

Alectra's 2027-2031 Strategic Priorities



Alectra Utilities Corporation is responsible for planning, building and maintaining the electricity distribution system that provides safe, reliable service to approximately 1.3 million homes and businesses, and a population of more than 3 million people in 17 communities in the Greater Toronto, Hamilton and Niagara regions.

Our 5-year plan is built to provide the power that modern homes and businesses require. Reliable, safe, electricity services are essential to the economic and social well-being of the communities we serve.

Renewal, Resiliency, and Growth

Our planning process began with extensive outreach to our customers to get feedback on the challenges Alectra must address and the options available, including costs. Approximately 50,000 customers responded and more than 80% expressed support for our \$3.1 billion investment plan, including:

Renewing and replacing deteriorating infrastructure - \$1.8 billion

Although we've consistently invested in the upkeep of our infrastructure and have improved the performance of the system, there is a backlog of deteriorating assets that need attention. We will focus on renewing deteriorating and obsolete equipment to help minimize the risk of outages, ensure safe operations, provide increased resiliency during severe weather events, and mitigate environmental hazards.

FACT: Equipment failure is the largest cause of power outages for Alectra customers with 1,285 outages due to defective equipment on average per year.



Meeting customer requirements and serving the economic needs of municipal growth - \$1.0 billion

As the communities within our service territory grow, more homes and buildings need power from the grid, and customers are turning to electricity and newer technologies for heating and powering their vehicles. Alectra Utilities has a critical role to play in expanding the local grid so that customers can continue to plug in safely and have the power there when they need it.

FACT: The population across our service area is projected to grow by 31% from 2021 to 2041. This growth is driving the need for new housing, public transit expansion, and new infrastructure.



Protecting against extreme weather and cybersecurity attacks - \$0.30 billion

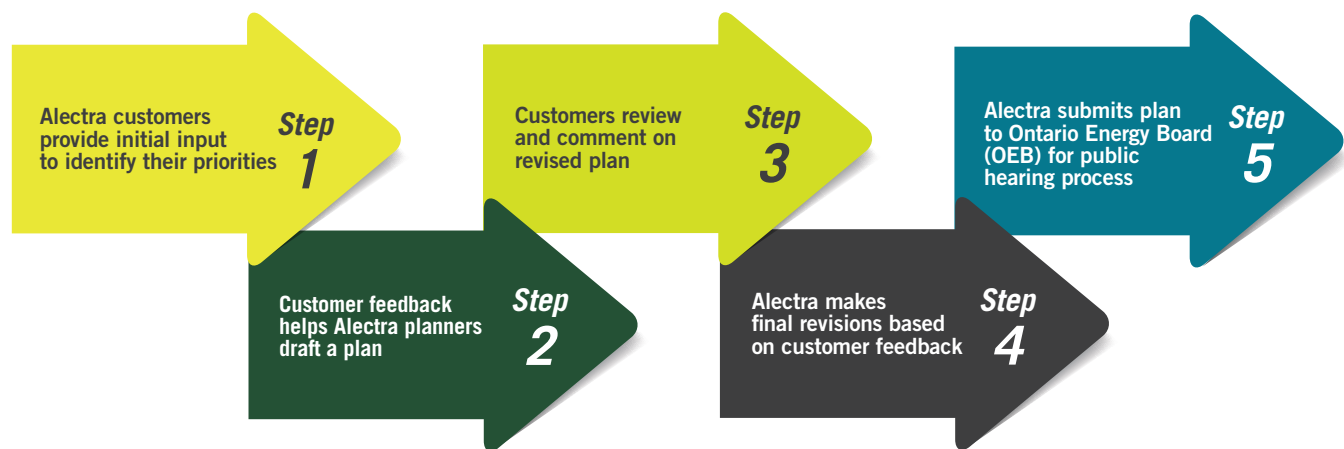
As more customers plug into electrified technologies, including electric vehicles and heat pumps, we need to invest in building a more intelligent and resilient grid. We also need to integrate new smart grid technologies that can help us restore power to customers faster during outages. These investments will strengthen the grid against extreme weather and potential cyber-attacks.

FACT: Hardening the grid with proactive investments can reduce the risk of considerable storm damage and prolonged outages.



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How customer input guides Alectra's planning process



Customer support is the percentage of customers who responded by indicating one of:

- (1) they think Alectra should accelerate spending beyond its proposed draft plan to deliver better system outcome.
- (2) they support the proposed bill increase when it comes to preparing the grid for the future.
- (3) they don't like the proposed bill increase, but they think it's necessary to maintain the grid to a reasonable standard and prepare for the future.

Customer Feedback

Rate Class	Customer Participation	Customer Support
Residential	47,102	81%
Small Business	1,476	77%
Large Business	202	86%
Major Accounts	13	100%

Note: Phase 2 Customer Engagement Feedback Results

How has the merger benefitted our customers?

Since the merger in 2017, including the addition of Guelph Hydro in 2018, total net savings from operating and capital budgets will reach \$340.7 million over 10 years.

Importantly, we anticipate 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.

New Rate Impacts

To fund our proposed investment plan, we're seeking approval from the Ontario Energy Board (OEB) for 2027-2031 distribution rates and charges (Alectra's portion of the bill). The OEB and various consumer groups will review and test our plan in a rigorous, transparent public process known as a rate application.

Rate class	Typical usage	Monthly bill impacts ¹	2027	2028	2029	2030	2031	Average annual change (per month)
Residential	750 kwh	Distribution (\$)	\$2.86	\$4.89	\$1.79	\$2.38	\$2.49	\$2.88
Small business	2,000 kwh	Distribution (\$)	(\$0.13)	\$12.32	\$3.88	\$5.17	\$5.51	\$5.35

The Ontario Energy Board requires that Alectra propose a plan to harmonize rates. Under Alectra's proposed plan to harmonize rates to a single rate for all customers, some customers will see very little change in the rate they pay, while others will see a rate increase or rate decrease. Alectra has also proposed a rate-setting formula that would set distribution rates over this period.

¹ Distribution bill impacts displayed reflect the average impact across all rate zones.

We're keeping you informed!

To learn more about Alectra's 5-year rate application and investments in your neighbourhood please visit these links on our website:

Improving Reliability | [AlectraUtilities.com/ImprovingReliability](https://www.alectrautilities.com/ImprovingReliability)

Our 2027–2031 Investment Plan | [AlectraUtilities.com/InvestmentPlan](https://www.alectrautilities.com/InvestmentPlan)

Regulatory Affairs | [AlectraUtilities.com/Regulatory-Affairs](https://www.alectrautilities.com/Regulatory-Affairs)



Learn more about
Alectra's
Investment Plan

