



Burlington **enterprises**
corporation

Burlington Enterprises Corporation 2022 Community Report

Gerry Smallegange, President and CEO, Burlington Hydro Inc:

“Preparing our distribution system for more frequent and severe weather events, as well as ensuring Burlington’s power supply will meet the needs of vehicle electrification, are some of the critical issues we are tackling. To support this, we have undertaken work on a Climate Sustainability plan.”

Powering a Vibrant City

Burlington Enterprises Corporation (BEC) is an energy services company that is wholly owned by the City of Burlington. BEC oversees two affiliate subsidiaries: a regulated “wires” company, Burlington Hydro Inc. (BHI), and an unregulated company, Burlington Electricity Services Inc. (BESI). With a total licensed service area of 188 square kilometers, Burlington Hydro serves approximately 69,500 residential and commercial customers in the City of Burlington, delivering electricity into the community through a network of 1,600 kms of medium voltage distribution lines and 32 substations.

Burlington Hydro operates a distribution system comprised of high voltage networks at 27.6kV, 13.8kV and 4.16kV. Performance is monitored on a feeder-by-feeder basis at all voltage levels by our 24-7 control room. This provides us the ability to manage outages, provide work protection for safety, and balance system loading in real time whenever it is needed.

Our Commitment

We are a progressive company committed to continuous improvement and performance excellence in the areas of safety, stewardship, community involvement and innovation. To support this, Burlington Hydro maintains a strong asset base through responsible financial management, system renewal and innovation that assures the availability of electricity supply to meet the needs of its customers and a growing community.

Our Core Values

We Care for People

We interact with customers, employees, the public, and our business partners with integrity and respect, and at all times act in a safe, responsible and professional manner.

We Care for the Community

We take pride in making significant contributions to our community by supporting local business development activities and delivering important safety programs to our schools. We are committed to supplying our community with electricity for the long-term.

We Care about Stewardship

We value the long-term health and sustainability of Burlington Hydro and will ensure availability of a future electricity supply that meets customer needs and growth. We value the community we serve and the environment in which we operate, managing risks to eliminate or minimize adverse impacts associated with our business.

We Care about Performance

We value a balanced, sustainable business model. We deliver superior products to our customers in a safe and efficient manner, striving for excellence and continuous improvement in all aspects of our business.

Positioned for Success: Message from the Chair and CEO

The lingering impact of the pandemic and ongoing economic and social challenges continued to reverberate in 2022. Supported by a reliable power supply, an excellent safety record and a highly skilled workforce, we positioned the company for success in an otherwise disruptive year. Our top priority: deliver long term value by continuing to operate an efficient and community-minded utility.

Like so many industries, labour shortages, supply chain issues, inflationary pressures and increasing costs impacted Burlington Hydro and the sector in 2022. The cost of utility equipment saw price surges, exacerbated by order and delivery delays. Closer attention to our longer-term inventory needs and the importance of extending lead times became vital in helping to mitigate these challenges. As part of our supply chain cost mitigation strategy, we coordinated with our GridSmartCity partners to secure cost-saving contracts for utility poles and transformers, among other equipment purchases.

Despite these disruptions, there were numerous initiatives and capital projects to accommodate new customers and improve the performance of our distribution system. New services were provided to several multi-unit buildings, subdivisions and new industrial parks under development in the city. The demand for residential and commercial service upgrades remained strong, and substantial relocation work was completed along Plains and Waterdown Roads to accommodate road widenings. And a significant project to replace the aging Lowville substation transformer improved reliability and service quality in the area. This is but a sampling of some of the successful projects undertaken in 2022 - more can be found in the pages to follow.

Of course, there were many other factors at play in 2022. All of which tested our ability to adapt and successfully manage the ongoing issues transforming our sector.

New technologies continued to make a significant impact. Whether it is a self-healing grid or the ever-increasing adoption of new and sophisticated software applications, upgrading our systems to keep up with industry innovations and customer expectations continued to touch almost every aspect of our business. This includes the security of customer information. Continual scrutiny of our cyber security measures is a critical part of doing business in today's environment. Our IT team is continually adjusting internal business processes to align with our information security governance program that keeps our data and systems secure.

Burlington Hydro has a culture that promotes continuous adjustment and improvement to ensure it delivers value and provides superior customer service. This culture continued to serve us well in 2022. We recognize that evolving consumer preferences and expectations are driving change in our how we interact with customers. A more customer-centric approach that enhances the customer experience is a central pillar of our communication efforts. Improving our power outage communications and launching new social media platforms are examples, among others, of our efforts to enhance our service offerings.

We were pleased that our 2022 Customer Satisfaction Survey recorded an overall satisfaction score of 91 percent. On the safety front, our employees surpassed an impressive 1.3 million hours without a

lost time injury. These accomplishments were not easily achieved. And for that, we are proud of the many individuals who contributed to attaining these results.

We are also proud of our efforts to give back to the community, whether fundraising for the United Way, or supporting Halton Women's Shelter, Joseph Brant Hospital, Burlington Green, or the Burlington Food Bank, among others. Burlington Hydro is a community-minded utility first and foremost.

As we look forward, climate change is another critical societal issue that confronts us. For our part, utilities are focusing attention on the role they will play. This includes the integration of Distributed Energy Resources (DERs) and decarbonization efforts. Ontario's Ministry of Energy has a vision for an energy system that leverages its clean energy grid to promote electrification and job creation while enhancing reliability, resiliency, and customer choice. Change is coming soon and preparations are being put in place.

As such, we have taken on important responsibilities as key stakeholders on the City's Climate Action and Resiliency Plan committees. Preparing our distribution system for more frequent and severe weather events, as well as ensuring Burlington's power supply will meet the needs of vehicle electrification, are some of the critical issues we are tackling. To support this, we have undertaken work on a 'Climate Sustainability' plan. This report will provide a pathway that supports the transition away from the use of fossil fuels through electrification, as well as assessing the impact of climate change on the distribution grid.

We delivered on so much more than wires and poles in 2022. Despite economic and societal challenges, we succeeded in running and maintaining an efficient and financially sound utility. We would like to thank our committed employees, a dedicated leadership team who leads by example, and the experienced counsel of our Board of Directors. As we look ahead to the coming year, we are confident that we are on a path to meet the challenges of an evolving energy industry, while ensuring we meet the needs of our customers and the community. In this respect, we believe we are well positioned for success.

Gerry Smallegange, President and CEO

Susan Kilburn, Board Chair

Burlington Enterprises Corporation

Safe, Reliable Delivery of Power

Burlington Hydro is responsible for the management of its assets while maintaining a commitment to its corporate mission and values – people, community, stewardship, and performance. The delivery of safe, reliable electricity at a reasonable price is a primary objective.

Burlington Hydro monitors system reliability and performance through a variety of reports generated by its Outage Management System (OMS). System reliability events are identified and investigated by root cause, facilitating the identification of targeted maintenance and/or required capital investments.

- **87 %** of customers agree that Burlington Hydro provides consistent, reliable electricity.
- **86 %** of customer agree that Burlington Hydro has a standard of reliability that meets expectations.

Source: 2022 Customer Satisfaction Survey

Lowville MS Transformer Replacement

Lowville Municipal Station (MS), located in northeast Burlington, supplies power to rural customers in the area. The substation's transformer surpassed 40-years of service and was identified for replacement in 2022. This substantial capital project was undertaken in the fall as a joint effort between engineering and operations teams.

To understand the scope of the transformer's size and weight, a 300-ton crane was needed to move the equipment from the delivery truck platform to the station. The new transformer is now providing BHI with voltage regulation, which can respond to power demands for the area to maintain power quality, as well as Supervisory Control and Data Acquisition (SCADA) visibility for operators. This is expected to improve system operations and contribute to the ongoing reliability of power to this part of Burlington.

Testing and commissioning of the new transformer has been completed. The next transformer replacement project is scheduled in 2024 for Howard MS – located in Aldershot, west Burlington.

Underground Cable Testing – Brant Hills

Monitoring underground cable condition is an important part of Burlington Hydro's maintenance regime. Major investments are required as the underground distribution system ages and the risk of significant outages increases. Analysis of cable failures on feeders within specific neighborhoods provide a focus for prioritizing capital investments.

As a result of the higher incidence of underground cable faults in the Brant Hills neighbourhood, Burlington Hydro undertook extensive cable testing and infrared inspections in 2022. Testing identified

issues that were causing weaknesses in the system, helping the utility prioritize sections of the underground network in need of repair.

As part of the testing process, surge arrestors and faulted circuit indicators were installed as required. BHI also took this opportunity to repair connections that were overheating or showing signs of concern.

When a cable faults, the entire circuit goes offline - locating the damaged section of cable can take time. These devices give a quick indication to crews to help pinpoint the fault location, speeding up the time to make repairs. The arrestors also help cushion fault or surges on the system and prolong the life of the cable while replacements are planned and executed.

Cables in Brant Hills are mainly 'direct buried' meaning there is no duct to simply pull cable through. Replacements can often take time due to the planning and permitting required. Information gathered from this year's testing will help Burlington Hydro prioritize cable replacement going forward.

Primary underground cable replacements made in 2022 include: sections of Brant Hills, Tyandaga and Palmer neighbourhoods.

2022 Operations and Engineering Activities

Project highlights include:

- While there were some delays in large developments, demand for small residential and commercial service upgrades remained very strong. Activity continued with several multi-unit residential buildings in the downtown core, burial of lines along Fairview (in front of Paradigm Condos and Burlington GO Station) and enabling the provision of a temporary service for the start of a multi-tower project on Fairview Street at Drury Lane
- A 250kW Net Metering project was connected on International Blvd along with a 130kW Combined Heat and Power (CHP) project on Walkers Line. In all, 22 generation projects were connected in 2022, accounting for 413.47kW of new generation capacity.
- A significant relocation project on Plains Road W was undertaken to accommodate a road widening project.
- Replacement of several end of life and at risk assets including over 60 poles, as well as a major substation feeder replacement at Martha MS.
- The Metrolinx electrification of the GO Train to the east from Burlington GO station progressed into construction and two of the largest phases were started. Upcoming work includes the relocation of feeders crossing the tracks near Cumberland Avenue with 100% of the associated infrastructure costs being funded by Metrolinx.

A Self-Healing Grid

Burlington Hydro operates a self-healing grid - a cutting-edge system that uses information, sensing control, and communication technologies to allow the distribution grid to deal with unforeseen events

while minimizing their adverse impact. Automated circuit protection and switching form the backbone of the utility's grid modernization strategy. A strategy that is constantly reviewed to improve performance of existing automation technology that gains optimal system performance.

A self-healing grid can autonomously identify and isolate faults, then restore power over non-faulted line segments. In energy-dense areas of BHI's service territory, 6 feeders and 27 switches are part of an intelligent network, nine of which were connected in 2022. Switches communicate to each other and operate automatically, providing support and improving available power to the downtown area, including Joseph Brant Hospital and the Water Treatment plant.

In rural parts of its service territory, BHI uses single-phase Trip savers to limit outages to single-phase lateral circuits. A network of 5 intelligent switches were enabled in 2022 to support the rural Lowville area. These switching devices were installed as a direct response to customer feedback seeking reliability improvements in the area.

May Weekend Storm Wreaks Havoc

There are times when mother nature can deliver a destructive and powerful punch. On the weekend of May 21st, damaging winds resulted in over 400,000 customers losing power across a wide swath of southern Ontario.

The powerful 'Derecho' windstorm was the most destructive to strike Burlington in 2022. At its peak, 22,000 customers – a third of Burlington Hydro's customer base - were without power. Downed trees on powerlines, snapped hydro poles and equipment damage characterized the destruction left in the storm's wake.

Burlington Hydro's response teams worked through the long weekend to support restoration efforts. Operations' crews, metering personnel, and control room operators, among others, accessed damage to infrastructure, prioritized repairs, and worked to restore power as quickly and as safely as possible. By Monday night, pockets of less than 60 customers remained without power.

It represented the busiest single traffic event on burlingtonhydro.com since the inception of the BHI website, surpassed only by the 2013 ice storm.

- Website outage map visits: 66,804
- Website homepage visits: 27,828
- Twitter: two-day 382,000 profile visits (almost 5,000% increase over all of April)

Welcome Home: The Osprey Has Landed

Constructing a Safe Nesting Platform for Returning Osprey Pair

There are times and circumstances that take Burlington Hydro's community reach beyond the usual spectrum of our services. In the winter of 2022, the site of an Osprey nest atop Burlington Hydro poles supporting a highway crossing at Highways 403 and 6, raised serious public safety concerns, as well as concerns for the returning Ospreys nesting site. It would be a unique solution recommended by our operations crew that would ultimately ensure the safety of both the birds and the public.

If the Osprey nest were to cause an electrical short by bridging the gap between the conductor and the wood support structure, the arm supporting the conductors could have burned through and failed. There was a potential danger of a conductor and pole structure falling onto Highway 403, notwithstanding the danger posed to the birds themselves.

"Safety always remains our number one priority, for the public in all circumstances, but in this case also for the nesting Ospreys," said Gerry Smallegange, President and CEO, Burlington Hydro. "Every possible precaution will be taken to protect the integrity of the Osprey nesting site. By erecting a man-made platform nearby, the birds will be encouraged to re-locate safely when building their Spring nest."

Protecting bird habitat and the nesting sites of the Ospreys was a high priority in any actions that were considered. In collaboration, and with the advice of Conservation Halton and the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry (MDMNR), it was determined that a new pole would be erected nearby the location with a platform at the top to support an Osprey's large nest.

It was important that the work take place in advance of the Ospreys returning to the nesting site. We then held our collective breath in anticipation of their return. We were pleased to report that the pair successfully took up residence on the new nesting platform in April. Hopes are high that they will return yearly to their nest and safely raise many new Osprey families into the future.

"Thank you for the leadership and heart you've shown with this initiative, especially considering the decimation of this species in past decades was entirely the result of human activities (DDT and habitat/nesting site loss). Burlington Hydro should be very proud of this project, and personally, I look forward to watching progress on this nest for many years to come! PS - The 'Welcome Home' sign, facing south was the icing on the cake!" Excerpt from a local resident's letter.

Working with the City – Climate Change and Resiliency

On the environmental front, Burlington Hydro has taken on important responsibilities as a primary stakeholder on the City's Climate Action and Resiliency Plan Committees. It is an important role - not only in how it relates to the company's future - but the impact it has on the wider community. Preparing the distribution system for more frequent and severe weather events or ensuring that our power supply will meet the needs of vehicle electrification, are some of the issues underpinning these responsibilities.

Climate Action Plan (CAP)

The City of Burlington has set a goal in its Strategic Plan to work towards being a net carbon neutral community by 2050. As such, the City approved a Climate Action Plan (CAP) in 2020 to act as the pathway to achieving this goal, with a focus on mitigating greenhouse gases (GHGs) and reducing energy consumption. Electric Vehicle (EV) proliferation, conservation activities, district energy, microgeneration and storage technologies are some of the issues being explored. Burlington Hydro is a proud supporter and partner of the CAP Stakeholder Committee, providing expertise and industry insight with its implementation.

In support of this role, BHI will prepare a 'Climate Sustainability Plan' in the coming year. It will provide a pathway that supports the transition away from the use of fossil fuels through electrification, as well as assessing the impact of climate change on the distribution grid. The plan will be submitted as part of the ongoing evolution of CAP.

Climate Resilient Burlington (CRB)

Approved by City Council in July 2022, CRB is a 10-year City action plan to prepare for warmer, wetter, and wilder weather brought about by climate change. In many respects, it is a companion piece to CAP. Burlington Hydro participated on the stakeholder committee, providing input into the plan's development. The resiliency of the distribution system to withstand the increase in severe weather events is an important theme in CRB. From major outage reports to tree trimming activity and self-healing grids, BHI's support comes on a number of important levels.

Preparing for the Proliferation of Electric Vehicles

The Government of Canada plans to eliminate combustible engine-run cars and light trucks by 2035 as part of its net-zero emissions goal to limit further global warming. Electric Vehicles (EVs) are an energy efficient transportation choice that can reduce a car owner's greenhouse gas emissions by 70 %.

The transition from fossil fuels to transportation electrification is an important aspect of the City's Climate Action Plan. BHI will need to accommodate and plan for increased demand on its system as EV

charging becomes more commonplace. This planning is already well underway and will be an important focus of BHI's 'Climate Sustainability Plan'.

EV Charging Stations

Burlington Hydro's unregulated affiliate - Burlington Electricity Services - expects the demand for EV Chargers in multi-unit residential buildings to grow exponentially over the next two years. Interest in BESI's Managed EV Charging Program remained strong in 2022. Charging station installation agreements are in progress with 10 new buildings, while Bridgewater, Paradigm and Bunton's Wharf condominiums have all signed on.

BESI EV charging station solutions come with the benefit of the latest in charging station technology. The charging stations are a leading-edge, made-in-Canada option that's connected to Burlington's premier future focused EV Network. Moving into 2023, activity is expected to remain brisk.

What's in a Charge?

LEVEL 1 CHARGERS

All EVs come standard with a cord set that lets you charge the battery using a regular wall socket, also known as Level 1 or 110 volts charging. It can take 8 to 20 hours to fully charge an EV at Level 1 depending on the battery level of charge. One hour of charge gives approximately 8 kms of range.

LEVEL 2 CHARGERS

Level 2 charging stations use a 240-volt system (like a clothes dryer or stove plug) and can fully charge a battery electric vehicle in about 4 to 8 hours and a plug-in hybrid in about 1 to 4 hours depending on the battery level of charge. One hour of charge gives approximately 30 kms of range.

LEVEL 3 CHARGERS

One hour of charge give approximately 250 kms of range. Charging EVs during Time-of-Use (TOU) off-peak time periods is more energy-efficient and cost effective (7 pm to 7 am on weekdays, and all day on weekends).

Working with Youth in Our Community

Engaging Burlington's next generation to pursue Science, Technology, Engineering and Math (STEM) education and career pathways continued to be a focus of Burlington Hydro's sponsorship program in 2022.

Scientists in School

Igniting scientific curiosity in the community opens the wonders of science, engineering, and technology, fosters environmental stewardship, and encourages children to discover the relevancy of science in their everyday world. Designed with 4- to 12-year-olds in mind, virtual sessions provided hands-on investigations and activities for 150 children in 2022. Sponsored workshops included: Reach Out Centre for Kids (ROCK); Big Brothers Big Sisters of Halton; Burlington's She Can! She Can! empowerment programs for girls; and, the Burlington Public Library.

2022 Bay Area Science & Engineering Fair

BASEF inspires young people to change the world through science, technology, engineering and mathematics (STEM). The regional fair provides opportunities for students – grades 7 to 12 – to showcase their unique STEM projects. The Fair attracts over 500 participants each year. Burlington Hydro is a proud annual sponsor.

2022 Bay Area Science & Engineering Fair participant:

"I enjoyed working on my project "Hydrogen Fuel Cells: A New Source of Power." I made an electric toy car and made my very own fuel cells in efforts to power my vehicle. I will be going into an engineering program at McMaster University in the Fall, and I hope to join a few related clubs where I can further enhance my desire to create a green energy source."

'Power to be Safe' Student Roadshow

The Burlington Hydro *Power to be Safe* Roadshow is an interactive, content-rich presentation for elementary school students. The presentations focus on age-appropriate electrical safety at school and at home, as well as safety around powerlines, utility poles, and substations. Energy conservation tips are also shared with the students.

In 2022, virtual presentations were given to students ranging from J-K to Grade 8 in ten Burlington elementary schools, representing 3,705 students. In-class programming returns in 2023.

Our Commitment to Diversity and Inclusion

Burlington Hydro's culture focuses on the promotion of employee wellbeing, diversity, and growth. The company values the perspective that each employee brings to the table, believing that diversity and inclusion are key drivers of creativity, innovation and sustainability. This includes a workplace that provides an environment where employees feel valued and supported.

As a signatory of the Electricity Human Resources Canada's (EHRC) '**Leadership Accord on Gender Diversity in the Electricity Industry**', Burlington Hydro has pledged to promote the values of diversity, equality, and inclusion in the workplace. This includes, but is not limited to, improving opportunities for women in the electricity industry and actively supporting STEM (Science, Technology, Engineering and Math) educational disciplines for women.

This includes '**Equal by 30**', Natural Resource Canada's (NRCan) campaign to have public and private sector organizations commit to work towards equal pay, equal leadership, and equal opportunities for women in the clean energy sector by 2030. EHRC has partnered with NRCan in the initiative, and in doing so has widened Burlington Hydro's profile as a champion of diversity on the domestic and international stage.

Importantly, it also entails EHRC's initiative *Diversity to Inclusion* which seeks to create awareness among employees and employers of the requirements of the '**Accessibility for Ontarians with Disabilities Act (AODA)**'. Burlington Hydro actively supports and recognizes that people with disabilities have opportunities in an array of occupations, including careers not usually associated with the electricity sector. In 2022, Burlington Hydro's website was reviewed by the Ministry for Seniors and Accessibility, and was found to be in full compliance of Ontario's accessibility legislation.

Mental Health and Wellbeing

Balancing home, family and the workplace has challenged employees across numerous industries, including ours, as society has emerged from the restrictions of the pandemic.

The Mental Health Commission of Canada reports that one in every five Canadians experiences a mental health problem within a given year. While we often know a lot about physical illness, there tends to be less knowledge about mental health or substance use problems. Support is available if employees need a helping hand. Mental health resources and services can be accessed through confidential Burlington Hydro employee support networks and assistance programs.

In 2022, Burlington Hydro introduced a new training requirement for the company's supervisors and managers (People Leaders) in Mental Health First Aid (MHFA) training. Course participants learn how to recognize the signs of a person who may be experiencing a decline in their mental well-being or a mental health crisis, among other learnings.

The company also held a 'Safety and Wellness' day for employees that focused on 'Boosting Health, Mood and Energy through Nutrition and Lifestyle' and 'Mental Health, Stress Management and Mindfulness'.

Student Development Program

Burlington Hydro has been a proud supporter of young talent for many years. Its 'Student Development Program' provides opportunities to students interested in the utilities sector. Some students in the program go on to find permanent employment with the company.

Co-op students work alongside Burlington Hydro professionals to gain valuable experience in their discipline. They are placed for a minimum of four months to twelve months.

BHI partnered with a number of post secondary institutions in 2022 to provide meaningful opportunities to eight students. Three colleges and three universities were represented. From engineering and metering to powerlines and information services, a broad variety of positions were offered.

By the numbers

Customer Satisfaction Survey Results

- 91 % Overall Customer Satisfaction Score
- 85 % of customers agree that we are Trusted and Trustworthy
- 86 % of customers agree that we deliver on our service commitments
- Overall Report Card Score: "A"

Customer Service

- Total number of Calls to Customer Service: 46,261
- Move In/Move Out Service Calls: 8,500
- Paperless E-Billing Accounts: 42 % of customers enrolled

Table 1: Web Site Visits

Web Site	Total Visits	On a PC	On a Smart Phone	On a Tablet
Burlingtonhydro.com	565,506	44 %	53 %	2 %
Outage Maps	150,260	15 %	83 %	2 %

Social Media

Twitter

- Impressions: 1,164,300
- Profile visits: 749,404
- 13 % increase in followers

Instagram

- Impressions: 18,613
- 100 % increase in followers (account created in Jan 2022)

LinkedIn

- Impressions: 100,581
- 41 % increase in followers

GOOGLE My Business Statistics

- Total Interactions: 53,838
- Total profile views: 150,245

E-Billing Campaign Supports Burlington Food Bank

"No one needs a food bank, until they do"

A six-month campaign was launched by Burlington Hydro in the Fall of 2022 to encourage customers to sign up for paperless e-billing. With every new customer registration, a \$5 donation is being made to the Burlington Food Bank. The campaign is intended to help alleviate paper clutter and do it in a manner that brings benefit to both the environment and the community. The goal is to raise \$10,000 for the food bank by the end of March 2023.

The Burlington Food Bank provides fresh and non-perishable food, as well as toiletries and cleaning supplies to the community and supports over 20 emergency food programs across the city.

BHI is pleased to support the tremendous work and contributions of the Burlington Food Bank. Through these challenging economic times, the Food Bank is lending a helping hand to address the increased needs of local families who are struggling financially. Due to a number of factors including: Covid-19, the rising cost of living, an increase in housing costs, unexpected lay-offs, or low-income work, and inflation, the need has grown dramatically.

"The Burlington Food Bank is so thankful to organizations like Burlington Hydro that support our much needed efforts in assisting those that struggle with food security. We have experienced an increase in Food Bank usage throughout the last few months and are truly thankful for the support we receive through initiatives like the E-billing campaign. It's a simple way to support those in need in our community and for the environment," said Robin Bailey, Executive Director, Burlington Food Bank.

Close to 1,000 new e-billing registrations were recorded at the end of 2022.

Customer Choice

Ultra Low Overnight (ULO) Rate Plan Coming in 2023

Currently, residential and small business customers have the choice of Time-of-Use (TOU) pricing or a tiered rate plan. Both pricing regimes are under the Regulated Price Plan (RPP) set by the Ontario Energy Board (OEB) and designed to provide stable pricing for consumers.

With TOU prices, the price depends on when the electricity is used. The three TOU price periods – off-peak, mid-peak, and on-peak – encourage consumers to shift usage to lower price periods to help manage their costs. Tiered pricing provides the flexibility to use electricity at any time of day at the same price, up to a certain threshold. Once the lower price threshold is exceeded (600 kWh a month in the summer or 1,000 kWh a month in the winter) prices also increase for any remaining power consumed that month. Just over 5,000 Burlington Hydro residential and small business have switched to Tiered pricing.

A new rate plan choice was announced in 2022 for residential and small business customers – Ultra Low Overnight TOU Pricing or ULO is designed to support and incent electric vehicle adoption. It introduces a fourth overnight bucket – making it more cost effective to charge EVs overnight - with lower prices overnight and higher prices for peak evening hours.

The design of the new price plan includes four price periods:

- Ultra-low overnight price period that applies from 11:00 pm to 7:00 am on weekdays, weekends, and holidays;
- A higher on-peak price period;
- Mid-peak price period;
- Weekend off-peak price period.

Responding to direction from the Ontario Ministry of Energy in 2022, the OEB has directed the province’s electricity utilities to implement the new ULO price plan no later than November 1, 2023.

Safety is Priority One

Empowerment in the Workplace

Burlington Hydro’s safety protocols and procedures pursue the highest level of training and certification available in the industry. The company executes programs that support a preventive approach to safety where employees are empowered, accountability is clear, and outcomes are tied to measurable performance objectives and goals.

Burlington Hydro surpassed 1.3 million productive hours without a lost time injury in 2022.

Ontario’s Workplace Safety and Insurance Board (WSIB) Excellence Program

In addition to providing Burlington Hydro with a clear roadmap to improve its Health, Safety & Environmental Management System (HSEMS), the WSIB excellence program’s framework allows for strategies to prevent, minimize, and mitigate current and potential areas of risk. In 2022, BHI completed its second phase topics. The program has three levels and includes 36 topics spread over three phases. Additionally, Burlington Hydro previously completed the highest level - Platinum (Sustainability) - under the Infrastructure Health and Safety Association’s (IHSA) Zero Quest program.

New Technology Solution Introduced – SafeTapp

This new HSEMS technology solution was successfully rolled out to employees in 2022. It has helped to improve all aspects of the HSEMS, including incident investigations, workplace and vehicle inspections, Health and Safety communications, employee onboarding and learning management. The solution

governs Burlington Hydro's HSEMS, compliance and learning management, as well as moving the company away from manual driven practices for a more effective use of time and resources. Training and Development programs are now centralized under SafeTapp.

Public Electrical Safety Awareness Survey

In addition to conducting safety sessions for students in Burlington's elementary schools (page 12), BHI also conducts a bi-annual Public Safety Awareness Survey. The survey compiles data to measure the level of awareness of key electrical safety precautions among the public within BHI's service territory. Six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the past decade.

For the first time in 2022, the survey entailed both telephone and on-line options. From staying back from fallen powerlines and what to do if a powerline falls on your vehicle, to tampering with electrical equipment and call before your dig services, the survey provides a broad understanding of the level of the community's electrical safety awareness.

BHI's communications on safety 'learning' – the 'Power to be Safe' - is a central theme on its website, social media channels and bill insert messaging. Frequent and direct safety messages on Twitter, LinkedIn, and Instagram are a critical part of social media safety programming, particularly during major storm events where damage to the distribution system can pose serious public safety concerns.

Burlington Hydro's Public Safety Awareness Index Score is 82%

Mitigating Security Vulnerabilities

Protecting Customer Information

Continual scrutiny of Burlington Hydro's cyber security measures is a critical part of doing business. The IT team is continually adjusting its internal business processes to align with BHI's 'Information Security Governance Program' which is keeping the company's data and systems secure. The program is based on an industry leading Cyber Security Framework that provides security and privacy controls. It's designed to protect organizational operations, assets and customer information from security threats and risks, targeting information systems and sensitive customer data. The controls are designed to protect confidentiality, integrity and availability of data, assets, and resources.

Burlington Hydro has security controls in place to protect critical infrastructure and sensitive information, including protection against evolving threats through phishing and malware attacks.

With the increased number and sophistication in cyberattacks across all industries, risk to corporate information, assets and customer data has increased significantly in recent years. As part of its information security program, BHI has implemented vulnerability and a patch management process, as well as data encryption to protect data, both at rest and in transit.

BHI is closely working with industry leading service partners to ensure protection against unauthorized access or disclosure of information. Security for data and customer information is controlled using a variety of protection mechanisms, including proactive monitoring and use of threat intelligence to reduce the risk of potential attacks.

Burlington Hydro is in the process of improving its 'Business Continuity and Disaster Recovery' program to further improve its security posture.

2022 Burlington Enterprises Corporation: Consolidated Financial Snapshot

Financial Highlights for the year ended December 31 (Canadian dollars)

Our 2022 financial performance exceeded budget during a year of high inflation and interest rates, supply chain challenges, a tight labour market and extreme weather events. Lingering effects of the COVID pandemic and global unrest created significant disruption across all industries. Despite these ongoing challenges we were able to over-achieve our net income target and invest \$11.5 million in capital infrastructure to ensure we continue to meet our customers' expectations.

For the year, BEC reported net income of \$6.8 million. The primary drivers of the year-over-year change were higher distribution and other revenues, productivity savings in operating costs, lower depreciation levels and favorable finance costs.

NET INCOME \$6.8 million

In 2022, we over-achieved our Net Income target while continuing to invest in strategic assets that enhance reliability, safety, and the customer experience. These investments included a new distribution transformer at the Lowville Municipal Substation, and over \$2M in cable and pole replacements which will contribute to future reliability.

We continue to look to innovate by integrating new technologies for the benefit of our customers. This includes enhancements to customer information and outage management systems, while maintaining a focus on the fundamentals of delivering productivity efficiencies.

RETURN ON EQUITY 7.0%

BHI's proven business model has delivered consistent earnings over the years while ensuring that a strong balance sheet is sustained. Maintaining a strong balance sheet is foundational to BHI's long term success with a goal of continuing strong liquidity and leverage positions in order to maximize future flexibility.

In 2020, BHI filed its most recent Cost of Service rate application with new rates taking effect May 1, 2021. This application covered the five-year period 2021 through 2025 and provided long-term certainty for future distribution rates, in addition to resetting the company's regulated rate of return.

DIVIDENDS AND INTEREST \$3.8 million

BHI is proud of its long-term track record of creating shareholder value and remaining focused on delivering our commitment to provide a consistent dividend.

2022 marks 22 consecutive years that BEC has made a dividend payment to the City of Burlington with total interest and dividends since 2001 of \$127.8 million.

In 2022, the City of Burlington received \$2.4 million in dividends from BEC and interest revenue from Burlington Hydro Inc. of \$1.4 million for a total cash return of \$3.8 million.

A GROWING & DIVERSE CUSTOMER BASE

With more than 62,000 residential, 5,700 small commercial and 940 large commercial accounts, Burlington Hydro benefits from a well-diversified customer base.

BUILDING MOMENTUM FOR THE LONG-TERM

With a focus on corporate responsibility and customer value, Burlington Hydro strives to contribute to the quality of life in the community, aligning its business strategies in ways that lend support to the City's sustainable growth. With a consistent record of excellent safety performance, positive employee relations, ongoing reinvestment in its assets, and strong system reliability, BHI is well positioned to build on its strengths and lay the foundation for future success.

To enhance the distribution grid and enable the integration of new technologies for the benefit of our customers, we plan on spending in excess of \$15M in capital over the next year. We look forward to carrying on our long-term track record by continuing to distribute electricity safely and reliably at a reasonable cost.

Coming in 2023: Green Button Initiative

The Ministry of Energy has moved forward with a regulation requiring electricity and natural gas distributors to implement Green Button – an initiative to provide utility customers easy and secure access to their energy usage data. Under Ontario Regulation 633/21 Local Distribution Companies (LDCs), including Burlington Hydro, must meet the requirements of the regulation by November 1, 2023.

Green Button will allow customers to authorize the direct, secure transfer of their energy usage data to third parties to help them manage their energy usage. Burlington Hydro expects to implement Green Button in the fall of 2023.

Board of Directors

Committed to strong corporate governance and accountability

- Susan Kilburn, Chair
- Mayor Marianne Mead Ward
- Tim Commisso
- David Kerr
- Sherry Smith
- Chris Fralick
- Patricia Volker
- John Maheu

Executive Team

Committed to providing leadership, with a focus on corporate responsibility

- Gerry Smallegange, President and CEO
- Sally Blackwell, Executive Vice President, CFO
- Jennifer Smith, Executive Vice President, CPO
- Paul Heeg, VP Engineering Services and Network Operations
- Joe Saunders, President, Burlington Electricity Services Inc.



Burlington **enterprises**
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