

August 4, 2022

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

Dear Paul,

**Oshawa Power and Utilities Corporation (Oshawa Power) Report of the Chairman to the Shareholder –
Second Quarter Report (2022)**

I am pleased to present the 2022 Second Quarter Report of Oshawa Power to the Corporation of the City of Oshawa, the sole shareholder of this Corporation.

1. Draft Financial Data

	2022 (Actual) 30-Jun	Budget	2021 (Actual) 30-Jun
Total Distribution Revenue	13,776	13,711	12,848
Total other Revenue	3,714	3,730	2,887
Net Revenue	17,490	17,441	15,735
Total Expenses	8,163	9,570	7,993
EBITDA	9,327	7,871	7,742
Depreciation	3,797	3,710	3,445
EBIT	5,530	4,161	4,297
Interest Expense	1,458	1,336	1,355
Extraordinary Items			
Net Income Before Taxes	4,072	2,825	2,942
Taxes	484	71	80
Net Income	3,588	2,754	2,862
Return on Equity (annualized)	3.40%	2.3%	1.80%

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

As noted in the Q1 report Oshawa Power has reached over one million hours with no lost time injuries and continues to operate without a lost time injury.

In addition to this milestone, Oshawa Power scored 82% on a public safety awareness survey conducted by Utility Pulse. The OEB requires LDCs to conduct this survey every 2 years. Oshawa Power scored above average, but will use these results to continue to educate the public about electrical safety.

The Electrical Safety Authority conducts an Audit on LDCs to rate their level of compliance with Regulation 22/04: Electrical Distribution Safety. Upon completion of the Audit, Oshawa Power was found to be compliant in all areas.

Oshawa Power works hard at protecting the safety of our workforce and the public in general from electrical hazards and are always striving to improve on our results.

COVID-19

Oshawa Power recognizes that, although the province has relaxed and removed mandates, COVID-19 is still among us and continues with precautions and offers Rapid Antigen Testing on a weekly basis for anyone wishing to test.

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 moratorium on disconnections came to an end on April 30, 2022. Oshawa Power staff have and continue to work with customers to make payment arrangements and direct them to agencies where they can access help with past due balances. Oshawa Power continues to offer their compassion fund for those who do not qualify for other financial assistance programs.

Summer electricity rates are now in effect with the on-peak and mid-peak times shifting for the summer period for time of use customers, and the thresholds decreasing for tiered pricing customers.

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	8.2
Mid-Peak	Weekdays 11 a.m. - 5 p.m.	Weekdays 7 a.m. - 11 a.m. and 5 p.m. - 7 p.m.	11.3
On-Peak	Weekdays 7 a.m. - 11 a.m. and 5 p.m. - 7 p.m.	Weekdays 11 a.m. - 5 p.m.	17.0

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	9.8
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	11.5

5. Support Programs

As noted above Oshawa Power has been working to assist those customers in need and will continue with these efforts.

Low Income Energy Assistance Program (LEAP) Update

Temporary changes to LEAP

Effective January 10, 2022 - To support Ontarians through the ongoing COVID-19 pandemic, the OEB is once again temporarily increasing the flexibility of LEAP: Applicants no longer need to be in threat of disconnection or have been disconnected but do still need to be in arrears and at or below the income thresholds. Customers may now access the program more than once a year but the maximum amount of assistance remains at \$1,000 (\$1200 with electric heat). OPUC added additional funds for a total of \$73,099 in funding available.

The Ontario Electricity Support Program (OESP)

OESP provides qualifying residents with a monthly on bill credit. The amount is determined by the number of people living in the household and the total household income. Currently there are 2,089 qualifying residents in the City of Oshawa. Customers can apply for help at the following website: <https://ontarioelectricitysupport.ca/>

Oshawa Power Compassion Fund

Oshawa Power implemented a first of its kind assistance program specifically for Oshawa residents, **“The Oshawa Power Compassion Fund,”** designed to help those who are facing difficulty from COVID-19 or another significant life event and do not qualify for existing programs. The fund was developed to help those who “fall through the cracks.” Disconnecting service is a last resort and creates a cycle that is difficult for customers to get out of. The compassion fund helps customers get their accounts back into good standing. Funds are limited and assistance is approved in the order that it is received, up to \$150 per household, not exceeding the arrears on the account. To apply, the customer must only provide their name, account number, and contact email or telephone number.

The Rainy Day Fund

Oshawa Power is constantly working to find other available programs to support our customers. The Rainy-Day Fund is a program available through the Shine Through The Rain Foundation to assist those diagnosed with a serious or life threatening illness with overdue utility bills. The application can be found at: <https://shinethroughtherain.ca/rainydayfund/> or by calling: 1-866-753-0303.

Funding	Q1	Q2	Q3	Q4	Total
LEAP Funds Assigned (in Dollars)	\$27,226	\$35,401			\$62,627
LEAP Funds Remaining (in dollars)	\$45,873	\$10,472			
# of LEAP Approvals	42	51			93
Current # of OESP Recipients	2,122	2,089			2,089
Oshawa Power Compassion Fund	20	26	0	20	46

Yours very truly,



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