

February 8, 2024

Tracy Adams
City Chief Administrative Officer
The Corporation of the City of Oshawa
50 Centre Street S
Oshawa, Ontario
L1H 3Z7

Dear Tracy,

**Oshawa Power and Utilities Corporation (Oshawa Power) Report of the Chairman to the Shareholder –
Fourth Quarter Report (2023)**

I am pleased to present the 2023 Fourth Quarter Report of Oshawa Power to the Corporation of the City of Oshawa, the sole shareholder of this Corporation.

1. Draft Financial Data

**Results are not final and will change as preparation continues for year-end audit*

('000s)	Q4 YTD		
	2023 (Actual)* 31-Dec	Budget	2022 (Actual) 31-Dec
Total Distribution Revenue	29,217	29,004	27,226
Total Other Revenue	9,553	8,451	7,160
Net Revenue	38,770	37,455	34,386
Total Expenses	20,452	20,860	18,899
EBITDA	18,319	16,594	15,487
Depreciation	7,930	8,186	7,911
EBIT	10,389	8,408	7,576
Interest Expense	2,435	3,392	2,811
Extraordinary Items			
Net Income Before Taxes	7,954	5,017	4,764
Taxes	288	188	-399
Net Income	7,666	4,829	5,163

2. Other Information

- Changes to energy policy – no major updates.
- Newly adopted corporate policies – no major updates.
- Tax issues – no major updates.

This report is for information and is respectfully submitted on behalf of the Board of Directors of Oshawa Power and Utilities Corporation.

3. Commentary

Health and Safety

Oshawa Power continues to be diligent with our Health & Safety Program and are proud to report that we closed out 2023 with almost 1.3 million hours with no lost time injuries. In a company of our size this means that there have been no lost time injuries since 2016. Management encourages all staff to provide input to enable us to improve on practices and processes to continually improve and ensure that everyone goes home safely at the end of each day. This includes reporting any near misses or suggestions for improvement on processes and practices that could improve the safety of a task.

The 2024 Health & Safety plan includes not only training scheduled for the team throughout the year, but training within the community that will be determined based on the results of our Public Safety Survey that has been completed. Some topics under consideration are electrical safety for children through outreach in the community and safety training for those working around our infrastructure.

4. Regulatory

Quarterly reporting and record keeping requirements to the Ontario Energy Board (OEB) include the following:

- Commodity deferral and variance account balances
- Customer counts for each rate class
- Micro FIT and FIT generation connections

Compliance

The Company is compliant with all bank covenants.

OEB Updates

The OEB winter moratorium on disconnections continues through April 30 residential customers cannot have their service interrupted for non-payment. Oshawa Power continues to monitor past due accounts and reaches out to customers that are in arrears to ensure that they are aware of payment plans and assistance that is available to them. The team always tries to work with customers and only uses disconnection as a last resort.

Oshawa Power has seen a significant increase in its aged accounts (43%) resulting in higher bad debt expense. Management is building a plan to effectively address in 2024.

Winter rates continue to be in effect through May, 2024 and are outlined in the charts below.

Ultra Low overnight Time of Use (TOU) Price Plan

Oshawa Power has implemented Ultra-Low overnight rates for their customers effective October 13, 2023. This is in advance of the OEB mandated deadline of November 1, 2023. The rates for this Ultra-Low Overnight Price Plan are shown in the table below.

Ultra-Low Overnight (ULO)

ULO Price Periods	All Year	ULO Prices (¢/kWh)
Ultra-Low Overnight	Every day 11 p.m. - 7 a.m.	2.8
Weekend Off-Peak	Weekends and holidays 7 a.m. - 11 p.m.	8.7
Mid-Peak	Weekdays 7 a.m. - 4 p.m. and 9 p.m. to 11 p.m.	12.2
On-Peak	Weekdays 4 p.m. - 9 p.m.	28.6

Current OEB TOU Rates – Winter Rates Effective November 1

Time-of-Use (TOU)

TOU Price Periods	 Winter (November 1 - April 30)	 Summer (May 1 - October 31)	TOU Prices (¢/kWh)
Off-Peak	Weekdays 7 p.m. - 7 a.m. Weekends and holidays all day	Weekdays 7 p.m. - 7 a.m. Weekends and holidays all day	8.7
Mid-Peak	Weekdays 11 a.m. - 5 p.m.	Weekdays 7 a.m. - 11 a.m. and 5 p.m. - 7 p.m.	12.2
On-Peak	Weekdays 7 a.m. - 11 a.m. and 5 p.m. - 7 p.m.	Weekdays 11 a.m. - 5 p.m.	18.2

Current OEB Tiered Pricing

Tiered

Tier Thresholds	 Winter (November 1 - April 30)	 Summer (May 1 - October 31)	Tiered Prices (¢/kWh)
Tier 1	Residential - first 1,000 kWh/month Non-residential - first 750 kWh/month	Residential - first 600 kWh/month Non-residential - first 750 kWh/month	10.3
Tier 2	Residential - for electricity used above 1,000 kWh/month Non-residential - for electricity used above 750 kWh/month	Residential - for electricity used above 600 kWh/month Non-residential - for electricity used above 750 kWh/month	12.5

The OEB has a [bill calculator](#) on their website to help customers determine what rate is best for them.

5. Support Programs

As noted above Oshawa Power only disconnects as a last resort and works with customers to avoid the hardship of disconnection whenever possible. The team assists customers not only by making flexible payment arrangements, but also by guiding them to programs that are available to assist with financial help.

Below is a summary of the financial support provided:

Funding	Q1	Q2	Q3	Q4	Total
LEAP Funds Assigned (in Dollars)	\$35,992	\$35,992	\$35,992	\$35,992	\$35,992
LEAP Funds Remaining (in dollars)	\$35,992	0	0	0	0
# of LEAP Approvals	0	61	61	61	61
Current # of OESP Recipients	538	350	830	425	2,143
Oshawa Power Compassion Fund	\$2,365	\$4,350	\$3,000	\$2,700	\$12,415

Low Income Energy Assistance Program (LEAP) Update

The Ontario Energy Board has recently released a report outlining its review of this program. Oshawa Power is reviewing it to assess the implications and will report back at a later day.

Yours very truly,



Denise Carpenter, ICD.D
Chair of the Board
cc: Board of Directors