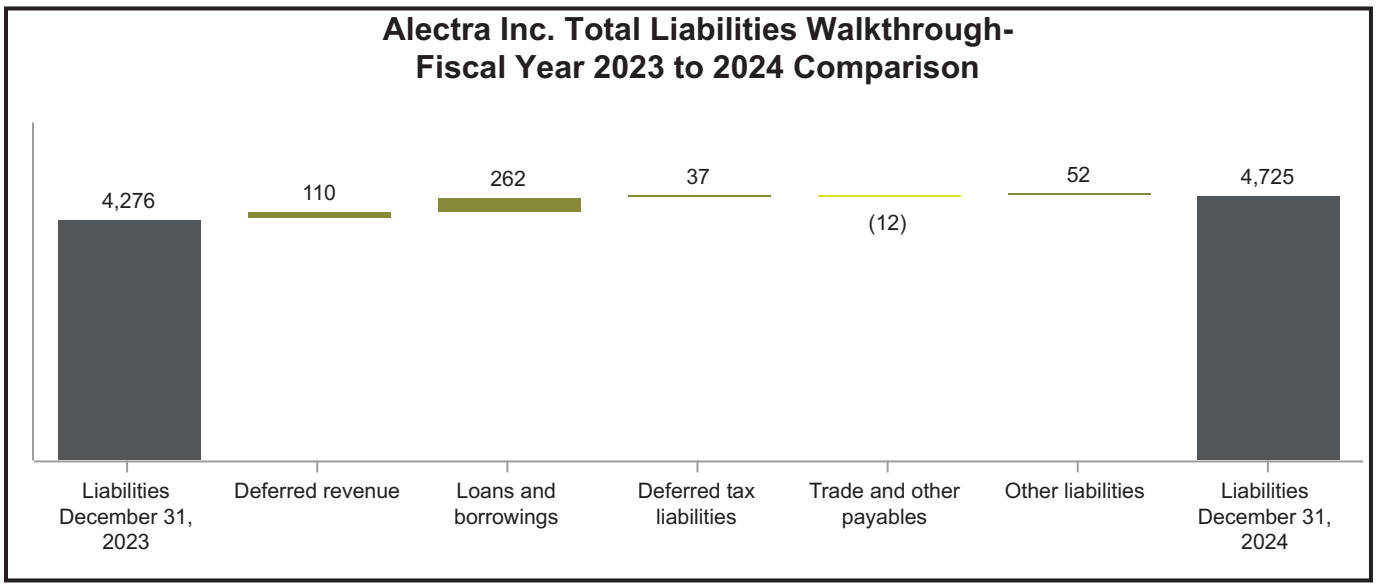
	2024	2023	Change
AES Net Income	18	7	11 ↑

Net income for the year ended December 31, 2024, was $18 which is $11 higher than 2023 net income of $7. The increase in net income is primarily due to (i) higher net revenue mainly due to higher storm response activities ($24); partially offset by (ii) a loss on the fair value of contingent consideration related to the earnout payment associated with the acquisition of assets from GLC ($4); and (iii) higher income tax expense due to higher income before tax ($4).

FINANCIAL POSITION



For details, refer to the Liquidity and Capital Resources section



For details, refer to the Consolidated Financial Statements for the Year Ended December 31, 2024.

FINANCIAL POSITION (continued)

Significant year over year changes in the Corporation's assets and liabilities as at December 31, 2024, are as follows:

Assets	$ Change	% Change	Trend	Explanation
PP&E, RoU and intangible assets	381	7 %	↑	The increase is primarily due to: (i) in-service additions for distribution system and computer software assets; and (ii) land, buildings and vehicles associated with the acquisition of assets from GLC; partially offset by (iii) higher accumulated depreciation.
Trade and other receivables	107	17 %	↑	The increase is primarily due to: (i) higher storm response activities in the competitive business; ii) higher energy prices; and (iii) higher unbilled revenue due to higher average energy prices and unbilled consumption.
Other assets	27	28 %	↑	The increase is primarily due to (i) higher inventory due to increased prices and an increase in safety stock; and (ii) higher investment in a joint venture in the competitive business.

Liabilities	$ Change	% Change	Trend	Explanation
Deferred revenue	110	15 %	↑	The increase is driven by (i) additional customer contributions for transit projects; and (ii) distribution system expansion for new customer projects.
Loans and borrowings	262	10 %	↑	The increase is primarily due to: (i) issuance of two new debentures; (ii) higher short-term borrowings required to fund working capital and general corporate requirements; partially offset by (iii) repayment of a debenture and promissory notes to the cities of Vaughan, Markham and Barrie.
Other liabilities	52	18 %	↑	The increase is driven by (i) higher holdback related to the acquisition of natural gas generating assets in the competitive business; (ii) higher income tax payable due to higher income before taxes in 2024; (iii) higher deposits for customer expansion projects; and (iv) higher contingent consideration related with the acquisition of assets from GLC.

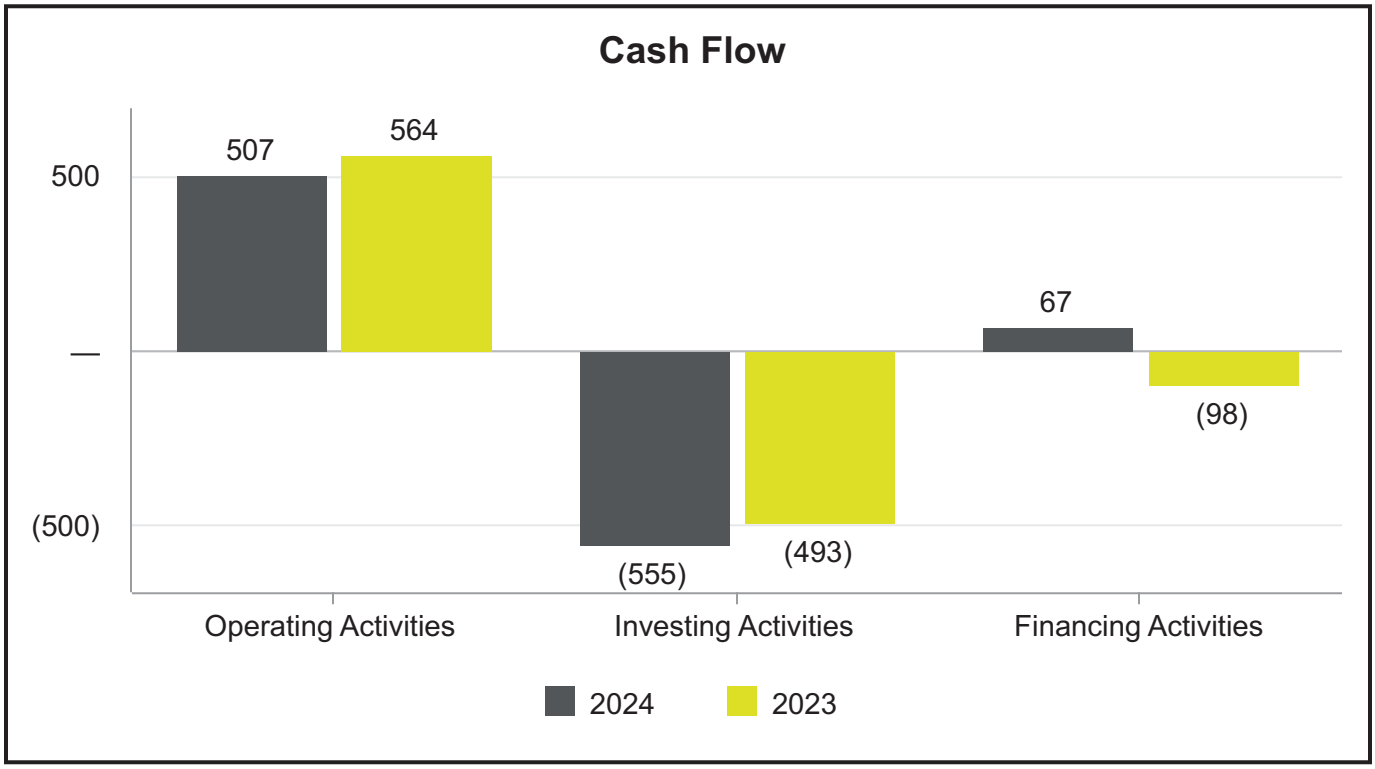
LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Capital Resources

The Corporation's current ratio (current assets over current liabilities) increased year over year from 0.54 to 0.75. The increase is primarily attributable to: (i) a decrease in the current portion of long-term debt that was repaid in 2024; (ii) an increase in trade receivables due to higher revenue from storm response activities in the competitive business; and (iii) an increase in inventories primarily due to higher prices and an increase in safety stock.

The Corporation utilizes its commercial paper ("CP") program to fund working capital requirements before issuing additional debentures. This strategy incorporates an optimal mix of short-term and long-term debt to lower overall financing costs and to enhance borrowing flexibility. In addition to the Corporation's primary sources of short-term liquidity, the Corporation borrows from debt capital markets on a long-term basis. The Corporation's liquidity and capital resource needs are required mainly for system expansion and enhancement expenditures to maintain and improve reliability and service quality of the electricity distribution system, for energy purchases and to meet working capital obligations.

The principal sources of liquidity and capital resources comprise funds generated from operations and the financing and investing activities of the Corporation.



LIQUIDITY AND CAPITAL RESOURCES (continued)

Sources of Liquidity and Capital Resources (continued)

Operating Activities

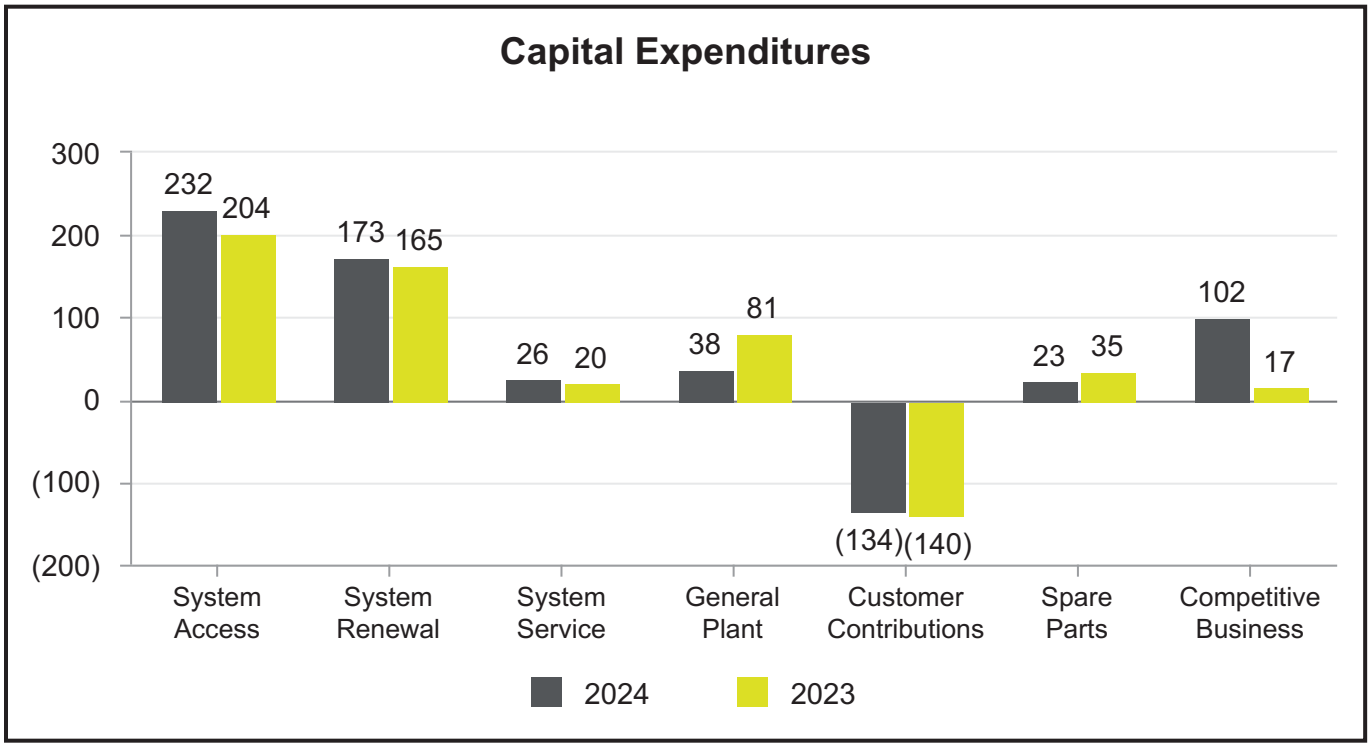
The decrease in net cash generated from operating activities of $57 from 2023 to 2024 was principally due to: (i) decrease from net change in non-cash operating working capital ($116) mainly due to an increase in receivables; partially offset by (ii) higher earnings before interest, taxes, depreciation and amortization ("EBITDA") in 2024 relative to 2023 ($51).

Investing Activities

The increase in cash used for investing activities by $62 from 2023 to 2024 was primarily due to (i) the acquisition of assets from GLC ($49); and (ii) investment in joint venture in the competitive business ($8).

As the largest municipally-owned LDC in Canada providing service to over one million customers, the Corporation continues to invest in the renewal of existing aging infrastructure to address safety, reliability and customer service requirements.

The Corporation's gross capital investments and customer contributions are presented below:



System Access ("SA") expenditures relate to projects required to meet customer service obligations in accordance with the Distribution System Code ("DSC") of the OEB and corporate conditions of service. Projects in this category include connecting new customers; building distribution infrastructure for new subdivisions; and relocating system plant for roadway reconstruction and major transit initiatives.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Sources of Liquidity and Capital Resources (continued)

Investing Activities (continued)

Capital expenditures in this category have increased by $28 relative to 2023, principally as a result of: (i) increased new connections activity from subdivision development and for industrial, commercial and institutional ("ICI") customers ($19); (ii) increased investment in distribution assets to support large customer expansion projects throughout Alectra's service territory ($16); and (iii) increased investment in distribution assets as a result of municipal roadway reconstruction projects ($13); partially offset by (iv) lower transit related investments due to timeline changes and project delays ($27).

System Renewal ("SR") expenditures relate to long-term plans to replace assets that are at the end or nearing the end of their useful lives. Replacement strategies are prioritized based on the condition and reliability of the assets. Capital expenditures in this category have increased by $8 relative to 2023, principally as a result of higher expenditures for underground asset renewal projects to improve the reliability performance of the electrical system.

System Service ("SS") expenditures relate to projects required to support the expansion, automation, and reliability of the distribution system. Capital expenditures in this category have increased by $6 relative to 2023, principally due to increased activity on capacity expansion projects.

General Plant ("GP") expenditure relate to information systems projects, facilities, and fleet. Capital expenditures in this category have decreased by $43 relative to 2023, principally due to lower expenditures for a new operations service center completed in the current year.

Customer Contributions ("CC") relate to deposits in aid of the capital cost of construction. CC have decreased by $6 over the previous year, primarily due to (i) lower contributions for transit project work ($27); partially offset by (ii) higher contributions for customer related work ($20).

Spare Parts ("SP") relate to transformers and meters which are held for use in the operation. SP have decreased by $12 relative to 2023, principally due to lower quantity of purchases in the current year.

Capital expenditures in the competitive business have increased by $85 relative to 2023, principally due to: (i) the acquisition of assets from GLC and distributed energy resource ("DER") infrastructure assets ($73); and (ii) higher expenditures for the construction of office and storage facilities ($8).

LIQUIDITY AND CAPITAL RESOURCES (continued)

Sources of Liquidity and Capital Resources (continued)

Financing Activities

The increase in cash from financing activities by $165 from 2023 to 2024 was primarily due: (i) an increase in proceeds from debenture issuances in 2024 ($498); partially offset by (ii) a decrease from repayment of an outstanding debenture and promissory notes ($316).

Credit Ratings

Credit ratings are forward looking opinions about an issuer's relative creditworthiness for investors to consider as part of their decision-making processes while assessing the relative likelihood of whether an issuer may repay its debts on time and in full.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

The following table sets out the current credit ratings of the Corporation.

	DBRS Morningstar		Fitch		S&P Global Ratings	
	Credit Rating	**Trend**	**Credit Rating**	**Outlook**	**Credit Rating**	**Outlook**
Issuer rating	A	Stable	A-	Stable	A-	Stable
Senior unsecured debentures	A	Stable	A	Stable	A-	Stable
Short-term (Commercial Paper)	R-1 (low)	Stable				

On June 21, 2024, Dominion Bond Rating Service ("DBRS") Morningstar confirmed the Corporation's "A"/ Stable rating for Issuer Rating and Senior Unsecured Debentures and R-1 (low) rating for commercial paper. The Corporation's DBRS ratings are based on the company's regulated business, which provides a predictable source of earnings and cash flows. The stable trend reflects DBRS financial risk assessment of the Corporation, which remains supportive of the current ratings. DBRS also notes that there were no material changes to the Corporation's business risk assessment, which continues to be supported by a reasonable regulatory framework.

On July 23, 2024, Fitch Ratings has affirmed The Corporation's Long-Term Issuer Default Rating ("IDR") of 'A-' with a Stable outlook and also affirmed an instrument rating of 'A' to the Corporation's senior unsecured debt. The Corporation's Fitch ratings are supported by the company's large-scale regulated electric distribution operations in high growth areas of Ontario. Additionally, Fitch views the rate-setting mechanisms employed by the OEB, to be highly constructive. Fitch has applied a one notch utility sector uplift from the IDR to the ratings of the Corporation's senior unsecured debt. This assessment is based on the Corporation's financing policy of raising debt exclusively at the parent level and the expectation that its business mix will remain predominantly regulated.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Credit Ratings (continued)

On March 20, 2024, Standard & Poor's Global ("S&P") affirmed the Corporation's Corporate and Long-Term Credit Rating as "A-" and changed the outlook from "Negative" to "Stable". In 2023, S&P changed the outlook of a number of Ontario utilities, including Alectra, to negative, based on "the possibility of S&P reassessing their view of the Ontario regulatory framework because of regulatory lag that has weakened financial performance, increased cash flow volatility, and weakened financial predictability". This was reversed in 2024, when S&P concluded their review of Ontario's regulatory construct and determined to maintain the assessment of Ontario as a most credit supportive regulatory jurisdiction. The assessment reflects the OEB proactively addressing regulatory lag in 2023, effectively reducing it and improving financial predictability for Ontario utilities. The "A-" credit rating with stable outlook incorporates S&P's expectation of continued strong financial performance.

Requirements for liquidity resources

The Corporation has the following sources of liquidity under which it may access financial capital from time to time:

- $1,100 in aggregate revolving unsecured credit facilities comprising: (i) $900 committed revolving facility with five banks maturing November 29, 2029 ("Revolving Facility"); and (ii) an additional credit facility to support Letters of Credit of up to $200.
- The committed facility is also used to support outstanding commitments under the CP program by way of same day market rate advances.
- Issuance of senior unsecured debentures with various maturity dates under established Trust Indentures.

The Revolving Facility contains certain covenants, including a requirement that the Corporation's debt to capitalization ratio not exceed 75%. As at December 31, 2024, the Corporation was in compliance with all covenants included in its Revolving Facility agreement.

As at December 31, 2024, the Corporation was in compliance with all covenants included in its Trust Indentures.

The Corporation believes it has sufficient access to short-term and long-term debt to meet liquidity requirements.

Short-term debt at December 31, 2024, and 2023 consist of CP issued under the Corporation's CP program. The short-term debt is denominated in Canadian dollars and is issued with varying maturities of less than one year. CP issuances bear interest based on the prevailing market conditions at the time of issuance. CP issuance at December 31, 2024, was $455 (2023 - $375).

Long-term liquidity is available through the Corporation's ability to issue senior unsecured debentures under an established Trust Indenture. The rates of interest on such debentures comprise: government of Canada bond yields with terms of maturity corresponding to the terms of issued debentures; market-based credit spreads determined with reference to comparably rated entities; and costs of issuance.

Refer to Note 12 for details on the Corporation's long-term borrowings.

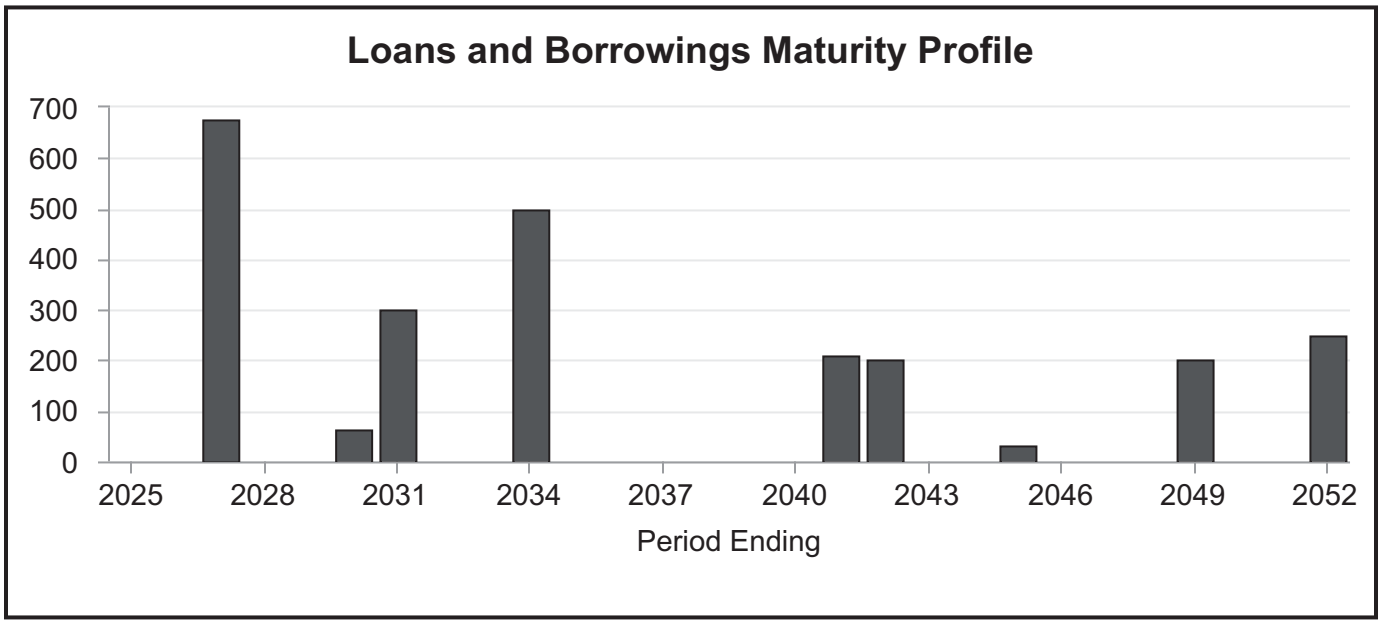
LIQUIDITY AND CAPITAL RESOURCES (continued)

Requirements for liquidity resources (continued)

The Corporation has sufficient liquidity to meet the needs of its ongoing commitment to maintain, improve and expand its distribution system and competitive businesses, and invest in other infrastructure assets on a sustainable basis.

Loans and borrowings maturities

The following table presents a summary of the Corporation's loans and borrowings maturities:



Summary of contractual obligations and other commitments

The following table presents a summary of the Corporation's debentures, major contractual obligations, and other commitments:

	2025	2026	2027	2028	2029	After 2029	Total
Commercial Paper	455	—	—	—	—	—	455
Debentures - principal repayment	—	—	675	—	—	1,755	2,430
Debentures - interest payments	88	88	80	71	71	803	1,201
Leases	4	3	3	3	3	13	29
Capital expenditures/financial investments	216	20	4	4	—	7	251
Operating expenditures	40	3	8	—	—	—	51
Total contractual obligations and other commitments	803	114	770	78	74	2,578	4,417

SHARE CAPITAL

The Corporation's authorized share capital is comprised of an unlimited number of Class A through G voting common shares, and an unlimited number of Class S non-voting shares, all of which are without nominal or par value as follows:

	2024		2023	
	Number of Shares	Amount	Number of Shares	Amount
Authorized				
Unlimited Class A through G common shares				
Issued and outstanding	10,485,000	953	10,485,000	953
Authorized				
Unlimited Class S shares				
Issued and paid				
Class S shares	99,999	25	99,999	37
Total share capital	10,584,999	978	10,584,999	990

An unlimited number of Class A through C special shares have been authorized but not issued.

The Alectra Inc. Dividend Policy was approved by its shareholders and is incorporated into the Unanimous Shareholders' Agreement, dated as of January 1, 2019, as Schedule C.

The annual voting common dividend is set as a target up to 60% of the Corporation's annual consolidated Modified International Financial Reporting Standards ("MIFRS") net income excluding the results from the former PowerStream Solar Business that accrue to the Solar shareholders on Class S shares. The annual Class S shares dividend is set with respect to "forecast annual net free cash flow" generated exclusively by the former PowerStream Solar Business, with the criteria for determining the dividend amount including provisions with respect to ensuring that the Solar business is able to maintain adequate cash and adequate credit metrics.

During the year ended December 31, 2024, the Corporation declared and paid dividends as follows:

- Common share dividends aggregating $81 or $7.70 per share (2023 - $76 or $7.31 per share); and
- Class S share dividends aggregating $1 or $14.72 per share (2023 - $2 or $15.04 per share).

In addition, a return of capital of $2 (2023 - $2) was declared and paid by the Corporation on Class S shares during the year.

The Class S share dividends, other than return on capital, are subject to Part VI.1 tax under the *Income Tax Act (Canada)* at a rate of 25% based on the amount of dividend paid. The Corporation is also eligible for a corresponding deduction equal to a specified multiple of the dividend. The deduction does not fully offset the Part VI.1 tax, resulting in a net effective tax rate of 1.8% on the Class S share dividends.

Refer to Note 16 for details.

RELATED PARTIES BALANCES AND TRANSACTIONS

Significant related party transactions and balances with related parties are as follows:

	2024	2023
Transactions		
Revenue	104	92
Expenses	6	6
Return of capital	2	2
Dividends declared and paid	82	78
Balances		
Due from related parties	18	12
Due to related parties	58	54
Loans and borrowings	—	166

Services provided to related parties include electricity distribution, street lighting, road projects, and water and sewage billing. Expenses incurred include municipal taxes and facilities rental. Refer to Note 11 (a).

The amount due to/from related parties is comprised of amounts payable to/receivable from: the City of Barrie; the City of Guelph; the City of Hamilton; the City of Markham; the City of Mississauga; the City of St. Catharines; the City of Vaughan; and wholly-owned subsidiaries of related parties. Refer to Note 11.

Loans and borrowings comprise shareholder promissory notes owing to the City of Barrie, the City of Markham, and the City of Vaughan that were repaid during the year. Refer to Note 12.

The annual compensation of key management personnel that is directly or indirectly attributable to the Corporation was $19 (2023 - $17). Refer to Note 11 (b).

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The Corporation's critical accounting policies have been reviewed and approved by the Audit, Finance and Risk Management Committee and are outlined in Note 4.

Certain judgments, estimates and assumptions arising from these policies are inherently complex and subjective, changes to which could significantly impact the financial results. Changes in the economic environment arising from geopolitical events and uncertainty over economic growth could generate, in future periods, a risk of adjustments to the carrying amounts of balances subject to estimates and judgments.

Judgments and estimates are often interrelated. The areas which require management to make significant estimates and judgments in determining carrying values include: valuation of identifiable net assets acquired in a business combination; unbilled revenue; useful lives of depreciable assets; employee future benefits; lease term; deferred tax assets and liabilities; and provisions and contingencies.

FUTURE ACCOUNTING CHANGES

The amendments have been published by the International Accounting Standards Board but are not effective as at December 31, 2024, and have not been adopted in these consolidated financial statements: The Corporation is assessing the impact of implementation of these Standards on its consolidated financial statements. The Corporation does not plan to early adopt these standards.

Effective Date: Reporting periods beginning on or after January 1, 2027

(a) Presentation and Disclosure in Financial Statements (IFRS 18)

During the year, the IASB published a new IFRS accounting standard, IFRS 18 - *Presentation and Disclosure in Financial Statements*, to replace IAS 1, *Presentation of Financial Statements*, and will amend IAS 7, *Statement of Cash Flows*. The primary objective of IFRS 18 is to improve the assessment of an entity's performance by increasing comparability in presentation. Changes include: introducing a defined structure for the presentation of the Consolidated Statement of Income and Comprehensive Income, including required totals and sub-totals, management-defined performance measures, enhanced requirements for grouping (aggregation and disaggregation) of information, and disclosure of specific expenses by nature.

(b) Subsidiaries without Public Accountability: Disclosures (IFRS 19)

IFRS 19, allows eligible subsidiaries to apply reduced disclosure requirements in its consolidated, separate or individual financial statements. This new standard aims to simplify and reduce the cost of financial reporting for subsidiaries while maintaining the usefulness of their financial statements.

NON-IFRS FINANCIAL MEASURES

EBITDA

The Corporation uses EBITDA, comparable net earnings, and adjusted funds from operations as financial performance measures under MIFRS. MIFRS adjusts IFRS results for the effect of rate regulation. These measures do not have any standard meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

The following table provides a reconciliation of non-IFRS financial measures to IFRS reported results on a consolidated basis. These non-IFRS financial measures are consistently applied in the previous period.

	2024	2023
EBITDA (MIFRS)	462	417
Add adjustments to remove regulatory accounting:		
Revenue	105	88
Operating expenses	(16)	(10)
Loss on derecognition of property, plant, and equipment and intangible assets	(2)	(3)
EBITDA (IFRS)	549	492
Depreciation and amortization	(208)	(195)
Net finance costs	(108)	(96)
Loss on fair value of contingent consideration	(4)	—
Share of net loss of joint venture	—	(1)
Income before income taxes (IFRS)	229	200

Management believes that a measure of operating performance is more meaningful when including regulatory accounting in the results of operations as this better reflects the Corporation's normal operations.

NON-IFRS FINANCIAL MEASURES (continued)

AFFO

Adjusted funds from Operations ("AFFO") is used as an additional metric of cash flow without regard to changes in the Corporation's non-cash working capital and adjusted for contributions in aid of construction. The table below summarizes the Corporation's AFFO as at December 31, 2024, and 2023.

	2024	2023
IFRS Net income	167	146
Adjustment for regulatory activities [(1)]	(28)	(6)
MIFRS Net income	139	140
Depreciation and amortization	185	181
Loss on derecognition of property, plant, and equipment and intangible assets	10	3
Loss on fair value of contingent consideration	4	—
Net change in non-cash operating working capital	(142)	(11)
Net change in non-current assets and liabilities	70	54
Net change in taxes	16	—
Share of net loss of joint venture	—	1
Total changes	143	228
AFFO	282	368

[(1)] Refer to Note 28 for details of the adjustments for regulatory activities.

The decrease in AFFO is mainly attributable to: (i) decrease from the net change in non-cash operating working capital mainly due to an increase in payables and receivables; partially offset by (ii) increase from the net change in non-current assets and liabilities mainly resulting from the net movement in regulatory assets and liabilities.

RISK MANAGEMENT AND RISKS

This section provides an overview of the Corporation's overall risk management approach, which is followed by a discussion of the specific risks that could adversely affect its business.

The Corporation is subject to various risks and uncertainties. As a result, the Corporation has adopted an enterprise-wide approach to risk management, which is governed by its Enterprise Risk Management ("ERM") Program.

The Corporation's ERM Program supports routine risk review in a process that identifies, assesses, manages, monitors, and reports on risks. Risk management is the responsibility of all business units. There are strong governance practices in place to ensure consistent consideration of risks in all decision-making.

The Corporation's risk management governance structure is comprised of three key levels:

- The Board of Directors – maintains a general understanding of the Corporation's risk profile and philosophy, and oversees the management of the Corporation's significant exposures.
- The Executive Committee – ensures systems are in place to manage and monitor risks and trends as well as to escalate key risks to the attention of the Board, as required.
- The Senior Leadership Team – supports the overall risk management program and actively engages in the day-to-day management of risks.

The Corporation's business is subject to a variety of risks, which are categorized into the following key risk areas: Regulatory & Compliance, Strategic, Financial and Operational. The section below discusses certain specific risks that could have a material adverse impact on the Corporation's business, financial condition, or results of operations and is not a comprehensive list of all the risks to the Corporation.

Regulatory & Compliance Risk

The Corporation operates in a regulated electricity industry. Risks exist that the Corporation's business activities could be impeded through actions of regulatory authorities and/or governments. In addition, any non-compliance with laws or regulations affecting the Corporation's business could have a material adverse effect on its operations.

RISK MANAGEMENT AND RISKS (continued)

Regulatory & Compliance Risk (continued)

Regulatory Oversight & Government Action

The electricity distribution business in Ontario is regulated, which poses risks to the financial and operational aspects of the Corporation's rate regulated business. All requests for changes in electricity distribution charges require OEB approval. The Corporation files applications to the OEB on an ongoing basis for rate adjustments to support the sustainment and growth of its distribution system, which includes distribution assets maintenance and expansion. OEB decisions to disallow or limit the recovery of costs and/ or earn the allowed return on equity ("ROE") on applications could have a material adverse effect on the Corporation's distribution revenue. There is no assurance that resulting decisions issued by the OEB will permit the Corporation to recover all costs actually incurred or to earn the allowable ROE that permits the financial sustainability of its operations.

The Corporation is a municipally owned LDC that is subject to actions of governments. Governments could pass legislation, issue regulations, or implement policies that could have potential adverse effects on the Corporation's financial condition and hinder its ability to pursue its strategy and business objectives. Such government actions and the political uncertainties around these actions could require LDCs to commit to additional costs.

The Corporation actively participates in stakeholder groups, industry associations and government engagement that are designed to inform development of the legislative and regulatory environment. The Corporation also employs a comprehensive regulatory application process to ensure applications to the OEB are evidence-based and accurately reflect the needs of the Corporation.

Compliance with Laws and Regulations

The Corporation must comply with all applicable laws and regulations and other requirements to which it subscribes or is subject to. These requirements may be as a result of Federal, Provincial or Municipal laws, regulations, by-laws, or other instruments. Other requirements or obligations may also include the IESO Market Rules, OEB license terms and conditions as well as other industry codes to which the Corporation must abide. Failure to comply with applicable laws and regulations could have a material adverse effect on the Corporation.

The Corporation actively monitors business activities that could be subject to compliance actions, including routine monitoring of applicable legislations and regulations for changes and implementing appropriate measures in response.

RISK MANAGEMENT AND RISKS (continued)

Strategic Risk

The Corporation pursues growth through acquisitions and organically from development projects and capital expenditures.

The Corporation's business model and strategic direction are based on certain assumptions, including the growth strategy of its business mix, electricity demand forecast reflective of economic growth projections, evolution of technology used in the industry, Ontario's electricity regulatory model and broader energy policy developments. Any significant changes to the key assumptions made could cause the Corporation to reevaluate its business model and/or strategic direction. The Corporation routinely monitors industry trends, the business environment and conducts customer outreach to understand the evolving needs and expectations of its customers.

Financial Risk

The Corporation is subject to changes in economic conditions and risks related to the financial markets that could adversely impact the Corporation's financial performance.

Economic Conditions

Changes in interest rates, inflation, government policies, employment levels, business investments, technology developments and other factors could influence energy consumption demand. Further, an economic downturn could impair customers' ability to pay their bills in a timely manner. These changes could impact the Corporation's operations and cash flows. The regulatory framework partially mitigates the impact of market changes through its rate setting process by providing the Corporation the opportunity to earn a regulated return on equity from its electricity distribution business.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Pursuant to Provincial regulation, electricity distribution companies in Ontario are required to act as the billing agent for all industry participants, and remit billed amounts accruing to these participants irrespective of whether such amounts are ultimately collected. This regulation exposes the Corporation to credit risk, principally through the realization of its customer receivables.

The Corporation has implemented credit and collection policies in compliance with OEB regulation to mitigate the exposure to credit risk. In addition, trends for customer collections, economic and other market conditions are incorporated in determining the expected credit losses ("ECLs") on accounts receivable balances, which require estimates and judgements.

RISK MANAGEMENT AND RISKS (continued)

Financial Risk (continued)

Risks Associated with Arranging Debt Financing

The Corporation relies on debt financing to repay existing indebtedness and to finance its ongoing business operations. The Corporation's ability to arrange sufficient and cost-effective debt financing could be adversely affected by a number of factors, including: (i) financial market conditions (such as changes in interest rates); (ii) the regulatory environment in Ontario; (iii) the Corporation's results of operations and financial condition; (iv) the ratings assigned to the Corporation and its debt securities by credit rating agencies; (v) the current timing of debt maturities; and (vi) other general economic conditions.

Downgrades to credit ratings by credit rating agencies could affect the Corporation's ability to access debt capital on favourable terms and increase the Corporation's cost of debt. The inability to access debt capital markets within a desired timeframe could impair the Corporation's ability to fund capital expenditures and meet other obligations, which could have an adverse effect on its operating results and financial position in the future. Further, the need to raise additional capital could occur if existing financing arrangements are insufficient to support the Corporation's regulated electricity distribution and other businesses.

The Corporation has taken proactive measures to ensure adequate access to financial liquidity, including active monitoring of its cash position, and communicating regularly with credit rating agencies and investment community regarding its capital position.

Interest Rate and Foreign Exchange Risk

The Corporation is exposed to short-term interest rate risk on the short-term debt under its credit facility and CP Program. The Corporation is also exposed to fluctuations in interest rates for the valuation of its post-employment benefit obligations. The Corporation manages interest rate risk by monitoring its fixed and floating rate instruments and taking action as necessary to maintain an appropriate balance.

The Corporation has limited foreign exchange exposure arising from its $USD denominated cash and investment security balances, and impact of foreign exchange fluctuations is not expected to have a material effect on its operations and financial condition.

Operational Risk

The Corporation's ability to safely and reliably operate as well as maintain its distribution assets and facilities inherently has risks. Some of the Corporation's key operational risks include health & safety, cybersecurity, supply chain, human resources, labour relations, climate change, environmental and emergency preparedness and business continuity risks.

RISK MANAGEMENT AND RISKS (continued)

Operational Risk (continued)

Health & Safety Risk

The Corporation is engaged in the construction, operation, and maintenance of high voltage electrical infrastructure throughout the communities it serves and is exposed to significant safety hazards associated with this work. In addition, the Corporation is subject to government legislation and regulations relating to health and safety. Failure to comply with these requirements and/ or to keep the public and employees safe could have adverse operational, financial, compliance and reputational impact on the Corporation.

The Corporation's safety management program is based on a continuous improvement principle, which includes measures such as equipment inspections, employee training and ingoing education, and safety audits.

In addition, the Corporation has undertaken actions to promote psychological safety and additional support through the employee assistance program. The Corporation is also prepared to address future potential infectious disease emergencies to limit the health and safety exposures to the public and employees.

Cybersecurity Risk

The Corporation’s ability to operate effectively in the Ontario electricity market is in part dependent on the management of its information technology and operational technology systems. These systems are employed to operate and monitor electricity distribution, as well as the Corporation’s financial, billing, and other business systems. As a critical infrastructure operator, the Corporation’s distribution infrastructure and technology systems are vulnerable to damage or interruption from cyberattacks, breaches or other compromise. A cybersecurity incident could result in service disruptions, theft of intellectual property and confidential customer or business information, resulting in regulatory scrutiny, litigation, and reputational damage for the Corporation. The evolving technology landscape with increased digitization and emerging technologies such as artificial intelligence further challenges the cybersecurity threat environment with increasing sophistication, magnitude and frequency of cyberattacks.

The Corporation maintains cyber insurance and has a cybersecurity program that incorporates industry leading practices, which includes employee training, protecting assets and safeguarding sensitive information, continuous monitoring of technology systems, and incident response procedures to minimize damage from a cyberattack, breach or other compromise.

RISK MANAGEMENT AND RISKS (continued)

Operational Risk (continued)

Supply Chain Risk

Global supply chains have been disrupted by factors such as macroeconomic conditions, the geopolitical environment, and labour markets constraints, which have resulted in increased material and equipment lead times and costs. Prices for key materials and equipment continue to evolve as the global economic recovery remains uncertain, due to the volatility in commodity prices, inflation, and interest rates. The Corporation's ability to operate effectively is in part dependent upon timely access to equipment, materials, and key suppliers. Loss of key suppliers and volatility in material and equipment lead times could adversely impact the Corporation's operations and its capital project planning and execution. The Corporation continues to diversify its supplier base to alleviate single point of supply issues and advance procurement of key equipment and materials that have expected long lead times.

Human Resources Risk

The Corporation's workforce is composed of union and non-union employees with skills relating to trades, technical and professional expertise in a competitive labour market. The Corporation is subject to the risk that skilled and experienced resources may not be available to support its business objectives and strategy execution. To mitigate this risk, the Corporation implements various programs to attract, develop and retain talent, including talent attraction and retention strategies, succession planning, and knowledge management programs to ensure ongoing workforce capability to meet the evolving needs of the business.

Labour Relations Risk

The Corporation is committed to maintaining effective relationships with its union, which is represented by the Power Workers' Union ("PWU") and International Brotherhood of Electrical Workers ("IBEW"). The Corporation reached an agreement with the PWU, covering the period from June 1, 2022, to May 31, 2025, and with the IBEW, covering the period from April 1, 2024, to March 31, 2027. The inability to negotiate the collective agreement with PWU and IBEW on mutually acceptable terms could lead to work disruptions, resulting in adverse impacts to the Corporation's business including potential risk to its ability to sustain the continued supply of electricity to customers.

Climate Change Risk

The Corporation's service territory, its energy-related infrastructure and other facilities are exposed to the risk of climate change and extreme weather events. Extreme weather events create a risk of physical damage to the Corporation's distribution infrastructure, which could result in service disruption, and increased repair and replacement costs. Extreme weather events continue to increase in frequency and intensity, and in recent years, the Corporation has experienced extreme winds, flash floods and severe thunderstorms within its service territory.

RISK MANAGEMENT AND RISKS (continued)

Operational Risk (continued)

Climate Change Risk (continued)

The Corporation incurs capital expenditures and monitors the condition of its assets to manage the risk of equipment failures and to determine the need for and timing of replacement of its distribution infrastructure. Further, the Corporation continues to adapt and increase its infrastructure and operations resilience and reliability to address the effects of climate change and extreme weather events. These initiatives include updating major equipment specifications, revising design practices, updating planning processes, enhancing maintenance programs, building supply chain resiliency and initiating emergency preparedness program to minimize the extent of disruptions.

Environmental Risk

The Corporation is subject to Canadian environmental laws and regulations. Release of hazardous or other harmful substances (e.g. - asset leaks and spills) has the potential for adverse environmental impacts and could lead to governmental orders requiring the Corporation to investigate, control and remediate the effects of these substances. Failure to comply could subject the Corporation to injunction, fines, or other penalties.

The Corporation has a standardized response procedure to regularly inspect assets, investigate, remediate, and report on asset leaks and spills in a timely manner upon discovery. The Corporation monitors Canadian and Ontario regulation with respect to greenhouse gas ("GHG") emissions. Although the Corporation is not required by Ontario regulation to report on its GHG emissions at this time, it continues to track and voluntarily discloses Alectra Utilities' GHG emissions publicly.

Emergency Preparedness and Business Continuity Risk

The Corporation's operations could be exposed to the effects of natural or human-caused hazards. These effects could result in operational disruptions, decrease in distribution revenue, and increase in costs to repair and restore operations.

The Corporation continues to place insurance where available to mitigate the risks associated with damage to assets or service disruption. The Corporation's emergency preparedness plan provides a framework to enable efficient deployment and coordination of resources to minimize the effects of an emergency on its business, employees and customers. The Corporation's business continuity program focuses on building resilience into business processes to ensure continued operation of critical business functions. The Corporation also regularly monitors global events and makes improvements to the plan and program to prepare for major operational threats, such as major power outages and infectious disease emergencies.

RATING AGENCY REPORTS

Attachments 1-10 through 1-12 to this schedule includes the following rating agency reports for Alectra Utilities' parent company, Alectra Inc.:

- Morningstar DBRS; July 3, 2025
- Fitch; July 30, 2025
- S&P; June 13, 2025

Attachment 1-10

Morningstar DBRS Credit Rating Report

MORNINGSTAR | DBRS

Credit Rating Report
Alectra Inc.

Morningstar DBRS
July 3, 2025

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Commercial Paper Limit
$900 million

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Credit Ratings

Debt	Credit Rating	Credit Rating Action	Trend
Issuer Rating	A	Confirmed	Stable
Senior Unsecured Debentures	A	Confirmed	Stable
Commercial Paper	R-1 (low)	Confirmed	Stable

Credit Ratings Drivers

Positive Credit Rating Drivers	Negative Credit Rating Drivers
We note a positive credit rating action is unlikely at this time, given the key credit metrics and the current regulatory environment.	We could downgrade the credit ratings if the Company's key credit metrics weaken to a level that no longer supports the "A" credit rating category (i.e., debt-to-capital above 65% and cash flow-to-debt below 12.5%) for a sustained period.

Key Credit Rating Considerations

On June 20, 2025, we confirmed Alectra Inc.'s (Alectra or the Company) credit ratings as above. The credit ratings are based on Alectra's (1) regulated electricity distribution business in Ontario (90% of 2024 EBITDA), which provides a predictable source of earnings and cash flows, and (2) reasonable financial risk assessment (FRA). There were no material changes to Alectra's business risk assessment (BRA) since the last review. The Company continues to operate under a 10-year deferral period until 2027 under the Ontario Energy Board with annual inflationary rate increases.

Earnings Outlook

	For the year ended December 31				
(CAD millions where applicable)	**2024**	**2023**	**2022**	**2021**	**2020**
Net Sales[1]	908	813	799	754	671
EBITDA	479	427	426	416	376
EBIT	293	252	251	249	223
Gross interest expense	102	89	78	74	76
Net income before nonrecurring items	149	141	139	137	122
Reported net income	167	146	40	105	79
Return on equity (%)	8.8	8.7	8.8	9.1	7.6
Rate base[2]	3,911	3,629	3,475	3,395	3,371
Deemed common equity (%)	40.0	40.0	40.0	40.0	40.0
Allowed ROE[3] (%)	8.95	8.95	8.95	8.95	8.95
Achieved regulatory ROE (%)	7.16	7.55	6.70	6.18	4.80

1 Excluding Electricity sales
2 Rate base amounts are based on actual Reporting and Record Keeping Requirements filings.
3 Based on weighted average of last OEB-approved rate base.
Source: Morningstar DBRS.

Given its regulated operations, Alectra's earnings have been relatively stable and predictable through the economic cycle. We expect the distribution revenue from Alectra's regulated business to grow in 2025 and 2026 in line with the inflationary-based rate adjustments. Over the medium term, we expect the proportion of earnings from nonregulated activities to remain at around 10% to 15% of EBITDA. However, if earnings from this segment exceed the 20% threshold on a sustained basis, this could negatively affect Alectra's BRA. We expect any volatility in earnings to largely be from (1) fluctuations in weather conditions and (2) the nonregulated storm restoration business. Earnings from the nonregulated solar generation business are expected to be relatively stable given the long-term Feed-In Tariff contracts with the Independent Electricity System Operator (IESO).

Financial Outlook

Financial Profile	FYE on or around Dec. 31				
(CAD Millions, unless otherwise noted)	**2024**	**2023**	**2022**	**2021**	**2020**
Net Income as Reported	167	146	40	105	79
Depreciation and Amortization	185	173	175	168	153
Distributions from Equity Investments	0	0	0	0	0
Other Operating Items	34	36	85	52	66
Cash Flow from Operations	**386**	**355**	**300**	**325**	**298**
Capital Expenditures	(470)	(467)	(335)	(378)	(343)
Net Capital Expenditures[1]	(388)	(380)	(289)	(327)	(278)
Common Dividends	(82)	(78)	(96)	(77)	(82)
Preferred Dividends	0	0	0	0	0
Free Cash Flow (Before Changes in Working Capital)	**(84)**	**(103)**	**(85)**	**(79)**	**(62)**
Changes in Working Capital	(127)	(13)	(4)	133	(32)
Free Cash Flow	**(211)**	**(116)**	**(89)**	**54**	**(94)**
Net Acquisitions and Investments	(58)	0	3	(43)	26
Net Lease Principal Payments	(2)	(5)	(6)	(4)	(2)
Increase in Debt	12,685	11,758	12,231	7,137	235
Decrease in Debt	(12,423)	(11,673)	(12,038)	(7,169)	(40)
Share Issuances	0	0	0	0	0
Share Buybacks	(2)	(2)	(2)	(2)	(4)
Other	30	12	(83)	33	(124)
Change in Cash & Cash Equivalents	**19**	**(26)**	**16**	**6**	**(3)**
Total debt in capital structure[2] (%)	62.9	61.4	61.5	60.5	62.2
Cash flow/total debt (%)	13.3	13.5	11.7	13.7	12.4
EBIT gross interest coverage (times)	2.87	2.83	3.22	3.36	2.93

1 Adjusting for customer capital contribution and including intangibles
2 Equity excludes goodwill resulting from the amalgamation of PowerStream Holdings Inc., Horizon Holdings Inc., and Enersource Holdings Inc., and the acquisition of Guelph Hydro Electric Systems Inc. (Guelph Hydro).
Source: Morningstar DBRS

Alectra's financial risk assessment has remained stable and continues to commensurate with the current "A" credit rating category. We expect the Company will continue to manage its capital expenditures (capex) and dividends in a prudent manner in order to maintain its key credit metrics in line with the current credit rating category. We expect Alectra's capex program, going forward, to be focused predominantly on the regulated business (i.e., 95% of planned capex). While the capex on the nonregulated business ($100 million in 2024) was higher than normal because of one-time investments in the Company's gas generation and power restoration businesses, we expect the capex to remain below $20 million annually during the forecast period. As such, total capex should reduce to lower than

$400 million in 2025 and 2026 from approximately $470 million in 2024. We will continue to monitor the Company's plans for its nonregulated businesses. Furthermore, Alectra is expected to file a new rebasing application with the OEB for period starting January 2027 (i.e., at the end of current rebasing deferral period), which could result in material changes to the rate base, capital structure, and capex requirements. We will review the application and the OEB's decision to determine the impact on Alectra's BRA and FRA.

Issuer Description

Alectra is the largest municipally owned electricity distribution company in Ontario, with more than one million customers. Its service franchise areas include Mississauga, Markham, Richmond Hill, Vaughan, Barrie, St. Catharines, Hamilton, Brampton, and Guelph.

Business Risk Assessment

Alectra's credit ratings are supported by the stability of its regulated business, a strong franchise area with good growth, and its reasonable financial profile. The credit ratings are constrained by exposure to the Company's higher-risk nonregulated businesses as well as the operational challenges and performance pressure resulting from the incentive rate-setting mechanism.

1. Stability from regulated business

Approximately 93% of the Company's total assets in 2024 are associated with the regulated distribution business, which generates stable cash flow. The regulated electricity distribution business operates under a reasonable regulatory framework in Ontario.

2. Strong franchise area with good growth

Alectra's franchise area is one of the strongest in Ontario, with above-average customer growth that has helped to offset energy conservation pressure on consumption volumes. The customer mix is also favourable, with residential customers accounting for approximately 90% of total customers. Residential customers reduce the Company's exposure to cyclicality.

3. Exposure to higher-risk nonregulated businesses

We consider the nonregulated business to be higher risk than Alectra's core regulated electricity distribution business. This is largely because of the greater volume risk associated with nonregulated operations. Nonregulated operations for the Company include solar generation, a submetering business, and a power restoration services business. We note that, although, commodity price risk for the generation business has been mitigated through long-term contracts with the IESO, increasing exposure to the nonregulated segment could result in greater volatility in Alectra's earnings and cash flows. In 2024, nonregulated operations accounted for approximately 10% of total EBITDA and is expected to remain below 15% over the forecast horizon.

4. Operational challenges and performance pressure under Incentive Rate-Setting (IR)

Under performance-based regulation, Alectra must forecast its operating, maintenance, and administrative expenses as well as its capital investment for a specified time period. As a result,

earnings and cash flows could be negatively affected by large unforeseen discrepancies between forecast and actual costs. Additionally, under the Price Cap IR method, annual rate increases are based on a regulatory formula that includes inflation, a productivity factor, and a stretch factor. Alectra Utilities Corporation (AUC), the regulated utility, must achieve productivity at least equal to the regulatory productivity and stretch factor in order to achieve the allowed return on equity (ROE). However, we view earnings pressure as manageable given that the rate adjustment parameters for the productivity and stretch factors for 2024 and 2025 were reasonable at 0.3% in both years.

Financial Risk Assessment

1. Reasonable financial profile

Alectra's key credit metrics have been reasonable for the current credit rating category. For 2024, the Company's key credit metrics of cash flow-to-debt, debt-to-capital, and EBIT-interest coverage (13.3%, 62.9%, and 2.90 times (x), respectively) broadly commensurate with the "A" credit rating category.

2. Limited access to equity capital market

Alectra's ownership structure (owned largely by several municipalities) limits its ability to directly access the equity market. As a result, free cash flow deficits have been largely financed through revolving credit facilities and debt issuances.

Environmental, Social and Governance Checklist

Alectra Inc.

ESG Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	**N**	**N**
	Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	**N**	**N**
	Resource and Energy Management	Does the scarcity of sourcing key resources hinder the production or operations of the issuer, resulting in lower productivity and therefore revenues?	**N**	**N**
	Land Impact and Biodiversity	Is there a financial risk to the issuer for failing to effectively manage land conversion, rehabilitation, land impact, or biodiversity activities?	**N**	**N**
	Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact? In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	**N**	**N**
Social		**Overall:**	**N**	**N**
	Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	**N**	**N**
	Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	**N**	**N**
		Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	**N**	**N**
		Human Capital and Human Rights:	**N**	**N**
	Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	**N**	**N**
	Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	**N**	**N**
	Occupational Health and Safety	Would the failure to address workplace hazards have a negative financial impact on the issuer?	**N**	**N**
	Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	**N**	**N**
	Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	**N**	**N**
Governance		**Overall:**	**N**	**N**
	Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	**N**	**N**
		Are there any political risks that could affect the issuer's financial position or its reputation?	**N**	**N**
		Bribery, Corruption, and Political Risks:	**N**	**N**
	Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	**N**	**N**
	Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	**N**	**N**
		Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	**N**	**N**
		Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	**N**	**N**
		Corporate / Transaction Governance	**N**	**N**
		Consolidated ESG Criteria Output:	**N**	**N**

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

There were no Environmental factors that had a relevant or significant effect on the credit analysis. We consider both transitional risk and physical risk in its analysis of Environmental factors, and typically deems transitional risk as more substantial. We note that regulated utilities may be exposed to severe weather events. We expect any costs associated with these events to be substantially recovered through rates. Alectra is also committed to reach net zero by 2050, and through its nonregulated operations, has solar generation which has helped reduce greenhouse gas emissions in Ontario.

Social

There were no Social factors that had a relevant or significant effect on the credit analysis. As a regulated utility, Alectra must provide access to its service; any disruptions in its operations could significantly affect its reputation and lead to financial penalties. The Company's 2024 System Average Interruption Duration Index of 0.75 and System Average Interruption Frequency Index of 1.08 were also both less than the average urban utility performance. Alectra is committed to continuously fostering a strong and positive labour relations environment. The Company is also committed to safety, and has implemented programs based on a continuous improvement principle such as equipment inspections, employee training and safety audits. Alectra also offers support to employees through an assistance program and by promoting mental wellness.

Governance

There were no Governance factors that had a relevant or significant effect on the credit analysis. While the Company is largely owned by a number of municipalities, a majority of directors on the board are independent (eight of fourteen board members), including the chair. The board is responsible for setting Alectra's strategic direction and oversees the performance of the Company, including monitoring operational performance. There is also board-level oversight of climate-related issues.

A description of how we consider ESG factors within our analytical framework can be found in *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings* at https://dbrs.morningstar.com/research/454196.

Credit Rating History

	Current	2024	2023	2022	2021	2020
Issuer Rating	A	A	A	A	A	A
Senior Unsecured Debentures	A	A	A	A	A	A
Commercial Paper	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)

Previous Actions

- " Morningstar DBRS Confirms Credit Ratings on Alectra Inc. at "A" and R-1 (low), Stable Trends," June 20, 2025.

Related Report

- Alectra Inc.: Rating Report, September 17, 2024.

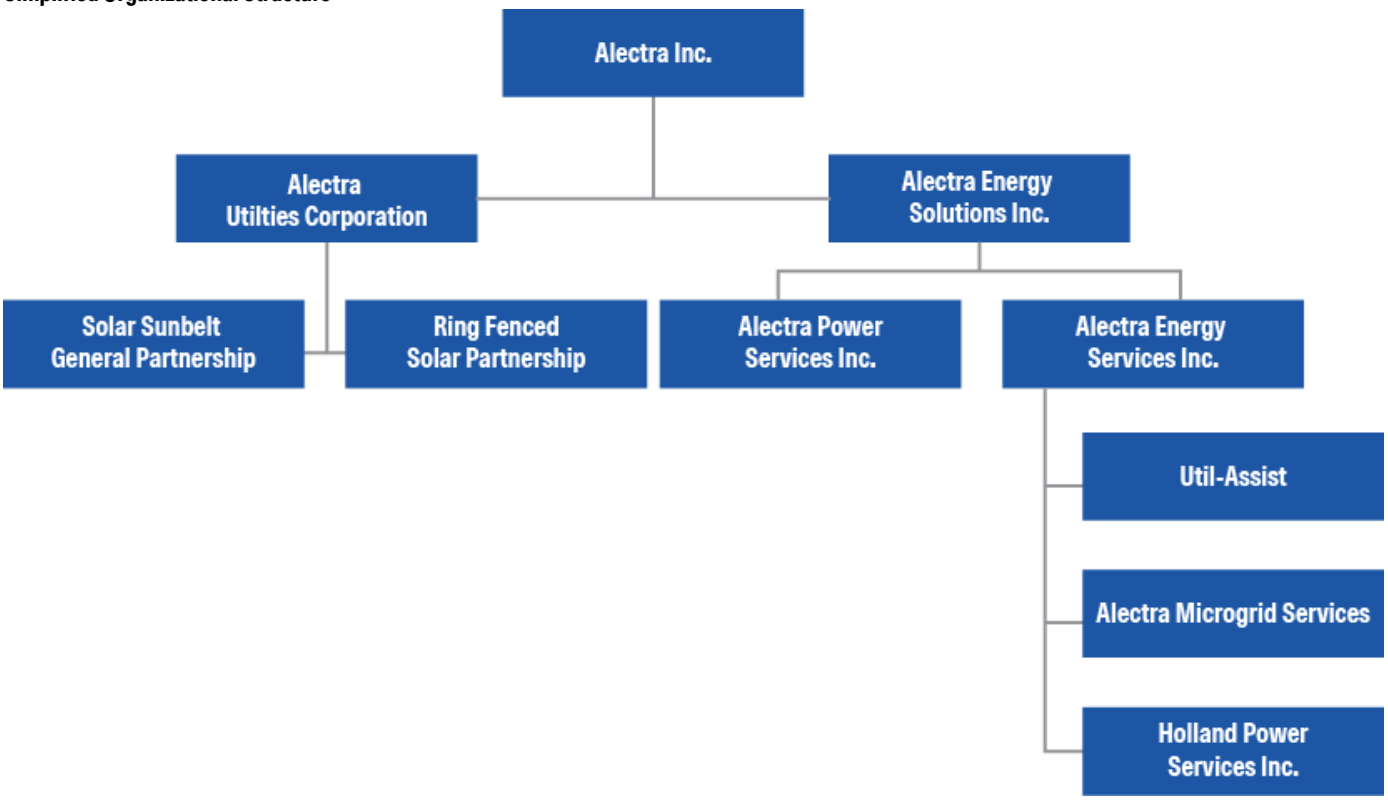
Notes:
All figures are in Canadian dollars unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on https://dbrs.morningstar.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

Appendix 1: Corporate Structure

Simplified Organizational Structure



Source: Alectra.

- Alectra is indirectly owned by municipalities through holding companies; the only exception is Enersource Corporation, which is 90% owned by the City of Mississauga and 10% owned by BPC Energy Corporation, a wholly owned indirect subsidiary of the Ontario Municipal Employees' Retirement System.
    - AUC is the second-largest municipally owned electric utility by customer base in North America and the largest municipally owned local distribution company (LDC) in Ontario, serving more than one million customers.
- Alectra Energy Solutions Inc. holds the large majority of the nonregulated business, mainly consisting of solar-generation assets under long-term contracts with the IESO and a submetering business.
    - In January 2021, Alectra acquired Holland Power Services Inc., which provides power restoration services along the eastern seaboard of the U.S. and Canada.
    - In May 2024, Alectra acquired assets from Gagnon Line Construction Inc. (GLC), a private company specialized in providing emergency power restoration services in Eastern Canada and the United States.

Appendix 2: Debt and Liquidity

Liquidity

(CAD millions as of December 31, 2024)	Amount	Drawn/Commercial Paper/Letter of Credit	Available	Expiry
Cash & cash equivalents	40	0	40	N/A
Revolving committed credit facility	900	455	445	Nov. 2029
Total	**940**	**455**	**495**	-
Letters of credit facility	**200**	**77**	**123**	Demand

- Alectra has a $900 million committed revolving credit facility, used to backstop the Company's $900 million commercial paper program ($455 million outstanding as of December 31 2024).
- The Company also has a $200 million letter of credit facility ($77 million issued as at December 31, 2024).

Long-Term Debt

(CAD million as of December 31, 2024)	2025	2026	2027	2028	2029	2030+	Total
Debentures	–	–	675	–	–	1,744	**2,419^**
% of Total	0	0	28	0	0	72	**100**

^ total debt as per balance sheet and doesn't include issuance costs.

- Alectra's long-term debt maturity is relatively well spread out.
- As at December 31, 2024, the Company's long-term debt consisted of Senior Unsecured Debentures totalling $2,419 million.
- Covenants on Alectra's trust indenture and credit facilities include restrictions on the ability of the Company to issue priority debt and merge or dispose of assets as well as to maintain a ratio of funded debt-to-capitalization ratio not more than 75% (in compliance as at December 31, 2024).

Appendix 3: Regulation

- AUC, a subsidiary of Alectra, is regulated by the Ontario Energy Board (OEB) under the Ontario Electricity Act, 1998.
- In April 2016, the predecessor utilities filed a Mergers, Acquisitions, Amalgamations, and Divestitures (MAADs) application with the OEB. The OEB approved the application in December 2016 with the following:
    - AUC can defer rebasing for 10 years following the closing of the merger. This will allow AUC to keep all efficiency gains for five years before being subject to an earnings-sharing mechanism (ESM) of any returns in excess of 300 basis points (bps) above the allowed ROE for the latter five years.
    - During the deferral period, the predecessor utilities' distribution rates and franchise areas will remain as separate rate zones.
- In October 2018, the OEB approved AUC's MAADs application to merge with Guelph Hydro.
    - As with the other rate zones, AUC is allowed to defer rebasing for the Guelph Hydro rate zone for 10 years, with an ESM of any returns in excess of 300 bps above the allowed ROE for the latter five years.

Brampton, Enersource, Guelph, Horizon Utilities, and PowerStream Rate Zones

- The Brampton rate zone (formerly Hydro One Brampton Networks Inc.) comprises the City of Brampton.
- The Enersource rate zone (formerly Enersource Hydro Mississauga Inc.) comprises the City of Mississauga.
- The PowerStream rate zone (formerly PowerStream Inc.) comprises the Cities of Barrie, Markham, and Vaughan as well as the Towns of Aurora, Richmond Hill, Alliston, Beeton, Bradford West Gwillimbury, Penetanguishene, Thornton, and Tottenham.
- The Guelph rate zone (formerly Guelph Hydro Electric Systems Inc.) comprises the City of Guelph and the Village of Rockwood.
- The Horizon Utilities rate zone (formerly Horizon Utilities Corporation) comprises the Cities of Hamilton and St. Catharines.
- The Brampton, Enersource, Guelph, Horizon Utilities, and PowerStream rate zones operate under a Price Cap IR whereby rates are subject to a formula price cap that allows for an annual increase in distribution rates based on inflation, less productivity, and a utility-specific stretch factor that can be reset annually.
- Under the Price Cap IR, AUC could file an Incremental Capital Module (ICM) for each rate zone to request funding for incremental capital investment needs during the IR term.
- In December 2024, the OEB approved AUC's 2025 electricity distribution rate application for a Price Cap adjustment of 3.3% (based on an inflation factor of 3.6%, a productivity factor of 0.0%, and a stretch factor of 0.3%) for each of the Brampton, Enersource, Guelph, Horizon Utilities, and PowerStream rate zones, for distribution rates effective Jan. 1, 2025.

Assessment of Regulatory Framework

Criteria	Score	Analysis
1. Deemed Equity	Excellent Good **Satisfactory** Below Average Poor	AUC has deemed an equity component of capital structure of 40% in 2023, which is consistent with the other electricity distribution companies in Ontario.
2. Allowed ROE	Excellent Good **Satisfactory** Below Average Poor	AUC's deemed ROE for 2023 ranges from 8.78% to 9.30% (Enersource rate zone 8.93%, Horizon Utilities rate zone 8.98%, Brampton rate zone 9.30%, PowerStream rate zone 8.78%, and Guelph rate zone 9.19%).
3. Energy Cost Recovery	**Excellent** Good Satisfactory Below Average Poor	There is no power price risk for AUC, as it is not responsible for purchasing power from generation facilities or the wholesale market. Power costs are passed on to ratepayers at rates set by the OEB, and AUC collects the payments from its customers on a monthly basis.
4. Capital and Operating Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	Major capital and operating costs are preapproved by the OEB and recovered through distribution rates. Future test years are used, reducing regulatory lag. As well, residential customers are charged a fully fixed monthly fee for distribution services, significantly reducing volume risk.
5. Cost of Service versus IR Mechanism	Excellent Good **Satisfactory** Below Average Poor	The Brampton, Enersource, Guelph, Horizon Utilities, and PowerStream rate zones operate under Price Cap IR, which typically has four years in between rebasing years. In between rebasing years, AUC can file ICM for significant and prudent capital needs. AUC can initiate a regulatory review if actual ROE falls 300 bps below the approved ROE. Morningstar DBRS notes that AUC's efficiency targets (0.30%) have been reasonable.
6. Political Interference	Excellent Good Satisfactory **Below Average** Poor	The government of Ontario plays a significant role in the electricity sector in Ontario, given that the majority of the utilities are government-owned (AUC is 97% owned by municipalities). Furthermore, stakeholders, such as the IESO, are also government owned. As a result, the government has direct and indirect influence on Ontario's electricity industry.
7. Stranded Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	LDCs in Ontario have a limited history of stranded costs. Most prudently incurred or budgeted capex are approved by the OEB.
8. Rate Freeze	Excellent Good **Satisfactory** Below Average Poor	From 2002 to 2005, as a result of rising rates during Ontario's utility deregulation phase, a provincewide distribution rate freeze was imposed. There have been no subsequent provincewide rate freezes.

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Attachment 1-11

Fitch Credit Rating Report

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Alectra Inc.

Ratings

Long-Term IDR	A–
Senior Unsecured Debt - Long-Term Rating	A
Outlook	
Long-Term Foreign-Currency IDR	Negative

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 20

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)

Government-Related Entities Rating Criteria (July 2024)

Corporate Rating Criteria (June 2025)

Related Research

Global Corporates Sector Forecasts Monitor – July 2025 (July 2025)

North American Utilities, Power & Gas Dashboard: 2Q25 (July 2025)

North American Utilities, Power & Gas Rating Action Summary Report: 2Q25 (July 2025)

North American Utilities Outlook 2025 (December 2025)

Analysts

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Alectra Inc.'s (Alectra) Negative Outlook reflects Fitch Ratings expectations of funds from operations (FFO) leverage remaining under pressure, including after the expected rate rebasing in 2027, due to significantly elevated capital expenditures (capex) plans. Fitch projects leverage to be 6.0x-7.0x through the forecast period, which is well above Fitch's negative sensitivity thresholds. Absent any mitigating measures, such as balanced capital allocation or funding mix, a negative rating action is likely to occur.

Alectra's ratings continue to be supported by its large-scale regulated electric distribution operations under a highly constructive regulator in high-growth areas of Ontario. Fitch rates Alectra based on its Standalone Credit Profile, with no direct uplift related to municipal ownership.

Key Rating Drivers

Elevated Capex to Pressure Deleveraging: Fitch estimates Alectra's capex at $1.7 billion through 2028, a 30% increase over its previous plans. Capex needs are driven by aging assets, and expected long-term load growth in the province, consistent with forecasts from the Independent Electricity System Operator (IESO). Alectra's 'A-' Issuer Default Rating (IDR) was premised on a constructive outcome in the 2027 rate rebasing resulting in improved credit metrics in 2028. It faces significant tax liability for external equity market access as a municipally owned company. Fitch estimates debt funding of the expected negative funds from operations (FCF) would pressure FFO leverage to remain 6.0x-7.0x through the forecast period, which is above previous expectations and rating thresholds.

Fitch believes high capex and disposition of regulatory liabilities would offset the rate increase expected as a part of the rebasing in 2027. Post-rebasing, a step increase in annual capex would likely keep leverage elevated. Absent more balanced capital allocation or funding options that lower Alectra's leverage, a negative rating action is likely.

Upcoming Rate Rebasing: Fitch expects Alectra's rebased rates to go into effect in early 2027. It plans to file under the custom incentive performance-based rate-setting option. Fitch assumes the continuation of credit-supportive features like forward-looking test years, multi-year rate plans, revenue decoupling, and annual tariff adjustments tracking inflation and productivity savings, but incrementally higher capital spending as well. This would allow for higher visibility in cost recovery and minimizes regulatory lag.

While Fitch expects a constructive outcome similar to other recent Ontario Energy Board (OEB) outcomes, absent other mitigants, rebasing is unlikely to bring leverage within thresholds.

Service Territory Growth: Alectra serves parts of the Greater Golden Horseshoe Area of Ontario, which has historically experienced high population and economic growth. Fitch assumes customer growth of around 0.5% annually. However, Fitch estimates energy consumption growth could be more rapid in the medium term, fueled by continued population growth and increasing electrification and data center demand.

Regulated Business Remains Predominant: Fitch expects Alectra's predominantly low-risk, regulated business mix to continue, with regulated business estimated to form 88%-90% of EBITDA and over 95% of capex through 2028. Fitch expects the company's non-regulated businesses will maintain low capital intensity with minimal debt requirements and support consolidated cash flows.

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Constructive Regulatory Environment: Alectra's regulatory environment under the OEB remains constructive in Fitch's view. It will continue to operate under price cap performance-based rates through 2026, benefiting from forward-looking test years in base rate cases, multi-year formulaic rate plans, revenue decoupling, annual tariff adjustments tracking inflation and productivity savings, and various additional annual riders. Alectra's currently allowed return on equity (ROE) of 8.95% and equity capitalization of 40% are lower than U.S. averages. However, Fitch believes these are sufficiently offset by the OEB's track record of predictable regulatory support.

Ontario Favorably Positioned for Decarbonization: Ontario derived only 17% of its electricity from fossil fuels in 2024, significantly lower than the U.S. and most Canadian provinces. The province has demonstrated support for nuclear generation, which is a zero-carbon electricity source, with plant refurbishments and investments in small modular reactors. Fitch views the cost pressures from energy transition to be more manageable for Ontario.

Shareholder Relationship: Alectra, owned by seven Ontario municipalities, is classified as a Government-Related Entity by Fitch. The shareholders elect Alectra's board of directors but do not engage in decision-making or oversight, given the absence of individual explicit control or special voting rights. Since its initial investment in 2017, the owners have not provided financial support or debt guarantees. Alectra's limited budget contribution minimizes contagion risk in a default scenario, with Fitch expecting minimal impact on public services and policy role. Fitch rates Alectra on a standalone basis, with no notching uplift for ownership, reflecting virtually no city support expectation.

Financing Structure: There are no limitations on debt issuance at the subsidiaries in the lender agreements or regulatory orders. However, Alectra's instrument rating benefits from the standard one-notch uplift applicable to the utilities sector, given management's express policy of raising debt solely at the parent. The uplift also assumes that Alectra's business mix will remain predominantly regulated. Material changes to the financing policy or business mix would likely result in removal of the uplift.

Financial Summary

(CAD Mil.)	2021	2022	2023	2024
Gross revenue	3,847	3,968	3,868	4,264
EBITDA	393	409	421	469
FFO	324	301	335	364
Debt	2,341	2,536	2,621	2,885
FFO leverage (x)	5.9	6.6	6.1	6.1
FFO interest coverage (x)	5.3	4.5	4.3	4.0
EBITDA leverage (x)	6.0	6.2	6.2	6.2
Capex	-320	-286	-388	-398

Source: Fitch Ratings, Fitch Solutions

Peer Analysis

Alectra's Long-Term IDR is well positioned relative to Canadian peer parent holding companies Enmax Corporation (Enmax; BBB/Stable) and ATCO Limited (ATCO; BBB+/Stable). While Alectra primarily operates an electric distribution utility only in Ontario, Enmax operates transmission and distribution (T&D) utilities in Alberta and Maine, and ATCO operates T&D utilities in Alberta through its purely regulated subsidiary CU, Inc. (A-/Stable).

Fitch views the regulatory environment in Maine as restrictive compared to Ontario, while the regulatory construct in Ontario is comparable to Alberta. Both employ a performance-based rate setting approach for distributors, but Enmax has slightly higher allowed ROE and equity thickness.

With an ongoing rebasing deferral and significant capex plans, Alectra's leverage is expected to remain elevated, ranging 6.0x-7.0x through the forecast period. Enmax's leverage is forecast to remain lower, averaging 4.9x through 2027 while ATCO's leverage is also expected to be better in the 5.1x to 5.5x range over the same period.

However, Alectra's proportion of consolidated EBITDA from regulated utility operations is forecast to remain in the 88%-90% range, higher than Enmax's 65%-73% and comparable to ATCO's 80%-85%. This offers more predictability in cash flows for Alectra compared to Enmax, which has a sizable exposure to competitive non-regulated businesses.

ATCO's non-regulated businesses include cyclical segments like infrastructure, transport and logistics. In addition, it owns commodity exposed segments like generation and retail in higher risk geographies such as Latin America. Compared to these peers, Alectra's non-regulated businesses are mainly Ontario-based energy services, with low capital intensity and higher margins.

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Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Regulatory Environment	Market Position	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Alectra Inc.	A-/Negative	aa	a-	a	a-	a-	a-	bbb+	bbb	a-
ENMAX Corporation	BBB/Stable	aa	a-	a-	bbb+	bbb	bbb	bbb	bbb	bbb
ATCO Ltd.	BBB+/Stable	aa	a-	a	bbb+	bbb+	bbb+	bbb+	bbb	a-
Canadian Utilities Limited	A-/Stable	aa	a-	a	a-	a-	a	a-	bbb	a-
CU Inc.	A-/Stable	aa	a-	a	a-	a-	a	a-	bbb	a-

Source: Fitch Ratings

Relative Importance of Factor: Higher | Moderate | Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Regulatory Environment	Market Position	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Alectra Inc.	A-/Negative	+4	0	+1	0	0	0	-1	-2	0
ENMAX Corporation	BBB/Stable	+6	+2	+2	+1	0	0	0	0	0
ATCO Ltd.	BBB+/Stable	+5	+1	+2	0	0	0	0	-1	+1
Canadian Utilities Limited	A-/Stable	+4	0	+1	0	0	+1	0	-2	0
CU Inc.	A-/Stable	+4	0	+1	0	0	+1	0	-2	0

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR | Within one notch of IDR | Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- FFO leverage expected to exceed 5.5x on a sustained basis following the rebasing in 2027;
- Debt financed acquisition or amalgamations with no clear path to deleveraging over the forecast period;
- Expansion into unregulated businesses leading to less than 85% EBITDA contribution on a sustained basis from regulated operations;
- Adverse regulatory outcomes especially for the next rebasing application;
- As it pertains to the debt ratings, any changes in Alectra's financial policy of raising debt solely at the parent level or introduction of any structural subordination to the debt structure or expansion into unregulated businesses leading to less than 85% EBITDA contribution on a sustained basis from regulated operations.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- FFO leverage below 4.5x and beyond with regulated utility EBITDA continuing to form over 85% of the total on a sustained basis;
- Further improvement in regulatory outcomes in Ontario providing for timely cost recoveries and earning of allowed ROE;
- **Outlook Stabilization**: Any mitigating capital allocation/funding measures that would return FFO leverage to 5.5x or below post rebasing in 2027

Liquidity and Debt Structure

Fitch considers Alectra's liquidity adequate. It is primarily supported by the company's $900 million commercial paper (CP) program backstopped by a $900 million committed unsecured RCF (increased from $700 million in 2024), maturing in 2029. In addition, Alectra has a $200 million credit facility to support its letters of credit (LOCs).

At March 31, 2025, the company had $390 million of CP issued. Including a March 31, 2025 cash balance of around $30 million and excluding availability under the company's uncommitted facilities, total Alectra liquidity was approximately $540 million.

Alectra's debt maturities are manageable, with the near-term maturities being private debentures of $675 million in 2027. Fitch expects Alectra to have continued access to capital markets to refinance the private debt as it comes due.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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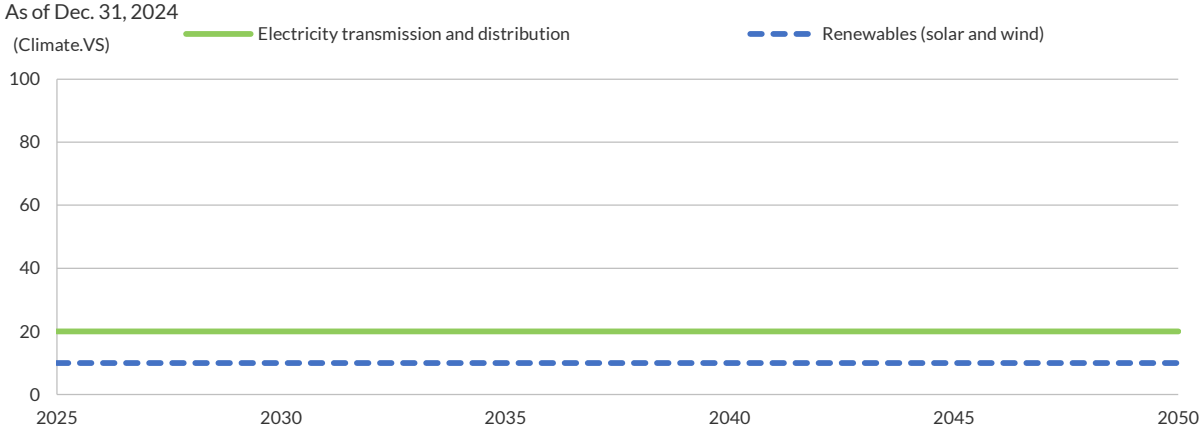
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

Fitch's asset-weighted 2024-based Climate. VS for Alectra is 20 out of 100, suggesting low exposure to climate-related risks in that year. This score reflects the company's operations as an electric distributor with no direct exposure to fossil fuels. As a result, we believe climate vulnerability risks do not significantly influence ALECTRA's ratings.

Climate.VS Evolution

As of Dec. 31, 2024



Source: Fitch Ratings

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Liquidity and Debt Maturities

Cash and Maturities Report

(CAD Mil.)	December 31, 2023	December 31, 2024
Total cash and cash equivalents	21	40
Short-term investments	—	—
Less not readily available cash and cash equivalents	—	—
Fitch-defined readily available cash and cash equivalents	**21**	**40**
Availability under committed lines of credit	325	445
Total liquidity	346	485
LTM EBITDA after associates and minorities	421	469
LTM FCF	-111	-206

Source: Fitch Ratings, Fitch Solutions, Alectra Inc.

Scheduled Debt Maturities

(CAD Mil.)	December 31, 2024
2025	455
2026	—
2027	675
2028	—
2029	—
Thereafter	1,755
Total	**2,885**

Source: Fitch Ratings, Fitch Solutions, Alectra Inc.

Key Assumptions

- The multi-year performance-based incentive-rate setting framework for distribution rates continues after rebasing;
- Rebasing outcomes in 2027 remain constructive and align with recent results for other utilities in the province;
- ROE and debt capitalization post rebasing in line with other provincial peers and as annually published by the OEB;
- Annual adjustment mechanisms operate in accordance with the existing Price incentive regulation (IR) model;
- Regulated EBITDA constitutes 88% to 90% of the total through 2028;
- Shareholder dividends consistent with the current policy of targeting 60% of the net income (MIFRS) excluding the Ring Fenced Solar Partnership income and targeting 80% of the solar net FCF while maintaining the regulated capital structure of 40% equity capitalization;
- Consolidated capex totals $1.7 billion through 2028, with over 95% for utility operations;
- No external equity funding is assumed;
- Customer growth remains at around 0.5% annually, with energy consumption growth increasing from 0.7% to 2% between 2025 and 2028.

Summary of Financial Adjustments

Fitch has adjusted Alectra's historical financial statements for fiscal years 2020 to 2024 to reflect the effects of rate regulation in Canada, specifically regulatory assets and liabilities and their changes during this period.

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Financial Data

(CAD Mil.)	2021	2022	2023	2024
Summary income statement				
Gross revenue	3,847	3,968	3,868	4,264
Revenue growth (%)	-7.5	3.2	-2.5	10.2
EBITDA before income from associates	393	409	421	469
EBITDA margin (%)	10.2	10.3	10.9	11.0
EBITDA after associates and minorities	393	409	421	469
EBIT	229	238	244	287
EBIT margin (%)	6.0	6.0	6.3	6.7
Gross interest expense	-75	-83	-86	-104
Pretax income including associate income/loss	168	139	154	169
Summary balance sheet				
Readily available cash and equivalents	32	48	21	40
Debt	2,341	2,536	2,621	2,885
Net debt	2,309	2,488	2,600	2,844
Summary cash flow statement				
EBITDA	393	409	421	469
Cash interest paid	-74	-85	-99	-117
Cash tax	-8	-34	-14	-13
Dividends received less dividends paid to minorities (inflow/outflow)	—	—	—	—
Other items before FFO	14	9	22	18
FFO	324	301	335	364
FFO margin (%)	8.4	7.6	8.7	8.6
Change in working capital	77	-98	20	-90
CFO (Fitch-defined)	401	203	355	274
Total non-operating/nonrecurring cash flow	—	—	—	—
Capex	-320	-286	-388	-398
Capital intensity (capex/revenue) (%)	8.3	7.2	10.0	9.3
Common dividends	-77	-96	-78	-82
FCF	4	-179	-111	-206
FCF margin (%)	0.1	-4.5	-2.9	-4.8
Net acquisitions and divestitures	-42	2	4	-26
Other investing and financing cash flow items	107	2	-1	13
Net debt proceeds	-36	188	85	262
Net equity proceeds	-2	-2	-2	-2
Total change in cash	-1	9	-29	19
Calculations for forecast publication				
Capex, dividends, acquisitions and other items before FCF	-439	-380	-462	-506
FCF after acquisitions and divestitures	-38	-177	-107	-232
FCF margin after net acquisitions (%)	-1.0	-4.5	-2.8	-5.4
Gross Leverage ratios (x)				
EBITDA leverage	6.0	6.2	6.2	6.2
FFO leverage	5.9	6.6	6.1	6.1
(CFO-capex)/debt (%)	3.4	-3.3	-1.2	-4.3
Net Leverage ratios (x)				
EBITDA net leverage	5.9	6.1	6.2	6.1
FFO net leverage	5.8	6.5	6.1	6.0
(CFO-capex)/net debt (%)	3.5	-3.3	-1.3	-4.3

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(CAD Mil.)	2021	2022	2023	2024
Coverage ratios (x)				
EBITDA interest coverage	5.3	4.8	4.3	4.0
FFO interest coverage	5.3	4.5	4.3	4.0
FFO fixed-charge coverage	5.3	4.5	4.3	4.0

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

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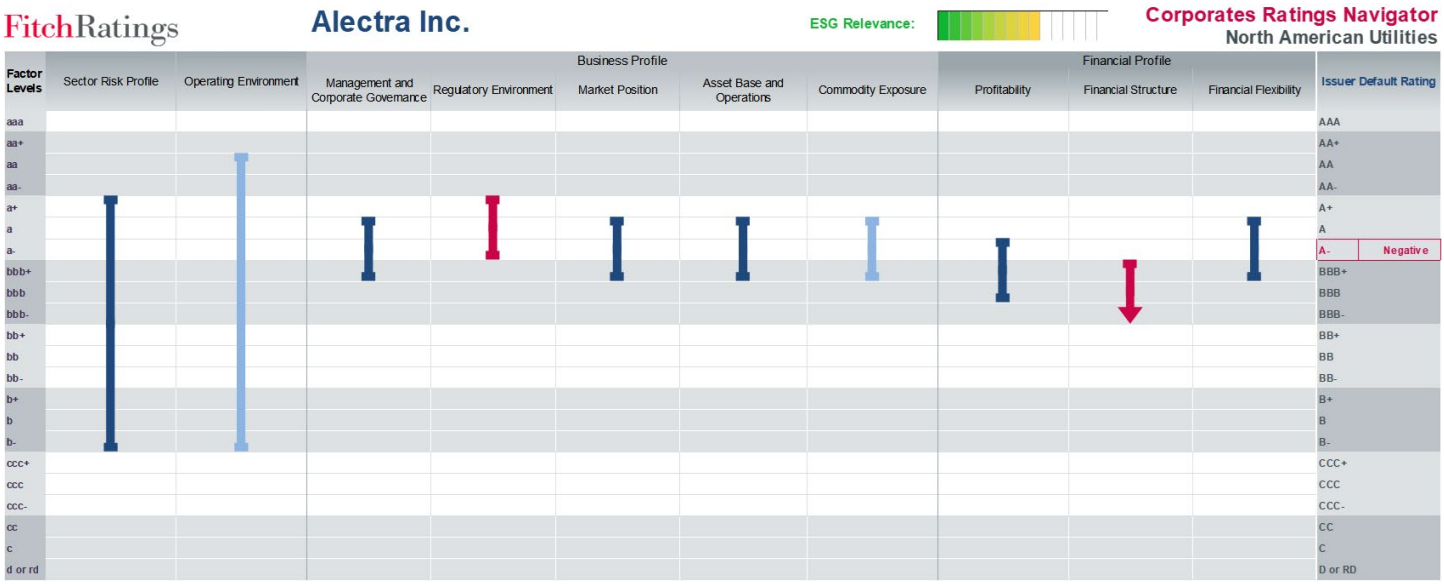
Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	▭ Stable

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FitchRatings

Alectra Inc.

Corporates Ratings Navigator
North American Utilities

Operating Environment

Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.	aa+
Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.	aa
Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.	
			b-
			ccc+

Management and Corporate Governance

Management Strategy	a	Coherent strategy and good track record in implementation.	a+
Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.	a
Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.	a-
Financial Transparency	a	High quality and timely financial reporting.	bbb+
			bbb

Regulatory Environment

Degree of Transparency and Predictability	a	Track record of transparent and predictable regulation.	aa-
Timeliness of Cost Recovery	bbb	Moderate lag to recover capital and operating costs.	a+
Trend in Authorized ROEs	bbb	Average authorized ROE.	a
Mechanisms Available to Stabilize Cash Flows	a	Revenues fully insulated from variability in consumption.	a-
Mechanisms Supportive of Creditworthiness	a	Effective regulatory ring-fencing.	bbb+

Market Position

Market Structure	a	Well-established market structure with complete transparency in price-setting mechanisms.	a+
Consumption Growth Trend	a	Economically vibrant market or service territory with strong sales growth.	a
Customer Mix	a	Favorable customer mix.	a-
Geographic Location	bbb	Beneficial location or reasonable locational diversity.	bbb+
Supply Demand Dynamics	bbb	Moderately favorable outlook for prices/rates.	bbb

Asset Base and Operations

Diversity of Assets	bbb	Good quality and/or reasonable scale diversified assets.	a+
Operations Reliability and Cost Competitiveness	a	Track record of reliable, low-cost operations.	a
Exposure to Environmental Regulations	a	No exposure to environmental regulations.	a-
Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.	bbb+
Exposure to Weather Risk			bbb

Commodity Exposure

Ability to Pass Through Changes in Fuel	a	Complete pass-through of commodity costs.	a+
Underlying Supply Mix		n.a.	a
Hedging Strategy		n.a.	a-
			bbb+
			bbb

Profitability

Free Cash Flow	bbb	Structurally neutral to negative FCF across the investment cycle.	a
Volatility of Profitability	bbb	Stability and predictability of profits in line with utility peers.	a-
			bbb+
			bbb
			bbb-

Financial Structure

EBITDA Leverage	bb	4.75x	a-
FFO Leverage	bbb	5.0x	bbb+
			bbb
			bbb-
			bb+

Financial Flexibility

Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.	a+
Liquidity	bbb	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.	a
FFO Interest Coverage	bbb	4.5x	a-
			bbb+
			bbb

Credit-Relevant ESG Derivation

Overall ESG

Alectra Inc. has 12 ESG potential rating drivers

Emissions from operations	key driver	0	issues	5
Fuel use to generate energy and serve load	driver	0	issues	4
Impact of waste from operations	potential driver	12	issues	3
Plants' and networks' exposure to extreme weather				
Product affordability and access	not a rating driver	2	issues	2
Quality and safety of products and services; data security		0	issues	1

Showing top 6 issues

For further details on Credit-Relevant ESG scoring, see page 3.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

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FitchRatings

Alectra Inc.

Corporates Ratings Navigator
North American Utilities

Credit-Relevant ESG Derivation

Alectra Inc. has 12 ESG potential rating drivers

- Alectra Inc. has exposure to emissions regulatory risk but this has very low impact on the rating.
- Alectra Inc. has exposure to energy productivity risk but this has very low impact on the rating.
- Alectra Inc. has exposure to waste & impact management risk but this has very low impact on the rating.
- Alectra Inc. has exposure to extreme weather events but this has very low impact on the rating.
- Alectra Inc. has exposure to access/affordability risk but this has very low impact on the rating.
- Alectra Inc. has exposure to customer accountability risk but this has very low impact on the rating.

Showing top 6 issues

key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	2	issues	2
	0	issues	1

ESG Relevance to Credit Rating

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Asset Base and Operations; Commodity Exposure; Regulatory Environment; Profitability
Energy Management	3	Fuel use to generate energy and serve load	Asset Base and Operations; Commodity Exposure; Profitability
Water & Wastewater Management	2	Water used by hydro plants or by other generation plants, also effluent management	Asset Base and Operations; Regulatory Environment; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Regulatory Environment; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Regulatory Environment; Profitability

E Relevance

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Asset Base and Operations; Regulatory Environment; Profitability; Financial Structure
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Regulatory Environment; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Asset Base and Operations; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Asset Base and Operations
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Profitability

S Relevance

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

G Relevance

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

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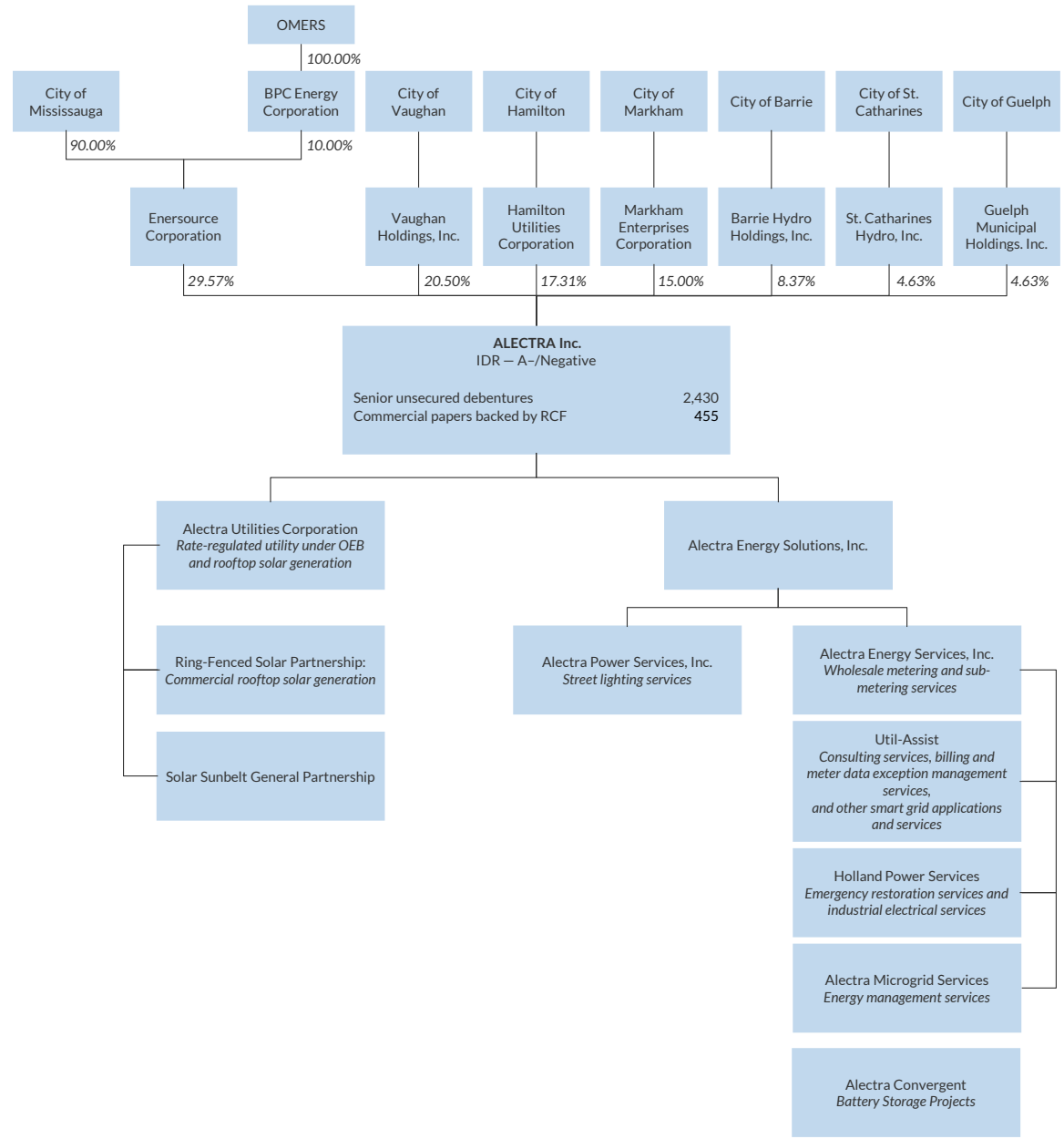
Simplified Group Structure Diagram

Organizational Structure — ALECTRA Inc.
(CAD Mil., as of December 31, 2024)



IDR – Issuer Default Rating. RCF – Revolving credit facility. OEB – Ontario Energy Board. OMERS – Ontario Municipal Employees' Retirement System.
Source: Fitch Ratings, Fitch Solutions, ALECTRA Inc.

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Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue	FFO	FFO leverage (x)	FFO interest coverage (x)	EBITDA leverage (x)
Alectra Inc.	A–						
	A–	2024	4,264	364	6.1	4.0	6.2
	A–	2023	3,868	335	6.1	4.3	6.2
		2022	3,968	302	6.6	4.5	6.2
ENMAX Corporation	BBB						
	BBB	2024	3,513	806	4.2	5.3	4.6
	BBB	2023	3,794	697	4.5	5.2	4.7
	BBB	2022	3,641	621	4.6	5.4	5.4
ATCO Ltd.	BBB+						
	BBB+	2024	4,942	1,467	6.0	3.6	5.9
	BBB+	2023	4,741	1,382	6.1	3.7	5.2
	BBB+	2022	4,978	1,570	5.1	4.6	5.5
Canadian Utilities Limited	A–						
	A–	2024	3,742	1,413	6.1	3.3	6.4
	A–	2023	3,796	1,339	6.3	3.4	5.4
	A–	2022	4,048	1,652	5.0	4.4	5.4
CU Inc.	A–						
	A–	2024	3,043	1,222	5.7	4.0	6.0
	A–	2023	2,931	1,201	5.7	4.2	5.9
	A–	2022	3,151	1,452	4.7	4.9	5.0

Source: Fitch Ratings, Fitch Solutions

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Fitch Adjusted Financials

(CAD Mil., as of December 31, 2024)	Notes and formulas	Standardized values	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		4,264	—	—	—	4,264
EBITDA	(a)	473	—	-3	0	469
Depreciation and amortization		-185	—	3	-0	-182
EBIT		287	—	—	—	287
Balance sheet summary						
Debt	(b)	2,874	11	—	—	2,885
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		2,874	11	—	—	2,885
Readily available cash and equivalents	(c)	40	—	—	—	40
Not readily available cash and equivalents		—	—	—	—	—
Cash flow summary						
EBITDA	(a)	473	—	-3	0	469
Dividends received from associates less dividends paid to minorities	(d)	—	—	—	—	—
Interest paid	(e)	-117	—	—	—	-117
Interest received	(f)	8	—	—	—	8
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		-13	—	—	—	-13
Other items before FFO		-73	—	—	90	18
FFO	(h)	278	—	-3	90	364
Change in working capital		—	—	—	-90	-90
CFO	(i)	278	—	-3	0	274
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-398	—	—	—	-398
Common dividends paid		-82	—	—	—	-82
FCF		-202	—	-3	-0	-206
Gross leverage (x)						
FFO leverage	b/(h-e-f-g)	7.5	—	—	—	6.1
(CFO-capex)/debt (%)	(i+j)/b	-4.2	—	—	—	-4.3
Net leverage (x)						
FFO net leverage	(b-c)/(h-e-f-g)	7.4	—	—	—	6.0
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-4.2	—	—	—	-4.3
Coverage (x)						
FFO interest coverage	(h-e-f-g)/(-e-g)	3.3	—	—	—	4.0

CFO – Cash flow from operations
Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardized values column excludes lease liabilities of CAD22,506 million.
Source: Fitch Ratings, Fitch Solutions, Alectra Inc.

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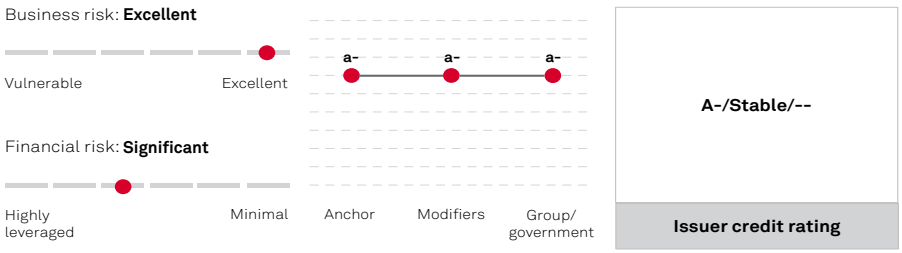
Attachment 1-12

S&P Credit Rating Report

Alectra Inc.

June 13, 2025

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths	Key risks
Majority of cash flows from low-risk, regulated electricity distribution operations.	Limited geographic and regulatory diversity.
Credit-supportive regulatory environment.	Negative discretionary cash flow indicates external funding needs.
Mostly residential customers with minimal concentration risk.	Ongoing acquisitions of nonregulated utility operations could impact business risk assessment.

Our assessment of Ontario's regulatory environment as a most credit supportive regulatory jurisdiction supports Alectra Inc.'s excellent business risk assessment. Our assessment reflects the company's lower-risk, regulated electric local distribution company business that accounts for close to 90% of consolidated EBITDA. We view Ontario's regulatory construct as generally constructive, with a fixed-base return on equity (ROE) and revenue decoupling for residential customers. Developments on the regulatory environment have continued to support this assessment, as evidenced during 2023, when the Ontario Energy Board (OEB) proactively addressed regulatory lag relating to the timely recovery of rising transmission costs. Most recently, OEB issued its decision regarding the cost of capital generic hearing, which had not

been reviewed since 2009. The OEB updated the ROE at 9%, reducing the floatation costs by 25 bps and while the deemed capital structure was also left unchanged, we assume Alectra will be able to continue to earn a fair return. The OEB also recently approved Alectra's 3.3% increase in rate request.

Our assessment of Alectra's business risk profile also reflects its large customer base (about 1.1 million customers), consisting of mostly residential customers that provide a degree of cash flow stability.

We assume Alectra's nonutility business will not exceed more than 15% of EBITDA. We estimate its nonutility businesses will contribute 10%-12% of its EBITDA through 2027. Furthermore, the company's deferred re-basing period will end in 2026, and it is proposing to file a new five-year rate case this year for 2027-2031, which could increase EBITDA from its regulated utility business by a disproportionate amount relative to that of its unregulated businesses. That said, we will continue to monitor Alectra's acquisition strategy. Further acquisitions of nonutility businesses may lead us to take a negative rating action to reflect the company's growing higher-risk nonutility businesses becausethese rely on storm activity and restoration work, which increases the volatility of Alectra's financial performance.

We project Alectra's S&P Global Ratings-adjusted funds from operations (FFO) to debt will range in the 13%-14% area through 2026. We assess Alectra's financial risk profile as significant using our medial volatility financial benchmark table. Our assumption includes annual rate increases, our expectation for minimal regulatory lag, and annual capital expenditures of C$500 million-C$550 million. Alectra currently operates under a rate case freeze through 2026, so we believe credit measures should improve in outer years as it files a new five-year rate case.

Outlook

The stable outlook on Alectra reflects our expectation that its financial measures will remain consistent such that FFO to debt will be greater than 13% over the next two years. The stable outlook also reflects our expectation that the company's regulated utility business will consistently contribute about 90% of its consolidated EBITDA.

Downside scenario

We could lower our ratings on Alectra in the next 24 months if its financial performance weakens such that its FFO to debt falls consistently below 13% or we believe its business risk has increased. This could occur if the company disproportionally expands its nonutility businesses such that its contributions approach about 15% of its consolidated EBITDA.

Upside scenario

We could raise our rating on Alectra within the next 24 months if its financial measures improve, including FFO to debt of consistently above 18%, without any further increase in its business risk. We could also raise our rating if the contributions from its nonutility businesses contribution to its consolidated EBITDA decreases such that it approaches 5% of its consolidated EBITDA.

Our Base-Case Scenario

Alectra Inc.--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026
Adjusted ratios	2021a	2022a	2023a	2024a	2025e	2026f
Debt/EBITDA (x)	6.3	7.3	5.3	5.2	5.0-6.0	5.0-6.0
FFO/debt (%)	12.3	8.8	14.3	14.8	13.0-14.0	13.0-14.0
FFO cash interest coverage (x)	4.8	3.5	4.4	4.6	4.0-5.0	4.0-5.0

All figures adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. FFO--Funds from operations to debt.

Company Description

Alectra is an investment holding company that owns Alectra Utilities Corp. (about 90% of EBITDA) and Alectra Energy Solutions Inc. (about 10% of EBITDA).

Liquidity

As of March 31, 2025, we assess Alectra's liquidity as adequate, which reflects our expectation that sources will cover uses by 1.4x over the coming 12 months. Additionally, we anticipate its net sources will remain positive even if consolidated EBITDA declines 10%. We believe the predictable regulatory framework for Alectra provides cash flow stability even in times of economic stress. This supports our use of slightly lower thresholds than for a typical corporate issuer to assess the company's liquidity. In addition, Alectra has the ability to absorb high-impact, low-probability events, given that it maintains about C$900 million in committed credit facilities that mature in 2029. We also believe the company can significantly lower its capital spending during stress, which would reduce the need for refinancing under such conditions. Furthermore, our assessment reflects the company's generally prudent risk management, sound relationships with its banks, and satisfactory standing in the credit markets.

Overall, we believe the company could withstand adverse market circumstances over the next 12 months with sufficient liquidity to meet its obligations. The company has its next big long-term debt maturity in 2027, totaling about C$675 million, and we expect it to proactively address these maturities well in advance of their maturity.

Principal liquidity sources

- Cash and liquid investments of about C$30 million as of March 31, 2025;
- Available credit facilities of about C$900 million; and
- Estimated cash FFO of about C$550 million.

Principal liquidity uses

- Debt maturities including outstanding commercial papers of about C$390 million;
- Capital expenditures of about C$550 million; and
- Dividend payments of about C$80 million.

Issue Ratings--Subordination Risk Analysis

Capital structure

Alectra's capital structure comprised about C$2.8 billion of unsecured debt as of March 31, 2025.

Analytical conclusions

We rate Alectra's senior unsecured debt at the same level as our issuer credit rating because its priority debt does not exceed 50% of its consolidated debt.

Rating Component Scores	
Foreign currency issuer credit rating	**A-/Stable/--**
Local currency issuer credit rating	**A-/Stable/--**
Business risk	**Excellent**
Country risk	Very Low
Industry risk	Very Low
Competitive position	Strong
Financial risk	**Significant**
Cash flow/leverage	Significant
Anchor	**a-**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**a-**

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of June 13, 2025)*

Alectra Inc.	
Issuer Credit Rating	A-/Stable/--
Senior Unsecured	A-
Issuer Credit Ratings History	
20-Mar-2024	A-/Stable/--
11-May-2023	A-/Negative/--
27-May-2022	A-/Stable/--
09-Jun-2021	A/Negative/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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EXISTING ACCOUNTING ORDERS

This schedule provides a listing of existing accounting orders for Alectra Utilities. A description of each of the accounts if provided in Exhibit 9. The account balances recorded in Alectra Utilities' deferral and variance accounts are in accordance with the Accounting Procedures Handbook (APH), relevant accounting orders or other applicable guidelines issued by the OEB.

As provided in Exhibit 1, Tab 6, Schedule 3, four of Alectra Utilities' legacy utilities were harmonized under a common Enterprise Resource Planning software (ERP) in 2019, at which time General Ledger (GL) accounts were generally mapped to USoAs according to each legacy utility's practices. That process revealed that there were certain inconsistencies which have since been addressed through a broad review of USoA mappings in 2024. Alectra Utilities confirms compliance with the Uniform Standard of Accounts (USoA).

Alectra Utilities has the following accounting orders, specific to the utility, which are discussed in further details in Exhibit 9:

- 1508 - Earnings Sharing Mechanism
- 1508 - Other Post-Employment Benefit Deferral Account
- 1508 - Advanced Pricing Project
- 1508 - CGAAP IFRS Differential
- 1508 - Hydro-One Charges
- 1508 - Capitalization Policy
- 1508 - Useful Life Changes
- 1508 - Direct Labour Capitalization Changes
- 1508 - Long-term Load Mitigation
- 1508 - Collection of Account Charge-Related Lost Revenue

DISTRIBUTOR CONSOLIDATION

This schedule presents Alectra Utilities' efforts and accomplishments in consolidating the electricity distribution businesses, assets, and employees of the company's five predecessor utilities to provide greater value to its customers. This evidence is organized as follows:

- Section 1 provides a summary of Alectra Utilities' consolidation.
- Section 2 sets out Alectra Utilities' consolidation history and context.
- Section 3 presents an overview of the consolidation net synergies.
- Section 4 details major integration activities undertaken during the deferred rebasing period;
- Section 5 details the treatment of Alectra Utilities' capitalized transition costs;
- Section 6 provides information on potential opportunities for consolidation; and
- Schedule 7 summarizes Alectra Utilities' request to rebase the Guelph Rate Zone early as part of this Application.

1. CONSOLIDATION SUMMARY

Alectra Utilities is Canada's largest municipally owned electricity distributor, serving approximately 1.1 million customers in 17 communities including Alliston, Aurora, Barrie, Beeton, Bradford West Gwillimbury, Brampton, Guelph, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, Rockwood, St. Catharines, Thornton, Tottenham, and Vaughan. The company was formed on January 31, 2017 through an amalgamation of Enersource Hydro Mississauga Inc. (Enersource), Horizon Utilities Corporation (Horizon Utilities), and PowerStream Inc. (PowerStream). Shortly thereafter, on February 28, 2017, Alectra Utilities acquired Hydro One Brampton Networks Inc. (Hydro One Brampton), and on January 1, 2019 it merged with Guelph Hydro.

Through these consolidations, Alectra Utilities achieved aggregate gross operations, maintenance, and administration expenditure savings of $326.3MM over the 10 years - covering

10 years from the initial Alectra Utilities consolidation and 8 years for the Guelph merger - with a sustained savings rate of approximately $37.8MM annually thereafter. Additionally, there have been aggregate gross capital expenditure savings of $184.6MM over the 10 years, continuing at a sustained level of $6.5MM annually. The total net cash savings (pre-tax) in the 10 years amount to approximately $340.7MM, with sustained savings of approximately $44.3MM per year thereafter. During the deferred rebasing period, these savings allowed Alectra Utilities to fund the integration costs associated with the consolidation while continuing to provide safe, reliable and effective service to customers within the existing rates, subject to incremental capital module (ICM) approvals which were granted by the OEB to address discrete capital investment needs. In the next rate term, these savings are embedded in the 2027-2031 forecasted budgets and are benefiting residential customers by reducing the average bill impact on the distribution portion of the bill by $0.44. As provided in the Application Summary in Exhibit 1, Tab 3, Schedule 2, the average monthly bill impact on the distribution portion of the bill for a typical residential customer is $2.88.[14] In the absence of the consolidation and the resulting sustained synergies, the average monthly bill impact would be $3.32 or approximately 15% higher.

Table 1-9-1 below summarizes the total achieved and forecasted gross synergies, transition costs and net synergies over the deferred rebasing period. These savings were achieved over the ten-year period following the initial merger (i.e., the 2017-2026 period of the Alectra merger) and over the eight-year period following the second merger (i.e., the 2019-2026 period of the Alectra/Guelph merger).[15]

[14] This represents the average bill impact for a typical residential customer over the 2027-2031 period.
[15] As this application includes the rebasing of all five predecessor utilities, the reported savings for the Alectra/Guelph merger covers the 2019-2026 period and not the 2019-2028 period discussed in the MAADs application (EB-2018-0014)

Table 1-9-1: Total Net Synergies (Alectra/Guelph mergers)

$MM	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Gross Synergies											
Operating	**21.1**	**27.6**	**29.9**	**33.9**	**32.4**	**35.5**	**35.8**	**35.9**	**36.6**	**37.8**	**326.3**
Sustained	*17.8*	*22.4*	*26.7*	*33.8*	*32.4*	*35.4*	*35.8*	*35.9*	*36.6*	*37.8*	*314.7*
One-Time	*3.2*	*5.2*	*3.2*	*0.1*	*0.0*	*0.0*	*0.0*	—	—	—	*11.7*
Capital	**21.8**	**42.2**	**37.8**	**19.7**	**22.8**	**13.1**	**6.7**	**6.9**	**7.0**	**6.5**	**184.6**
Sustained	*1.9*	*6.3*	*2.4*	*7.0*	*6.7*	*6.7*	*6.7*	*6.4*	*6.5*	*6.5*	*57.1*
One-Time	*20.0*	*35.9*	*35.4*	*12.7*	*16.2*	*6.4*	—	*0.5*	*0.5*	*0.0*	*127.5*
Total Synergies	**42.9**	**69.8**	**67.7**	**53.6**	**55.3**	**48.5**	**42.6**	**42.8**	**43.5**	**44.3**	**511.0**
Transition Costs											
Charged to Operating	21.8	3.6	4.6	1.9	0.2	0.0	—	—	0.6	—	32.8
Charged to Capital	25.1	42.1	34.1	11.5	7.4	5.5	2.1	1.6	6.1	1.9	137.5
Total Transition Costs	**46.9**	**45.7**	**38.6**	**13.5**	**7.7**	**5.5**	**2.1**	**1.6**	**6.7**	**1.9**	**170.2**
Net Synergies											
Operating	(0.8)	24.0	25.4	31.9	32.2	35.4	35.8	35.9	35.9	37.8	293.6
Capital	(3.3)	0.1	3.8	8.2	15.4	7.6	4.7	5.3	0.9	4.6	47.2
Total Net Synergies	**(4.1)**	**24.1**	**29.1**	**40.1**	**47.6**	**43.0**	**40.5**	**41.2**	**36.8**	**42.3**	**340.7**

These benefits were realized through hundreds of individual projects and persistent efforts to integrate the operations of the five predecessor utilities to establish a more efficient cost structure while maintaining the quality, reliability and adequacy of electricity service for customers. As shown below, the most significant savings, which will be sustained over the rate period, arose from payroll reductions due to workforce efficiencies, consolidation of contracts and services, and volume discounts. These sustained savings are summarized in Table 1-9-2 below and further detailed in Section 4 of this schedule.

Table 1-9-2: Sustained Operating and Capital Synergies, by Initiative

$MM	Cumulative Gross			Annual Sustained		
Key Initiative	**Alectra**	**Alectra / Guelph**	**Total**	**Alectra**	**Alectra / Guelph**	**Total**
Payroll	206.7	22.5	**229.3**	23.9	3.8	**27.7**
Consolidation of Contracts and Services	84.0	4.2	**88.3**	9.2	0.6	**9.8**
Volume Discounts	30.2	0.0	**30.2**	3.5	0.0	**3.5**
Consolidation of IT Systems and Related Services	14.8	0.7	**15.5**	1.7	0.2	**1.9**
Reduction of third party costs	5.0	0.7	**5.7**	1.3	0.1	**1.4**
Rationalization of Fleet and Facilities	2.8	0.0	**2.8**	0.0	0.0	**0.0**
Total	**343.6**	**28.2**	**371.8**	**39.6**	**4.7**	**44.3**

Payroll: These savings were primarily driven by headcount reductions. This initiative captured payroll redundancies as a result of consolidating the five legacy utilities and the elimination of duplicate or similar roles. This generated $27.7MM in annual sustained savings.

Consolidation of contracts and services: These savings were achieved by leveraging economies of scale to streamline service agreements and to negotiate more favourable terms with vendors. This generated $9.8MM in annual sustained savings.

Volume discounts: These savings were achieved by optimizing Alectra Utilities' procurement processes by focusing on maximizing volume-based pricing. This generated $3.5MM in annual sustained savings.

Consolidation of IT systems and related services: These savings were primarily driven by decommissioning legacy systems and reductions in hardware and software maintenance costs. This generated $1.9MM in annual sustained savings.

Reduction of third-party costs: These savings were primarily due to a reduction in the number of third-party service providers. By consolidating and streamlining processes,Alectra Utilities was able to reduce external labour resources and consulting costs. This generated $1.4MM in annual sustained savings.

The Rationalization of Fleet and Facilities: This initiative was originally estimated to deliver sustained annual synergies of $0.5MM based on anticipated efficiencies achieved by extending the use of vehicles and sharing or reassigning vehicles across business units to avoid planned legacy capital expenditures. Synergies related to the rationalization of fleet and facilities were not maintained after 2023, and are therefore excluded from the annual sustained total.

Throughout the deferred rebasing period, customers benefited from predictable inflationary rates, which afforded protection against the economic impacts of the pandemic and stability during a time of change and volatility in the post-pandemic era. By harmonizing its systems, workforce, and processes, and leveraging economies of scale through consolidation, Alectra Utilities successfully managed within existing rates while navigating a period marked by change, uncertainty, and volatility. Throughout the next rate period starting in 2027, customers will benefit from the sustained annual consolidation synergies that Alectra Utilities achieved during the deferred rebasing period. These sustained savings provide customers with a direct financial benefit of a $40.7MM annual reduction in the revenue requirement that would otherwise not exist if the merger transactions had not occurred.[16] By realizing these consolidation efficiencies, Alectra Utilities customers are benefitting from the merger through lower rates, without compromising service quality, reliability and other performance outcomes that customers expect.

[16] The total sustained capital and operating savings of $44.3MM results in a $40.7MM average annual reduction in the revenue requirement.

2. CONSOLIDATION HISTORY AND CONTEXT

On April 16, 2015, four of Ontario's largest electricity distribution companies (LDCs) announced plans to form a new utility that would serve nearly one million customers. Alectra Utilities was formed on January 31, 2017 through the amalgamation of Enersource Hydro Mississauga Inc. (Enersource), Horizon Utilities Corporation (Horizon Utilities), and PowerStream Inc. (PowerStream). Shortly thereafter, on February 28, 2017, Alectra Utilities acquired Hydro One Brampton Networks Inc. (Hydro One Brampton), and on January 1, 2019 it merged with Guelph Hydro.

Through the MAADs applications adjudicated in EB-2016-0025 and EB-2018-0014, the OEB approved the merger and determined that the proposed amalgamation met the no harm test. At page 12 of its Decision in the initial merger application, the OEB accepted that "customers will not be harmed by the proposed transaction in the short term, and will, in fact, be better off and will likely benefit from the enduring benefits of scale in the long term."[17] The OEB based its decision primarily on the impacts of the proposed transaction on price and quality of service to customers, and the cost effectiveness, economic efficiency and financial viability of the consolidating utilities. A summary of the impact of the mergers on customers and the commitments put forward in the MAADs applications is presented in Table 1-9-3 below.[18] As detailed in the table below, Alectra Utilities implemented all of the merger commitments outlined in the MAADs proceedings.

Table 1-9-3: MAADs Commitments and Outcomes

MAADs Commitments	MAADs Outcomes
Ratepayers are expected to enjoy lower rates through the ten-year deferred rebasing period in comparison to the status quo, i.e., in the absence of a consolidation, each of the consolidating distributors would have filed Cost of Service or Custom IR applications during the proposed ten -year deferred rebasing period.	Each of the legacy utilities would have filed two Cost of Service or Custom IR rebasing applications during the proposed ten-year deferred rebasing period in the absence of the proposed consolidation. The projected rate increases in the absence of the consolidation would have been greater than under Price Cap IR. The actual average Price Cap (IRM) increase over the 2017 to 2026 period based on OEB-approved rates (I-X) was 2.5%.

[17] EB-2016-0025, Decision and Order, December 8, 2016, p. 12.
[18] EB-2016-0025, Exhibit B, Tab 5, Schedule 1; EB-2018-0014, Exhibit B, Tab 5, Schedule 1.

MAADs Commitments	MAADs Outcomes
Ratepayers are expected to experience greater savings in comparison to the status quo from the time of the first anticipated rebasing, ten years following the completion of the consolidation, due to cost savings resulting from synergies.	Through the two consolidations, Alectra Utilities achieved total net cash savings of approximately $340.7MM over the deferred rebasing period, with sustained annual cost savings of approximately $44.3MM thereafter.
The utility will leverage the best practices in Asset Management. This includes the evaluation of long-term capital plans, maintenance practices, design standards, and operating standards for alignment of best practices.	Alectra Utilities filed its first five-year Distribution System Plan (DSP) on an integrated basis for its entire service area in its 2020 EDR Application (EB-2019-0018). The DSP was based on the needs of the entire Alectra Utilities distribution system, and its operation as a single entity. It was developed from identified investment needs using a common and uniform Asset Management Framework.
The utility service centres will continue to be used for de-centralized functions such as construction and maintenance, trouble response, logistics, fleet services, and metering. Accordingly, the adequacy, reliability, and quality of electricity service will be maintained. The utility expects to maintain seven service centres located in: St. Catharines, Hamilton, Mississauga, Brampton, Markham, Barrie, and Guelph.	Alectra Utilities currently maintains six service centres which continue to be used for de-centralized functions. Alectra Utilities conducted a review of each facility and concluded that two service centres (Mississauga and Brampton) posed a significant risk (in their existing condition) to support present and future operational requirements. Alectra Utilities built a new service centre in the central region instead of maintaining the two separate service centres. Further details are included in the DSP - Appendix B07 - Facilities Management.
The utility will harmonize the engineering standards of its predecessor utilities, which will enable more efficient and effective inventory management and ensure sufficient spare equipment for higher reliability. The utility will implement a comprehensive review and recommend the best engineering standards and practices to be followed. The review will give due consideration to service reliability, costs, and risks.	Alectra Utilities' Asset Management Framework (AMF) sets the parameters for the DSP and serves as the basis of all capital investments. The objective of the AMF is to cost-effectively maintain the company's assets while balancing customer needs and preferences, adhering to electrical system design requirements and standards, construction codes and prescribed asset and manufacturer specifications. Asset Management decision-making focuses on balancing the long-term value of the investment with identified customer, internal and external needs. Further details are included in Section 5.3 of the DSP.
The utility is expected to maintain and improve upon the five-year average reliability indices and the OEB Customer Service Standard metrics for its customers. The five-year average SAIDI and SAIFI (loss of supply adjusted) presented in the Alectra/ Guelph merger application was 2.21 and 1.47 respectively.	Alectra has improved upon the five-year average in the MAADs application. In 2024, Alectra Utilities' SAIDI and SAIFI metrics were 0.75 and 1.08, respectively.

Consolidating five utilities into a single organization is a complex endeavor that necessitates thorough planning and execution across all aspects of the business. This challenge was exacerbated by the unprecedented COVID-19 pandemic in March of 2020, and the subsequent significant economic impacts, including disrupted supply chains and inflation indices reaching a 40-year high in Canada in 2022. Alectra Utilities encountered substantial cost pressures and operational challenges in managing these extraordinary circumstances, which required Alectra Utilities to adapt its integration efforts to balance resourcing, maintain operational stability, and ensure that integration project outcomes are not compromised.

Post-pandemic, the energy policy and regulatory landscape in Ontario evolved rapidly to support growth, economic development, and electrification. Thus, in 2021, after concluding that the merger commitments outlined in the initial MAADs proceeding had been met, Alectra Utilities decided to close the integration period of its consolidation journey and proceed to streamline and enhance its operations as an amalgamated entity. To enable this shift, Alectra Utilities adopted a single entity mindset with a strategic operational focus on driving continuous improvement in cost performance. Alectra Utilities designed and implemented a comprehensive productivity framework that guides the utility's approach to identifying, tracking and quantifying cost savings and process efficiencies. This strategy led to the identification and implementation of a host of post-consolidation productivity and efficiency initiatives, resulting in significant incremental benefits of $23.2MM per year to customers. Further details on Alectra Utilities' productivity framework can be found in Exhibit 1, Tab 6, Schedule 4. Building on the merger synergies, the productivity strategy underpins Alectra Utilities' strong efficiency results as detailed in the Total Cost Benchmarking model at Exhibit 1, Tab 6, Schedule 2. The consolidation has resulted in material financial benefits for customers. Over the rate period, customers will benefit from sustained annual synergies of $44.3MM in addition to sustained annual productivity savings of $23.2MM, for a combined benefit of $67.5MM. This reflects lower costs for customers that would not have materialized in the absence of consolidation.

3. CONSOLIDATION SYNERGIES

Table 1-9-4 below presents a summary of Alectra Utilities' net consolidation synergies over the deferred rebasing period compared to the forecast in the MAADs applications.[19] These savings were achieved over the ten-year period following the initial merger (i.e., the 2017-2026 period of the Alectra merger) and over the eight-year period following the second merger (i.e., the 2019-2026 period of the Alectra/Guelph merger).

Table 1-9-4: Total Net Synergies (MAADs vs. Actuals/Forecast)

$MM	MAADS Proceeding	Sustained	One-time	Total Sustained and One-time	Variance
Gross OM&A Synergies	383.0	314.7	11.7	326.3	(56.7)
Gross Capital Synergies	171.5	57.1	127.5	184.6	13.2
Gross Total Synergies	**554.5**	**371.8**	**139.2**	**511.0**	**(43.5)**
OM&A Transition Costs	47.5	—	32.8	32.8	(14.7)
Capital Transition Costs	63.1	—	137.5	137.5	74.4
Gross Total Transition Costs	**110.5**	**—**	**170.2**	**170.2**	**59.7**
Net OM&A Synergies	335.6	314.7	(21.1)	293.6	(42.0)
Net Capital Synergies	108.4	57.1	(10.0)	47.2	(61.2)
Total Synergies	**443.9**	**371.8**	**(31.1)**	**340.7**	**(103.2)**

As identified in the merger applications, most of the synergies are achieved from payroll reductions. As a result, Tables 1-9-5 and 1-9-6 further summarize the payroll and non-payroll synergies from the two mergers.

[19] EB-2016-0025, Exhibit B, Tab 6, Sch 1, Figure 25; EB-2018-0014, Exhibit B, Tab 6, Sch 1, Figure 20.

Table 1-9-5: Total Net Payroll Synergies (MAADs vs. Actuals/Forecast)

$MM	MAADS Proceeding	Sustained	One-time	Total Sustained and One-time	Variance
Gross OM&A Synergies	340.0	217.4	—	217.4	(122.6)
Gross Capital Synergies	22.6	11.8	—	11.8	(10.8)
Gross Total Synergies	**362.7**	**229.3**	**—**	**229.3**	**(133.4)**
OM&A Transition Costs	38.4	—	22.0	22.0	(16.4)
Capital Transition Costs	—	—	—	—	—
Gross Total Transition Costs	**38.4**	**—**	**22.0**	**22.0**	**(16.4)**
Net OM&A Synergies	301.7	217.4	(22.0)	195.4	(106.2)
Net Capital Synergies	22.6	11.8	0.0	11.8	(10.8)
Total Synergies	**324.3**	**229.3**	**(22.0)**	**207.2**	**(117.1)**

Table 1-9-6: Total Net Non-Payroll Synergies (MAADs vs Actuals/Forecast)

$MM	MAADS Proceeding	Sustained	One-time	Total Sustained and One-time	Variance
Gross OM&A Synergies	43.0	97.2	11.7	108.9	65.9
Gross Capital Synergies	148.8	45.3	127.5	172.8	24.0
Gross Total Synergies	**191.8**	**142.5**	**139.2**	**281.7**	**89.9**
OM&A Transition Costs	9.1	—	10.7	10.7	1.6
Capital Transition Costs	63.1	—	137.5	137.5	74.4
Gross Total Transition Costs	**72.2**	**—**	**148.2**	**148.2**	**76.0**
Net OM&A Synergies	33.9	97.2	0.9	98.1	64.3
Net Capital Synergies	85.8	45.3	(10.0)	35.4	(50.4)
Total Synergies	**119.6**	**142.5**	**(9.0)**	**133.5**	**13.9**

Despite meeting its merger commitments as outlined above, Alectra Utilities' gross OM&A synergies were approximately $56.7MM lower than the projections indicated in the MAADs proceeding. This variance is primarily attributed to the incremental resource needs that arose during the deferred rebasing period due to evolving circumstances, including staffing expansion in previously understaffed areas to better meet the needs of the merged organization, addressing increased workload and customer demands, increase focus on improving system reliability through automation, ensuring compliance with regulatory requirements, supporting the integration and consolidation and ongoing improvement of systems and processes, responding

to union negotiation outcomes and internalizing critical services and support to more effectively serve customer and organization needs. For more information on Alectra Utilities' workforce synergies, refer to Section 4.1 below.

Alectra Utilities mitigated the labour impacts that it experienced during the deferred rebasing period through incremental non-payroll related synergies. Specifically, leveraging the merged entity's high-credit rating, Alectra Utilities implemented a Commercial Paper program to access short-term financing at more favorable rates, unlocking significant incremental operational synergies. For more information, refer to Section 4.2 below.

Alectra Utilities' gross capital synergies exceeded the MAADs projections, however, net capital synergies were $61.2MM lower than forecasted. This was partly attributable to higher capital integration costs driven by post-pandemic inflationary cost pressures that Alectra Utilities experienced in implementing Guelph IT system upgrades. For more details about capital synergies, refer to Section 4.3 below.

4. MAJOR INTEGRATION ACTIVITIES

This section presents the largest categories of synergies that Alectra Utilities achieved during the deferred rebasing period, organized as follows:

- Section 4.1 details labour efficiencies achieved through workforce consolidation;
- Section 4.2 details other operational efficiencies achieved through the harmonization of systems, processes, services and contracts; and
- Section 4.3 details capital efficiencies achieved through integration.

The initial 2017 merger (Alectra merger) and the Guelph Hydro merger (Alectra/Guelph merger) in 2019 are addressed separately in each of the above noted sections.

4.1. OM&A SYNERGIES - WORKFORCE CONSOLIDATION

Alectra Utilities' merger strategy focused heavily on workforce consolidation as a key method for achieving operational efficiencies and cost savings. By integrating the workforces of the merged entities, Alectra Utilities aimed to streamline operations, eliminate redundancies, and enhance productivity. These efforts were designed to optimize the performance of each function and ensure that every role within the organization was essential. As stated in the MAADs, Alectra Utilities' most important resource is its employees and it will focus on the following four key areas to ensure that employees are fully engaged and contributing at their peak: safe and healthy workplace; employee skill development; effective internal corporate communications; and performance based culture. Through careful planning and execution, Alectra Utilities sought to reduce its workforce while maintaining performance and operational effectiveness to deliver safe, reliable and quality services to its customers.

4.1.1. Initial Merger (2017)

The sustained payroll synergies achieved through the initial (2017) merger are approximately $22.6MM, reflecting a net decrease of 217 FTE, a 14% reduction of the consolidated workforce. The table below shows the Full-Time Equivalent (FTE) reduction by workforce segment. On a percentage basis, the largest reductions occurred in senior management, corporate and shared

services, designated and technical professionals and front line leadership roles, where responsibilities were consolidated and streamlined to remove duplicate or similar roles across the merged entities. In the certified and skilled trades segment, there were smaller net reductions, due to the ongoing need for skilled and experienced resources to plan and execute work programs necessary for inspecting, constructing, and maintaining the grid.

Table 1-9-7: Payroll OPEX Savings

Payroll OPEX Savings ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Payroll	14.6	15.0	17.1	20.7	20.6	20.7	20.8	21.2	21.6	22.6	194.9
Total	**14.6**	**15.0**	**17.1**	**20.7**	**20.6**	**20.7**	**20.8**	**21.2**	**21.6**	**22.6**	**194.9**

Table 1-9-8: FTE Net Reductions by Segment

Segment	2016 Budget	Number of Positions Reduced	% FTE Net Reduction
Senior Management	69	17	25 %
Designated and Technical Professionals	117	20	17 %
Corporate and Shared Services	575	96	17 %
Front Line Leadership	240	38	16 %
Certified and Skilled Trade	542	46	8 %
Total	1,543	217	14 %

The workforce efficiencies were achieved through the following efforts which led to a reduction of 282 FTE. This was partially offset by the addition of 65 FTE due to evolving external circumstances and business needs, which are discussed later in this section.

- **Eliminating Duplicate or Similar Roles:** The elimination of duplicate and similar roles resulted in a reduction of 198 FTE. These reductions were identified and executed with consideration of optimizing the performance of each department, ensuring that each role was necessary and contributing to the company's overall goals. The following departments and initiatives contributed to this significant reduction in FTE:

- Network Operations: reduced 63 FTE by consolidating functions and eliminating duplicated efforts across the four legacy utilities. This included restructuring divisions into Centralized Operations and Lines Operations and consolidating the four legacy control rooms into two fully operational 24/7 facilities located in Vaughan and Hamilton;

- Customer Service: reduced 35 FTE by converging systems and procedures, centralizing the workforce, and outsourcing non-core functions like meter reading and payment processing;

- Finance: eliminated 25 FTE by reducing redundant positions, encompassing key functions such as Reporting, Accounting, Planning and Analysis, Strategic Support, Treasury and Taxation;

- Supply Chain Management: reduced 20 FTE by centralizing administrative functions and realigning the management structure;

- Information Technology: reduced 14 FTE by converging systems, adopting best practices in IT operations and project management and streamlining the management structure;

- Network Services: reduced 14 FTE by consolidating functions and eliminating duplicated efforts across the four legacy utilities, primarily in the Distribution Design group; and

- The organization was able to reduce a further 27 FTE across several departments by eliminating redundant positions and consolidating various departments to improve coordination and enhance operational efficiency.

- **Process Improvements and Efficiencies:** Process improvements and efficiencies were driven by refining processes and leveraging technology to streamline operations. This led to a reduction of 46 FTE across the organization. The following departments contributed to this reduction in FTE:

- Customer Service: reduced 16 FTE by downsizing the Call Centre and leveraging third-party service providers;
- Supply Chain Management: reduced 12 FTE by centralizing Procurement and adopting a three region approach for Logistics, Fleet and Facilities;
- Network Operations: reduced 6 FTE by implementing workflow enhancements and other efficiencies;
- Network Services: reduced 5 FTE in the merged Engineering Service group by streamlining and optimizing processes enabled by the consolidation of legacy standards into one Alectra Utilities Standard, the consolidation of the GIS onto one platform and the centralization of outage and scheduling clerical support.
- Finance: reduced 5 FTE by implementing workflow enhancements and operational improvements.
- The organization was able to reduce a further 2 FTE (one each in HR and IT) by enhancing process efficiencies, improving operational design and centralizing support functions.

- **IT Systems Consolidation:** Systems consolidation led to the reduction of 38 FTE across the organization. These efficiencies were achieved by decommissioning legacy and duplicate systems, thereby lowering the resources needed for maintenance and management of these digital assets. The implementation of enterprise systems improved workflow, reducing the necessity for manual interventions and maintenance of multiple systems. System integration also provided centralized data, resulting in more accurate and timely reporting, enhanced decision-making, and increased operational efficiency. These reductions were achieved in Customer Service (25 FTE) and Information Technology (13 FTE).

Due to changing circumstances and incremental work requirements that emerged during the consolidation, the total net headcount reduction of 217 FTE attributable to the merger is 59 FTE lower than the 276 FTE reduction target set out in the MAADs proceedings. This variance comprises an incremental 65 FTE unplanned resources partially offset by additional unplanned

reductions of 6 FTE. The breakdown of the 65 unplanned additions across the utility functions is as follows:

Table 1-9-9: Incremental Resourcing Requirements by Function

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Network Operations	11	To support the increased demands and ensure effective operations, 11 positions were added across Protection & Control, and System Control. System Control: The merger business case envisioned the consolidation of the various control rooms culminating in operating two control rooms throughout the day and one at night which would allow for a reduction in management staff. Consolidating down to one control room at night proved not to be feasible and therefore additional management and supervisory resources were required. Also the consolidation of business procedures required the addition of Planning & Support System Controller responsibilities which had not been present in one of the legacy utilities. Protection & Control: Alectra Utilities identified the need to increase the investment in system automation as a cost-effective method to improve the overall system reliability. The increased focus in automation installation, combined with need to maintain, update existing automation and in some cases replace automation at end of life increased the need for Protection & Control resources beyond what was envisioned in the merger business case. Finally, the consolidation of process led to the addition of resources responsible for processing annual maintenance and Inspection program data returned by Lines to ensure the data consistency across all regions.

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Network Services	11	Initial workforce reductions were largely focused on Distribution Design; however, following a review by management in response to evolving resource requirements, staffing levels were subsequently increased, particularly within Distribution Design where reductions were most pronounced. The Distribution Design team is responsible for designing the majority of Alectra Utilities' work packages, which then are handed down to the Operations teams for construction. Design work includes Alectra Utilities initiated as well as Customer initiated requests. Resource additions were required to support customer connection workload within the ICI/Layouts department. The department was stretched too thin to adequately service the new customer requests as the number of ICI and layout projects have increased overtime. Shortly after the merger, as the new department structures emerged, a dedicated team to service relocation work that was initiated by Transit Authorities was required to support the growing number of Transit-related projects. All resources within the Transit group are fully recoverable through staffing agreements with Metrolinx Further, the Planned Capital department required additional resources to support the steady increase in work since the merger.
Regulatory	6	Regulatory requirements could not be met without additional staff, leading the organization to hire key positions, including leadership roles in Regulatory Policy and Strategy, supervisory roles in Rates and Settlements, and specialized supporting positions.

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Business Transformation	6	Based on an assessment of post-merger needs, it was determined that critical roles which were absent in the legacy utilities would be essential for the organization's success. This prompted an investment in new talent, particularly in leadership roles and an expansion of the Project Management Office (PMO), Change Management, and Project Reporting functions. These functions were instrumental in managing the numerous transition projects and integration initiatives required during this pivotal period. These additions were vital for executing the company's integration and transformation strategy, ensuring the effective integration of systems and processes throughout the newly formed organization as well as ongoing project and portfolio execution, productivity work and reporting. Added responsibilities include: • Oversight of the company's project execution governance framework and portfolio management, ensuring projects are appropriately resourced • Support of the planning, execution, monitoring and closure of projects including reporting on project and portfolio performance to ensure the achievement of planned outcomes. • Driving improvements in the utility's organizational effectiveness and strategy delivery through Organizational Improvement and Productivity Framework initiatives. • Assessing, validating, and reporting on Productivity Framework project benefits, measuring progress towards achieving productivity goals • Supporting employees in embracing and sustaining change by providing operational and project-level assistance to enhance project outcomes and improve employee engagement • Overseeing the Transformation Management Office responsible for ensuring the delivery of planned outcomes while mitigating risk, and maximizing benefits for all stakeholders

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Customer Service	5	Additional resources were required to support CC&B related enhancements to comply with regulatory changes and to efficiently support day-to-day operations while reducing the risks related to the loss of knowledge of the application's configuration and related business processes with dependence on third party resources. Additional resources were also required to provide oversight of core business activities to support transformational, integration and optimization activities, allowing the department to strategically manage core business and application enhancements, while building internal competency for continuous improvement. While the original business case contemplated a centralized Customer Service organizational model, union negotiations led to a de-centralized model which necessitated additional management and oversight to provide improved levels of customer service.
Finance	5	Positions were added to better support the evolving needs of the Finance function driven by : • the 2019 collective agreement which limited the ability to streamline accounting functions; • the requirement to separate overlapping responsibilities between union and management positions; • workload demands and considerations for confidentiality and sensitivity of information, and to • mitigate the risk of relying on one employee's specialized knowledge for critical systems used in Financial Planning, Management Reporting and External Financial reporting activities.

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Legal	5	After the merger, the nature and scope of necessary internal legal services became more apparent and management was in a better position to understand the level of internal legal support needed for all operations and accordingly increased legal support on a cost-effective basis while reducing reliance on external legal services. Additional resources responsibilities include: • Providing negotiation and structuring knowledge and legal advice in negotiating and finalizing corporate and commercial business legal documents. • Administrative and document redrafting support to cost effectively allow legal counsel resources to focus on legal discussions and negotiations. • Management of operational contracts executed, ensuring they are properly maintained, renewed, extended, terminated or replaced. • Negotiations of easements, permits and licenses related to real estate interests required to carry on business as well as registration and renewal of real estate documents.
Metering	4	At the time of the merger, Network Metering was responsible for the operation of 17 meter management systems. The paced consolidation of systems, mapping of meter data, and integration of meter data processes while maintaining the meter-to-bill process chain for Alectra Utilities' over 1 million customers required the creation of four additional positions between 2017 and 2019, to ensure that meter-to-bill exceptions were identified and resolved in real-time to support daily customer billing activities
Government & Corporate Relations	3	Additional communications resources were required to effectively support external communications including customer communications, media inquiries, community support, issue resolution, increased outages communications caused by extreme weather event, website and customer service system builds and convergences and building a social media presence.
Information Technology	3	Expanded GIS/OMS staffing essential to manage the increased scope of business operations, data stewardship, and system integration activities. The added positions are critical to enhancing the resilience, cybersecurity, and performance of operational technology platforms, ensuring safe, reliable, and efficient network distribution operations, ultimately supporting our customers.

Function & Positions	FTE	Current Narrative needs to be reviewed and updated
Supply Chain	2	Additional resources were required to enhance procurement operations and data management, supporting a more centralized and technology driven supply chain model, enabling improved vendor coordination and data accuracy across expanded supply chain areas. This included supporting the processing of Fleet and Facilities invoices, creation and maintenance of Vendor Address Book Records and Purchase Requisition Approval Routes to ensure consistency and accuracy of data.
People & Safety	2	Incremental staffing required to support HR administrative responsibilities and provide leadership within the Total Rewards function, responsible for integration reporting and the design and implementation of competitive compensation and benefits strategies required in a larger organization to retain top talent and ensure programs are competitive and compliant.
Executive Office	1	Addition of Administrative Assistant required to support the office of the President and CEO.
Enterprise Risk Management	1	The addition of a role to oversee Enterprise Risk Management (ERM) which was identified as a crucial gap that had not been accounted for in the merger business case and is essential for the long-term understanding and mitigation of risk with the organization.
Total	**65**	

Failure to recognize the need for additional resources in these functions would have had significant negative implications for Alectra Utilities and its customers, including:

- Inability to comply with new and modified regulatory requirements.
- Inability to process financial transactions in an accurate and timely manner.
- Under-staffed call centres and customer service resources could impact service to customers.
- Insufficient staffing of controllers, metering and protection technologists would lengthen restoration times.
- Inadequate engineering resources delay capital projects.
- Delayed access to asset information in the GIS which is the main source of asset information for Alectra Utilities used for operations and capital work.

- Insufficient legal and supply chain oversight heightens exposure to unfavorable contract terms, material shortages, and construction delays that inflate capital budgets.
- Without dedicated ERM leadership, emerging strategic, operational and compliance risks may go undetected, reducing organizational resilience.
- Limited communications capacity impacts proactive engagement with municipalities, regulators and customers, eroding trust during major initiatives or crises.

Alectra Utilities achieved the labour efficiencies identified above, with lower severance costs than projected in the merger business case. In total, Alectra Utilities spent approximately $19.5MM on severance costs compared to a projected cost of $34.6MM. This favourable outcome can be attributed to several factors. In the period leading up to the merger, there was a hiring freeze in place with only critical roles filled, effectively reducing the need for severance payouts. Additionally, the organization took proactive steps to manage the workforce transition by offering employees opportunities to apply for new roles within the merged entity that matched their skills and career aspirations.

4.1.2. Guelph Merger (2019)

The sustained payroll synergies achieved through the Alectra-Guelph merger are approximately $3.8MM, reflecting a decrease of 30 FTE, a 23% reduction of the Guelph workforce. The overall net reduction of 30 FTE is in line with what was identified in the Alectra-Guelph merger business case. These labour efficiencies were achieved through similar efforts as detailed above:

- The elimination of duplicate and similar roles resulted in a reduction of 20 FTE;
- Process changes focused on streamlining operations enabled a reduction of 8 FTE; and
- IT Systems Consolidation led to a reduction of 2 FTE.

The table below shows the FTE reduction by workforce segment. On a percentage basis, the largest reductions occurred in senior management, corporate and shared services, and front line leadership roles, for the same reasons as detailed above.

Table 1-9-10: FTE Reduction by Segment

Segment	2018 Budget	Number of Positions Reduced	% FTE Reduction
Senior Management	10	7	70 %
Front Line Leadership	16	6	38 %
Corporate and Shared Services	44	13	30 %
Certified and Skilled Trades	44	3	7 %
Designated and Technical Professionals	15	1	7 %
Total	**129**	**30**	**23 %**

Alectra Utilities achieved the labour efficiencies identified above, with lower severance costs than projected in the Guelph merger business case. In total, Alectra Utilities spent approximately $2.5MM on severance costs compared to a projected cost of $3.7MM. These savings were achieved through voluntary severance packages, which gave redundant staff the option to leave voluntarily.

4.2. OM&A SYNERGIES - NON-PAYROLL

This section describes the integration activities that Alectra Utilities undertook during the deferred rebasing period to drive operational efficiencies in non-payroll related OM&A expenditures.

4.2.1. Initial Merger (2017)

The sustained non-payroll synergies achieved through the initial (2017) merger are approximately $10.5MM, and are presented in Table 1-9-11 below.

Table 1-9-11: Non-Payroll Operating Synergy Savings ($MM)

Non-Payroll Operating Synergy Savings ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Consolidation of contracts and services	4.6	8.2	7.4	8.9	6.2	6.7	6.9	6.9	6.9	6.9	**69.5**
Consolidation of IT Systems and Related Services	2.1	4.3	3.1	0.7	1.7	2.4	2.4	1.7	1.7	1.7	**21.8**
Volume discounts	0.3	0.1	1.1	1.1	0.7	0.7	0.7	0.7	0.7	0.7	**6.8**
Reduction of third party costs	(0.7)	(0.1)	(0.5)	(0.4)	0.2	1.3	1.3	1.3	1.3	1.3	**4.9**
Total	**6.4**	**12.6**	**11.0**	**10.4**	**8.8**	**11.1**	**11.3**	**10.5**	**10.6**	**10.5**	**103.1**

These savings were achieved through the following strategies:

- **Consolidation of Contracts and Services:** By consolidating numerous contracts and services, Alectra Utilities achieved sustained savings of $6.9MM per year that customers will benefit from in the next rate period. These savings were achieved through a range of harmonization and streamlining initiatives that leveraged the scale and efficiency of the merged entity. This included consolidating financing activities that led to reductions in insurance costs, letter of credit fees, rating agency fees and borrowing costs. Each legacy utility provided prudential support to the IESO. Alectra Utilities was able to reduce the prudential requirements for the merged company by reducing letter of credit fees. A Commercial Paper (CP) program for short term borrowings with more favourable borrowing rates was also implemented, leading to further savings. In its efforts to move towards "one company", Alectra Utilities harmonized its benefits, including its long-term disability and life insurance benefits and employee assistance plan which improved employee satisfaction and retention. Operationally, Alectra Utilities aligned locates activities across its service territories. Best practices were used to develop a common approach to executing utility locates and managing the volume of locates. This included adopting a broader program for the Alternative Locate Agreement, implementing a 60-day locate expiry policy and leveraging check box clears through Ontario One-Call. These changes created efficiencies and delivered reduced costs.

- **Consolidation of IT Systems and Related Services:** Sustained savings of $1.7MM per year have been achieved from the convergence of IT systems, the decommissioning of legacy software and platforms, and the subsequent reduction in hardware and software maintenance, managed services costs, and IT contractors. The decommissioning of redundant hardware and software led to lower maintenance costs, software licensing fees and technical support. Alectra Utilities was able to standardize on fewer software platforms and reduce the number of physical servers and devices. The consolidation of managed services led to further savings. By reducing the number of service providers and negotiating better terms, the organization lowered expenses related to outsourced IT services, including network management and data centre operations. Collectively, these efficiencies streamlined IT operations, improved internal capabilities and reduced Alectra

Utilities' reliance on external consultants and contractors. This led to reduced costs for hiring temporary IT professionals for system maintenance and integration projects.

- **Volume Discounts:** Alectra Utilities utilized volume discount synergies to generate approximately $0.7MM per year in sustained savings for customers in the next rate term. By consolidating contracts and negotiating new terms that took advantage of the organization's increased purchasing power and economies of scale, Alectra Utilities achieved reductions in pricing for services such as bill impressions, bill printing, envelopes, insert fees, maintenance, and storage. These synergies were facilitated by unifying and optimizing procurement processes with a strategic focus on maximizing the value of volume-based pricing. Prior to the merger, the utilities operated under legacy pricing structures that did not leverage economies of scale, resulting in higher costs. Post merger, Alectra Utilities negotiated more advantageous volume-based pricing, leading to substantial cost savings across all areas. This negotiation strategy enabled the organization to capitalize on enhanced bargaining power and an expanded operational scale.

- **Reduction of Third-Party Costs:** Alectra Utilities achieved approximately $1.3MM in annual sustained savings for customers in the next rate term through efforts to reduce third-party costs. By consolidating, optimizing, and streamlining processes, Alectra Utilities reduced its external labour and consulting expenses across the organization. The most significant reductions were implemented in Metering by integrating and bringing outsourced wholesale Metering Service Provider (MSP) services and re-verification testing in-house. To further reduce third-party cost, the organization brought Change Management and Operational Improvement roles in-house, leading to less reliance on third-party consulting and contract labour. In Customer Service, consolidated customer surveys and consulting services allowed Alectra Utilities to reduce use of overlapping and redundant third-party survey and consulting engagements. In addition, by eliminating walk-in services for customer payments, payment drop-off boxes, and consolidating payment processing, Alectra Utilities was able to eliminate the use of armoured courier services. Increases in Customer Service outsourcing costs offset these savings. Outsourcing certain functions allowed Alectra Utilities to leverage the expertise and efficiencies of specialized service providers to perform manual meter reading, power

outage call services, and field collection activities, streamlining operations and reducing internal management costs. These outsourcing initiatives enabled Alectra Utilities to focus on core competencies while benefiting from cost savings and operational efficiencies.

To achieve the identified savings, Alectra Utilities incurred approximately $9.9MM in integration costs as provided in Table 1-9-12 below. These expenses were related to one-time operational expenditures for corporate rebranding, the development of consolidated standards, processes and policies, operating costs related to IT systems convergence including training costs, and legal expenses associated with human resources aspects of the integration, including dispute resolution, arbitration, compensation, and negotiation of the consolidated collective agreement.

Table 1-9-12: Alectra Merger – Operating Transition Costs by Category

Non Payroll OPEX Transition Costs ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Third-party costs	2.7	0.7	0.9	0.1	0.2	—	—	—	—	—	**4.7**
IT system migration and communication tool integration	1.5	1.3	0.5	—	—	—	—	—	—	—	**3.4**
Re-branding and communication tool integration	1.9	—	—	—	—	—	—	—	—	—	**1.9**
Total Non-Payroll OPEX Transition Costs	**6.1**	**2.0**	**1.4**	**0.1**	**0.2**	**—**	**—**	**—**	**—**	**—**	**9.9**

4.2.1. Guelph Hydro Merger (2019)

The sustained non-payroll synergies achieved through the subsequent merger with Guelph Hydro are approximately $0.9MM, and are presented in Table 1-9-13 below.

Table 1-9-13: **Guelph Merger – Non-Payroll Operating Synergies by Category**

Non-Payroll Operating Synergy Savings ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Consolidation of contracts and services			0.2	0.6	0.6	0.5	0.5	0.6	0.6	0.6	**4.3**
Consolidation of IT Systems and Related Services			0.0	0.2	0.1	0.1	0.1	0.1	0.1	0.2	**0.7**
Reduction of third party costs			0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	**0.7**
Total			**0.3**	**0.9**	**0.8**	**0.7**	**0.7**	**0.7**	**0.7**	**0.9**	**5.8**

These savings were achieved through the following strategies:

- **Consolidation of Contracts and Services:** As a result of the Guelph merger, Alectra Utilities achieved annual sustained savings of $0.6MM, which will benefit customers in the upcoming rate period. These savings were realized by leveraging Alectra Utilities' increased scale and operational efficiency to consolidate contracts and services, eliminate redundant expenses, and enhance resource allocation. Key initiatives contributing to these cost reductions included streamlining administrative expenses such as overlapping industry memberships across multiple business units, consolidating customer surveys into a unified process, creating a consolidated board of directors, and harmonizing financing activities. These efforts helped achieve more efficient insurance terms and lower letter of credit and rating agency fees.

- **Consolidation of IT Systems and Related Services:** The convergence of IT systems resulted in sustained annual cost savings of approximately $0.2MM per year for customers in the next rate term. These benefits were achieved by decommissioning the legacy Guelph Hydro IT infrastructure, eliminating expenses associated with hardware and software maintenance, software licensing, and system support.

- **Reduction in Third Party Costs:** Alectra Utilities achieved approximately $0.1MM in annual savings for customers in the next rate term by consolidating and optimizing various functions to reduce third-party costs, particularly related to consulting services.

To achieve the identified savings, Alectra Utilities incurred approximately $0.8MM in integration costs. These expenses were related to one-time operational expenditures for IT and OT systems (e.g., GIS, OMS, CIS) and website-related costs.

Table 1-9-14: **Guelph Merger – Operating Transition Costs by Category**

Non Payroll OPEX Transition Costs ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
IT system migration and communication tool integration			—	—	0.0	0.0	—	—	0.4	—	**0.4**
GIS/OMS consolidation			—	—	—	—	—	—	0.2	—	**0.2**
Non-IT system and service consolidation			0.1	—	0.0	—	—	—	0.1	—	**0.2**
IT system migration and integration			—	—	—	—	—	—	—	—	**—**
Total			**0.1**	**—**	**0.1**	**0.0**	**—**	**—**	**0.6**	**—**	**0.8**

4.3. CAPITAL SYNERGIES

Alectra Utilities merger strategy focused on integrating operational and technology systems to streamline business processes, eliminate redundancy and achieve operational efficiencies. This section details Alectra Utilities' capital integration initiatives and their benefits to ratepayers and operations.

4.3.1. Initial Merger (2017)

Table 1-9-15 below lists the capital synergies that Alectra Utilities achieved through its initial merger in 2017. Alectra Utilities achieved aggregate gross capital expenditure savings of $181.5MM over the first ten years following consolidation, thereafter continuing at a sustained level of $6.5MM annually over the next rate period.

Table 1-9-15: Capital Synergy Savings ($MM)

Capital Synergy Savings ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Payroll	—	1.7	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.4	**11.8**
Consolidation of IT Systems and Related Services	13.8	30.6	18.6	8.7	15.5	5.7	—	—	—	—	**93.0**
Consolidation of Contracts and Services	2.2	3.3	5.8	5.2	2.3	2.3	2.3	2.3	2.3	2.3	**30.3**
Volume Discounts	0.4	2.7	1.6	4.2	2.8	2.8	2.8	2.8	2.8	2.8	**25.7**
Rationalization of Fleet and Facilities	5.4	3.9	10.3	—	0.3	0.3	0.3	—	—	—	**20.7**
Total	**21.8**	**42.2**	**37.4**	**19.2**	**22.2**	**12.4**	**6.7**	**6.4**	**6.5**	**6.5**	**181.5**

The capital synergies summarized in the table were achieved through the following efforts:

Consolidation of IT Systems and Related Services:

The consolidation of the Information Technology functions of the four legacy utilities eliminated redundant capital outlays and established a more streamlined, efficient approach to IT resource management. These savings primarily represent avoided planned capital expenditures on legacy systems which also lead to avoided hardware and software maintenance costs which are captured as operating savings. These one-time savings are not sustained in the next rate term.

Consolidation of Contracts and Services:

Efforts to streamline and standardize contracts and services yielded notable savings over the deferred rebasing period, which are being carried forward into the next rate term. In Network Operations, contract consolidation and negotiation of better terms with remaining contract service providers enabled Alectra Utilities to obtain better pricing and contain price increases. These efforts contributed to annual sustained savings of $2.3MM.

Volume Discounts:

Alectra Utilities achieved significant savings by consolidating the organization's purchasing needs and leveraging its increased scale and purchasing power to secure volume discounts in its inventory and service agreements. By consolidating inventory, Alectra Utilities was able to negotiate better prices, discounts and terms with suppliers due to the larger volumes. The realized volume discounts are expected to provide sustainable capital expenditure savings of approximately $2.8MM in the next rate term.

Rationalization of Fleet and Facilities:

Alectra Utilities assessed facility requirements for the consolidated entity and determined that certain real estate assets, including parcels of vacant land previously acquired by the legacy organizations for their own growth plans, were no longer required and could be disposed to achieve one-time savings and reduce Alectra Utilities' rate base. This outcome resulted from the strategic disposition of non-essential properties, enabling the company to streamline its asset portfolio following the merger.

Additionally, the rationalization of Fleet policies resulted in savings by eliminating the need for previously planned fleet additions. The Fleet and Facilities department achieved a total savings of $13.1MM through a thorough evaluation and enhancement of the company's fleet and facilities management processes. Major initiatives contributing to these results included renegotiating supplier agreements and optimizing fleet utilization. These one-time savings are not sustained in the next rate term.

Payroll

The merger led to significant capital payroll synergies by avoiding the hiring of approved headcount from the 2016 PowerStream rate application. Key roles such as Apprentice Power Lineperson, Design Technician, Lines Supervisor, and Apprentice System Controller were among the most frequently avoided, as examples that highlighted how the merger enabled a more efficient organizational structure by reducing the need for duplicative roles across departments due to the merger. Furthermore, the OM&A portion of the avoided savings has been captured under the OM&A Synergies.

Table 1-9-16: Initial Merger Capital Integration Costs

CAPEX Transition Costs Table $MM	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
CIS consolidation	17.5	14.9	9.1	0.0	—	—	—	—	—	—	**41.6**
ERP consolidation	2.0	11.2	12.5	(0.2)	—	—	—	—	—	—	**25.5**
GIS/OMS consolidation	0.1	1.7	1.3	3.5	1.9	1.6	2.0	0.0	—	—	**12.2**
IT system migration and integration	2.1	5.0	3.7	1.2	0.8	0.8	—	—	—	—	**13.6**
Subtotal: IT System Integration	**21.8**	**32.9**	**26.6**	**4.5**	**2.7**	**2.4**	**2.0**	**0.0**	**—**	**—**	**92.9**
Facilities renovations	2.6	6.0	4.9	0.1	2.4	0.0	—	—	—	—	**16.0**
Non-IT System and Service Consolidation	0.8	3.2	2.3	5.3	0.9	0.0	0.0	—	—	—	**12.5**
Subtotal: Non-IT System and Service Consolidation	**3.3**	**9.2**	**7.3**	**5.4**	**3.3**	**0.1**	**0.0**	**—**	**—**	**—**	**28.5**
Total	**25.1**	**42.1**	**33.9**	**9.9**	**6.0**	**2.5**	**2.0**	**0.0**	**—**	**—**	**121.5**

To realize the benefits discussed, Alectra Utilities incurred approximately $121.5MM in integration costs, surpassing the projections outlined in the merger business case. Most of these integration costs were IT systems integration costs of approximately $92.9MM.

Alectra Utilities prioritized IT system integration to streamline and standardize business processes across the company. This involved the unification of email, telecommunications, phone systems, IT security, data centers, and IT service. The strategy also focused on establishing integrated foundational systems across critical areas of the enterprise. Key initiatives included:

- The Customer Information System (CIS) project, completed in 2019, integrated four legacy systems into a single platform – the Oracle Customer Care & Billing (CC&B) system – serving over 1,000,000 customers.

- The Enterprise Resource Planning (ERP) project unified four legacy ERP systems onto the JD Edwards ERP system which went live in mid-2019.

- The Unified Digital Radio Communications project implemented a single, reliable Voice Radio System to replace four separate, outdated systems, enhancing employee safety and operational effectiveness for Alectra Utilities' Network Operations. The project enabled the control rooms to contact any truck deployed across Alectra Utilities' service territory.

- Engineering and Operational Technology systems were merged using Survalent SCADA and Intergraph GIS and OMS platforms, enhancing efficiency and functionality.

- Miscellaneous systems, including MV90, Wholesale Settlement and Complex Billing, Retail Settlement, Fleet Management, Fuel Management, Vehicle GPS, EFT, Cognos, and Fieldworker, were also standardized and consolidated.

Integrating IT systems enabled Alectra Utilities to remove capital redundancies, increase operational efficiency, improve data availability and quality, and enhance functionality to support effective planning and decision-making. With these modern foundational systems in place, Alectra Utilities is also better prepared to address future challenges, such as building resilience against digital and physical threats and readying the grid for the energy transition. Additionally,

these initiatives have led to better customer experience, standardizing billing procedures, improving access to online resources, and enhancing customer support tools and services.

4.3.2. Guelph Hydro Merger (2019)

Table 1-9-17 below lists the capital synergies of $3.1MM that Alectra Utilities achieved through its subsequent merger with Guelph Hydro in 2019. These capital savings are not sustained in the next rate term.

Table 1-9-17: Guelph Merger Capital Synergy Savings

Capital Synergy Savings ($MM)	2019	2020	2021	2022	2023	2024	2025	2026	Total
Consolidation of IT Systems and Related Services	0.3	0.5	0.6	0.6	—	0.5	0.5	—	**3.0**
Rationalization of Fleet and Facilities	0.2	—	—	—	—	—	—	—	**0.2**
Total	**0.4**	**0.5**	**0.6**	**0.6**	**—**	**0.5**	**0.5**	**—**	**3.1**

These capital synergies were achieved through the following efforts:

Consolidation of IT Systems and Related Services ($3.0MM)

The consolidation of Alectra Utilities and Guelph Hydro's Information Technology functions has generated one-time capital synergies of $3MM primarily due to the elimination of redundant capital outlays. Additionally, the consolidation led to one-time capital cost savings associated with the City of Guelph Telephone Support Services Agreement.

Rationalization of Fleet

By leveraging the company's existing resources, Guelph Hydro was able to meet its operational needs without additional fleet investments, leading to reduced capital expenditures of $0.2MM for the fleet portfolio.

Table 1-9-18: Guelph Merger Capital Transition Costs

CAPEX Transition Costs Table ($MM)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
CIS Consolidation			—	0.7	0.5	—	—	0.7	4.8	0.5	7.3
IT system migration and integration			0.1	1.0	0.4	0.7	—	0.2	0.6	1.0	4.1
ERP Consolidation			—	—	0.5	2.3	—	—	—	—	2.9
GIS/OMS Consolidation			—	—	—	—	—	0.7	0.7	0.2	1.6
Subtotal: IT System Integration			**0.1**	**1.7**	**1.5**	**3.0**	**—**	**1.6**	**6.1**	**1.7**	**15.8**
Non-IT system and service consolidation			—	—	—	—	—	—	—	0.2	0.2
Subtotal: Non-IT System and Service Consolidation			**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0.2**	**0.2**
Total			**0.1**	**1.7**	**1.5**	**3.0**	**—**	**1.6**	**6.1**	**1.9**	**16.0**

To achieve these synergies Alectra Utilities incurred approximately $16.0MM in integration costs. Alectra Utilities undertook various projects, including the ERP integration project completed in 2022, the SCADA Integration project completed in 2021, and the Data Center consolidation project completed in 2024. Two key projects – CIS Integration and GIS/OMS integrations – are currently underway for completion in 2026. These projects were originally set to be completed in 2020 and 2021 but were deferred due to COVID-related operational challenges. The COVID-19 pandemic and subsequent inflationary pressures affected the Guelph merger integration efforts. Transitioning to remote work, amid navigating the uncertainty and disruption caused by the pandemic, presented notable execution challenges. As a result, several Guelph integration projects were delayed to balance labour availability and manage the organizational impacts of these integration projects. When the projects resumed, inflationary pressures impacted the budgets, leading to higher overall project costs. As a result, the capital transition costs associated with the Guelph merger are forecasted to be approximately $6.3MM greater than projected in the merger business case.

Rationalization of Fleet

By leveraging Alectra's existing resources, Guelph Hydro was able to meet its operational needs without additional fleet investments, leading to reduced capital expenditures of $0.2MM for the fleet portfolio.

4.4. CONCLUSION

The consolidation process beginning with the initial Alectra Utilities merger in 2017, followed by the merger with Guelph Hydro in 2019, has been a significant undertaking, resulting in numerous benefits for both the company and its customers. The key achievements include substantial cost savings, improved reliability, and enhanced customer satisfaction. The consolidation has allowed the company to leverage its collective resources to deliver more efficient services and innovative technologies.

Financially, the consolidation has resulted in aggregate gross operations, maintenance, and administration expenditure savings of $326.3MM over the 10 years - covering 10 years from the initial Alectra Utilities merger and 8 years for the Guelph merger - with a sustained savings rate of approximately $37.8MM annually thereafter. Additionally, there have been aggregate gross

capital expenditure savings of $184.6MM over the 10 years, continuing at a sustained level of $6.5MM annually. The total net cash savings (pre-tax) in the 10 years amount to approximately $340.7MM, with sustained savings of approximately $44.3MM per year thereafter.

Alectra Utilities achieved cost savings and efficiency improvements across multiple areas. The utility achieved significant labour synergies as a result of workforce restructuring, as well as synergies from the consolidation of contracts and services, leading to substantial cost-saving measures and efficiency improvements. The consolidation of IT systems resulted in notable synergies by avoiding planned expenditures on legacy systems and optimizing IT infrastructure. The merger leveraged volume discounts, achieving synergies by consolidating purchasing needs and negotiating better terms. By consolidating and optimizing various services, Alectra Utilities saved on third-party costs. Rationalizing fleet and facilities generated synergies by divesting unnecessary assets and eliminating planned fleet additions.

Overall, the consolidation has demonstrated that customers are better off than they would have been had the utilities continued to operate as separate entities.

By enhancing operational efficiency, driving technological innovation, and supporting the transition to a sustainable energy future, the merger has positioned Alectra Utilities as a leader in the energy sector. As the industry continues to evolve, the strategic consolidation of utility companies like Alectra Utilities will play a pivotal role in shaping a more resilient, efficient, and sustainable energy landscape.

The company remains committed to maintaining and improving service quality and reliability, ensuring that customers receive the best possible service.

5. TREATMENT OF TRANSITION CAPITAL COSTS IN RATE BASE

5.1. TRANSITION CAPITAL INVESTMENTS

Alectra Utilities is seeking the OEB's approval to include the remaining net book value of transition-related capital expenditures to the rate base for the 2027-2031 rate period. These integration costs are primarily for IT systems including CIS and ERP systems and other technology-related support systems as well as operational systems including GIS, OMS and SCADA. Of the $137.5MM in transitional capital investments Alectra Utilities incurred since the mergers, $108.7MM ($92.9MM from the initial merger + $15.8MM from Guelph merger) relate specifically to IT expenditures. The remaining $28.8MM in capital expenditure primarily corresponds to transition-related facilities investments. These transition capital investments benefit customers in the deferred rebasing period and will continue to benefit customers in the next rate term. Alectra Utilities' early integration efforts focused on preparing the foundational systems that facilitated common systems and business processes across the utility. The largest of the foundational systems projects, CIS and ERP were done concurrently, which was challenging, but effective in the achievement of synergies for customers and in the benefits that customers currently receive because of these system convergence projects. The harmonized CIS platform streamlines customer care operations and ensures accurate billing while providing flexibility to adapt to regulatory and industry changes, and scalability to meet future growth. The ERP project resulted in the harmonization of business processes and data across the entire organization, allowing for integrated work processes and procedures in Finance, Supply Chain Management, People & Safety, Network Operations and Network Services.

The remaining net book value of these investments in opening 2027 rate base is approximately $50.3MM. The OEB's 2024 *Handbook to Electricity Distributor and Transmitter Consolidations* (i.e., the 2024 MAADs Handbook) states that "If a utility has capitalized any assets it has classified as part of the utility's "transition" costs (i.e., capitalized costs intended to integrate operations) these will be subject to review, on a case-by-case basis. The nature of the expenditure and whether it would have occurred regardless of the consolidation will be reviewed, in addition to the typical review for need and prudence."[20]

[20] 2024 MAADs Handbook, p.14

Based on a review of anticipated capital investments for each legacy utility prior to consolidation, Alectra Utilities identified material post-merger IT projects that would have occurred regardless of the consolidation. The planned amounts identified total to approximately $91.6MM including CIS and ERP investments, and operational technology enhancements for OMS, GIS and SCADA. Tables 1-9-19 provides a summary of the IT-related capital investments.

Table 1-9-19: Evidence of Planned IT Capital Expenditure per Legacy Utility

Legacy Utility & Last Rebasing Period	Forecast for IT Capital Post-Merger ($MM)	Key Projects
Enersource (2013)	16.1	ERP upgrades; SCADA enhancements; network IT upgrades
PowerStream (2017))	20.3	CIS transformation; OMS/SCADA renewal; cyber-security hardening
Horizon (2015-2019 CIR)	22.8	Lifecycle upgrade of IFS ERP system (2018-2019)
Hydro One Brampton (2015)	30.1	SCADA, GIS, telecom refresh
Guelph Hydro (2016)	2.3	SCADA workstation & server renewal (2019-2021)
Total Identified	91.6	

As mentioned above, Alectra Utilities identified approximately $91.6MM in similar projects from the legacy utilities which reflects forecasted investments at a point in time. In the absence of the consolidation and deferred rebasing period, each of the legacy utilities would have filed two cost of service or Custom IR rebasing applications. Rebasing for legacy PowerStream and Guelph Hydro would have taken place first in 2021 and subsequently in 2026; rebasing for Horizon Utilities and Brampton Hydro would have taken place in 2020 and 2025; and rebasing for Enersource would have taken place in 2017 and 2022. For all legacy utilities, the projected rate increases would have been greater than under Price Cap IR which customers benefit from during the deferred rebasing period. If each legacy utility were to have continued under the pre-merger status quo, the legacy investments identified above in addition to investments from future DSPs would inevitably be higher than the $137.5MM of transition capital investments.

The consolidation of five independent IT environments into a single enterprise architecture has delivered material and enduring savings for rate payers. By retiring legacy applications earlier than originally scheduled, Alectra Utilities eliminated duplicate software-maintenance contracts,

overlapping vendor licenses, and standing contractor arrangements, generating sustained savings for customers into the 2027-2031 rebasing period.

6. POTENTIAL OPPORTUNITIES FOR CONSOLIDATION

Alectra Inc. is exploring a potential merger or sale with Newmarket-Tay Power Distribution Ltd. (NT Power). The Town of Newmarket and the Township of Tay (the NT Power Shareholders) announced in December 2024 that they were exploring a potential merger or sale of NT Power and subsequently evaluated options with various potential utility partners. Following a review by the NT Power Shareholders and their legal and financial advisors, the Shareholders entered into an agreement with Alectra Inc. that sets out key terms of a potential merger or sale and grants Alectra Inc. an exclusive 120-day due-diligence period for final consideration by the two Town Councils.

The next steps identified in the press release issued August 6, 2025 provides Alectra Inc. with the exclusive 120-day period to complete more extensive due diligence and to formulate a merger/sale agreement for final consideration. If a final agreement with Alectra Inc. is accepted by Newmarket and Tay Councils, the Shareholders would have the potential to speak with other interested utility partners to ensure that they are receiving an agreement that reflects their best available option going forward. If Alectra Inc. is ultimately deemed the best fit for Newmarket and Tay, an application to the OEB for approval of the merger/sale would be filed.

Alectra Inc. has periodically reviewed and, where appropriate, pursued consolidation opportunities with contiguous or nearby local distribution companies (LDCs). No MAADs transaction has resulted to date. In each case, after preliminary diligence and discussion, either the parties could not agree on commercial terms or on priorities and timing, or the other utility chose not to proceed. Alectra Inc. will continue to monitor prospects and will only advance a proposal that delivers clear customer benefits and complies with applicable OEB requirements

7. EARLY REBASING - GUELPH RATE ZONE

In April 2016, Enersource Hydro Mississauga Inc., Horizon Utilities, and PowerStream Inc. filed an application (the MAADs Application; EB-2016-0025) pursuant to the *Report of the Board: Rate-making Associated with Distributor Consolidations* and the *Handbook to Electricity Distributor and Transmitter Consolidation* (the 2016 MAADs Handbook) seeking OEB approval to amalgamate to form Alectra Utilities, for Alectra Utilities to purchase and amalgamate with Hydro One Brampton Networks Inc. under section 86 of the *Ontario Energy Board Act 1998* (the Act), and for other related relief. In the MAADs Application, the predecessor utilities selected a 10-year rebasing deferral period. On December 8, 2016, the OEB issued its Decision and Order granting the requested approvals in the MAADs Application, including the 10-year rebasing deferral period. The rebasing deferral period for the first merger is 2017-2026, with rebasing of rates effective January 1, 2027.

In March 2018, Alectra Utilities and Guelph Hydro Electric System Inc. filed an application (the Alectra/Guelph MAADs Application; EB-2018-0014) seeking OEB-approval to amalgamate under section 86 of the Act. The application was granted, and the amalgamation took effect January 1, 2019. The OEB also approved a 10-year rebasing deferral period for Guelph. The rebasing deferral period for the second merger is 2019-2028, with rebasing of rates effective January 1, 2029.

As part of this Application, Alectra Utilities seeks to rebase the Guelph Rate Zone two years early. The OEB's 2016 MAADs Handbook states that a request for early rebasing must be in the best interest of customers and a distributor must file rationale to support the need to amend the previously selected deferred rebasing period. The rationale for early termination of the rebasing deferral period is provided below:

- The rebasing of the Guelph RZ with Alectra Utilities' other four RZs will allow Alectra Utilities to establish rates for customers across its entire service territory that reflect the efficiencies from the two consolidations. Total sustained synergies from both mergers total $44.3MM ($37.8MM in OM&A savings and $6.5MM in capital savings) per year from 2027 onward. By rebasing the Guelph Rate Zone early, Guelph customers will benefit

from these savings 2 years earlier. As provided in the OM&A overview at Exhibit 4, Tab 1, Schedule 2, the OM&A plan is built upon significant historical cost reduction efforts and achievements from consolidating the electricity distribution businesses, assets and employees of the five predecessor utilities.

- The proposals in the Application reflect planning on an Alectra Utilities-wide basis. Alectra Utilities' business planning process is informed by coordinated inputs from the DSP (capital planning), workforce planning, OM&A, revenue forecasts, financial requirements, and tax obligations. As provided in the DSP at Section 5.3.1 – Asset Management Framework Overview, Alectra Utilities applies a harmonized, uniform and systematic Capital Investment Planning and Optimization approach through which the company collects, assesses, evaluates and optimizes system and operational investment solutions for the distribution system.

- The Application includes a proposal to harmonize rates across Alectra Utilities' five existing rate zones. Exhibit 8 details the utility's rate harmonization plan. As shown in Table 8-1-6 – 2026 Notional Rates (Residential Rate Class) of Exhibit 8, Tab 1, Schedule 1, the 2026 forecasted fixed distribution rate for the Guelph rate zone is $35.99; the calculated harmonized rate on an Alectra Utilities-wide basis is $32.56 or $3.43 lower than the 2026 forecasted residential charge. This favourable harmonization impact for Guelph's residential customers serves to partially offset the impact of rebasing. As shown in Table 8-5-2 – Distribution Bill Impacts of Exhibit 8, Tab 5, Schedule 1, the 2027 distribution bill impact a typical residential customer in Guelph is $0.07 or 0.2%.[21]

- Rebasing the Guelph Rate Zone as part of this Application promotes regulatory efficiency by avoiding the preparation, adjudication and expense of another rebasing application two years later.

[21] This includes the impact of rebasing, harmonization and Group 2 disposition

IMPACTS OF COVID-19 PANDEMIC

In March 2020, the Government of Ontario declared a state of emergency in response to the spread of COVID-19 in the province. To contain the spread of COVID-19, the Government of Ontario ordered the mandatory closure of all non-essential workplaces. Alectra Utilities was deemed an essential service and was required to maintain operations and responded quickly and effectively to maintain service to customers during the pandemic.

Shortly after the declaration of a state of emergency, the OEB established a deferral account in which rate-regulated utilities could record incremental costs related to the pandemic. Alectra Utilities is not seeking recovery of impacts arising from the COVID-19 emergency.

In accordance with Section 2.1.10 of the Chapter 2 Filing Requirements, Alectra Utilities has reflected the impacts of the COVID-19 pandemic in its Application.

The remainder of this Schedule discusses the operational and financial impacts of the COVID-19 pandemic on the utility.

IMPACTS OF THE COVID-19 PANDEMIC

Alectra Utilities remained focused on two key priorities throughout the pandemic:

- employee and public safety; and
- the continued reliable delivery of power to the homes and businesses.

While Alectra Utilities was focused on the supply of electricity to homes and businesses, the utility's top priority remained crew and public safety and the restoration of power outages to ensure that the service that customers relied on remained secure.

The company proactively prepares for emergency situations through its emergency preparedness and business continuity programs. These programs enable the organization to quickly identify and respond to emergency situations to ensure the safety of staff, the public, and assets, as well as to ensure the continuity of operations. The COVID-19 pandemic was one such event. Alectra Utilities was able to quickly adjust to maintain operational capability, protect

the health, safety and wellness of employees, and support the communities it serves. Physical and procedural controls were put in place to manage and mitigate the impact of the COVID-19 pandemic in the workplace.

Throughout this Application, Alectra Utilities has discussed how the pandemic impacted the load forecast and costs in the historical and forecast period.[22] The pandemic disrupted global supply chains, resulting in material shortages, delivery delays, and higher prices. Customer arrears increased due to the disconnection moratorium, and collections-related inquiries rose sharply following the resumption of residential collections in 2023.

Impact on material costs: The global supply chain challenges that resulted from the COVID-19 pandemic drove upward pressure on the availability and cost of materials, services and labour. Despite Alectra Utilities leveraging its economies of scale and strong supplier relationships, manufacturers and suppliers of materials passed through higher material prices driven by increased raw material, freight, personnel and operating costs. The majority of the materials and equipment that Alectra Utilities purchases are comprised of raw materials such as metals (steel, aluminum, copper), resins (polyethylene for cables and insulators, epoxy, silicone) and lumber (wood poles) which have experienced significant increases in commodity prices and longer lead times. As identified in Appendix B03 – Transformer Renewal (DSP), several factors have contributed to the rising unit costs in the Transformer Renewal program. The first, occurring noticeably in 2023, was material cost inflation, stemming from post-COVID-19 pandemic supply chain disruptions, higher labour costs and overall increase in production costs. The lasting impacts of the COVID-19 pandemic also affected Customer Connections expenditures with the price of materials increasing significantly from 2022 to 2024. Further, as identified in Appendix B08 – Fleet Investments (DSP), the cost of vehicles has risen due to inflation, lingering supply chain impacts from the COVID-19 pandemic, and more recently, the implementation of tariffs. These external economic factors have directly impacted the price Alectra Utilities pays for both new vehicles and replacement assets.

Impact on bad debt and collection activities: As provided in Exhibit 4, Tab 2, Schedule 7, over the historical period, OM&A costs have been significantly impacted by rising bad debt (credit loss) costs, particularly between 2020–2024, when the effects of the COVID-19

[22] Please see Exhibit 1, Tab 6, Schedule 2; Exhibit 1, Tab 9, Schedule 4; Exhibit 3, Tab 2, Schedule 1; Exhibit 4, Tab 1, Schedule 1; Exhibit 4, Tab 2, Schedule 5; Exhibit 4, tab 2, Schedule 7; Exhibit 2A DSP (e.g., B30 – Transformer Renewal, B08 – Fleet)

pandemic led to a sharp increase. Bad debt surged to $27.4MM in 2020 and $19.5MM in 2021 before gradually declining to $12.2MM in 2022.

In 2022, Alectra Utilities resumed limited collections and disconnections, starting with high-risk commercial and industrial customers and with residential customers with arrears greater than $10,000. In 2023, Alectra Utilities resumed a“Get Back on Track” campaign to residential and commercial customers with arrears greater than $500-$750. The approach was to offer customer assistance programs, including LEAP and Payment Arrangements, and where possible seek support from other governmental community funding sources for low-income residential customers.

With the recommencement of collections activities, collections inquiries have risen significantly particularly following the resumption of residential collections activities in 2023. In 2023 alone, the Customer Service program experienced a 144% increase in collections-related calls, followed by a 67% increase in 2024. The 2027-2031 forecast anticipates that collections-related calls will continue to grow at the same rate as customer arrears, averaging 5.75% over the 2027-2031 period.

Impact on the load forecast: As provided in Itron’s load forecast reported filed as Attachment 3-2 to Exhibit 3, COVID-19 had a significant impact on customer usage. In 2020, residential sales jumped 13.1% while commercial sales fell 6.0% largely because of the “work at home” mandate. The net impact on sales though was relatively small with total sales for 2020 down just 0.4%. While class sales initially were trending towards pre-Covid levels, the trend appears to have stalled. Average residential use is still significantly higher than pre-COVID use, and commercial and industrial use is significantly lower.

Impact on merger integration projects: As provided in Exhibit 1, Tab 9, Schedule 4, two key projects – CIS Integration and GIS/OMS integrations – are currently underway for completion in 2026. These projects were originally set to be completed in 2020 and 2021 but were deferred due to COVID-related operational challenges. The COVID-19 pandemic and subsequent inflationary pressures affected the Guelph merger integration efforts. Transitioning to remote work, amid navigating the uncertainty and disruption caused by the pandemic, presented notable execution challenges. As a result, several Guelph integration projects were delayed to

balance labour availability and manage the organizational impacts of these integration projects. When the projects resumed, inflationary pressures impacted the budgets, leading to higher overall project costs.

RATE FRAMEWORK AND BENCHMARKING

SETTING THE CONTEXT: THE FRAMEWORK VS THE 5-YEAR CAPITAL AND OM&A FORECASTS

Alectra Utilities is applying to the OEB for rates based on the Custom IR rate-setting method. As provided in Schedule 2, Alectra Utilities is proposing a 2027-2031 Custom IR framework based on cost of service rebasing in 2027, followed by a Custom Price Cap Index (CPCI) applied in each of years two through five (2028-2031). Alectra Utilities' custom index for its annual rate adjustment is supported by empirical evidence from an independent third party, Clearspring.

The OEB's Handbook for Utility Rate Applications, issued October 13, 2026, provides guidance on the minimum standards for Custom IR applications to ensure that the performance-focused and outcomes-based approach is achieved as intended. With respect to the index for the annual rate adjustment, the Handbook states that the index must be informed by an analysis of the trade-offs between capital and operating costs, which may be presented through a five-year forecast of operating and capital costs and volumes. ***If a five-year forecast is provided, it is to be used to inform the derivation of the custom index, not solely to set rates on the basis of multi-year cost of service.***

Aligned with this guidance, Alectra Utilities has provided a five-year forecast of capital expenditure in its DSP filed in Exhibit 2A. A comparison of capital expenditures to in-service additions used for the rate base calculation is provided in Exhibit 2B, Tab 1, Schedule 2, Table 2-1-6. Total capital expenditures for the 2027-2031 period is $3.1B compared to in-service additions for the same period of $2.8B.

Further, Alectra Utilities has provided a five-year forecast of operating costs in Exhibit 4 which is used to inform Alectra Utilities' justification for its custom index for its OM&A expenditures. In Exhibit 4, Alectra Utilities provides a summary of OM&A Key Themes and Trends (Exhibit 4, Tab 1, Schedule 2), OM&A Key Drivers (Exhibit 4, Tab 1, Schedule 3) and OM&A by program (Exhibit 4, Tab 2). Together, the Clearspring Report and Alectra Utilities' OM&A evidence, provide the evidentiary record necessary to support Alectra Utilities' request for OM&A funding based on its proposed custom index.

Reconciliation of the 2027 OM&A forecast of $355MM in Exhibit 4 to the 2027 OM&A included in revenue requirement of $352MM (Exhibit 6)

In Exhibit 4, Tab 2, Schedule 8, Alectra Utilities provides its OM&A evidence for its Digital and Innovative (D&I) program. The D&I program is comprised of five segments including the Green Energy & Technology (GRE&T) Centre that leads the utility's innovation initiatives. As outlined in the 2019 MAADs application (EB-2018-0014, Exhibit B, Tab 5, Schedule 4, p.8), the GRE&T Centre is funded through a combination of the reallocated budget from the former PowerStream Advanced Planning department and external contributions from provincial and federal programs.

Over the 2027-2031 rate term, Alectra Utilities proposes to limit ratepayer funding for the GRE&T Centre to the amount that would have been included in rates for legacy PowerStream. As a result, approximately 83% of the GRE&T Centre's average annual OM&A costs of $3.4MM will be shareholder-funded ($2.8MM), with the remaining 17% recovered in rates ($0.6MM). This substantially shifts the risks associated with these investments from the ratepayer to the shareholder and demonstrates Alectra Utilities' commitment to the continued advancement of innovation in the sector to the benefit of customers. To calculate revenue requirement, Alectra Utilities reduced the 2027 OM&A forecast included in Exhibit 4 of $355MM by the approximately $3MM adjustment and included $352MM of OM&A in the 2027 Test Year.

OM&A funding for the 2028-2031 period will be based on Alectra Utilities proposed CPCI whereby 2028 to 2031 OM&A is escalated annually by the OEB's Inflation Factor, a Growth Factor (G) and an Input Price Differential (IPD). The proposed Framework is discussed in detail in Schedule 2.

1. RATE SETTING FRAMEWORK

1.1. INTRODUCTION

The 2027–2031 Custom Incentive Rate-Setting Framework (Rate Framework) proposed by Alectra Utilities builds on the Ontario Energy Board's (OEB) performance-based regulatory model and the principles established under the *Renewed Regulatory Framework* (RRF) and the Rate Handbook. Drawing on lessons from previously approved Custom Incentive Regulation (Custom IR) applications, Alectra Utilities has developed a framework that is tailored to its current and emerging operational realities, while continuing to reflect the priorities of its customers and the requirements of its distribution system, as detailed in Exhibits 2B and 4.

This proposal preserves the proven features of earlier Custom IR frameworks, while introducing targeted refinements to address the unique pressures facing Alectra Utilities over the 2027–2031 term. It will allow Alectra Utilities to focus on renewing its deteriorated infrastructure while meeting growing electricity demands and building a more resilient and modern grid necessary to deliver critical electricity service to its customers. This Rate Framework positions Alectra Utilities to remain efficient, adaptable, and properly resourced to achieve the outcomes expected by customers and the OEB.

The framework is guided by a set of core priorities:

- Continued provision of safe, reliable service and ensuring timely, cost-effective connections for new customers.
- Responding to the urgent need to renew deteriorated distribution system infrastructure and to the evolving needs and preferences of customers;
- Grounding funding requirements in both independent econometric evidence and detailed internal forecasts; and
- Balancing necessary utility resourcing with fair cost protection for customers.

The proposed Rate Framework meets the needs of customers, the system, and the utility over the 2027 to 2031 period, while maintaining alignment with the OEB's performance-based objectives.

To achieve these objectives, Alectra Utilities proposes the following key structural elements as part of its 2027-2031 Custom IR framework, as further described in this evidence:

- Cost of service rebasing in 2027, followed by a Custom Price Cap Index (CPCI) applied in each of years two through five (2028–2031).
- The CPCI formula will establish annual service revenues based on:
    - Inflation (I), based on the OEB's annually published inflation factor applicable to electricity distributors;
    - A combined productivity and stretch factor (X) of 0.15%, based on third-party econometric analysis; and,
    - A Revenue Growth Factor (RGF), which provides for incremental funding required to meet the capital and operational needs articulated by Alectra Utilities in Exhibits 2 and 4 of this Application. The RGF is established on the basis of:
        - Year-over-year changes in Capital-Related Revenue Requirement (CRRR) established on a forecast basis, relying on the in-service additions articulated in Alectra Utilities' DSP and Exhibit 2;
        - Non-CRRR which relies primarily on an indexed OM&A budget, wherein 2027 OM&A funding is established on a forecast basis, and 2028 to 2031 OM&A funding is escalated annually by the OEB's Inflation Factor, a Growth Factor (G) and an Input Price Differential (IPD), each of which are established as follows:
            - "G" is established as 1.81%, which relies on third-party econometric analysis to establish the incremental cost of Alectra

Utilities' increasing customer count and peak demand, exclusive of inflation; and,

- "IPD" is established as 0.36%, which relies on third-party econometric analysis to establish the difference between the OEB's inflation factor and actual inflation applicable to Alectra Utilities' OM&A; and,

- A forecast of Other Revenue is included within the derivation of Non-CRRR to adjust annually escalated OM&A over the 2028 to 2031 period down to base revenue for rate-setting purposes;

- A forecast of "I" is removed from the RGF to allow for updated inflation figures to be inserted into the CPCI on an actual basis in each of 2028 to 2031; and,

- Forecast revenue growth from billing determinant growth is removed from the RGF from 2028 to 2031, refunding incremental revenues from billing determinant growth to customers.

- An Earnings Sharing Mechanism (ESM) to share any excess earnings above a 150-basis point dead band above OEB-approved ROE, with a 50/50 split between customers and the utility; and,

- The establishment of a Capital-Related Revenue Requirement Variance Account (CRRRVA) for the 2027-2031 term of the DSP. The CRRRVA is an asymmetrical account to the benefit of ratepayers, intended to capture the cumulative differences between forecast and actual capital-related revenue requirement over the 2027-2031 rate term.

Taken together, these features comprise a comprehensive and balanced rate framework designed to ensure that Alectra Utilities can meet its service obligations, build a resilient and modern grid in the face of increasing numbers of storms, and support the Ontario government's objectives of facilitating new housing construction and economic growth.

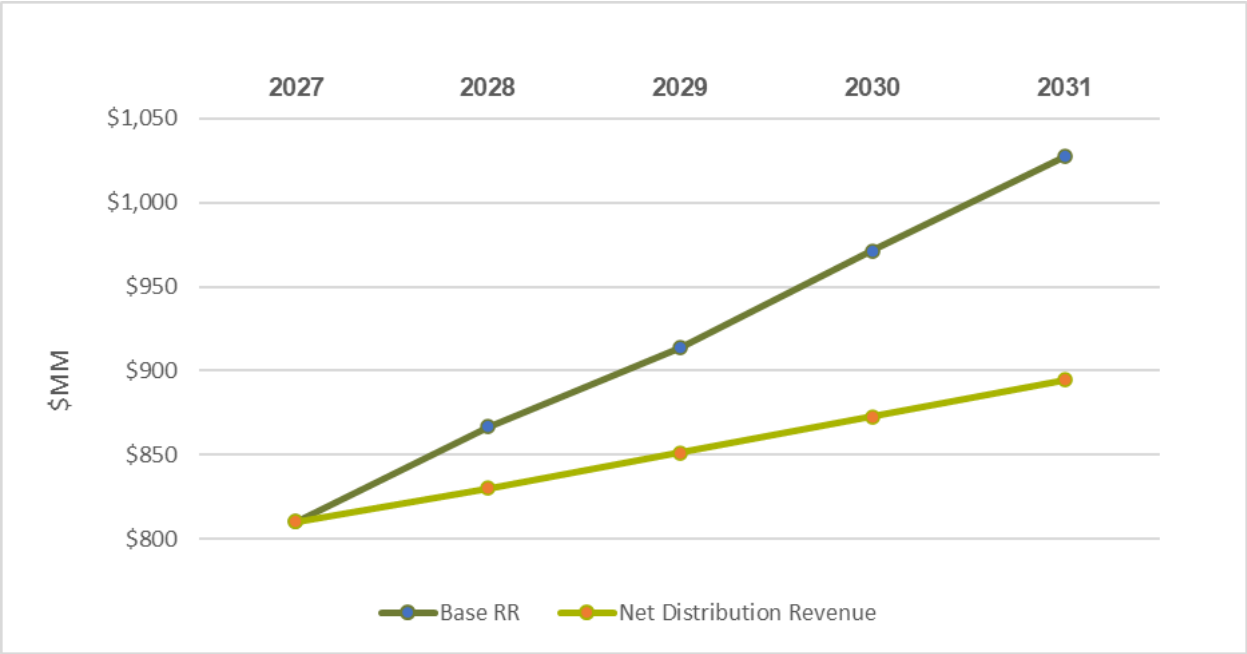
1.2. THE NEED FOR A CUSTOM IR FRAMEWORK

Alectra Utilities is proposing a Custom IR framework to meet funding needs arising from evolving cost pressures and investments required; needs that cannot be accommodated within the parameters of the OEB's Price Cap Incentive Rate-setting (Price Cap IR) model.

The Price Cap IR framework is not equipped to simultaneously address Alectra Utilities' ongoing requirement for substantial system renewal investments—needs that have been consistently demonstrated through successive ICM applications and are expected to continue throughout the 2027-2031 rate period—while meeting growing electricity demands and building a more resilient grid, and ensuring appropriate staffing levels to operate a large and complex utility.

Alectra Utilities estimates that application of the Price Cap IR framework over the 2027 to 2031 period would underfund its operations by approximately $312MM, as shown in Chart 1-11-1 below:

Chart 1-11-1: Custom Price Cap Revenue vs. Price Cap (IRM) Revenue



Without intervention, the funding gap between the Price Cap IR framework and Alectra Utilities' investment plan would result in a growing deficit of necessary investment funding; reaching $131MM annually by 2031. Lacking this funding, Alectra Utilities anticipates this would lead to continued and measurable declines in customer reliability; the deferral of essential investments, including investments required to meet the evolving electricity usage patterns of customers; persistent understaffing that undermines operational, maintenance, and administrative performance, slows capital project execution, and drives costly staff turnover; and significant, sustained under-earning relative to the OEB-approved ROE, jeopardizing Alectra Utilities' financial viability and its ability to deliver reliable, cost-effective service.

The application of a Price Cap IR framework to Alectra Utilities over the 2027 to 2031 period would result in substantial negative outcomes for customers, and would not serve the public interest or align with the OEB's statutory objectives.[23] As such, the evidence provided in this application clearly substantiates the need for a Custom IR Rate Framework to meet the needs of customers and the distribution system.

The following sub-sections summarize the needs underpinning Alectra Utilities' proposed Rate Framework.

1.3. CAPITAL REQUIREMENTS

Alectra Utilities' capital requirements are expected to increase steadily over the 2027–2031 period, with CRRR growing from approximately $489MM in 2027 to $645MM in 2031. These requirements are driven by several converging factors, including:

- ongoing substantial renewal needs as fully articulated in the DSP, necessitating investments in assets and infrastructure renewal to ensure reliable, safe and efficient operations. This includes investments in distribution system assets, metering, fleet, facilities and IT;

- investments necessary to prepare the grid for anticipated organic growth aligned with municipal plans and provincial policies. These investments will ensure that Alectra

[23] Section 1(1) of the Ontario Energy Board Act, 1998, SO 1998, c. 15, Sched. B.

Utilities meets its obligation to provide connections and adequate system capacity for customers' growing demand for electricity;

- mitigating the escalating risks from the increasing frequency and intensity of storms and extreme weather events. Alectra Utilities will invest in operational technologies, field automation, system control and telecommunications, customer-facing digital tools, and targeted rebuilds of high-risk rear-lot infrastructure to adapt and build a resilient grid; and

- Alectra Utilities has under-earned over the past five years, falling short of its deemed ROE by an average of 2.5%, highlighting the need for the re-establishment of rate base and regulated rate of return.

The above priorities highlight the need for a regulatory framework that provides sufficient capital funding. The investments detailed in Alectra Utilities' five-year DSP are designed to ensure the continued reliability and adequacy of electricity service for customers.

1.4. OM&A REQUIREMENTS

Alectra Utilities is facing increasing OM&A costs relative to historical funding, with projected expenditures rising from $355MM in 2027 to $415MM in 2031.[24] These cost pressures arise from several converging factors, including the staffing requirements needed to support Alectra Utilities' expanding capital program, higher customer service operational costs, higher IT costs to strengthen cybersecurity and adopt new technologies and a rising regulatory compliance burden. A complete description and supporting evidence of Alectra Utilities' operational funding needs are provided in Exhibit 4 of this Application.

As further described in this evidence, Alectra Utilities has included OM&A funding in its CPCI via the RGF on an indexed basis, such that funding increases are directly tied to the substantiated values of the OEB's Inflation Factor, a Growth Factor based on the incremental costs of increasing customers and peak load, and an Input Price Differential which specifically accounts for differences between the OEB's Inflation Factor and forecast inflation as it specifically applies to OM&A.

[24] Please see Exhibit 1, Tab 11, Schedule 1 for a discussion on the OM&A forecast vs the proposed OM&A funding amount

1.5. RETURN ON EQUITY AND FINANCIAL SUSTAINABILITY

Alongside the need to address significantly expanding customer and system requirements, Alectra Utilities' Rate Framework must provide the utility with the opportunity to earn a fair return on its invested equity. The capital and operational requirements described in Exhibits 2B and 4 of this Application have grown steadily in the years leading up to 2027, as illustrated in Table 1-11-1 below, which compares Alectra Utilities' deemed versus achieved regulated ROE for the 2020–2024 period.

Table 1-11-1: Alectra Utilities deemed versus achieved regulated 2020-2024 ROE

Year	Deemed ROE	Achieved ROE	Difference	300 Basis Points Deadband
2020	8.95 %	4.80 %	4.15 %	Under
2021	8.95 %	6.18 %	2.77 %	Within
2022	8.95 %	6.70 %	2.25 %	Within
2023	8.95 %	7.55 %	1.40 %	Within
2024	8.95 %	7.16 %	1.79 %	Within
Avg.	**8.95 %**	**6.48 %**	**2.47 %**	**Within**

Over the past several years, Alectra Utilities managed its investments within its rates funding envelope, continually balancing expenditures based on identified business and system needs, and the priorities and preferences of its customers. Alectra Utilities could fund all its investments within the funding available under the Price Cap formula, necessitating an ongoing balancing of investments to best satisfy those priorities, and resulting in a gap between its actual earnings and previously approved deemed ROE. While this approach has benefitted customers by funding investments beyond rate-approved levels, it has also constrained the utility’s ability to fully execute other necessary capital and operational initiatives, including required staffing growth and the thoughtful expansion of the distribution system to meet growing customer demand. Persistent under-earning is unsustainable and inconsistent with the principle of a fair return. Alectra Utilities is therefore proposing a rate framework that balances the needs of customers and shareholders; enabling necessary investments to proceed in a sustainable manner.

1.6. ALECTRA UTILITIES' 2027 TO 2031 CUSTOM RATE FRAMEWORK

This section describes the elements of Alectra Utilities' proposed Rate Framework. The information is organized to first describe the components of the CPCI, before detailing Alectra Utilities' proposed approach to implement the CPCI, and finally describing deferral and variance accounts integral to the Rate Framework.

Alectra Utilities' CPCI is expressed as:

$$\mathbf{CPCI = I_n - X + RGF_n}$$

The following table summarizes each component of the CPCI, which are subsequently described further in this evidence:

Table 1-11-2: CPCI Components

CPCI Component	
Inflation (I)	OEB's annually published Inflation Factor applicable to electricity distributors. I is applied as an increase to the CPCI.
X-Factor (X)	Includes a fixed productivity factor (0.0%) and a fixed utility-specific stretch factor (0.15%) assigned based on third-party econometric benchmarking completed by Clearspring, provided a Attachment 1-3 in Exhibit 1, Tab 6, Schedule 2. X is applied as a decrease to the CPCI, and is applicable to the entire revenue envelope.
Revenue Growth Factor (RGF)	A factor equal to the difference between the forecast base revenue requirement for the current year (n), and its forecast base revenue requirement for the prior year (n-1), less increases provided by I, and billing determinant growth. RGF is applied as an increase to the CPCI and is applicable to the total base revenue requirement. The revenue requirement relied upon for the purpose of establishing RGF can be described in three distinct categories: • CRRR: Capital-related revenue requirement is established on the basis of a forecast of depreciation expense, interest expense, return on equity, and PILs from 2027 to 2031. • OM&A: OM&A funding for 2027 is established based on forecast costs. In 2028 and beyond, each year's OM&A funding is equal to the prior year's OM&A funding, escalated by "I", "G" and "IPD". I is equal to the OEB's Inflation Factor on an actual basis, and is the only value in the CPCI which will be updated in annual applications to the OEB. G represents incremental costs driven by increased customer count and peak demand, and a fixed value of 1.81% from 2028 to 2031. IPD represents inflationary increases applicable to OM&A which exceed the OEB's Inflation Factor, and is a fixed value of 0.36% from 2028 to 2031. G and IPD are established on the basis of Clearspring's third-party econometric analysis. • Other Revenue: Other Revenue is applied as an offset to indexed OM&A, to yield the Non-CRRR included in the revenue requirement establishing RGF. Other Revenue is included based on a 5 year forecast of Other Revenue.

Table 1-11-3 below compares the application of Alectra Utilities' proposed CPCI as against the Price Cap Index commonly used by Ontario electricity distributors not under Custom IR:

Table 1-11-3: Comparing application of the proposed CPCI as against Price Cap Index

Item	Price Cap	Alectra Utilities' CPCI
2027	Cost of Service Rebasing – Full Review of Service Revenue Requirement and Other Revenue, yielding Base Revenue Requirement to establish Distribution Rates	
2028 - 2031	Price Cap Index (PCI): $I_n - X$	Custom Price Cap Index (CPCI): $I_n – X + RGF_n$
Annual Rate Design	2027 rates are based on 2027 revenue requirement, cost allocation and rate design. The PCI is applied directly to escalate 2028-2031 base distribution rates without any other adjustments	2027 rates are based on 2027 revenue requirement, cost allocation and rate design. For subsequent years. The result of the CPCI is applied directly to base distribution rates (Monthly Service Charge and Distribution Volumetric Charge).
Revenue Growth from Billing Determinant Growth (2028-2031)	2028-2031 distribution revenue increases both as a result of increasing rates through the PCI, and increased billing determinants. The utility retains increased revenues from billing determinant growth	2028-2031 distribution revenue increases solely as a result of the application of the CPCI. Incremental revenues from billing determinant growth are used to offset rate increases to customers by subtracting incremental revenues from billing determinant growth in the derivation of RGF

1.6.1. INFLATION (I)

The inflation factor is a core element of the OEB's incentive rate-setting mechanisms, used to adjust electricity distribution rates annually between cost-of-service rebasing years. It is the first input in the OEB's Price Cap Index (PCI) formula and remains embedded in Alectra Utilities' proposed CPCI. The OEB calculates this factor using a two-component input price index that blends labour and non-labour cost changes, weighted 30% and 70% respectively. Labour inflation is measured by Ontario average weekly earnings, while non-labour inflation is measured by the national GDP implicit price index.

While Alectra Utilities proposes to continue applying the OEB's annual inflation factor, its econometric expert, Clearspring, has identified a material gap between the OEB's measure and the actual inflation Alectra Utilities experiences in OM&A costs. Clearspring's report (Exhibit 1, Tab 6, Schedule 2, Attachment 1-3) demonstrates this gap , and the following subsection on the IPD outlines Alectra Utilities' proposed solution.

I is the only CPCI component that will be updated annually during the 2028–2031 term. All other parameters are proposed to be fixed, based on the OEB's Decision and Order in this proceeding. Alectra Utilities currently forecasts an inflation factor of 2.00% for each year from 2028 through 2031.

1.6.2. PRODUCTIVITY AND STRETCH FACTOR (X)

The combined productivity and stretch factor are a core element of the OEB's incentive rate-setting framework, designed to drive sustained productivity gains and efficiency improvements across Ontario electricity distributors. Applied as a downward adjustment to the inflation factor in the OEB's Price Cap Index, it serves as a built-in cost-containment measure that compels utilities to continually improve performance. This mechanism is a central pillar of the OEB's *Renewed Regulatory Framework,* underscoring its emphasis on delivering long-term value to customers.

For Alectra Utilities, the combined X factor has been set at 0.15%, reflecting a 0.0% productivity factor and a 0.15% stretch factor. To establish this value, Alectra Utilities engaged Clearspring to conduct an econometric benchmarking analysis, the results of which are provided in the report at Exhibit 1, Tab 6, Schedule 2, Attachment 1-3.

1.6.3. REVENUE GROWTH FACTOR (RGF)

The RGF accounts for required increases in Base Revenue Requirement (BRR) that are not otherwise captured by the OEB's annual Inflation Factor. Alectra Utilities has provided substantial evidence in Exhibits 2 and 4 demonstrating the need and prudence of its capital and operational investment plans, respectively. The RGF reflects the reality that Alectra Utilities' funding requirements are driven by utility and time-specific needs, such as renewing its deteriorated infrastructure, meeting the growing electricity demands of its customers, building a more resilient and modern grid, and ensuring appropriate staffing levels to operate an increasingly large and complex utility.

With respect to CRRR, the RGF will allow utility funding to match the pace of change in capital-related revenue requirement over the 2028 to 2031 term, as Alectra Utilities increases assets in service over this period to provide long-term value to customers.

With respect to OM&A, the RGF reflects that Alectra Utilities experiences cost increases above and beyond what the OEB's Inflation Factor otherwise provides on an ongoing basis; both as a result of increasing customer count and peak demand, and as a result of the persistent gap between the OEB's Inflation Factor and the real-world inflationary pressures on OM&A expenditures. The recognition of these two cost pressures on OM&A are captured by G and IPD.

G accounts for nominal cost increases driven by forecast expansion in Alectra Utilities' customer base and system peak demand, exclusive of inflation. Clearspring's analysis determining an appropriate G value of 1.81% is directly based on the growth anticipated in customers and peak demand.[25] The OEB approved the use of a highly consistent factor to escalate OM&A in EB-2023-0195.[26]

IPD isolates the inflationary gap between the OEB's regulatory inflation factor and the actual OM&A cost inflation Alectra Utilities expects to face, as informed by Clearspring's econometric analysis. Unlike G, which captures growth in the number of cost-bearing units (e.g., customers, MW of demand), IPD measures the increase in per-unit costs above the regulatory inflation factor. For the CPCI, IPD is fixed at 0.36%.

To determine a total revenue requirement for the purpose of establishing RGF, Alectra Utilities has included a 5-year forecast of Other Revenue as an offset to indexed OM&A, ensuring that funding increases provided for in the RGF appropriately account for anticipated other revenues beyond Monthly Service Charges and Variable Distribution Rates. Combined with OM&A, this yields a Non-CRRR value.

When CRRR and Non-CRRR are combined, a base revenue requirement is generated to inform the RGF for each year from 2028 to 2031. These values can be used to determine the percentage increase required between current year revenue requirement, and the prior year's revenue requirement. Two final adjustments are required to determine the RGF values relied upon in the CPCI for 2028 through 2031.

[25] Clearspring's Report is filed as Attachment 1-3 in Exhibit 1, Tab 6, Schedule 2

[26] EB-2023-0195, Partial Decision and Order, Toronto Hydro CIR Application, November 12, 2024

First, a forecast of the OEB's Inflation Factor is removed. Removing a forecast of the OEB's Inflation Factor, allows for the actual OEB Inflation Factor applicable to 2028 to 2031 to be inserted in each Annual Update applicable to these years. This approach ensures that neither ratepayers nor the utility solely bear the risk of inflation, consistent with the OEB's Price Cap IR rate-setting approach.

Second, Alectra Utilities' Rate Framework has been designed as a Price Cap, as opposed to Revenue Cap, Rate Framework. This allows for the straight-forward application of the CPCI's output percentages directly to Monthly Service Charges and Variable Distribution Rates over the 2028 to 2031 rate period, without the need for annual rate design exercises. This approach provides administrative and regulatory efficiency, however the proposed Rate Framework (inclusive of the RGF) has been designed to provide for Alectra Utilities' entire funding requirement, less application of the X Factor. As such, an adjustment is required to refund to ratepayers the incremental revenue forecast from billing determinant growth from 2028 to 2031. This adjustment is implemented as a percentage reduction to the RGF, based on forecast revenue growth from billing determinant growth for each year from 2028 to 2031.

The RGF is calculated as the increase in current year base revenue requirement relative to prior year base revenue requirement, net of I, and billing determinant driven revenue growth, as shown in Table 1-11-4 below:

Table 1-11-4: RGF

Line		2027	2028	2029	2030	2031
1	Average Net Fixed Assets	4,130.3	4,389.5	4,701.5	5,075.9	5,460.6
2	Working Capital Allowance	305.0	319.6	331.4	346.1	361.2
3	Rate Base	4,435.3	4,709.2	5,032.9	5,422.0	5,821.8
4	Return on Debt	111.0	122.0	130.8	141.3	156.3
5	Return on Equity	159.7	169.5	181.2	195.2	209.6
6	Depreciation	195.6	199.4	214.1	230.8	242.2
7	PILs Taxes	22.4	37.6	29.0	31.8	37.0
8	Total Capital Related Revenue Requirement	488.7	528.5	555.1	599.0	645.1
9	Less Incremental Working Capital Related Revenue Requirement	0.0	(0.5)	(1.3)	(2.2)	(3.1)
10	Total Capital Related Revenue Requirement (including working capital adjustment)	488.7	527.9	553.8	596.9	641.9
11	OM&A	352.4	352.4	352.4	352.4	352.4
12	Add: Inflation Factor		7.0	14.4	22.0	30.0
13	Add: G Factor		6.4	13.0	19.9	27.0
14	Add: IPD Factor		1.3	2.6	4.0	5.5
15	Total OM&A	352.4	367.1	382.4	398.4	415.0
16	Revenue offset	(30.8)	(31.3)	(27.9)	(28.7)	(29.5)
17	Non-capital Related Revenue Requirement (OM&A and Revenue Offset)	321.6	335.8	354.5	369.7	385.5
18	Total Revenue Requirement	810.3	863.7	908.3	966.6	1,027.5
19	Increase in Revenue Requirement		53.4	44.6	58.2	60.9
20	Increase in Revenue Requirement as a percentage of Previous Year Revenue Requirement		6.59 %	5.16 %	6.41 %	6.30 %
21	Inflation back-off		(2.00)%	(2.00)%	(2.00)%	(2.00)%
22	Billing Determinant Growth back-off		(0.57)%	(0.63)%	(0.67)%	(0.61)%
23	Revenue Growth Factor		4.02 %	2.53 %	3.74 %	3.70 %

FORECAST CPCI

Alectra Utilities' forecast CPCI escalation values are provided in Table 1-11-5 below. As described above, each of X and the components of RGF are proposed for final approval in this application, while I will be updated each year based on the OEB’s annual inflation factor

applicable to electricity distributors. For completeness, Alectra Utilities has also presented forecast revenue growth resulting from billing determinant growth.

Table 1-11-5: Forecast CPCI

	2028	2029	2030	2031
Inflation: I	2.00 %	2.00 %	2.00 %	2.00 %
Productivity & Stretch: X	0.15 %	0.15 %	0.15 %	0.15 %
Revenue Growth Factor: RGF	4.02 %	2.53 %	3.74 %	3.70 %
CPCI (I-X+RGF)	5.87 %	4.38 %	5.59 %	5.55 %
Revenue Growth from Billing Determinants	0.57 %	0.63 %	0.67 %	0.61 %

IMPLEMENTATION OF THE CPCI

Beginning in 2028, Alectra Utilities' base distribution rates will be adjusted annually using the Custom Price Cap Index (CPCI), in the same manner that the Price Cap Index (PCI) would apply under a standard IRM framework. This approach ensures that, following the rebasing year in 2027, distribution rates continue to change in a predictable and formula-driven manner, consistent with the OEB's incentive regulation principles.

The adjustment to prior year's distribution rates will result solely from application of the CPCI to the prior year's approved rates, with no further rate design or adjustments required.

DEFERRAL AND VARIANCE ACCOUNTS ASSOCIATED WITH ALECTRA UTILITIES' RATE FRAMEWORK

Alectra Utilities' Rate Framework is supported by a series of carefully designed deferral and variance accounts (DVAs) that strike an appropriate balance between protecting ratepayers and providing Alectra Utilities with a fair opportunity to recover costs. These accounts are tailored to Alectra Utilities' evolving cost structure and operational risks over the 2027 to 2031 Custom IR term. These accounts are further described in Exhibit 9 of this Application, and can be summarized as follows:

- The **Capital-Related Revenue Requirement Variance Account (CRRRVA)** is an asymmetrical account to the benefit of ratepayers, intended to capture differences between forecast and actual capital-related revenue requirement. The account ensures that capital-related costs in excess of forecast are absorbed by the utility while protecting customers from overcollection relative to costs.

- The **Earnings Sharing Mechanism Variance Account (ESMVA)** is proposed to share any excess earnings above a 150-basis point dead band above OEB-approved ROE, with a 50/50 split between customers and the utility. The ESMVA is asymmetrical, benefiting customers only when earnings exceed the threshold. The ESM is proposed to be calculated on a cumulative basis over the 2027 to 2031 term.

Collectively, these accounts provide transparency, accountability, and flexibility within the Custom IR framework, enabling Alectra Utilities to adapt to circumstances on the ground in a manner that protects ratepayers.