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August 21, 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 –
Second Quarter Report (2024)**

I am pleased to present the 2024 Second 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)	Q2 - YTD		
	2024 (Actual) 30-Jun	Budget	2023 (Actual) 30-Jun
Total Distribution Revenue	15,436	15,423	14,560
Total Other Revenue	4,297	4,398	3,966
Net Revenue	19,734	19,821	18,527
Total Expenses	11,405	11,255	9,928
EBITDA	8,329	8,566	8,599
Depreciation	4,068	4,381	3,895
EBIT	4,260	4,185	4,704
Interest Expense	1,364	1,418	1,285
Extraordinary Items			
Net Income Before Taxes	2,896	2,767	3,419
Taxes	47	128	195
Net Income	2,849	2,639	3,224

2. Other Information

- a. Changes to energy policy – no major updates.
- b. Newly adopted corporate policies – no major updates.
- c. 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 have surpassed 1.37 million hours with no lost time injuries. In a company of our size this means that there have been no lost time injuries since July of 2016.

Training, Safety Meetings, Site visits and contractor compliance, in accordance with our 2024 Health & Safety plan continue to be ongoing for all staff. A focus of the Health & Safety Plan continues to be encouraging reporting of near misses and areas where improvements can be made. Priority is always given to making sure everyone returns home safely at the end of the day.

4. Regulatory

The Regulatory and Commercial Affairs Department is responsible for preparing the company's annual reporting to the Ontario Energy Board (OEB). The department is currently involved in preparing the rate application to go to the OEB in 2025 to set new rates starting in 2026. It is a detailed and lengthy process that will outline all of the projected costs for our business for the next 5 years. Every department within the company is involved in the process with the Regulatory and Commercial Affairs Department leading the process and compiling all of the material for submission.

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 ended on April 30, meaning that customers can now have their service interrupted if they do not make payment or payment plans for their past due accounts. Oshawa Power has seen a significant increase in its aged accounts (43%) resulting in higher bad debt expense. Management has put together a comprehensive plan for 2024 to address this problem with renewed focus and resources. The plan is working and the team is collecting on these past due accounts. Disconnection is a last effort to collect, with payment arrangement plans and assistance being offered first.

The summer rates started on May 1st and will be in effect through October 31. Residential rates are as follows:

Time of Use Rates

Summer price periods from May 1, 2024 to October 31, 2024		
TOU period	Hours	Price
Off-peak	Weekdays from 7 p.m. to 7 a.m. and all day weekends and holidays	8.7¢ per kWh
Mid-peak	Weekdays from 7 a.m. to 11 a.m. and 5 p.m. to 7 p.m.	12.2¢ per kWh
On-peak	Weekdays from 11 a.m. to 5 p.m.	18.2¢ per kWh

Ultra-Low Overnight (ULO) Rates

ULO period	Hours	Price
Ultra-low overnight	Every day from 11 p.m. to 7 a.m.	2.8¢ per kWh
Weekend off-peak	Weekends and holidays from 7 a.m. to 11 p.m.	8.7¢ per kWh
Mid-peak	Weekdays from 7 a.m. to 4 p.m. and 9 p.m. to 11 p.m.	12.2¢ per kWh
On-peak	Weekdays from 4 p.m. to 9 p.m.	28.6¢ per kWh

Tiered Rates

Summer pricing tiers from May 1, 2024 to October 31, 2024		
Price tier	Description	Price
Tier 1	Residential customers: up to 600 kWh/month	10.3¢ per kWh
Tier 2	Residential customers: more than 600 kWh/month	12.5¢ per kWh

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.

Low Income Energy Assistance Program (LEAP) Update

Funding parameters for the Low Income Energy Assistance Program (LEAP) have changed effective March 1, 2024, resulting in expanded threshold and effectively expanding the low income eligibility. With these changes, LEAP Funds were not finalized until April, 2024, with a total amount of \$74,792.84 in funding available to assist eligible customers. Some of the changes include the eligible income threshold, and an increase in the amount of grant that can be received from \$500.00 to \$650.00 and for those with electric heat an increase from \$600.00 to \$780.00. Due to the expanded eligibility thresholds under LEAP, the Compassion Fund has been halted.

Below is a summary of the financial support provided:

Funding	Q1	Q2	Q3	Q4	Total
LEAP Funds Assigned (in Dollars)	--	45,603.52			45,603.52
LEAP Funds Remaining (in dollars)	--	31,396.48			31,396.48
# of LEAP Approvals	--	65			65
Current # of OESP Recipients	1277	304			1581
Oshawa Power Compassion Fund	HALTED DUE TO LEAP ELIGIBILITY EXPANSION				

Yours very truly,



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