

April 29, 2025

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 – First Quarter Report (2025)

I am pleased to present the 2025 First 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*

(000's)	2025 Q1 Actuals	2025 Q1 Budget	2024 Q1 Actuals
Total Distribution Revenue	8,316	8,342	7,979
Total Other Revenue	2,309	2,262	2,132
Net Revenue	10,626	10,604	10,111
Total Expenses	5,998	6,012	5,342
EBITDA	4,627	4,591	4,769
Depreciation	2,033	2,209	2,047
EBIT	2,594	2,383	2,723
Interest Expense	787	803	655
Net Income Before Taxes	1,807	1,579	2,067
Taxes	145	26	64
Net Income	1,662	1,553	2,003

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

Safety continues to be top of mind, and I am proud to report that there were no lost time injuries (LTI) in 2025. Oshawa Power has reached a significant milestone, 1.5 million hours without an LTI. For a company of our size this translates to no LTI's since 2016. Although we are happy to reach this milestone, we are more pleased with the safety culture within the company, we continue to bring safety to the top of everyone's mind and continue with regular safety meetings and training for all staff.

Regulatory

The Regulatory and Commercial Affairs Department is responsible for preparing the company's annual reporting to the Ontario Energy Board (OEB). The department has been focussed on the preparation and writing of the Cost of Service rate Application, and are currently doing a final review of the application before submission at the end of April. The application will secure rates for the 5-year period beginning in 2026.

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 will end on May 1, 2025. Throughout the Winter, Oshawa Power has focused efforts on working with customers but continues to see significant increases in its aged accounts. This increase has resulted in higher bad debt expense. Staff will continue to reach out to customers and try to set up payment plans, pre-authorized payment and suggest outlets where they can receive financial assistance, however, the team will be diligently working these aging accounts with a newly formed collections team.

The OEB will be announcing its new Summer rates effective May 1, 2025. The OEB usually makes this announcement the last week of April.

4. 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. The fund continues to operate with the expanded availability announced by the OEB in 2024. Some of the changes included 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.

Below is a summary of the financial support provided:

Funding	Q1			Total
LEAP Funds Assigned (in Dollars)	7825.67			
LEAP Funds Remaining (in dollars)	18048.47	(remaining 2024 funds)		
# of LEAP Approvals	14			
Current # of OESP Recipients	2253			

Yours very truly,



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