



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1

**Exhibit 1:**

**ADMINISTRATIVE DOCUMENTS**



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Exhibit 1  
Tab 1

Exhibit 1: Administrative Documents

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## LEGAL APPLICATION

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O.1998, c.15, 3 (Schedule B), as amended (the "OEB Act")

**AND IN THE MATTER OF** an Application by Northern Ontario Wires Inc. for an Order or  
Orders pursuant to Section 78 of the *Ontario Energy Board Act, 1998* for 2025  
distribution rates and related matters.

### APPLICATION

1. The Applicant is Northern Ontario Wires Inc. ("NOW Inc."). NOW Inc. distributes electricity to approximately 5,980 customers in the Town of Cochrane, Town of Iroquois Falls and Town of Kapuskasing pursuant to distribution license (ED-2003-0018) issued by the Ontario Energy Board (the "Board") and charges Board authorized rates (EB-2023-0043) for the distribution service it provides.
2. NOW Inc. hereby applies to the Ontario Energy Board (the "Board") for an order or orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998*, as amended, (the "OEB Act") approving just and reasonable rates for the distribution of electricity based on a 2025 Test Year.
3. The Application has been prepared pursuant to the OEB's Renewed Regulatory Framework for Electricity Distributors as detailed in the Report of the Board, dated October 18, 2012 ("the RRFE").
4. The Application has been prepared pursuant to the OEB's Handbook for Utility Rate Applications, dated October 13, 2016.
5. Except where specifically identified in this Application, the Applicant followed Chapter 2 and Chapter 5 of the *Filing Requirements for Electricity Distribution*



1           *Rate Applications, 2023 Edition for 2024 Rate Applications*, dated December 15,  
2           2022, in preparing this Application.

3  
4           6. The Applicant acknowledges that the OEB may publish an update to the Cost of  
5           Capital Parameters for 2025 distribution rates and that this will affect the  
6           Revenue Requirement requested in this Application.

7  
8           7. This Application is supported by written evidence. The written evidence may be  
9           amended from time to time, prior to the Board's final decision on this Application.

10  
11           8. The Applicant provides a checklist of the filing requirements as Exhibit 10, Tab 1,  
12           Schedule 1, which identifies the specific reference in this Application where  
13           relevant information is provided.

14  
15           9. The Applicant requests that a copy of all documents filed with the Board in this  
16           proceeding be served on the Applicant.

17  
18           DATED at Cochrane, Ontario, this 30<sup>th</sup> day of August, 2024.

19  
20           **All of which is respectfully submitted.**

21           

22  
23           **NORTHERN ONTARIO WIRES INC.**

24           Geoffrey Sutton, CPA, CA

25           Chief Financial Officer



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
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Tab 2

Exhibit 1: Administrative Documents

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## **Tab 2 (of 11): Executive Summary and Business Plan**





1

## EXECUTIVE SUMMARY

2 **Northern Ontario Wires Inc.**

3

4 NOW Inc. is a wholly owned subsidiary of the Corporation of the Town of Cochrane  
5 and is a licensed electricity distributor by the Ontario Energy Board. NOW Inc.'s  
6 Distribution License Number is ED-2003-0018.

7

8 NOW Inc. is governed by a Board of Directors, which has nine members. The  
9 Board of Directors meets ten times during the year (plus ad hoc meetings) and  
10 they receive reports outlining financial, operational, and safety performance in  
11 addition to the progress in maintenance, operational, and capital programs.

12

13 NOW Inc.'s service area is comprised of three distinct territories, the towns of  
14 Kapuskasing, Cochrane and Iroquois Falls. The head office is located in Cochrane  
15 which is the middle service territory and is situated 730 kilometers north of Toronto  
16 on Highway 11. The distance between service territories is 170 km (between  
17 Kapuskasing and Iroquois Falls).

18

19 The three towns have a combined population of approximately 18,100. Similar to  
20 most communities in northeastern Ontario, there has been a decline in population,  
21 predominantly due to job losses at paper mills and sawmills.

22 NOW Inc. serves 5,996 customers as of the end of 2023.

23

24 Northern Ontario Wires Inc. (NOW Inc.) is submitting this Cost of Service  
25 Application based on a forward test year for 2025 electricity distribution rates and  
26 other identified items. NOW Inc.'s proposed 2025 Test Year capital expenditures,



1 rate base, and revenue requirement components and the corresponding Approved  
 2 2017 amounts are provided in Table 1 below.

3  
 4  
 5

**Table 1**  
**Proposed Capital and Revenue Requirement**

Description	2017 Approved	2025 Test Year	Change \$	Change %
<b>Capital</b>				
Capital Expenditures	\$ 777,500	\$ 1,826,925	\$ 1,049,425	135.0%
Rate Base	\$ 7,767,615	\$ 11,298,137	\$ 3,530,522	45.5%
<b>Revenue Requirement</b>				
OM&A Expense	\$ 2,757,906	\$ 4,550,911	\$ 1,793,005	65.0%
Depreciation	\$ 438,877	\$ 444,406	\$ 5,529	1.3%
Interest Expense	\$ 167,585	\$ 272,533	\$ 104,948	62.6%
Return on Equity	\$ 272,799	\$ 416,223	\$ 143,424	52.6%
PILs	\$ 42,910	\$ -	\$ (42,910)	-100.0%
<b>Service Revenue Requirement</b>	<b>\$ 3,680,077</b>	<b>\$ 5,684,073</b>	<b>\$ 2,003,996</b>	<b>54.5%</b>
Revenue Offsets	\$ 268,918	\$ 247,849	\$ (21,069)	-7.8%
<b>Base Revenue Requirement</b>	<b>\$ 3,411,159</b>	<b>\$ 5,436,224</b>	<b>\$ 2,025,065</b>	<b>59.4%</b>

6  
 7

8 The requested rate changes for customers are summarized in **Table 2** below.

9  
 10  
 11

**Table 2**  
**Bill Impact Summary**

Rate Class	2024 Total Bill	2025 Total Bill	Change \$	Change %
Residential (with DRP)	\$ 141.06	\$ 139.23	\$ (1.83)	-1.30%
General Service < 50 kW	\$ 346.17	\$ 370.36	\$ 24.19	6.99%
General Service 50-4,999 kW	\$ 10,172.66	\$ 10,583.17	\$ 410.51	4.04%
Street Lighting	\$ 8,240.21	\$ 9,063.39	\$ 823.18	9.99%
Unmetered Scattered Load	\$ 115.23	\$ 124.69	\$ 9.46	8.21%

12  
 13  
 14  
 15

Further Bill Impact details are provided in E8/T4/S1.



1 The application has been prepared according to the Ontario Energy Board's *Filing*  
2 *Requirements for Electricity Distribution Rate Applications* dated December 15,  
3 2022.

4

5 NOW Inc.'s last Cost of Service Application was for May 1, 2017, Rates (EB-2016-  
6 0096) and was subject to a Settlement Agreement.

7

### 8 **Return on Equity**

9

10 NOW Inc.'s Approved Deemed Return on Equity is 8.78%. In the 2018 to 2022  
11 period the average Return on Equity was 9.88%, however, the Return on Equity  
12 decreased to 4.44% in 2023. It is expected that this lower Return on Equity trend  
13 will continue in 2025 and beyond absent the funding requested in this application.

14

### 15 **Distribution Rate Protection**

16

17 In 2017, Ontario Regulation 198/17 was made under the *Ontario Energy Board*  
18 *Act, 1998* (OEB Act). This regulation established the Distribution Rate Protection  
19 (DRP) program for residential customers who live in certain areas with higher  
20 distribution costs. Under this legislation, the difference in residential rates for the  
21 listed LDC's and an amount prescribed as the monthly maximum based distribution  
22 charge, is funded through provincial revenues.

23

24 On an annual basis, the OEB establishes the maximum monthly base distribution  
25 charge that utilities subject to the DRP program can charge an eligible residential  
26 customer. The current maximum monthly base distribution charge is \$41.39  
27 effective July 1, 2024.

28



1 NOW Inc. is one of the eight LDCs eligible for DRP. With respect to this  
 2 Application, the effect of the DRP is to reduce the calculated 2025 monthly  
 3 Residential Service Charge of \$59.90 to the DRP rate of \$41.39 per month. This  
 4 reduces the Residential customer impact of the funding requested in this  
 5 Application. The effect of the DRP on NOW Inc.'s rates is further detailed in  
 6 E8/T4/S1.

7

8 **NOW Inc. 'At a Glance'**

9

10

**Table 3**

11

**NOW Inc. Size in Overall Context of Ontario LDCs**

<b>Table 3 - Northern Ontario Wires Inc. in LDC Industry Context</b>				
<b>Metric</b>	<b>All LDCs</b>	<b>NOW Inc</b>	<b>NOW Inc. % of Total</b>	<b>NOW Inc. Size Rank</b>
# Customers	5,403,401	5,941	0.11%	44 of 54 LDCs
OM&A (\$)	\$1,761,660,269	\$3,045,413	0.17%	41 of 54 LDCs
Overhead Lines (km)	180,633	367	0.20%	30 of 54 LDCs
Urban Service Area (sq. km.)	7,277	28	0.38%	35 of 54 LDCs
Net PP&E	\$25,192,475,791	\$8,110,793	0.03%	44 of 54 LDCs

12

Source: Benchmarking Update Calculations 2023/07/18 & OEB 2022 Yearbook

13

14

**Company Goals and Planning**

15

16

NOW Inc. intends to continue its customer focus and strong customer service  
 emphasis. NOW Inc. will utilize customer engagement results to shape utility  
 operations and explore alternative methods that customers are interested in.

17

18

Maintaining high quality service in all three service territories is a focus of NOW

19

20

Inc. which is increasingly important due to the challenges in Northern Ontario due



1 to weather and the reliance customers have on maintaining a supply of quality  
2 power.

3

4 Northern Ontario Wires Inc. will continue to pursue operational efficiencies through  
5 internal initiatives and through collaboration with other LDCs.

6

### 7 **Aging Infrastructure**

8

9 NOW Inc. faces significant challenges with aging infrastructure. NOW Inc. needs  
10 to invest in critical infrastructure which is either near the end of its useful life or in  
11 some case beyond useful life. A summary of drivers and major capital projects  
12 proposed in this Application is provided below.

13

### 14 System Access

15 NOW Inc. has budgeted for the replacement of smart meters, which have a useful  
16 life ranging from five to fifteen years and are being sent for re-certification, and  
17 those who are failing are removed from service. NOW Inc. has to acquire smart  
18 meters in order to have enough stock so that large batches may be sent out for  
19 testing. NOW Inc. has not budgeted for any expenditures due to customer service  
20 requests or other third-party infrastructure development requests.

21

### 22 System Renewal

23 NOW Inc. has three pole replacement programs – one for each Town – to replace  
24 poles that have reached the end of their service life. In addition, NOW Inc. plans  
25 to replace transformers that are obsolete and at end of life in Cochrane to enable  
26 the connection of the New Cochrane MTS.

27



1 System Service

2 NOW Inc. will carry on its voltage conversion programs in its Kapuskasing and  
3 Iroquois Falls service areas. These programs will allow for the retirement of the  
4 4.16kV system.

5

6 NOW Inc.'s largest capital expenditure is the proposed New 25kV Cochrane  
7 Municipal Transformer Station (MTS). This new MTS is a multi-year project with  
8 the new station being in-service in 2028. This new station is required to replace  
9 the current end of life Cochrane MTS and to meet an expected increase in load  
10 from major customers as well as an increase in load due to electrification.  
11 Advanced Capital Module (ACM) approval for the New Cochrane MTS is being  
12 sought in this Application and details are further provided in E2/T2/S5.

13

14 General Plant

15

16 NOW Inc.'s capital expenditures in this category are for tools and equipment to  
17 replace equipment that is no longer useful. NOW Inc. is planning on replacing two  
18 major vehicles within its fleet during the forecast period. Computer hardware  
19 expenditures are also budgeted each year of the forecast period to purchase new  
20 hardware, as necessary. Computer software expenditures are also planned in the  
21 2025 period (and beyond).

22

23 Further details to support NOW Inc.'s proposed capital expenditure plan can be  
24 found in the Distribution System Plan E2/T2/S1/A1, which includes the Asset  
25 Condition Asset.

26

27



1 **Operation and Maintenance**

2

3 2025 Test Year OM&A costs are based on current operations and forecast needs.

4 Main drivers of costs include:

5

- 6 • Wage increases
- 7 • Increase in GIS and outage management costs
- 8 • Increased Vegetation Management (including outsourcing)
- 9 • Increased workforce for safety and standby coverage
- 10 • Engineering support, cyber costs, third party services

11

12 **Environmental Scan**

13

14 This section discussed the challenges and issues faced by NOW Inc. Many of  
15 these challenges have resulted in, or will result in, the need for new investments  
16 and changes to the way NOW Inc. currently operates.

17

18 **Weather Events**

19 The energy industry has been facing challenges to protect its distribution system  
20 from an increase in adverse weather events. As the climate changes, the  
21 frequency and intensity of weather events has become increased, threatening  
22 critical utility infrastructure, and making utilities vulnerable to reliability pressures.  
23 In addition, utilities are experiencing additional operational and reactive  
24 maintenance costs to restore power and reverse damage to the distribution  
25 system.

26 Understanding that these storms and adverse events are becoming more frequent,  
27 NOW Inc. plans to invest in technology and tools that will help improve system  
28 reliability and resiliency. In addition, NOW Inc. commissioned an Asset Condition



1 Assessment (part of E2/T2/S1/A1) to provide information to improve asset health  
2 and ensure system hardening. With its proactive asset management plan, and  
3 monitoring both Government and OEB initiatives in this area, NOW Inc. hopes to  
4 mitigate future costs related to adverse weather events.

5

## 6 **Electrification of Transportation**

7 The electrification of transportation in Canada will be important and impactful for  
8 utilities. According to the most recent IESO Planning Outlook Report, the overall  
9 electricity demand from transportation electrification is forecast to grow from  
10 greatly over the next 25 years.

11 The transition to electrification poses many obstacles for utilities, including lack of  
12 visibility into current and future EV growth forecasts to ensure proper planning and  
13 opportunities for grid management and integration.

14 Although NOW Inc. currently has few electric vehicles in its service territory it  
15 anticipates that between federal and provincial government climate change  
16 initiatives there will be a movement to the electrification of transportation.

17

## 18 **Regulatory and Policy Changes**

19 The regulatory landscape has evolved significantly in the last decade, with an  
20 increase in regulatory and public policy initiatives that utilities are mandated to  
21 follow and report on. NOW Inc. has maintained compliance with the increasing  
22 regulatory landscape at times with the help of third parties. With the expectation  
23 that local distribution companies must evolve their operations to meet the demands  
24 of the changing electricity landscape, they are also responsible for ensuring that  
25 compliance is met for the growing regulatory needs, while at the same time





1 ensuring better and increased customer service. The rate of change in  
2 requirements and new directives that the industry is now facing can be difficult for  
3 smaller utilities like NOW Inc. to keep pace with.

4

## 5 **Workforce**

6 The utility sector has challenges as it relates to its aging workforce and access to  
7 skilled workers, and NOW Inc.'s labour force is no exception. The utility sector  
8 across Ontario will see many of its employees becoming eligible for retirement in  
9 a relatively short timeframe, and as such, succession planning is key for  
10 knowledge transfer and dissemination of current operations.

11 Historically, jobs in the utility industry have been difficult to fill due to the institutional  
12 knowledge needed to navigate such a niche market. Bringing new employees in  
13 takes several months to years to reach optimal knowledge retention. NOW Inc.  
14 has experienced challenges in attracting and retaining staff due to its location in  
15 Northern Ontario and the presence of other similar employers in the same region.  
16 Workforce planning is further discussed in E4/T4/S2.

17

## 18 **Customer Expectations**

19

20 Customers are becoming increasingly aware and knowledgeable of the electricity  
21 system and as such, are transitioning from a traditional consumer to a point where  
22 they are becoming active participants in the grid through both the consumption and  
23 supply of electricity. To provide consumer choice through electrification and  
24 conservation efforts, NOW Inc. will need to evolve its current operations and  
25 implement new ways that maximize value to the ratepayer, while also maintaining  
26 reliability and safety.



1

2 NOW Inc. is aware of the electricity transition that will occur to support the future  
3 of the grid, and as such, will continue to inform and engage with customers to  
4 ensure needs are being understood and met. As the direct point of contact with  
5 customers, LDCs must be able to respond to their demands by offering more  
6 innovative and customer friendly solutions. NOW Inc. will continue to deliver value  
7 to its customers by providing high-quality, low-cost, and reliable electricity.

8

### 9 **Technological Change and Cyber Security**

10

11 With the implementation of new and innovative technologies, utilities have become  
12 susceptible to cyberattacks, and as their technology portfolio grows, they will  
13 become more exposed to cyber threats. NOW Inc. has been proactively  
14 addressing potential vulnerabilities by integrating cybersecurity measures into its  
15 practices and to comply with industry best practices and the implementation of the  
16 OEB Cybersecurity Framework. NOW Inc will continue to manage and improve its  
17 approach to its cyber security practices by investing in cyber security technologies,  
18 continuing to adapt its cybersecurity protocols, working collaboratively with other  
19 utilities and implementing solutions to mitigate cyber security risk.

20

### 21 **Productivity**

22 Since the start of the Pacific Economics Group (PEG) benchmarking reports, NOW  
23 Inc. has been ranked in the most efficient “Group 1” cohort.

24 According to the most recent “Empirical Research in Support on Incentive Rate-  
25 Setting” report issued in July 2023, NOW Inc. is the fourth most productive LDC in  
26 Ontario, with actual costs being 44.3% lower than predicted by the PEG



1 econometric model. NOW Inc. continues to be assigned to Group 1, with a stretch  
2 factor assignment of “0” indicating that significant productivity gains have been  
3 achieved by the utility. This validates the efforts that have been undertaken as  
4 NOW Inc. has reduced costs and achieved a high-level of efficiency gains.

5

6 NOW Inc. has been able to achieve a high productivity ranking through a number  
7 of initiatives which include cost savings due to use of shared resources, using  
8 technology to achieve efficiencies and leveraging purchasing and engineering  
9 capability through partnering with other LDCs. NOW Inc. will continue to  
10 collaborate with other LDCs as appropriate to promote customer and system  
11 efficiencies.

12

13 The favourable benchmark performance is indicative of low costs and  
14 underspending. NOW Inc. is concerned that the current level of spending is not  
15 sustainable for the safe and reliable operation of its distribution system. Even with  
16 the necessary higher levels of OM&A and Capital requested in this application,  
17 NOW Inc. will continue be a productive utility with a PEB Group 1 cohort ranking.

18

19 NOW Inc. also collaborates with other utilities in different areas as economies of  
20 scale are sought on projects and initiatives that are common to the LDCs. In the  
21 past NOW Inc. partnered with Hearst Power Distribution Company Limited,  
22 Chappleau Public Utilities Corporation, Cooperative Hydro Embrun Inc., and Hydro  
23 Hawkesbury Inc. in undertaking the Public Awareness of Electricity Safety Survey  
24 as required for the Scorecard. This collaboration reduced costs and increased  
25 business relations with partnering utilities. This type of arrangement will continue  
26 to be explored for future endeavors. NOW Inc. works with the EDA and planning  
27 on joining Cornerstone Hydro Electric Concepts (CHEC) to further increase its  
28 cooperation with other utilities and access CHEC’s professional services.

29



1

## **BUSINESS PLAN / STRATEGIC PLAN**

### **Introduction**

3

4 The company's strategy and business planning process are discussed below.  
5 NOW Inc. does not have a formal business plan document.

6

### **Company Goals and Planning**

8

9 NOW Inc. plans on being profitable while ensuring continued customer focus and  
10 strong customer service. NOW Inc. will utilize customer engagement results to  
11 continue to shape utility operations and explore priorities that customers have  
12 identified. Maintaining high quality service in all three service territories is a focus  
13 of NOW Inc. which is increasingly important due to the challenges in Northern  
14 Ontario due to weather and the reliance customers have on maintaining a supply  
15 of quality power.

16

17 NOW Inc.'s strategic objectives are to:

- 18 (a) to deliver safe and reliable electricity;
- 19 (b) enhance customer value while contributing to the well-being of the  
20 communities;
- 21 (c) achieve performance excellence;
- 22 (d) invest in capital, technology, and infrastructure; and,
- 23 (e) collaborate with other LDC's.

24

25 NOW Inc. believes that delivering customer value is at the core of its mission and  
26 that through the activities and initiatives it undertakes, NOW Inc. can achieve or



1 exceed target performance and contribute to the three communities it serves. As  
2 a result, customers will receive long-term value.

3

4 NOW Inc's strategic goals and their link to the RRFE Outcomes are shown in  
5 Table 1 below

6

7

**Table 1**

8

**NOW Inc. Strategic Goals and Link to OEB RRFE**

Strategic Goal	RRFE - Outcomes			
	Customer Focus	Operational Effectiveness	Public Policy Responsiveness	Financial Performance
Deliver safe and reliable electricity	X	X	X	
Enhance customer value while contributing to the well-being of the communities	X		X	
Achieve performance excellence	X	X	X	X
Invest in Capital, Technology and Infrastructure	X	X	X	X
Collaborate with other LDC's	X	X	X	X

9

10

11 NOW Inc. is committed to providing its customers with a safe and reliable  
12 electricity supply while operating effectively and efficiently at an equitable cost.  
13 NOW Inc. strives for excellence and continuous improvement in order to  
14 maximize shareholder value. Based on these corporate goals, NOW Inc.'s asset  
15 management objectives are prioritized as follows:

16

1. Operating a safe electrical system for employees and the public.

17

2. Meeting regulatory requirements.

18

3. Engaging in environmental protection.

19

4. Accommodating load growth and new customer connections.

20

5. Delivering a reliable supply of electricity.

21

6. Managing costs and rate stability.



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
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Exhibit 1  
Tab 2  
Schedule 2  
Page 3 of 3

- 1 NOW Inc's Business Planning and Budget process is discussed in E1/T5/S1,
- 2 Section 2.



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
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Exhibit 1  
Tab 3

Exhibit 1: Administrative Documents

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## **Tab 3 (of 11): Administration**



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## ADMINISTRATION

### 1. ACCURACY & PERSONAL INFORMATION CERTIFICATION

As General Manager and President of Northern Ontario Wires Inc., I certify with respect to this Application (EB-2024-0046) that:

- the evidence filed is accurate, consistent, and complete to the best of my knowledge and belief
- there are internal controls and processes in place with respect to the preparation, review, verification and oversight of deferral and variance account balances being disposed, and
- the Application does not include any personal information.
- the OEB Practice Direction on Confidential Filings has been followed

A handwritten signature in blue ink, appearing to read "Marc Belanger", is written over a faint horizontal line.

Marc Belanger  
General Manager and President





1    **2. APPLICATION CONTACT INFORMATION**

2    Marc Belanger

3    GENERAL MANAGER & PRESIDENT

4

5                    Phone: (705) 272-6669

6                    Email: [marc.belanger@nowinc.ca](mailto:marc.belanger@nowinc.ca)

7                    Address: 153 6<sup>th</sup> Ave, Cochrane, ON P0L 1C0

8

9    Geoffrey Sutton, CPA, CA

10   CHIEF FINANCIAL OFFICER

11   (Primary Contact)

12                    Phone: (705) 272-6669

13                    Email: [geoffs@nowinc.ca](mailto:geoffs@nowinc.ca)

14                    Address: 153 6<sup>th</sup> Ave, Cochrane, ON P0L 1C0

15

16   **3. LEGAL REPRESENTATION**

17   NOW Inc. will be represented in this proceeding by:

18

19   Michael Buonaguro

20   Barrister and Solicitor

21   24 Humber Trail

22   Toronto, ON M6S 4C1

23

24   Tel:    416-767-1666

25   Fax:    416-767-1666

26   Email: [mrb@mrb-law.com](mailto:mrb@mrb-law.com)

27

28



1 **4. APPLICANTS INTERNET ADDRESS**

2 Please visit the NOW Inc. website at:

3

4 [www.northernontariowires.com](http://www.northernontariowires.com)

5

6 NOW Inc. can be found on social media on the Facebook platform.

7

8 **5. STATEMENT OF WHO WILL BE AFFECTED BY APPLICATION**

9 Residents, businesses and institutions in NOW Inc.'s service territory as described in  
10 E1/T4/S1 who receive electricity distribution services from NOW Inc. will be affected by  
11 the Application.

12

13 **6. NOTICE OF HEARING PUBLICATION**

14 Upon receiving the Letter of Direction, it is understood that the OEB will arrange to have  
15 the Notice of Application and Hearing for this proceeding published. The primary  
16 publications in the NOW Inc. service territory are:

- 17
- 18 • Cochrane Times-Post (Cochrane)
  - 19 • The Enterprise (Iroquois Falls)
  - 20 • The Northern Times (Kapusksing)

20

21 Each of the above publications have both English and French language sections.

22

23 This application and all documents related to this application will be made available on  
24 NOW Inc.'s website at: [www.northernontariowires.com](http://www.northernontariowires.com) The application will also be  
25 available on the OEB's website at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca), under Board File  
26 Number EB-2024-0046.

27



1 **7. BILL IMPACTS**

2 For the average customers in each rate class are included in **Table 1**.

3  
4  
5

**Table 1**  
**Bill Impacts**

Rate Class	kWh	kW	# of Connections	2024 Bill \$	2025 Bill \$	\$ Difference	Total Bill Impact %	Distribution Bill Impact %
Residential	750		1	\$ 141.06	\$ 139.23	\$ (1.83)	-1.30%	36.70%
GS < 50 kW	2,000		1	\$ 346.17	\$ 370.36	\$ 24.19	6.99%	18.96%
GS > 50 kW	70,000	200	1	\$ 10,172.66	\$ 10,583.17	\$ 410.52	4.04%	82.14%
Street Light	13,667	41	570	\$ 8,240.21	\$ 9,063.39	\$ 823.18	9.99%	23.69%
USL	625		1	\$ 115.23	\$ 124.69	\$ 9.46	8.21%	36.70%

6

7 The kWh, kW, and # of Connections refers to the billing determinants of a typical  
8 customer in each rate class. Further Bill Impact details are provided in E8/T4/S1.

9

10 NOW Inc. is included in the Distribution Rate Protection program which serves to reduce  
11 the monthly fixed distribution charge for Residential customers by to establishing a  
12 maximum monthly base distribution charge that utilities subject to the DRP program can  
13 charge an eligible Residential customers. The maximum charge effective July 1, 2024 is  
14 \$41.39 per month and that amount will be escalated by the OEB inflation rate effective  
15 July 1, 2025. DRP is included in the Total Bill Impact % in Table 1. The Distribution Bill  
16 Impact % reflects the increase in revenues required from the Residential rate class and  
17 does not account for the DRP.

18

19 **8. STATEMENT OF REQUESTED HEARING FORM**

20 NOW Inc. respectfully requests that this proceeding be conducted in writing.

21

22 **9. APPROVALS REQUESTED AND EFFECTIVE DATE**

23 NOW Inc. is requesting the following approvals:

24



- 1 1. Approval to charge distribution rates effective May 1, 2025 to recover a Service  
2 Revenue Requirement of \$5,684,074 as outlined in Exhibit 6. NOW Inc.'s  
3 proposed schedule of rates is included in Exhibit 8;  
4
- 5 2. Approval of NOW Inc.'s Test Year OM&A Expenditures of \$4,550,911 (Exhibit 4)  
6 and Test Year Capital Expenditures of \$6,914,424 (Exhibit 2);  
7
- 8 3. Approval of NOW Inc.'s Distribution System Plan as set out in Exhibit 2;  
9
- 10 4. Approval of an Advanced Capital Module (ACM) for a new Cochrane MTS along  
11 with approval for special rate treatment to include the associated Residential  
12 customer impact in Distribution rates upon project in-service, as set out in Exhibit  
13 2.  
14
- 15 5. Approval of updated Retail Transmission, Network and Connection rates as set  
16 out in Exhibit 8;  
17
- 18 6. Approval to introduce Standby rates as proposed and described in Exhibit 7;  
19
- 20 7. Approval of updated Low Voltage rates as proposed and described in Exhibit 8;  
21
- 22 8. Approval to continue the Specific Service Charges approved in EB-2016-0096;  
23
- 24 9. Approval to apply Reconnection of Meter charges for reconnections for reasons  
25 other than non-payment of account as proposed and described in Exhibit 8;  
26
- 27 10. Approval of the proposed Loss Factors as calculated in Exhibit 8;  
28
- 29 11. Approval of the Rate Riders for disposition of Group 1 and Group 2 and Other  
30 Deferral and Variance Accounts as at December 31, 2023 (with interest to April  
31 30, 2025) over a one-year period, as calculated in Exhibit 9;



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12. Approval if the Rate Riders for disposition of Group 2 accounts 1508: Pole Attachment Revenue Variance, 1518: RCVA – Retail, and 1548: RCVA – STR for the forecasted principal and interest for January 1, 2024 to April 30, 2025, as calculated and proposed in Exhibit 9;

13. Approval of the LRAMVA amount as calculated (Exhibit 4) and approval for an associated Rate Rider (Exhibit 9) for a one-year disposition;

14. Approval of an effective date of May 1, 2025 for the proposed rate changes;

15. In the event the Board is unable to approve NOW Inc.'s 2025 rates for implementation by May 1, 2025, NOW Inc. requests that the Board issue an Interim Order approving the current distribution rates and charges effective May 1, 2025.

NOW Inc. may request other approvals during the course of the proceeding as the Board may allow.

**10. STATEMENT OF DEVIATION FROM FILING REQUIREMENTS**

NOW Inc. has followed the OEB filing requirements, specifically Chapter 2 of the OEB "Filing Requirements for Electricity Transmission and Distribution Applications", dated December 20, 2022, and the Chapter 5 Distribution System Plan filing requirements, dated December 20, 2022. NOW Inc. has used the OEB's models for 2025 Cost of Service applications posted by the OEB on April 11, 2024 and associated updates. As such, NOW Inc. is not requesting any deviations from the OEB filing requirements.



1 **11. STATEMENT OF CHANGES IN METHODOLOGY**

2 There are no changes in methodology from the previous 2017 Cost of Service  
3 Application EB-2016-0096.

4

5 **12. IDENTIFICATION OF OEB DIRECTIVES FROM PREVIOUS OEB**  
6 **DECISIONS**

7 There are no OEB directives as a result of previous OEB decisions.

8

9 **13. REFERENCE TO CONDITIONS OF SERVICE**

10 The current version of Northern Ontario Wires Inc.'s Conditions of Service is available on  
11 NOW Inc.'s website as [www.northernontariowires.com](http://www.northernontariowires.com).

12

13 There have been changes to the Conditions of Service since the last Cost of Service  
14 application EB-2016-0096. The Conditions of Service were revised July of 2024. The  
15 comment period lasted from July 5<sup>th</sup> to August 5<sup>th</sup>, 2024. There were no formal written  
16 comments received from Customers or the public, so no further revisions to the July  
17 2024 version were made. The Conditions of Service were filed with the Ontario Energy  
18 Board on August 23, 2024. The following is summary of the main changes:

- 19 • Preface: page added to provide an overview of the purpose of the Conditions of  
20 Service, its format and main changes from the previous version
- 21 • Section 1, Introduction: Additional content describing self-help options available  
22 to customers and changes to regulatory and operational practices evolving from  
23 the COVID-19 pandemic.
- 24 • Section 2, Distribution Activities (General): Additional and reorganized content to  
25 reflect evolving operational practices.
- 26 • Section 3, Customer Class Specific: Revised and reorganized content related to  
27 conditions of service for customer class specific connections including more



1 defined variable connection charges for general service and large user  
2 customers.

- 3 • Section 4, Glossary of Terms: Revisions included additional definitions and a  
4 new acronym section.
- 5 • Appendices – New Appendix B: Demarcation Point Interpretive Drawings.  
6 Removal of Metering Appendix with a reference to the NOW Inc. website where  
7 content is now available at customer convenience.

8

9 Rates and charges which are the subject of this rate application are not contained in the  
10 Conditions of Service, therefore no changes will result from the Cost-of-Service  
11 application.

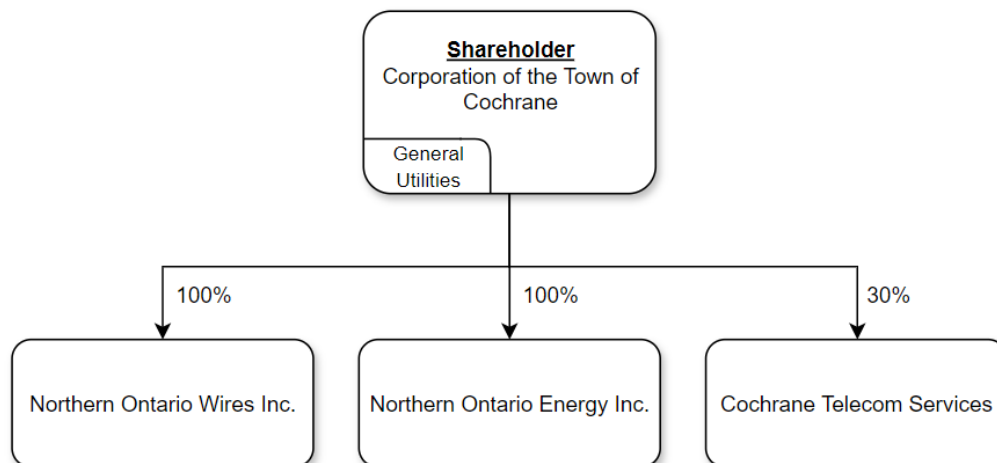
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## 13 14. DESCRIPTION OF CORPORATE AND UTILITY ORGANIZATIONAL 14 STRUCTURE

### 15 CORPORATE ENTITIES RELATIONSHIP CHART

16

17 As of January 1, 2024



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21



1 UTILITY ORGANIZATIONAL CHART

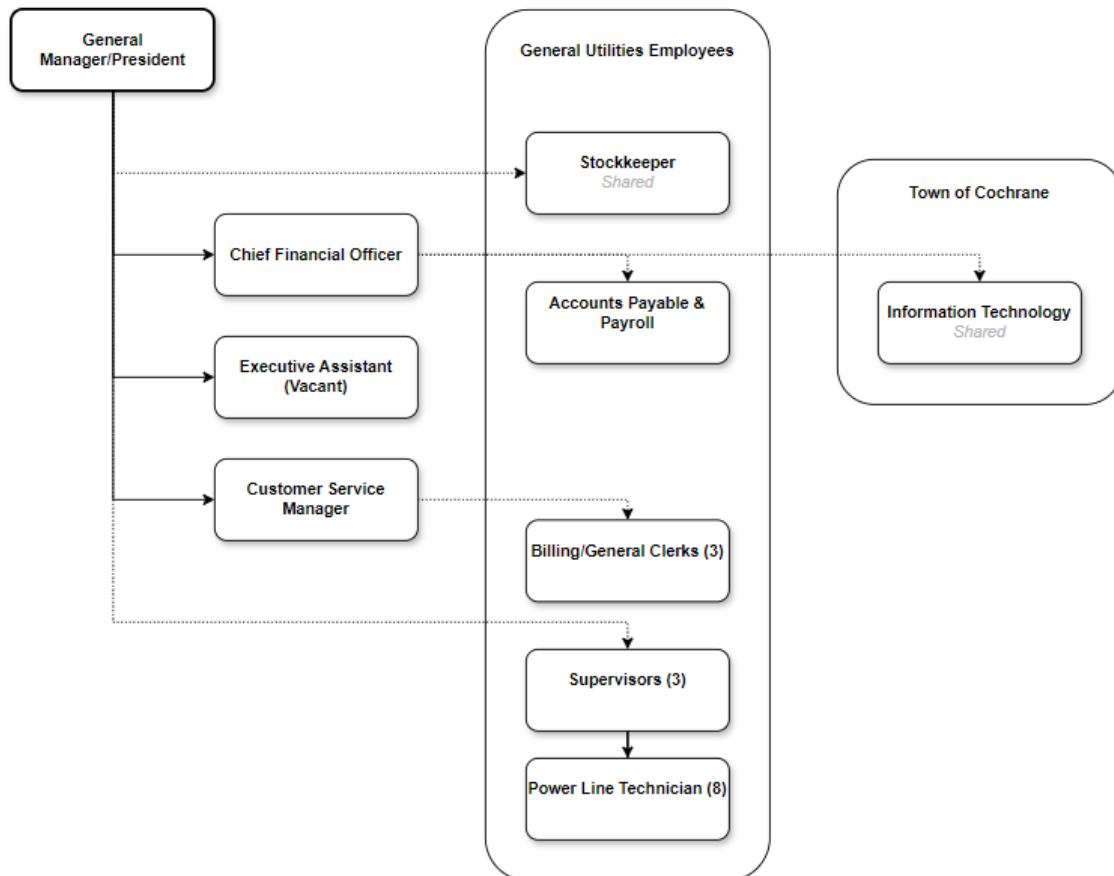
2 As of January 1, 2024

3

4 Northern Ontario Wires Inc. has four positions. Other staff required to support the  
5 operations of NOW Inc. are provided through a shared Services Agreement with The  
6 General Utilities Employees, as well as one position with the Corporation of the Town of  
7 Cochrane.

8

9 **Northern Ontario Wires Inc.**



10  
11  
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13





1 **15. BOARD OF DIRECTORS MEMBERSHIP**

2 The following is a list of the NOW Inc. Board of Directors:

3

Name	Residence	Date appointed
Peter Politis*	Cochrane, ON	November 22, 2022
Sylvie Charron-Lemieux* - Chair	Cochrane, ON	November 22, 2022
Monika Malherbe*	Cochrane, ON	April 25, 2024
Vacant*	Cochrane, ON	
Robert Vezeau	Cochrane, ON	January 17, 2024
Rod Reimer	Cochrane, ON	January 17, 2024
Tory Delaurier	Iroquois Falls, ON	September 28, 2015
David Plourde	Kapuskasing, ON	December 1, 2014
Louis Guertin	Cochrane, ON	October 24, 2023

4

5 \*Parent company (Corporation of the Town of Cochrane) representatives on NOW Inc.  
6 Board.

7

8 The NOW Inc. Board of Directors has 10 scheduled meetings during the course of a  
9 year. In addition, the Board meets on an ad hoc basis as required. NOW Inc. reports to  
10 the Shareholder (Corporation of the Town of Cochrane) at the annual Shareholder  
11 meeting.

12



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 4

Exhibit 1: Administrative Documents

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## **Tab 4 (of 11): Distribution System Overview**

## DESCRIPTION OF SERVICE AREA

Northern Ontario Wires Inc. serves the communities of Cochrane, Iroquois Falls and Kapuskasing. Geographically, the service territory is dispersed over three communities. The head office is based in Cochrane and there is a distance of 117 km between Cochrane and Kapuskasing, and 57 km between Cochrane and Iroquois Falls.

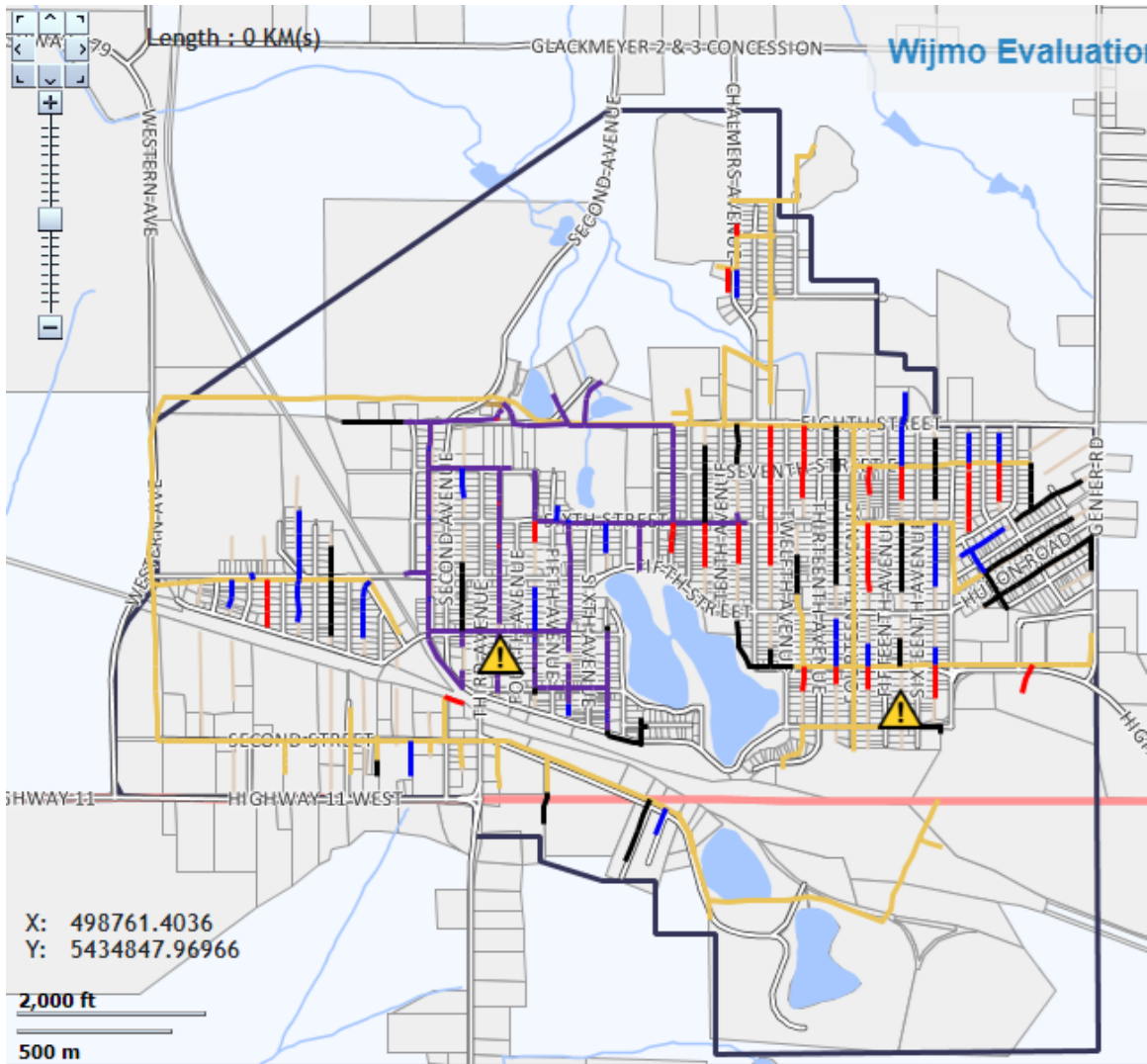




1 The boundaries within the Town of Cochrane primarily follow the municipal boundaries,  
2 encompassing the downtown core as well as a residential subdivision located on the  
3 north part of Town.

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### Cochrane Service Territory



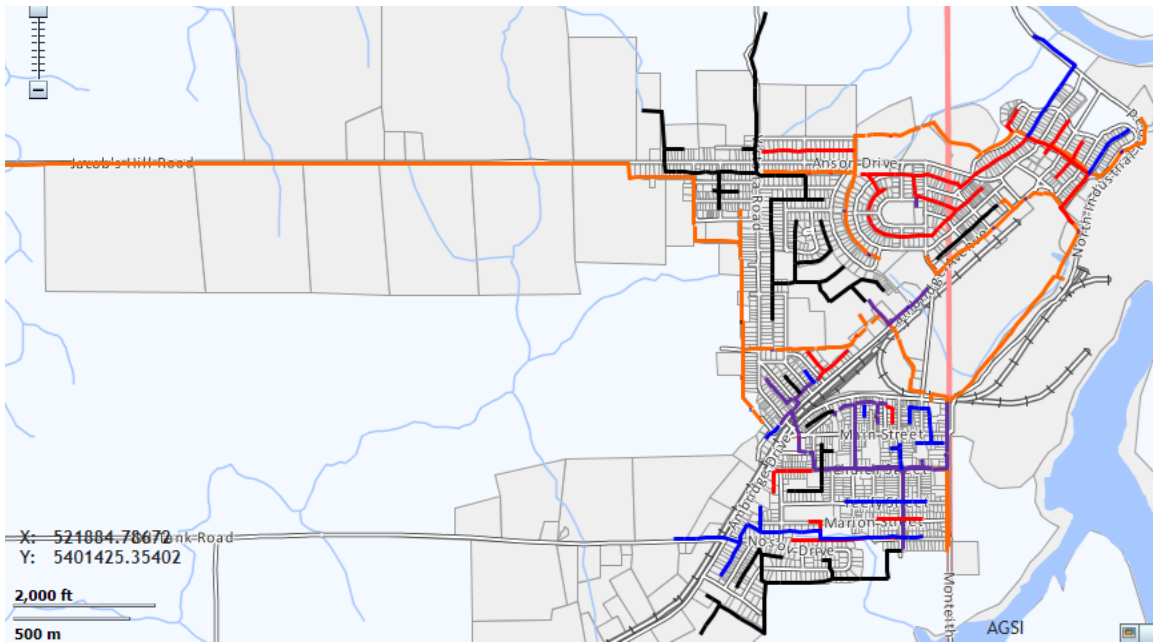
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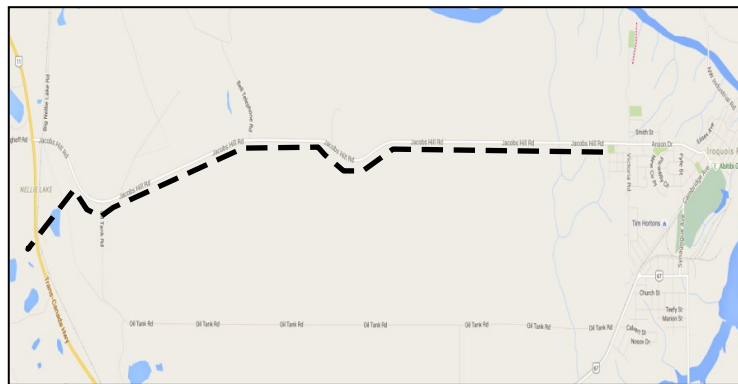
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The Iroquois Falls service area encompasses the municipal boundaries. In addition, there is a 10 km distribution line extending to Highway 11.

### Iroquois Falls Service Territory



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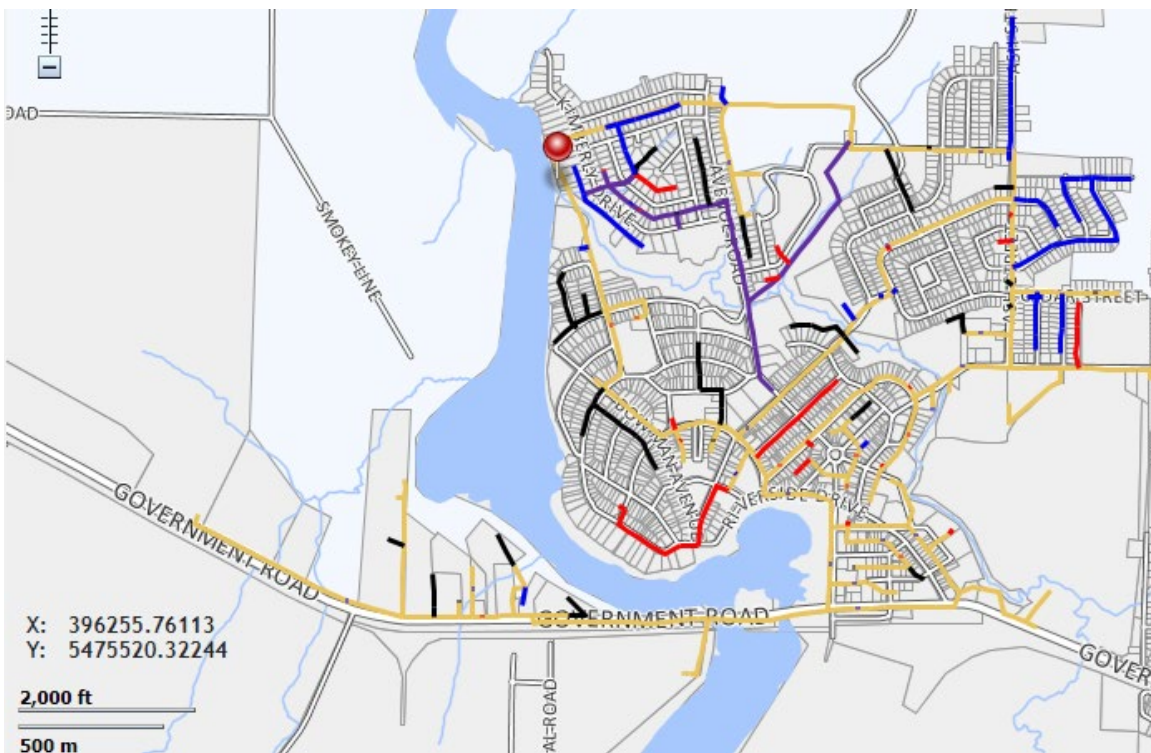




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The Town of Kapuskasing is shared between two distributors. The downtown core and the west side of the community is serviced by Northern Ontario Wires Inc. and the remainder of the Town is serviced by Hydro One Networks Inc.

**Kapuskasing Service Territory**



9



1       **DESCRIPTION OF EMBEDDED / HOST DISTRIBUTOR**  
2       **RELATIONSHIPS**

3       NOW Inc. is an embedded distributor served by Hydro One Networks Inc. distribution in  
4       its Kapuskasing and Iroquois Falls service territories. The Cochrane service territory is  
5       serviced from a Hydro One Networks Inc. transmission feeder and is not embedded.

6

7       NOW Inc. is not a host distributor.

8



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## **STATEMENT OF DEEMED TRANSMISSION / HIGH VOLTAGE ASSETS**

NOW Inc. confirms that it does not have transmission assets (i.e. assets operating at greater than 50 kV) in its distribution system that had previously been deemed by the Board as distribution assets. Further, NOW Inc. confirms that it is not seeking approval in this Application for any such assets.





Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 5

Exhibit 1: Administrative Documents

---

## **Tab 5 (of 11): Application Summary**



1

## APPLICATION SUMMARY

### 2 1. REVENUE REQUIREMENT

3 Northern Ontario Wires Inc. (NOW Inc.) is seeking approval of the proposed Service  
4 Revenue Requirement for 2025 of \$5,684,074. This is an increase of 54.5% from the  
5 Service Revenue Requirement of \$3,680,077 approved in NOW Inc.'s 2017 Cost of  
6 Service Rate Application (EB-2016-0096).

7

8 **Table 1** shows a comparison of the Revenue Requirement calculations between the  
9 2017 OEB approved revenue requirement and the 2025 Test year revenue requirement.

10

11

**Table 1**

12

**Comparison of 2017 Approved vs 2025 Test Year Revenue Requirement**

Description	2017 OEB Approved	2025 Test Year	Change (\$)	Change (%)
OM&A Expense	2,757,906	4,550,911	1,793,005	65.0%
Depreciation	438,877	444,406	5,529	1.3%
Interest	167,585	272,533	104,948	62.6%
Return on Equity	272,799	416,223	143,424	52.6%
PILs	42,910	0	-42,910	-100.0%
<b>Service Revenue Requirement</b>	<b>3,680,077</b>	<b>5,684,074</b>	<b>2,003,997</b>	<b>54.5%</b>
Revenue Offsets	268,918	247,849	-21,069	-7.8%
<b>Base Revenue Requirement</b>	<b>3,411,159</b>	<b>5,436,225</b>	<b>2,025,066</b>	<b>59.4%</b>

13

14

15 The increase in OM&A of \$1,793,005 is due to several factors including; inflation,  
16 increased spending on work programs such as vegetation management and an increase  
17 in FTEs over this period to address important work priorities. These items are discussed  
18 in more detail in E4/T4/S1.

19

20 The increase in depreciation expense of \$5,529 is due to more in-service assets from  
21 2017 to 2025, partially offset by fully depreciated assets. NOW Inc's has invested in its



1 Distribution System to maintain reliability, update technology and automation of the  
2 system. Depreciation expense is discussed in more detail in E2/T1/S3.

3

4 The increase in rate base is largely due to increase in capital expenditures. Depreciation  
5 had been declining year over year until 2024 as a result of assets becoming fully  
6 depreciated over this time.

7

8 The increase in interest and return on equity of \$104,948 and \$143,424 is due to NOW  
9 Inc.'s increase in rate base in 2025 relative to 2017. See exhibit E5/T1/S1 for more  
10 details.

11

12 The reduction of PILs to \$0 is due to increased CCA deductions that more than offset  
13 net income.

14

15 Revenue Offsets have remained fairly constant over this period with a decrease since  
16 2017 of \$21,609 in part due to the termination of the collection of account charge.

17

## 18 **2. BUDGETING AND ACCOUNTING ASSUMPTIONS**

### 19 **BUSINESS PLANNING AND BUDGET PROCESS**

20

#### 21 **OM&A Budget**

22 NOW Inc.'s OM&A budget is prepared in collaboration of the Chief Financial Officer and  
23 the General Manager and is reviewed and approved by NOW Inc.'s Board of Directors.

24 The budget is typically prepared in the fourth quarter of the year and finalized in the first  
25 quarter of the subsequent year (the budget year). Once approved the budget is revised if  
26 a material change in plan is required.

27

28 Throughout the budget process each line item is examined to determine the cost  
29 requirements for the upcoming year. Known quantifiable items are incorporated into the  
30 budget along with the assumptions regarding work projects as required. As each



1 program and line item is reviewed multiple times, areas of cost savings are identified and  
2 incorporated. NOW Inc. does not rely on generic increases across all accounts.

3

4 The budget is prepared based on assessment of work program needs. Program needs  
5 are based on timing and prioritization as determined by line patrols, visual inspection  
6 and condition. Trouble calls and equipment failures are also valuable sources of  
7 information that are factored into the maintenance plan. Information on prior year's  
8 actual results is also reviewed and adjusted for non-recurring items and anticipated work  
9 program related changes for the budget year. Work program related changes are  
10 identified by assessments of asset need, customer expectations and new identified  
11 initiatives. In order to cost work programs, labour costs are determined based on wage  
12 and benefit costs and required material and equipment resources. Overtime costs are  
13 based on the estimated workload and outage scheduling. In addition, labour and  
14 material escalation is factored into the costing of work.

15

16 NOW Inc. has a collective agreement in place with its union (CUPE 1000) that expires  
17 June 30, 2025 and NOW Inc. has included an estimated impact into the 2025 Test Year.  
18 Wages for management staff are escalated based on CPI Index for Ontario. Increases  
19 are compared with the MEARIE Management Survey.

20

## 21 **Budget Economic Assumptions**

22 NOW Inc. has estimated inflationary increases for its OM&A budget as follows:

23

### 24 **2025 Labour Escalation Assumptions:**

25

- Management Staff: based on CPI November 2024

26

- Union Staff collective agreement to be negotiated and take effect on June 1,  
27 2025

28

29 In order to ensure NOW Inc.'s success, being able to attract, motivate, and retain the  
30 right people is essential. General labour challenges facing the industry have impacted  
31 NOW Inc. and, in addition, there are challenges due to the geographic location in which



1 NOW Inc. operates. As such, it is necessary that NOW Inc. position itself as an attractive  
2 place to work. To achieve this goal NOW Inc. needs to have competitive wages with a  
3 rewarding work-life balance that is desired by people who prefer to settle in Northern  
4 Ontario.

5

6 Recent MEARIE information has shown that NOW Inc. staff (both union and non-union)  
7 are paid below the industry average for comparable positions. Several times over the  
8 past few years NOW Inc. has lost employees to utilities who operate near its service  
9 territory. In order to attract and retain staff, in 2025 NOW Inc. is planning to migrate  
10 salaries and benefits closer to the industry average noted in the MEARIE information.

11

12 **2025 Material Escalation Assumptions:**

- 13 - Escalation is forecast based on a number of factors including CPI Ontario  
14 Index as per Statistics Canada, past experience with suppliers, and known  
15 increases.
- 16 - The assumption is that material costs will increase at 3.3% above 2024 levels  
17 as determined in the following manner. Cost trends are evaluated based on  
18 invoices and supplier costs provided to NOW Inc. Other factors include the  
19 rate increases of supplies including cost of fuel. The CPI for Ontario (3%)  
20 forms the major part of the assumed 3.3% rate increase.
- 21 - After the assumed inflation rate is determined, all work programs and  
22 accounts are reviewed by the General Manager and the Chief Financial  
23 Officer to determine any adjustments as required to inflation pressure or work  
24 required in certain areas. The specifically identified items are then adjusted  
25 accordingly.

26

27 **Load and Customer growth** – NOW Inc.'s distribution service territory is not growing.  
28 The communities in which NOW Inc. operates are small Northern towns on the Highway  
29 11 corridor.

30



1 Being situated in Northern Ontario impacts costs of materials and supplies in the service  
2 territory. Fuel costs and other required materials are more expensive in Northern  
3 communities.

4

5 **Multiple Operating Facilities:** NOW Inc. operates in three communities with a line crew  
6 working out of each service centre. The distance between communities, adverse  
7 weather, many single road connections and customer responsiveness has necessitated  
8 the three service centres and three crews. This enables quicker response times and  
9 reduced inefficiencies than if NOW Inc. attempted to operate out of a single central  
10 location, given that the communities are 170 kilometers apart.

11

## 12 **Capital Budget**

13

14 NOW Inc. is committed to providing its customers with a safe and reliable electricity  
15 supply while operating effectively and efficiently at an equitable cost. NOW Inc. strives  
16 for excellence and continuous improvement in order to maximize shareholder value.  
17 Based on these corporate goals, NOW Inc.'s asset management objectives are  
18 prioritized as follows:

19

1. Operating a safe electrical system for employees and the public.

20

2. Meeting regulatory requirements.

21

3. Engaging in environmental protection.

22

4. Accommodating load growth and new customer connections.

23

5. Delivering a reliable supply of electricity.

24

6. Managing costs and rate stability.

25

26 Annual budget figures are drafted based on the analysis of the impact of planned capital  
27 expenditures on customer bills. Projects/programs are then selected in order of priority  
28 and scoped to fit within budget envelopes.

29

30 Once all projects have been identified and prioritized, the budget is reviewed by Senior  
31 Management at NOW Inc. to ensure it is within the budget envelope and meets the



1 expected corporate objectives. Once approved by Senior Management, it goes to NOW  
2 Inc.'s Board for final approval. Revisions are made as necessary throughout this  
3 process. Once approved by the Board, the plans and projects identified in the capital  
4 and operating budgets are executed by staff and contractors. Regularly scheduled  
5 meetings are held with all stakeholders to review the progress of the budget from a  
6 dollar spent and from a project completion perspective. Issues or risks to the budget are  
7 identified and mitigation or alternatives are discussed.

8  
9 Senior Management reviews the financials, and the Board is updated with capital  
10 progress and forecasts of capital spend and project completion where appropriate as  
11 well as highlighting risks and corresponding mitigations to the plan. Installation,  
12 inspection, testing, maintenance, and outage data is gathered throughout the year to  
13 ensure that NOW Inc.'s asset registry is kept updated and so that asset performance is  
14 continually monitored and can be factored into the next year's budget cycle.

### 15 16 **Distribution System Plan**

17 The DSP has been developed to achieve the four performance outcomes established in  
18 the RRFE: customer focus, operational effectiveness, public policy responsiveness, and  
19 financial performance. To realize these four outcomes, NOW Inc. has outlined the  
20 following objectives:

- 21 • provide customers with a safe and reliable supply of electricity;
- 22 • operate effectively and efficiently, reducing costs where feasible;
- 23 • facilitate the connection of Renewable Energy Generation ("REG");
- 24 • facilitate the electrification of the grid; and
- 25 • promote a culture of energy conservation.

26  
27 With respect to the assumptions used in establishing capital expenditure values a  
28 number of methods have been used depending on the particular project and  
29 circumstances:

30



- 1 • All selected priority projects are budgeted using the standard budget estimation  
2 process where estimated time and materials are calculated and costed at  
3 expected rates using historical patterns for similar work and are completed based  
4 on priority.
- 5 • Where project is expected to be contracted out, third party rates and equipment  
6 costs are gathered and used for budgetary assumptions
- 7 • Other distribution system or general plant projects are costed using estimated  
8 time and materials using historical patterns for similar projects and preliminary  
9 discussions with potential service providers.

10

11 Historically, NOW Inc. focused a significant proportion of its capital investments on  
12 distribution plant projects to meet customer connection requirements and to strengthen  
13 the distribution system with the goal of achieving and maintaining high system reliability.  
14 This focus has resulted in NOW Inc. reporting relatively strong and consistent reliability  
15 results, which has resulted in high levels of customer satisfaction. NOW Inc. has seen a  
16 decrease in performance in reliability, especially in Kapuskasing in part due to  
17 vegetation control and aging infrastructure. Similarly, NOW Inc. has focused past  
18 investment in General Plant in assets that have direct impacts on the operations and  
19 maintenance of the distribution system such as fleet additions or major tools.

20

21 The proposed DSP continues to identify required distribution plant investments to ensure  
22 appropriate reliability levels or to address specific new or existing customer  
23 requirements. NOW Inc. has focused recent investments into system reliability and now  
24 needs to seek external resources to complete capital work in a timely fashion in order to  
25 maintain safe and reliable service.

26

27 Information Systems Infrastructure: NOW Inc. has multiple information systems that are  
28 essential to utility functions including its three core systems; a Financial Accounting  
29 System, a Customer Information System and a GIS system.

30





1 NOW Inc. is required to update the CIS system frequently as regulations change and  
2 need to be incorporated. This happens with little notice and tight deadlines. As the  
3 industry is evolving and new programs mandated, these upgrades and changes will be  
4 continuing, and extra resources are required to keep pace.

5

6 On the operations side, NOW Inc. will be implementing an Outage Management System  
7 that will communicate with the GIS system. This new platform will allow NOW Inc. staff  
8 access to real time data which will assist in locating troubled areas and help reduce the  
9 duration of unexpected outages. The platform will also assist in customer communication  
10 which was identified as a need from the customer engagement activities.

11

### 12 **Accounting Standard Applied**

13 Beginning January 1, 2015, NOW Inc. has used IFRS as its accounting standard. NOW  
14 Inc. uses the useful lives based on the Kinectrics report for the purposes of depreciation.  
15 There are no differences in depreciation rates, and capitalization policy subsequent to  
16 the last COS application.

17

### 18 **3. LOAD FORECAST SUMMARY**

19 For 2025, NOW Inc. has forecasted total consumption 116,181,510 kWh, compared to  
20 124,246,897 kWh approved in its 2017 Rate Application, representing a 6.5% decrease.  
21 NOW Inc. has forecasted an overall customer connection count decrease of 0.74%.  
22 Excluding streetlights, NOW Inc. has forecasted a decrease in customer connections of  
23 1.92% compared to the 2017 Board Approved level.

24



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**Table 2**  
**Load Forecast Comparison**

Rate Class	2017 Approved kWh	2025 Forecast kWh	2017 Approved Connections	2025 Forecast Connections
Residential	41,624,801	41,340,698	5,216	5,179
General Service < 50 kW	19,759,776	17,945,241	784	707
General Service 50 - 4,999 kW	62,140,492	56,240,557	71	69
Street Light	556,610	491,060	1,650	1,710
USL	165,218	163,953	23	22
<b>Total</b>	<b>124,246,897</b>	<b>116,181,510</b>	<b>7,744</b>	<b>7,687</b>

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The load forecast has been prepared on the basis of a multivariate regression analysis of NOW Inc.'s historic billed energy by rate class. Consumption is weather-normalized and the factors considered in the regression are related to weather, economic, and calendar data. NOW Inc. has prepared its customer/connection forecast based on the geometric average of the historical customer growth per year (with some exceptions as detailed in E3/T1/S1/Att1). For those rate classes which are weather sensitive, this forecast was adjusted to account for the weather-normalized billed energy forecast derived from the regression model. For applicable rate classes which are billed on monthly peak demand kW for distribution rates, the kW forecast was developed by applying a historic relationship between kWh and kW for that class.

**4. RATE BASE AND DSP**

NOW Inc. has calculated rate base for the 2025 Test Year of \$11,298,138 consistent with Chapter 2 of the *Filing Requirements for Electricity Transmission and Distribution Applications* issued on December 15, 2022. The rate base calculation is based on the average of the 2025 Test Year opening and closing balances of the net book value of assets, plus a working capital allowance. The working capital allowance is calculated as of 7.5% of the sum of controllable expenses and the cost of power. Controllable expenses include operations and maintenance, billing and collecting, and administrative expenses.

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A rate base continuity schedule from the 2017 OEB Approved amount to the 2025 Test Year is provided below in **Table 3**. The 2024 Bridge Year and 2025 Test Year are budgeted costs as per the application.

**Table 3**  
**Rate Base Continuity Schedule**

Description	2017 OEB Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge	2025 Test
Opening Balance Gross Fixed Assets	8,049,328	8,027,245	8,737,001	9,566,534	10,254,916	10,874,235	11,386,651	11,974,944	12,311,683	15,195,967
Closing Balance Gross Fixed Assets	8,826,828	8,737,001	9,566,534	10,254,916	10,874,235	11,386,651	11,974,944	12,311,683	15,195,967	17,022,892
Average Gross Fixed Assets	8,438,078	8,382,123	9,151,768	9,910,725	10,564,575	11,130,443	11,680,798	12,143,314	13,753,825	16,109,429
Opening Balance Accumulated Depreciation	- 1,823,463	- 1,805,457	- 2,342,144	- 2,950,496	- 3,483,425	- 4,010,049	- 4,498,981	- 4,919,306	- 5,388,533	- 5,890,532
Closing Balance Accumulated Depreciation	- 2,471,862	- 2,342,144	- 2,950,496	- 3,483,425	- 4,010,049	- 4,498,981	- 4,919,306	- 5,388,533	- 5,890,532	- 6,448,906
Average Accumulated Depreciation	- 2,147,662	- 2,073,800	- 2,646,320	- 3,216,960	- 3,746,737	- 4,254,515	- 4,709,143	- 5,153,920	- 5,639,533	- 6,169,719
Opening Net Book Value	6,225,865	6,221,788	6,394,858	6,616,039	6,771,491	6,864,186	6,887,671	7,055,638	6,923,150	9,305,435
Closing Net Book Value	6,354,966	6,394,858	6,616,039	6,771,491	6,864,186	6,887,671	7,055,638	6,923,150	9,305,435	10,573,985
Average Net Book Value	6,290,416	6,308,323	6,505,448	6,693,765	6,817,838	6,875,928	6,971,654	6,989,394	8,114,292	9,939,710
Working Capital	19,695,996	17,539,049	16,376,772	17,283,556	18,159,448	16,315,946	16,664,876	16,636,475	17,335,775	18,112,365
Working Capital %	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Working Capital Allowance	1,477,200	1,315,429	1,228,258	1,296,267	1,361,959	1,223,696	1,249,866	1,247,736	1,300,183	1,358,427
Rate Base	7,767,615	7,623,751	7,733,706	7,990,032	8,179,797	8,099,624	8,221,520	8,237,130	9,414,475	11,298,138

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NOW Inc. does not have any non-distribution assets and opening and closing gross fixed asset and depreciation balances have been submitted into evidence in the fixed asset continuity schedules (OEB Chapter 2 Appendix 2-BA) which are provided in E2/T1/S1/Att1.

A summary of the cost components used to calculate the Working Capital Allowance is provided below in **Table 4**. As shown in the table, Cost of Power is a significant factor in the total working capital. This is not controllable by NOW Inc. and NOW Inc. must pay the IESO invoices regardless of if customers default on their payments.

**Table 4**  
**Working Capital Summary**

Description	2017 OEB Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge	2025 Test
Cost of Power	16,938,090	14,849,059	13,686,932	14,509,423	15,398,378	13,568,550	13,754,113	13,397,602	13,531,578	13,561,454
Operations	817,472	734,009	938,481	927,458	852,226	930,035	919,278	1,025,060	999,605	1,207,276
Maintenance	565,783	495,810	440,705	488,484	639,441	536,320	702,981	743,962	980,909	1,370,467
Billing & Collecting	726,564	775,872	749,498	757,348	688,585	680,520	642,584	703,383	776,167	937,555
Administrative and General	648,087	684,299	561,156	600,844	580,818	600,521	645,920	766,468	1,047,516	1,035,613
Working Capital	19,695,996	17,539,049	16,376,772	17,283,556	18,159,448	16,315,946	16,664,876	16,636,475	17,335,775	18,112,365

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1 **Major Drivers of Change in Rate Base**

2 From the 2017 OEB approved to the 2025 Test Year, the average net book value (NBV)  
3 of property, plant and equipment has increased by \$3,649,294. Over the same period  
4 working capital allowance has decreased \$118,772.

5

6 The main driver of the change in rate base is as follows:

- 7 • The ongoing capital expenditures and additions for distribution system  
8 investments as outlined in E2/T2/S1, partially offset by ongoing depreciation of  
9 capital assets, and
- 10 • This is partially offset by a decrease in the working capital allowance as a result  
11 of the Ontario Energy Rebate which reduces Cost of Power.

12

13 **5. OM&A EXPENSE**

14 Exhibit 4 contains the details of Northern Ontario Wires Inc.'s operating programs. NOW  
15 Inc. is proposing to recover Operations, Maintenance and Administrative ("OM&A")  
16 expenses of \$4,550,911 in the 2025 Test Year. This represents an increase of  
17 \$1,793,005 or 65% over the 2017 Board Approved OM&A of \$2,757,906

18

19 OM&A costs represent NOW Inc.'s integrated set of asset maintenance and operations  
20 activities required to maintain reliability, safely operate the system and meet customer  
21 needs. This includes providing services to customers connected to NOW Inc.'s  
22 distribution system; meeting the requirements of the OEB's Standard Supply Service  
23 Code, Retail Settlement Code and Distribution System Code; meeting public and  
24 employee safety objectives, environmental requirements and government direction; and  
25 maintaining distribution business service quality and reliability at targeted performance  
26 levels. A detailed discussion of the specific work programs in each of these categories is  
27 provided in E4/T1/S1 OM&A Overview and E4/T3/S1 OM&A Program Delivery costs.

28

29 **Table 5** below shows the total OM&A from the 2017 OEB Approved to the 2025 Test  
30 Year.



1

**Table 5**

2

**Operation Maintenance and Administration Costs 2017 to 2025**

Programs	2017 OEB-Approved	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2025 Test Year
<b>Total - Operations</b>	817,472	734,010	938,481	927,457	852,226	930,035	919,277	1,025,061	999,605	1,207,276
<b>Total - Maintenance</b>	565,783	495,810	440,704	488,483	639,441	536,321	702,981	743,961	980,909	1,370,467
<b>Total - Customer Service</b>	726,564	775,872	749,497	757,347	688,585	680,520	642,584	703,383	776,167	937,555
<b>Total - Admin. and General</b>	648,087	686,563	561,156	603,262	583,225	603,046	648,539	766,468	1,047,516	1,035,613
<b>Total</b>	<b>2,757,906</b>	<b>2,692,253</b>	<b>2,689,839</b>	<b>2,776,551</b>	<b>2,763,476</b>	<b>2,749,921</b>	<b>2,913,382</b>	<b>3,238,873</b>	<b>3,804,197</b>	<b>4,550,911</b>

3

Programs	Variance (2025 TY less 2024 BY)	(2025 Test Year vs. 2023 Actuals)	(2025 Test Year vs. Last Rebasing Year (2017 OEB-Approved))
<b>Total - Operations</b>	207,671	182,215	389,804
<b>Total - Maintenance</b>	389,558	626,506	804,684
<b>Total - Customer Service</b>	161,388	234,172	210,991
<b>Total - Admin. and General</b>	-11,903	269,145	387,526
<b>Total</b>	<b>746,714</b>	<b>1,312,038</b>	<b>1,793,005</b>

4

5

6

The main drivers of OM&A costs from 2017 to 2025 are shown below in Table 6.

7

8

**Table 6**

9

**Primary Cost Drivers 2017 to 2025**

Primary Cost Drivers 2017-2025	Total	Change 2025 vs 2017
Salaries, Wages and Benefits	\$ 888,184	50%
Training	\$ 64,971	4%
Operation Maintenance and Vehi	\$ 363,709	20%
Third Party Tree Trimming	\$ 253,852	14%
Professional Services	\$ 110,428	6%
	\$ 1,681,143	94%

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12

More detailed information on OM&A cost drivers can be found in E4/T2/S1 OM&A

13

Summary and Cost Driver Tables.

14

15

**Compensation**

16



1 Total compensation (including benefits and wages) in 2025 is forecasted to be  
 2 \$2,592,584 which is \$945,404 or 57% higher than 2017 OEB Approved as seen in **Table**  
 3 **7**. More details on compensation can be found in E4/T4/S2.

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**Table 7**  
**Appendix 2-K: Employee Cost Overview**

	Last Rebasing Year 2017 - OEB Approved	Last Rebasing Year (2017 Actuals)	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2023 Actuals	2024 Bridge Year	2025 Test Year
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>										
Management (including executive)	3.5	3.5	3.5	3.7	3.4	3.4	3.9	4.4	3.0	3.0
Non-Management (union and non-union)	12.2	13.2	12.5	13.4	13.1	12.5	12.0	11.7	16.2	16.6
<b>Total</b>	<b>15.7</b>	<b>16.7</b>	<b>16.0</b>	<b>17.1</b>	<b>16.5</b>	<b>15.9</b>	<b>15.9</b>	<b>16.1</b>	<b>19.2</b>	<b>19.6</b>
<b>Total Salary and Wages including overtime and incentive pay</b>										
Management (including executive)										
Non-Management (union and non-union)	\$ 1,270,914	\$ 1,266,305	\$ 1,286,196	\$ 1,361,281	\$ 1,372,226	\$ 1,300,645	\$ 1,427,912	\$ 1,517,422	\$ 1,699,634	\$ 2,004,573
<b>Total</b>	<b>\$ 1,270,914</b>	<b>\$ 1,266,305</b>	<b>\$ 1,286,196</b>	<b>\$ 1,361,281</b>	<b>\$ 1,372,226</b>	<b>\$ 1,300,645</b>	<b>\$ 1,427,912</b>	<b>\$ 1,517,422</b>	<b>\$ 1,699,634</b>	<b>\$ 2,004,573</b>
<b>Total Benefits (Current + Accrued)</b>										
Management (including executive)										
Non-Management (union and non-union)	\$ 376,266	\$ 366,795	\$ 370,892	\$ 400,869	\$ 407,230	\$ 391,154	\$ 395,055	\$ 432,420	\$ 505,184	\$ 588,011
<b>Total</b>	<b>\$ 376,266</b>	<b>\$ 366,795</b>	<b>\$ 370,892</b>	<b>\$ 400,869</b>	<b>\$ 407,230</b>	<b>\$ 391,154</b>	<b>\$ 395,055</b>	<b>\$ 432,420</b>	<b>\$ 505,184</b>	<b>\$ 588,011</b>
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>										
Management (including executive)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Management (union and non-union)	\$ 1,647,180	\$ 1,633,100	\$ 1,657,088	\$ 1,762,150	\$ 1,779,456	\$ 1,691,799	\$ 1,822,967	\$ 1,949,843	\$ 2,204,818	\$ 2,592,584
<b>Total</b>	<b>\$ 1,647,180</b>	<b>\$ 1,633,100</b>	<b>\$ 1,657,088</b>	<b>\$ 1,762,150</b>	<b>\$ 1,779,456</b>	<b>\$ 1,691,799</b>	<b>\$ 1,822,967</b>	<b>\$ 1,949,843</b>	<b>\$ 2,204,818</b>	<b>\$ 2,592,584</b>
<b>Total Compensation Breakdown (Capital, OM&amp;A)</b>										
OM&A	\$ 1,471,615	\$ 1,374,285	\$ 1,390,839	\$ 1,520,226	\$ 1,585,406	\$ 1,491,700	\$ 1,592,802	\$ 1,761,026	\$ 2,039,882	\$ 2,359,799
Capital	\$ 175,565	\$ 258,815	\$ 266,250	\$ 241,924	\$ 194,051	\$ 200,099	\$ 230,165	\$ 188,817	\$ 164,936	\$ 232,785
<b>Total</b>	<b>\$ 1,647,180</b>	<b>\$ 1,633,100</b>	<b>\$ 1,657,088</b>	<b>\$ 1,762,150</b>	<b>\$ 1,779,456</b>	<b>\$ 1,691,799</b>	<b>\$ 1,822,967</b>	<b>\$ 1,949,843</b>	<b>\$ 2,204,818</b>	<b>\$ 2,592,584</b>

7  
 8

## 6. COST OF CAPITAL

### OVERVIEW

12 NOW Inc. has followed the Report of the Board on the Cost of Capital for Ontario's  
 13 Regulated Utilities dated December 11, 2009, to determine its capital structure and  
 14 relied on the Board's October 31, 2024 Cost of Capital Parameter Updates for 2024  
 15 Applications letter for the cost of capital parameters. NOW Inc. will update the cost of  
 16 capital parameters when new parameters are made available and prior to the Board's  
 17 decision on NOW Inc.'s 2024 distribution rates. NOW Inc. is not proposing any deviation  
 18 from the Board's cost of capital methodology.

19 Overall, NOW Inc. is requesting a deemed interest expense of \$272,533 and a deemed  
 20 return on equity of \$416,223 for a total regulated return on capital of \$688,757 for the  
 21 2025TY. The return on capital of \$688,757 is \$248,373 higher than the 2017 Board



1 Approved amount, primarily due to an increase in rate base. The derivation of the  
2 2025TY regulated return on capital is provided in E5/T1/S1/Att1, which is OEB Chapter 2  
3 Appendix 2-OA.

4

5 **CAPITAL STRUCTURE**

6

7 For the purpose of setting distribution rates for the 2025TY, NOW Inc. adheres to Board  
8 policy where it has been determined that a capital structure of 60% debt and 40% equity  
9 is appropriate for electricity distributors. Debt is comprised of 56% long-term debt and  
10 4% short-term debt.

11

12 Board Appendices 2-OA and 2-OB provide further details on NOW Inc.'s capital  
13 structure and debt instruments and these are provided in E5/T1/S1/Att1 and  
14 E5/T1/S1/Att2, respectively.

15

16

**Table 8**

17

**Deemed Capital Structure & Rates**

	<b>Deemed Portion</b>	<b>Effective Rate</b>
Return on Equity	40%	9.21%
Short Term Debt	4%	6.23%
Long Term Debt	56%	3.86%
<b>Weighted Average Cost of Capital</b>		<b>6.10%</b>

18

19 NOW Inc. has used rates consistent with the Board's letter of October 31, 2023 "2024  
20 Cost of Capital Parameters". The ROE is at the Board Approved rate, the short-term  
21 debt rate is the deemed rate and the long-term debt rate is a blend of actual third party  
22 debt and the deemed rate.

23

24 NOW Inc. will update its cost of capital parameters when the Board issues the new rates  
25 for 2025 applications in the fall of 2024.

26

27 NOW Inc. has not deviated from the OEB's cost of capital methodology.



1

## 2 7. COST ALLOCATION AND RATE DESIGN

3 In preparing its Cost Allocation and Rate Design, NOW Inc. has not deviated from the  
4 Filing Requirements.

5

6 The following Revenue to Cost Ratios and Class Revenue Requirements are proposed  
7 in this Application.

8

9

**Table 9**

10

**Revenue to Cost Ratios by Class and Class Base Revenue Requirements**

Rate Class	Proposed Base Revenue	Proposed Revenue to Cost Ratio		
		2025	2026	2027
Residential	\$3,722,786	100.80%	100.80%	100.80%
General Service <50kW	\$839,893	120.00%	119.03%	116.39%
General Service >50kW to 4999 kW	\$608,915	89.28%	89.28%	89.28%
Unmetered Scattered Load	\$11,735	72.72%	74.67%	80.00%
Street Lighting	\$252,896	102.09%	102.09%	102.09%
<b>Total</b>	<b>\$5,436,226</b>			

11

12 The Street Lighting rate class requires rate mitigation as its total bill would exceed 10% if  
13 its revenue-to-cost ratio is raised to 80% in 2025. All proposed Revenue to Cost Ratios  
14 are within the Board's target ranges for the respective class by 2027.

15

16 Further details on Cost Allocation are provided in E7/T1/S1.

17

## 18 RATE MITIGATION

19

20 Rates are designed to recover NOW Inc.'s proposed revenue requirement by  
21 maintaining the existing fixed and variable splits for all rate classes except for the  
22 General Service 50 to 4,999 kW rate class. The current fixed charge of this class  
23 exceeds the maximum charge as per the cost allocation model. General Service 50 to





1 4,999 kW has a revenue to cost ratio below 80% so it is receiving a higher-than-average  
 2 rate increase. Applying the full rate increase to variable rates would create high bill  
 3 impacts for the large volume customers in this class so NOW Inc. is proposing to  
 4 increase the General Service 50 to 4,999 kW fixed charge by the average rate increase  
 5 and applying the remaining required revenue increase to the variable charge.

6  
7  
8

**Table 10**  
**Proposed Distribution Rates**

Rate Class	Current Charges		Proposed Charges		Rate Impact	
	Fixed Charge	Variable Charge	Fixed Charge	Variable Charge	Fixed Charge	Variable Charge
Residential	\$ 43.82		\$ 59.90		36.70%	
General Service < 50 kW	\$ 38.17	\$ 0.0213	\$ 45.41	\$ 0.0253	18.97%	18.78%
General Service 50-4,999 kW	\$ 230.33	\$ 1.3276	\$ 314.86	\$ 2.6459	36.70%	99.30%
Street Lighting	\$ 9.19	\$ 10.8234	\$ 11.37	\$ 13.3409	23.72%	23.26%
Unmetered Scattered Load	\$ 19.35	\$ 0.0212	\$ 26.45	\$ 0.0290	36.69%	36.79%

9

10 **8. DEFERRAL AND VARIANCE ACCOUNTS**

11 **Overview**

12 NOW Inc. is requesting the disposition of the Deferral and Variance Accounts (“DVAs”)  
 13 below in this cost of service application.

14

- 15 • Group 1 and Group 2 Deferral and Variance Accounts – The balances as at  
 16 December 31, 2023 and the forecasted interest through to April 30, 2025. NOW  
 17 Inc. has followed the Board’s guidance in the Accounting Procedures Handbook  
 18 (“APH”) and FAQs for recording amounts in the deferral and variance accounts.  
 19 We have also followed the Report of the Board on Electricity Distributors’  
 20 Deferral and Variance Account Review Initiative (EDDVAR) (EB-2008-0046, July  
 21 31, 2009) for the disposition of these accounts.
- 22 • Accounts 1508: Pole Attachment Revenue Variance, 1518L RCVA-Retail, 1548:  
 23 RCVA – STR - The forecasted balances from January 1, 2024 to April 30, 2025  
 24 and the forecasted interest through to April 30, 2025.



- 1       • NOW Inc. requests separate Rate Riders for these DVAs, one for Global  
2       Adjustment for Non-RPP Class B GA Customers and the others for the remaining  
3       Group 1 and Group 2 accounts.
- 4       • Disposition of Account 1568 – LRAM Variance Account. The balance requested  
5       for disposition includes the residual to be returned to customers, along with the  
6       principal balances (E4/T6/S1).

7

8       **Deferral and Variance Account Disposition Confirmation Statements**

9

- 10       • NOW Inc. requests a 1-year disposition period for all DVA accounts submitted for  
11       Disposition.
- 12       • The completed DVA Continuity Schedule is provided (E9/T1/S1/Att1&2). The  
13       Model includes the reconciliation to the RRR Filing. The RRR Filing differs from  
14       the Model with respect to Accounts 1580, 1508 Pole Attachment Revenue  
15       Variance, 1508 OPEB, 1518 Retail, 1548 STR, 1509, and 1568 as explained in  
16       the model.
- 17       • DVA Model instructions directed for 1508 to show total control account that is  
18       reported in the RRR in the first row for that account in Tab 2b. The sub account  
19       balances were used in order to eliminate the variance created by the instructions.
- 20       • NOW Inc. confirms that the monthly interest rates used to calculate carrying  
21       charges are the same as the prescribed rates published by the Board  
22       (E9/T1/S2).
- 23       • The account balances in the continuity schedule reconcile with the Trial Balance  
24       in the Electricity Reporting and Record-keeping Requirements and the Audited  
25       Financial Statements.
- 26       • No adjustments were made to the DVA balances previously approved by the  
27       Board on a final basis.
- 28       • NOW Inc. confirms that it pro-rates the IESO Global Adjustment Charge in the  
29       RPP and Non-RPP portions.
- 30       • NOW Inc. confirms that it does have Class A customers. None of which  
31       transitioned in the accumulating period.



- NOW Inc.'s residual 1595 (2020) will be returned to customers.

**Outstanding Deferral and Variance Account Balances**  
**Account Balances**

The total claim for NOW Inc.'s deferral and variance accounts for May 1, 2025 disposition is presented as follows:

**Table 11**  
**Deferral and Variance Account Balances**

Deferral and Variance Accounts	Account Number	2023 Closing Principal Balance (Adjusted for 2024 Disposition)	2023 Closing Interest Balance (Adjusted for 2024 Disposition)	Projected Interest (Jan 1, 2024 - April 30, 2025)	Total Claim
<b>Group 1 Accounts</b>					
LV Variance Account	1550	\$60,743.84	\$1,177.65	\$4,578.30	\$66,499.79
Smart Metering Entity Charge Variance Account	1551	-\$11,179.49	\$61.62	-\$1,161.45	-\$12,279.32
RSVA - Wholesale Market Service Charge <sup>5</sup>	1580	-\$130,286.70	-\$7,104.46	-\$3,587.91	-\$140,979.07
Variance WMS – Sub-account CBR Class A <sup>5</sup>	1580		\$0.00	\$0.00	\$0.00
Variance WMS – Sub-account CBR Class B <sup>5</sup>	1580	\$10,480.77	\$72.50	\$452.80	\$11,006.07
RSVA - Retail Transmission Network Charge	1584	\$95,635.20	\$831.54	\$9,145.83	\$105,612.57
RSVA - Retail Transmission Connection Charge	1586	\$35,059.70	\$683.30	\$3,056.30	\$38,799.30
RSVA - Power (excluding Global Adjustment) <sup>4</sup>	1588	-\$43,800.12	-\$1,859.49	-\$3,843.74	-\$49,503.35
RSVA - Global Adjustment <sup>4</sup>	1589	\$100,713.26	\$6,875.00	\$7,128.56	\$114,716.82
Disposition and Recovery/Refund of Regulatory Balances (2020) <sup>3</sup>	1595	-\$17,897.07	-\$14,114.89	-\$1,266.78	-\$33,278.74
<b>Total Group 1 (excluding Global Adjustment)</b>		<b>\$408,067.68</b>	<b>\$18,378.57</b>	<b>\$7,373.35</b>	<b>-\$14,122.75</b>
<b>RSVA - Global Adjustment</b>	<b>1589</b>	\$100,713.26	\$6,875.00	\$7,128.56	\$114,716.82
<b>Group 2 Accounts</b>					
Pole Attachment Revenue Variance <sup>5</sup>	1508	-\$414,857.26	-\$27,059.74	-\$24,001.62	-\$465,918.62
Customer Choice Initiative Costs <sup>7</sup>	1508	\$17,315.65	\$1,204.30	\$1,225.62	\$19,745.57
Green Button Initiative Costs <sup>10</sup>	1508	\$97,297.99	\$1,035.51	\$8,376.24	\$106,709.74
Other Regulatory Assets, Sub-account ULO Implementation Cost <sup>14</sup>	1508	\$9,225.00	\$174.40	\$653.00	\$10,052.40
Other Regulatory Assets, sub-account OEB Cost Assessment Variance	1508	\$11,685.33	\$1,692.00	\$827.16	\$14,204.49
Other Regulatory Assets, sub-account OPEB	1508	\$69,671.60	\$0.00	\$0.00	\$69,671.60
Retail Cost Variance Account - Retail <sup>6</sup>	1518	-\$2,796.89	\$370.61	-\$28.44	-\$2,454.72
Retail Cost Variance Account - STR <sup>6</sup>	1548	\$16,507.50	\$1,371.79	\$985.60	\$18,864.89
PILs and Tax Variance for 2006 and Subsequent Years- Sub-account CCA Changes <sup>12</sup>	1592	-\$53,744.00		\$0.00	-\$53,744.00
<b>Total Group 2</b>		<b>-\$249,695.08</b>	<b>-\$21,211.13</b>	<b>-\$11,962.44</b>	<b>-\$282,868.65</b>
<b>Other Accounts</b>					
LRAM Variance Account <sup>4</sup>	1568	\$112,933.82	\$14,259.00	\$7,952.10	\$135,144.92
<b>Total including Account 1568</b>		<b>-\$136,761.26</b>	<b>-\$6,952.13</b>	<b>-\$4,010.34</b>	<b>-\$147,723.73</b>
<b>Total Deferral and Variance Balance</b>		<b>\$372,019.68</b>	<b>\$18,301.44</b>	<b>\$10,491.57</b>	<b>-\$47,129.66</b>

10  
11



1 **Accounts Not Being Disposed**

2

3 NOW Inc. is not disposing of accounts 1595 (2021), 1595 (2022), 1595 (2023), 1595  
 4 (2024) or 1509.

5

6 The 1595 accounts are not being disposed as it has not been 2 years since the expiry of  
 7 the rate riders.

8

9 The 1509 COVID-19 Emergency balance is not material and will be written off.

10

11 **Identification of Accounts That Will Continue Going Forward**

12

13 All Group 1 accounts will continue going forward.

14

15 The Group 2 accounts are discussed in E9/T1/S3.

16

17 **9. BILL IMPACTS**

18 **Table 12** summarizes the total bill impacts arising from the proposals in this Application  
 19 for the typical customer in each class.

20

21

**Table 12**

22

**Impacts of Total Bill for Typical Customer**

Rate Class	kWh	kW	# of Connections	2024 Bill \$	2025 Bill \$	\$ Difference	Total Bill Impact %	Distribution Bill Impact %
Residential	750		1	\$ 141.06	\$ 139.23	\$ (1.83)	-1.30%	36.70%
GS < 50 kW	2,000		1	\$ 346.17	\$ 370.36	\$ 24.19	6.99%	18.96%
GS > 50 kW	70,000	200	1	\$ 10,172.66	\$ 10,583.17	\$ 410.52	4.04%	82.14%
Street Light	13,667	41	570	\$ 8,240.21	\$ 9,063.39	\$ 823.18	9.99%	23.69%
USL	625		1	\$ 115.23	\$ 124.69	\$ 9.46	8.21%	36.70%

23

24 The kWh, kW, and # of Connections refers to the billing determinants of a typical  
 25 customer in each rate class. Further Bill Impact details are provided in E8/T4/S1.

26

27



1 **Specific Service Charges**

2 NOW Inc.'s proposal to charge for Reconnection at meter for reasons other than non-  
3 payment of account is not expected to materially impact any customer groups. There are  
4 no other changes to specific service charges, with the exception of the specific charge  
5 for access to power poles which is increasing by the OEB prescribed inflation rate.

6

7 **10. MATERIALITY THRESHOLD**

8 NOW Inc.'s 2025 TY Base Revenue Requirement is \$5,436,225 and is forecast to have  
9 approximately 5,980 customers. For cost of service applications for 2025 rates, the OEB  
10 restored the materiality threshold to \$50,000 for distributors with fewer than 30,000  
11 customers and a base revenue requirement less than or equal to \$10 million.  
12 Accordingly, NOW Inc. has used a materiality threshold of \$50,000 throughout this  
13 application.



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 6

Exhibit 1: Administrative Documents

---

## **Tab 6 (of 11): Customer Engagement**



1

## CUSTOMER ENGAGEMENT

2 In recent years, Northern Ontario Wires Inc. (NOW Inc.) has enhanced and formalized  
3 customer engagement activities. Historically customer engagement focused on  
4 involvement in the community and addressing issues of concern raised directly by  
5 customers. This reactive focus has shifted, and NOW Inc. is on the journey towards more  
6 proactively engaging with its customers. A summary of Customer Engagement Activities  
7 (Appendix 2-AC) is presented in E1/T6/S1/Att1 and these are discussed in more detail in  
8 this Schedule.

9

10 One of the benefits of living in a small community is the close relationship that NOW Inc.  
11 has with its customers. Senior management is in regular contact with the large use  
12 customers to discuss their needs and concerns. Another benefit to living in a small  
13 community is that NOW Inc. staff has come to know its customer base very well.  
14 Customers call regularly to discuss concerns (proximity of trees, power outages, etc.) and  
15 make general service and billing inquiries. As NOW Inc. does not have an automated  
16 telephone system, calls are answered by live agents, and most concerns, as mentioned  
17 above, are immediately addressed.

18

19 As a demonstration of NOW Inc.'s commitment to customer support and community  
20 interaction, on July 16<sup>th</sup>, 2024 NOW Inc. participated in a "Touch a Truck" event,  
21 showcasing a bucket truck to engage with the community. The event provided an  
22 excellent opportunity to educate children about the type of work and the importance of  
23 safety, thereby helping to foster a greater understanding of NOW Inc.'s role in the  
24 community. This event was hosted by the Early On Child and Family Centre in Iroquois  
25 Falls.

26

27 NOW Inc. is an active supporter of community activities, such as festivals, sporting events,  
28 etc. These occasions permit feedback from the public in an informal atmosphere. NOW  
29 Inc. supports the Kapuskasing Festival of Lights as well as the Cochrane Summerfest  
30 festival. NOW Inc. is also committed to giving back to all three communities by sponsoring



1 a wide range of local activities and initiatives, such as sports like hockey, skating, golf,  
2 bowling, swimming and curling, in addition to supporting vital services such as animal  
3 rescue shelters, accessibility transits, Food Bank and Christmas Angel Campaign.

4

5 NOW Inc. is proud to support education through the distribution of school bursaries. These  
6 bursaries are awarded to students pursuing studies in powerline technology. These  
7 bursaries aim to assist with educational expenses and encourage aspiring technicians to  
8 achieve their academic and career goals.

9

10 NOW Inc. always ensures that its customers stay informed about any updates or important  
11 news through various channels, including bill inserts, website and social media. Over the  
12 years, NOW Inc. has consistently provided valuable information to its customers, including  
13 conservation tips and programs, energy assistance options, COVID-19 assistance  
14 programs, low-income support programs, surveys, electrical safety information, and  
15 details on the various Regulated Price Plans, including Tariff of Rates and Charges.

16

## 17 **Customer Engagement**

18

19 As a component of the RRFE, the OEB introduced the requirement for distributors to  
20 undertake customer engagement activities, to include the results in preparing applications  
21 and if practical or necessary to address the customer results in Distribution System Plans.

22

### 23 Customer Engagement and Customer Focus:

24

25 Customer engagement has always been important to the success of NOW Inc. and this  
26 was positively identified during NOW Inc.'s feedback process.

27

### 28 Proactive Communication:

29

- 30 • NOW Inc. continually informs, educate and promote the business of the utility and  
31 the industry overall to all stakeholders;





- 1       • Communications by way of various media, are consistent, timely, responsive, and  
2       heightened in times of crisis (NOW Inc.'s Contingency Plan);  
3       • NOW Inc. effectively promotes energy conservation and the protection of  
4       resources.

5

6       Customer Satisfaction:

7

- 8       • NOW Inc. is committed to the safe and reliable delivery of power;  
9       • NOW Inc. defines meaningful customer service standards and monitor its efforts  
10       for customer service excellence;  
11       • NOW Inc. consistently listens to its customers and acts responsibly.

12

13       Engagement processes have historically focused on addressing issues of concern raised  
14       directly by customers. A Customer Satisfaction Survey and an Electrical Safety  
15       Association Survey are alternately launched every year to gather feedback, with a view of  
16       continuously improving its services.

17

18       NOW Inc. customers were also engaged in the following manner:

19

- 20       • In 2023, a minimum of 3,939 inbound phone calls were answered by NOW Inc.'s  
21       customer service staff on different topics of concern to customers including (among  
22       others) account information, services such as Tier, TOU and ULO rates, outages,  
23       conservation programs, payment and billing inquiries;

24

- 25       • In 2023, Customer Service Representatives have also diligently responded in  
26       writing to 1,752 written inquiries, ensuring each customer's concerns and  
27       questions were addressed thoroughly and promptly;

28

- 29       • In 2023, 640 locates were completed to allow customers to safely build on their  
30       property without danger of electrical contact;

31



- 1 • Some customers have requested paperless electricity bills. In response to their  
2 requests for more convenient billing options, NOW Inc. has implemented electronic  
3 billing through its new customer portal. This portal allows customers to easily pay  
4 their bills using debit or credit cards, view their accounts and monitor their  
5 consumption providing a seamless and user-friendly experience.  
6
- 7 • NOW Inc. has established a Facebook page to enhance communication and better  
8 inform its customers. Onto the platform, updates, news and important information  
9 are shared, such as power outages, all in the view of ensuring that the customers  
10 stay well-informed and engaged with the services offered by NOW Inc.  
11
- 12 • Customers have been and continue to be very interested in conservation. NOW  
13 Inc. therefore continues to keep them informed through various channels, such as  
14 bill inserts, bill messages, website and social media.  
15
- 16 • Bill inserts and on-bill messaging are included monthly in/on the bill according to  
17 topics of interest and relevance to customers. For example, a recent insert  
18 included a public service announcement for maintenance on hydro transformers.  
19 Another announcement was for the new changes in eligibility to the Ontario  
20 Electricity Support Program (OESP).  
21
- 22 • Before the beginning of any construction projects, customers are contacted in  
23 person and/or by door knockers advising of the work being done and how long the  
24 project is expected to take. During the projects NOW Inc. addresses customers'  
25 questions and concerns.  
26

### 27 **On-Going Communications**

- 28
- 29 • Municipal Governments:  
30 NOW Inc. regularly meets with the Towns of Cochrane, Iroquois Falls and  
31 Kapuskasing to share planning and development information that will provide



1           timely and coordinated planning and the effective delivery of services. The value  
2           of shared information allows NOW Inc. to plan for immediate work that must be  
3           considered in current plans for design and construction or longer term planning  
4           that may be budgeted in following years. NOW Inc. is also an active participant on  
5           the Regional Emergency Task Force which coordinates emergency restoration  
6           activities in the municipalities.

7

8           • Transmitter (Hydro One)

9           NOW Inc. is supplied from one Hydro One transformer station. NOW Inc. regularly  
10          consults with Hydro One Networks Inc. on planning and operational information,  
11          primarily longer term plans for supply needs.

12

13          • Vegetation Management and Outages

14          ArborWorks Tree Services has been employed by NOW Inc. to conduct a full  
15          assessment for vegetation management needs in all three communities.  
16          ArborWorks Tree Services has engaged with the customers to fully understand  
17          their needs and expectations with regards to customer-owned trees on their  
18          property which affects NOW Inc.'s distribution. NOW Inc. is committed to meeting  
19          the customers' needs and ensuring satisfaction during tree trims.

20

21          In October 2023, NOW Inc. collaborated with representatives from the Town of  
22          Kapuskasung and the local hospital to explore strategies for reducing power  
23          outages. During the meeting, potential improvements and proactive measures  
24          aimed at enhancing the reliability of the electrical infrastructure were discussed.  
25          On May 22<sup>nd</sup>, 2024, NOW Inc. delivered a presentation to the Town of Kapuskasing  
26          and the local hospital outlining the necessary steps which will be to be taken to  
27          reduce power outages and manage tree vegetation. The resulting actions are a  
28          critical part of NOW Inc.'s ongoing efforts to enhance the resilience of power  
29          infrastructure and ensure the reliability of service.

30



- 1       • Development Project
- 2           The Town of Cochrane has initiated a plan to sell plots of land for just \$10 in an
- 3           effort to boost local development and attract new residents to the area. As part of
- 4           this initiative, NOW Inc. participated in a crucial meeting between the town officials
- 5           and land developers. The discussion focused on understanding the necessary
- 6           requirements to ensure NOW Inc. can effectively support the anticipated growth
- 7           and infrastructure needs associated with this development project.
- 8



1 **Customer Engagement Survey**

2

3 NOW Inc. recently conducted a Customer Engagement Survey to obtain actionable and  
4 measurable feedback from NOW Inc.'s customers. This survey will be updated every two  
5 years as part of NOW Inc.'s commitment to proactive communication and customer  
6 satisfaction. In order to promote this survey and generate high response rates, NOW Inc.  
7 customers had the chance to win either a Fishing Package, Apple iPad or \$800 Bill Credit.  
8 Given the northern location of the customers that NOW Inc. services and understanding  
9 its customers' interests, this prize helped generate a good response and meaningful  
10 feedback.

11

12 NOW Inc. reviewed the responses from households and small businesses that pay or are  
13 responsible for the electricity bills from NOW Inc. A copy of the Customer Engagement  
14 Survey and the tabulated responses for each question is included in E1/T6/S1/Att2.  
15 Please note that specific customer contact information has been removed from the survey  
16 for privacy and confidentiality reasons.

17

18 A count of 269 customers participated and completed the Customer Engagement Survey.  
19 A summary of the number of customer survey responses is provided in **Table 1**:

20

21

22

**Table 1**

**Number of Customer Survey Responses**

<b>Cochrane</b>	<b>Iroquois Falls</b>	<b>Kapuskasing</b>	<b>Total</b>
<b>121</b>	<b>52</b>	<b>96</b>	<b>269</b>

23

24 A summary of the results of the survey are:

25

- 26 • 86.41% responded that overall NOW Inc. provides satisfied quality service
- 27 • 62.80% responded that NOW Inc. quickly restores power
- 28 • 91.36% of the respondents were very or somewhat satisfied with NOW Inc.
- 29 • 75.89% responded that NOW Inc. provides reliable service



1

2 Residential

3

4 The Residential Customer portion of NOW Inc.'s survey was filled out by 257 customers;  
5 117 from Cochrane, 51 from Iroquois Falls and the remaining 89 from Kapuskasing.

6

7 According to the results, electricity supply is very reliable at 76.77% (for extremely and  
8 very reliable) and the majority of customers say that it rarely goes out. There are  
9 "flickering" instances when the power goes out due to inclement weather and scheduled  
10 outages for the purpose of maintaining the electric distribution system in a specific area.  
11 Otherwise, customers seem to be confident that NOW Inc. will restore power in an efficient  
12 manner and minimize any power outages in their area. Scheduled power outages are  
13 advertised in a timely manner (81.10%) and customers can contact NOW Inc. during  
14 regular business hours or through its afterhours call system.

15

16 As indicated by the survey results, 47.03% of customers are not willing to pay more to  
17 assure continued reliability.

18

19 The invoice itself is thought as being clear and accurate (88.20%). There is quite a  
20 difference between customers who prefer a paper bill (31.76%) and those that would like  
21 a paperless option (invoice via electronic means) (61.80%). A number of customers  
22 browse the website to access information regarding hydro rates, billing, conservation tips  
23 and conservation programs, preventive and safety tips, news, and how to contact the  
24 utility. Over the past twelve months, the majority of customers have obtained important  
25 NOW Inc. information from pamphlets included with monthly bills, bill messages and  
26 website. Overall customers are satisfied with the way in which information is relayed.

27

28 Some customers have suggested that improvements can be undertaken, such as further  
29 promoting e-billing, access to billing and metering information, "real time" outage  
30 notifications via social media and radio, including current information and updates on the  
31 website. The customers that needed to contact NOW Inc. for specific information found



1 the staff to be quite helpful and courteous. 67.70% of customers say that NOW Inc. is a  
2 respected company in the community.

3

4 90.31% of customers feel that NOW Inc. has a high standard of business ethics. 92.96%  
5 describe NOW Inc. as being approachable.

6

7 Commercial

8

9 The Commercial Customer portion of the survey was completed by 12 customers, 4 from  
10 Cochrane, 1 from Iroquois Falls and the remaining 7 from Kapuskasing.

11

12 83.33% were very satisfied with the electricity service and 75% were very satisfied with  
13 the power quality provided by NOW Inc. It is believed that NOW Inc. minimizes the number  
14 of power outages (83.33%) and when an outage does occur, NOW Inc. is extremely  
15 effective at restoring the service and providing information before the scheduled outage  
16 (75%).

17

18 75% of the businesses believe that NOW Inc. supplies reliable electricity, however 44.45%  
19 commercial customers are not willing to pay more to increase that reliability. The cost of  
20 electricity is a very significant component of the business budget, therefore it is important  
21 that the bills be clear (88.89%) and accurate (88.89%).

22

23 A total of 66.67% of businesses would prefer an electronic bill or have the choice of  
24 electronic and paper format. A large number have visited NOW Inc.'s website and 66.67%  
25 found the information needed for e-billing.

26

27 Over the past twelve months, businesses obtained important NOW Inc. information from  
28 bill inserts, bill messages, website and social media. 66.67% say that NOW Inc. provides  
29 useful information, tools and tips to assist in managing electricity consumption. Receiving  
30 information and invoices via email is an important factor, as well as receiving a phone call  
31 during unexpected outages, in addition to social media and website. 100% of the



1 businesses that completed the survey contacted NOW Inc. for information, and were very  
2 satisfied or satisfied.

3

4 Actions

5

6 The results of the survey including both the statistical responses and the “write-in”  
7 comments demonstrate three main themes that concern NOW Inc.’s customers and of  
8 which NOW Inc. has considered and incorporated within its Cost of Service Application:

9

10 1. The ability to identify, restore and advise on the status of power outages. NOW  
11 Inc. is actively working at implementing an outage management system which  
12 will significantly enhance the ability of the company to manage and minimize  
13 the impact of both planned and unplanned outages. This system will enable  
14 NOW Inc. to identify problems more quickly, coordinate responses more  
15 effectively, and reduce the duration of outages. Whenever possible, NOW Inc.  
16 aligns maintenance and repair work during Hydro One’s scheduled outages.  
17 While NOW Inc. cannot control Hydro One’s outages, these down-time periods  
18 are used effectively to perform necessary work. As well, this outage  
19 management system will also provide real-time maps of affected areas. These  
20 maps will be shared on social media platforms, allowing customers to easily  
21 see if their area is impacted and get timely updates on the status of the outage.  
22 This feature is designed to give customers more visibility into the situation and  
23 help them stay informed during any disruptions of service.

24

25 2. Customers are concerned with rising cost of power, which NOW Inc. has no  
26 direct control over. NOW Inc. is taking action to manage its portion of the total  
27 electricity bill, however, it is recognized that rate increases are required to  
28 provide appropriate funding for necessary OM&A and capital programs. NOW  
29 Inc. has and will continue to provide additional information on conservation to  
30 customers in order to help mitigate rising costs. As such, NOW Inc. is  
31 continuously seeking feasible efficiencies to help mitigate customer cost





1                   impacts. Staff has been streamlined and are very versatile with multi-tasking  
2                   employees, thus keeping labour expenses down.

3

4                   3. The majority of NOW Inc.'s customers are already using or are interested in  
5                   switching to e-billing. However, some customers prefer to receive paper bills.  
6                   Recommendations were introduced during the survey for more incentives to  
7                   encourage customers to switch to e-billing. NOW Inc. will be exploring various  
8                   incentive programs that will make the transition to e-billing even more  
9                   rewarding for customers.

10

11                  NOW Inc. will continue to update its website to ensure that the customers are well informed  
12                  of the latest news, service updates and information about outages.



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 6  
Schedule 1  
Attachment 1  
Page 1 of 1

***Attachment 1 (of 2):***

***OEB Appendix 2-AC***

Completing Appendix 2-AC is optional

File Number: EB-2024-0046  
Exhibit: 1  
Tab: 6  
Schedule: 1  
Page: 1  
Date: 30-Aug-24

### Appendix 2-AC Ongoing Customer Engagement Activities Summary

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Customer Engagement Survey - July 2024	More information on power outages (times, location, length, etc.); current information on website; communication; rising cost of power; incentives to switch to e-billing	NOW Inc. will continue to keep customers well informed of any news and updates, and provide information on conservation through bill inserts, website and social media. An outage management system will be soon implemented to better inform customers of any planned and unplanned outages. NOW Inc. will be exploring more incentive programs for e-billing.
Town Hall presentation - Development project - Sale of plots of land in Cochrane	Reliable power supply, cost-effective installation	NOW Inc. will continue to attend to meetings to effectively support the anticipated growth and infrastructure of the Town of Cochrane
Regular contact with large customers	Large use customers identified the need to lower electricity costs	Will continue to inform and refer eligible customers to CDM programs
Vegetation management and outages	Reduce power outages and manage tree vegetation	Scheduling meetings, including a presentation to the Town of Kapuskasing and local hospital outlining the necessary steps to be taken to reduce outages and address tree vegetation
Bill inserts, website and social media - ongoing	To provide current and useful information to customers	NOW Inc. will continue to inform its customers through bill inserts, bill messages and social media. NOW Inc. will continue to update its website as needed.
Front line customer interaction	Day-to-day business activities	NOW Inc. will continue to address the customers needs as identified
Community Events	More information on the type of work done by NOW Inc., and importance of safety	NOW Inc. will continue to participate at community events, with a view of educating the general public including children about safety and the essential work done by the company.
Construction projects	More information regarding the type of work to be done	NOW Inc. will continue to reach out to customers within the area of construction either in person or by door knockers to notify them of the type of work required to be done.

### Application Specific Customer Engagement Activities Summary

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Customer Engagement Survey - July 2024	More information on power outages (times, location, length, etc.); current information on website; communication	Implementation of web-based outage management system, update website, social media, provide additional conservation tips, implementation of electronic billing.

Note: Use "ALT-ENTER" to go to the next line within a cell



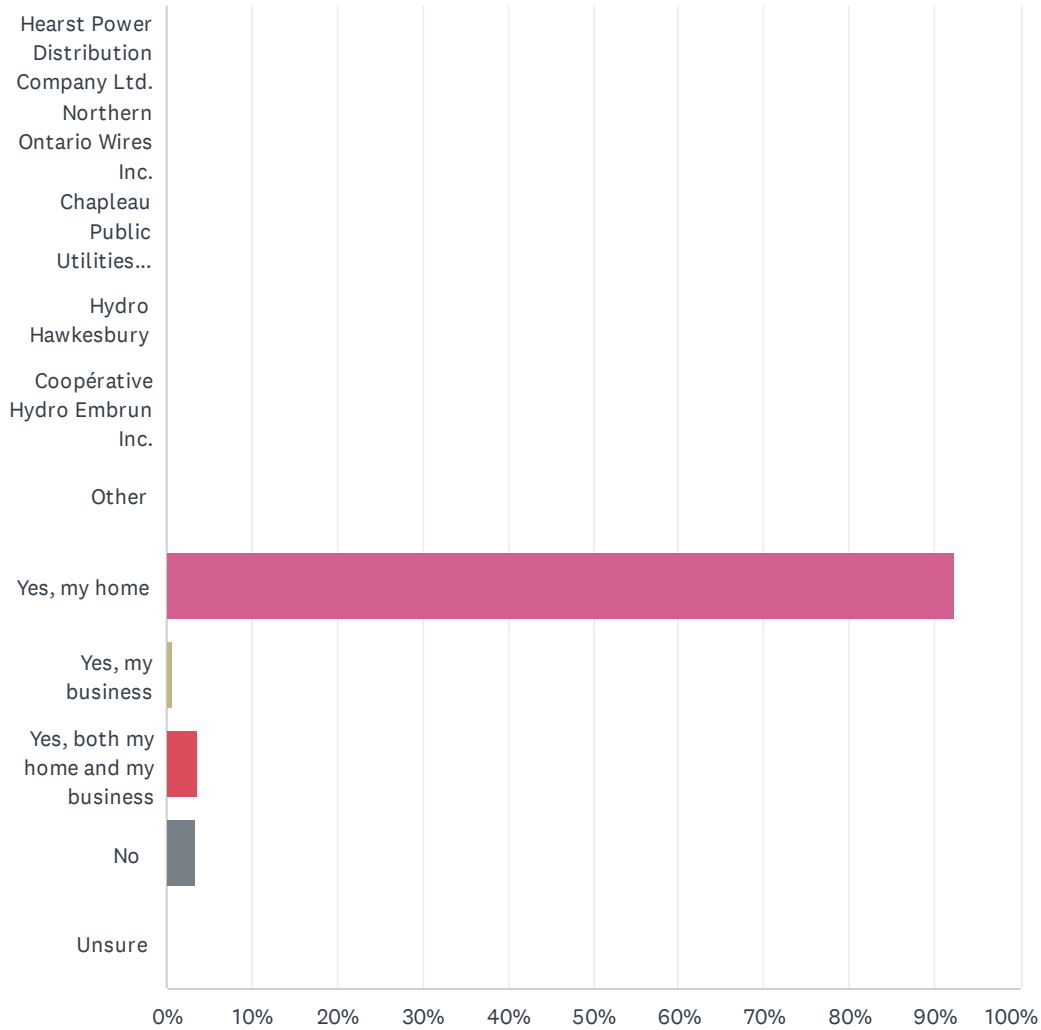
Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 6  
Schedule 1  
Attachment 2  
Page 1 of 1

***Attachment 2 (of 2):***

***Customer Survey Results - English***

**Q1 Do you pay a Northern Ontario Wires electricity bill for your home or business (including an organization, such as a church)? Please note that only Northern Ontario Wires customers that fill out the survey are eligible for the prize draw.**

Answered: 296 Skipped: 0



NOW's Customer Satisfaction Survey 2024

ANSWER CHOICES	RESPONSES	
Hearst Power Distribution Company Ltd.	0.00%	0
Northern Ontario Wires Inc.	0.00%	0
Chapleau Public Utilities Corporation	0.00%	0
Hydro Hawkesbury	0.00%	0
Coopérative Hydro Embrun Inc.	0.00%	0
Other	0.00%	0
Yes, my home	92.23%	273
Yes, my business	0.68%	2
Yes, both my home and my business	3.72%	11
No	3.38%	10
Unsure	0.00%	0
<b>TOTAL</b>		<b>296</b>

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q2 Northern Ontario Wires serves three communities (Cochrane, Iroquois Falls, and Kapuskasing). For us to know what community you live in, please let us know what the postal code is for your primary residence, where do you live?

Answered: 257 Skipped: 39

#	RESPONSES	DATE
1	P0L1C0	8/10/2024 11:59 AM
2	P5n2z8	8/10/2024 11:20 AM
3	P0L1C0	8/10/2024 9:42 AM
4	P0L 1C0	8/9/2024 9:45 PM
5	P0L1C0	8/9/2024 10:18 AM
6	P0L 1C0	8/9/2024 10:05 AM
7	P0L1C0	8/9/2024 9:43 AM
8	P0K 1G0	8/9/2024 9:35 AM
9	P0L1C0	8/9/2024 8:53 AM
10	P0K1E0	8/9/2024 8:31 AM
11	P0K1E0	8/9/2024 7:59 AM
12	P0l1c0	8/9/2024 7:26 AM
13	P5n1m9	8/9/2024 3:32 AM
14	P0K1G0	8/9/2024 12:12 AM
15	P0L1C0	8/8/2024 11:19 PM
16	P0L 1C0	8/8/2024 11:14 PM
17	P0L 1C0	8/8/2024 10:42 PM
18	P0l1c0	8/8/2024 9:11 PM
19	P0l1c0	8/8/2024 7:56 PM
20	P0L 1C0	8/8/2024 6:18 PM
21	p5N 1l3	8/8/2024 5:59 PM
22	P0K 1E0	8/8/2024 5:16 PM
23	P5N 3H7	8/8/2024 4:41 PM
24	P0L1C0	8/8/2024 3:20 PM
25	P0l1c0	8/8/2024 3:09 PM
26	P5n1y6	8/8/2024 2:39 PM
27	P5N1Y8	8/8/2024 2:30 PM
28	P5N 1M7	8/8/2024 1:59 PM
29	P0K 1G0	8/8/2024 12:50 PM

## NOW's Customer Satisfaction Survey 2024

30	P0L 1C0	8/8/2024 12:14 PM
31	P0K 1E0	8/8/2024 8:32 AM
32	P0l1c0	8/8/2024 7:36 AM
33	P0K1E0	8/8/2024 7:36 AM
34	P5N1Y4	8/8/2024 6:09 AM
35	P0L1C0	8/7/2024 10:27 PM
36	P0L 1C0	8/7/2024 9:37 PM
37	P0K1E0	8/7/2024 9:03 PM
38	P5N 2A8	8/7/2024 8:19 PM
39	P0L 1C0	8/7/2024 6:58 PM
40	P5n1x6	8/7/2024 6:34 PM
41	P0L 1C0	8/7/2024 5:27 PM
42	P5N 1P4	8/7/2024 4:33 PM
43	P0L 1C0	8/7/2024 3:12 PM
44	P0K1G0	8/7/2024 3:10 PM
45	P0L 1C0	8/7/2024 1:33 PM
46	P0K1E0	8/7/2024 12:48 PM
47	P0L 1C0	8/7/2024 11:57 AM
48	P0l1c0	8/7/2024 11:44 AM
49	P0L1C0	8/7/2024 11:29 AM
50	P0K1E0	8/7/2024 10:52 AM
51	P0K1G0	8/7/2024 9:55 AM
52	P0K 1G0	8/7/2024 8:33 AM
53	P5N 1M5	8/7/2024 7:47 AM
54	P0k1e0	8/7/2024 7:40 AM
55	P0k 1e0	8/7/2024 6:44 AM
56	P5N 1Z7	8/7/2024 6:35 AM
57	P0K1G0	8/7/2024 6:09 AM
58	P0L 1C0	8/6/2024 10:28 PM
59	P5N1Y6	8/6/2024 10:19 PM
60	P0L1C0	8/6/2024 10:12 PM
61	P0L 1C0	8/6/2024 9:55 PM
62	P5n2e1	8/6/2024 9:37 PM
63	P0K 1G0	8/6/2024 9:04 PM
64	P0L1C0	8/6/2024 8:50 PM
65	P0L1C0	8/6/2024 8:29 PM
66	P5N1M7	8/6/2024 8:18 PM
67	P5N2A8	8/6/2024 8:05 PM



NOW's Customer Satisfaction Survey 2024

68	P5N 3E5	8/6/2024 7:35 PM
69	P0L 1C0	8/6/2024 6:48 PM
70	P5N1C8	8/6/2024 6:46 PM
71	P5N 1M8	8/6/2024 5:53 PM
72	P5N 1Y8	8/6/2024 5:49 PM
73	P0l1c0	8/6/2024 3:28 PM
74	P0L1C0	8/6/2024 2:37 PM
75	P0K1E0	8/6/2024 2:28 PM
76	P0L1C0	8/6/2024 1:50 PM
77	P0l1c0	8/6/2024 1:17 PM
78	P0L1C0	8/6/2024 1:09 PM
79	P0L1C0	8/6/2024 1:00 PM
80	P0k1e0	8/6/2024 12:58 PM
81	P0k1e0	8/6/2024 12:50 PM
82	P5N 1J9	8/6/2024 12:01 PM
83	P0L 1C0	8/6/2024 11:44 AM
84	P5N1L5	8/6/2024 11:25 AM
85	P5n 2e5	8/6/2024 9:04 AM
86	P5N 1M6	8/6/2024 8:36 AM
87	P0K1G0	8/6/2024 7:06 AM
88	P0L 1C0	8/6/2024 5:50 AM
89	P5N 2C5	8/6/2024 3:35 AM
90	P5n3a3	8/5/2024 10:58 PM
91	P0L1C0	8/5/2024 10:50 PM
92	P0L1C0	8/5/2024 10:26 PM
93	P0K1E0	8/5/2024 10:08 PM
94	P0L1C0	8/5/2024 9:52 PM
95	P0l 1c0	8/5/2024 9:49 PM
96	P 0L1C0	8/5/2024 9:30 PM
97	P0L1C0	8/5/2024 8:45 PM
98	P5N 1M1	8/5/2024 8:29 PM
99	P0K 1E0	8/5/2024 7:59 PM
100	P0L1C0	8/5/2024 7:41 PM
101	P0L1C0	8/5/2024 7:29 PM
102	P0k1e0	8/5/2024 6:56 PM
103	POL1c0	8/5/2024 6:53 PM
104	P0K1G0	8/5/2024 6:50 PM
105	P0l1c0	8/5/2024 6:46 PM

NOW's Customer Satisfaction Survey 2024

106	P0L1C0	8/5/2024 6:32 PM
107	P5N1S1	8/5/2024 6:30 PM
108	P5N 1N5	8/5/2024 5:25 PM
109	P0L 1C0	8/5/2024 5:15 PM
110	P0L 1C0	8/5/2024 5:05 PM
111	P0K 1G0	8/5/2024 4:49 PM
112	P0L1C0	8/5/2024 2:42 PM
113	P0L1C0	8/5/2024 2:38 PM
114	P0k1e0	8/5/2024 1:57 PM
115	Pok1g0	8/5/2024 1:53 PM
116	P0L1C0	8/5/2024 1:14 PM
117	P0L1C0	8/5/2024 1:04 PM
118	P0L1C0	8/5/2024 1:04 PM
119	P5N1M6	8/5/2024 1:01 PM
120	P0K1G0	8/5/2024 12:38 PM
121	P5N1Z9	8/5/2024 12:30 PM
122	P0L 1C0	8/5/2024 11:24 AM
123	P0K 1G0	8/5/2024 9:44 AM
124	P5N1M6	8/5/2024 9:32 AM
125	P5N1L8	8/5/2024 9:18 AM
126	P5N3A3	8/5/2024 9:03 AM
127	P0K1G0	8/5/2024 8:22 AM
128	P0L1C0	8/5/2024 7:59 AM
129	P0L 1C0	8/5/2024 7:58 AM
130	P0L1C0	8/5/2024 7:54 AM
131	P0L1C0	8/5/2024 7:47 AM
132	P5N1Y4	8/5/2024 6:47 AM
133	P5N 2E5	8/5/2024 6:15 AM
134	P5N 1J2	8/4/2024 11:39 PM
135	P0L 1C0	8/4/2024 11:16 PM
136	P5n1z7	8/4/2024 10:34 PM
137	P5n3g2	8/4/2024 10:23 PM
138	P0L1c0	8/4/2024 9:51 PM
139	P0L 1C0	8/4/2024 9:32 PM
140	P0l1c0	8/4/2024 9:31 PM
141	P0K1G0	8/4/2024 7:56 PM
142	P5N2A8	8/4/2024 7:55 PM
143	P0l1c0	8/4/2024 7:11 PM

NOW's Customer Satisfaction Survey 2024

144	P0L1C0	8/4/2024 7:04 PM
145	P0L1C0	8/4/2024 6:48 PM
146	P5N1R6	8/4/2024 6:31 PM
147	P5N1Z5	8/4/2024 6:29 PM
148	P0L 1C0	8/4/2024 6:23 PM
149	P5n 1k2	8/4/2024 5:03 PM
150	P5N 1N2	8/4/2024 4:44 PM
151	P0L1C0	8/4/2024 4:21 PM
152	P0K1G0	8/4/2024 4:15 PM
153	P0k1e0	8/4/2024 4:10 PM
154	P0L1C0	8/4/2024 4:03 PM
155	P0L1C0	8/4/2024 3:24 PM
156	P0l1c0	8/4/2024 3:04 PM
157	P5N 1Y6	8/4/2024 2:57 PM
158	p0l1c0	8/4/2024 2:06 PM
159	P5N3A4	8/4/2024 1:11 PM
160	P5N 1B7	8/4/2024 11:34 AM
161	P0k 1g0	8/4/2024 9:33 AM
162	P0K1E0	8/4/2024 9:19 AM
163	P0K1E0	8/4/2024 8:56 AM
164	P0K1G0	8/4/2024 8:43 AM
165	P0K1G0	8/4/2024 8:36 AM
166	P5n1w4	8/4/2024 7:30 AM
167	P5n1p7	8/4/2024 7:09 AM
168	P0l1c0	8/4/2024 6:53 AM
169	P0L 1C0	8/4/2024 6:28 AM
170	P0l1c0	8/4/2024 5:02 AM
171	P5n2b2	8/3/2024 11:03 PM
172	P5N 1S2	8/3/2024 10:11 PM
173	P0K1G0	8/3/2024 9:32 PM
174	P5N 1W8	8/3/2024 9:03 PM
175	P0K1G0	8/3/2024 8:52 PM
176	P0K 1G0	8/3/2024 8:38 PM
177	P0L1C0	8/3/2024 7:55 PM
178	P0k1e0	8/3/2024 7:49 PM
179	P5n2c1	8/3/2024 7:46 PM
180	P0l1c0	8/3/2024 6:02 PM
181	P0l1c0	8/3/2024 5:39 PM

NOW's Customer Satisfaction Survey 2024

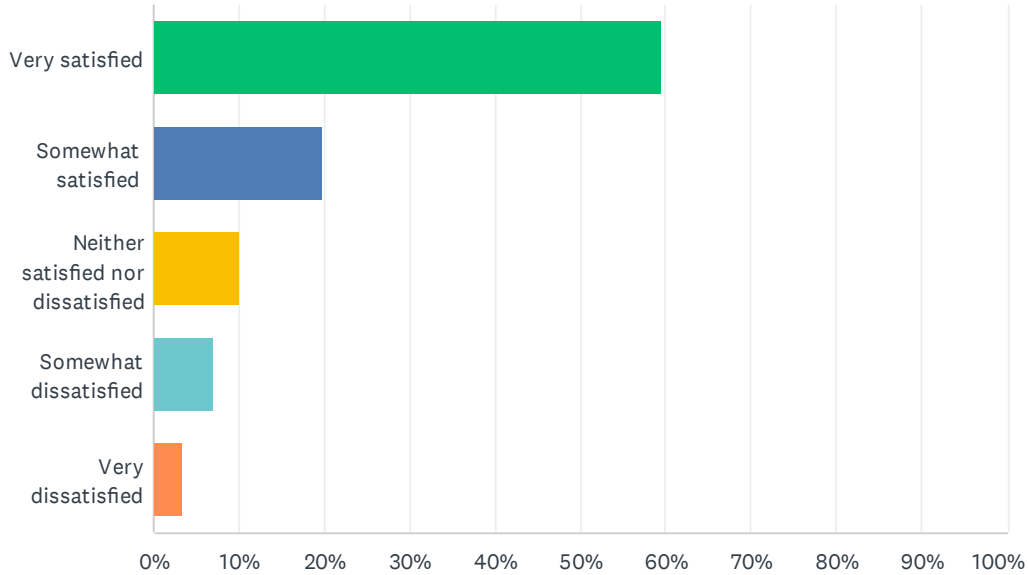
182	P0L 1C0	8/3/2024 4:12 PM
183	P0l 1c0	8/3/2024 4:07 PM
184	P5N 2A5	8/3/2024 4:05 PM
185	P5n2c1	8/3/2024 3:41 PM
186	P0L1C0	8/3/2024 3:02 PM
187	P5N1B3	8/3/2024 12:53 PM
188	P0L 1C0	8/3/2024 12:37 PM
189	P5N 1W9	8/3/2024 11:18 AM
190	P0L 1C0	8/3/2024 10:27 AM
191	P0L 1C0	8/3/2024 10:22 AM
192	P0L 1C0	8/3/2024 10:12 AM
193	P5N 1J7	8/3/2024 9:09 AM
194	P5N 1L4	8/3/2024 8:37 AM
195	P5n1y6	8/3/2024 8:02 AM
196	P5N1B9	8/3/2024 7:34 AM
197	P0L 1C0	8/3/2024 6:58 AM
198	P0L1C0	8/3/2024 6:45 AM
199	P5N1B9	8/3/2024 1:20 AM
200	P0L 1C0	8/2/2024 11:24 PM
201	P0L 1C0	8/2/2024 11:15 PM
202	P5N 1J5	8/2/2024 11:00 PM
203	P5N 1c1	8/2/2024 10:13 PM
204	P0K 1G0	8/2/2024 9:57 PM
205	P0l1c0	8/2/2024 9:45 PM
206	P0l 1C0	8/2/2024 9:44 PM
207	P0L 1C0	8/2/2024 9:43 PM
208	P5n2e5	8/2/2024 8:22 PM
209	P5N 1N3	8/2/2024 7:16 PM
210	P0l1c0	8/2/2024 7:15 PM
211	P0L1C0	8/2/2024 7:03 PM
212	P5N1K6	8/2/2024 6:00 PM
213	P5N 1S4	8/2/2024 5:28 PM
214	P0K 1G0	8/2/2024 5:23 PM
215	P5n2c7	8/2/2024 4:50 PM
216	P0L 1c0	8/2/2024 4:29 PM
217	P5N 2A6	8/2/2024 4:04 PM
218	P5N1B4	8/2/2024 3:57 PM
219	P5N1P4	8/2/2024 2:29 PM

NOW's Customer Satisfaction Survey 2024

220	P0L1C0	8/2/2024 2:02 PM
221	P5n2a5	8/2/2024 1:08 PM
222	p5n1c1	8/2/2024 1:01 PM
223	P5N 1M9	8/2/2024 12:55 PM
224	P0L1C0	8/2/2024 11:20 AM
225	P5N2B6	8/1/2024 9:28 PM
226	P5N 2E4	8/1/2024 8:06 AM
227	p0l1c0	7/30/2024 1:59 PM
228	P0L1C0	7/30/2024 11:23 AM
229	P0K1E0	7/30/2024 8:44 AM
230	P5N 1L4	7/30/2024 8:32 AM
231	P0L 1C0	7/29/2024 6:41 PM
232	P0K1G0	7/29/2024 3:43 PM
233	P0L1C0	7/29/2024 9:38 AM
234	P5N 1Z4	7/29/2024 7:54 AM
235	P5n1n6	7/28/2024 3:50 PM
236	P0K 1G0	7/28/2024 2:41 PM
237	P0L1C0	7/28/2024 3:21 AM
238	P5N3E5	7/27/2024 8:11 PM
239	P0L 1C0	7/27/2024 7:56 PM
240	P0L 1C0	7/27/2024 3:26 PM
241	P5N 1W9	7/27/2024 10:45 AM
242	P0L1C0	7/27/2024 7:45 AM
243	P5N 1R1	7/26/2024 9:02 PM
244	p5n1z4	7/26/2024 8:31 PM
245	P0l1c0	7/26/2024 8:11 PM
246	P0l 1c0	7/26/2024 7:51 PM
247	P0K 1E0	7/26/2024 7:46 PM
248	P5N1T1	7/26/2024 7:40 PM
249	P0l1c0	7/26/2024 7:35 PM
250	P5N 2b9	7/26/2024 6:24 PM
251	P0L1C0	7/26/2024 6:22 PM
252	P0l1c0	7/26/2024 6:21 PM
253	P5N1L6	7/26/2024 4:53 PM
254	P0l 1c0	7/26/2024 4:17 PM
255	P0L1C0	7/26/2024 4:17 PM
256	P0K1E0	7/26/2024 4:11 PM
257	P5n2a6	7/26/2024 3:59 PM

### Q3 Overall, how satisfied or dissatisfied are you with the electricity service from Northern Ontario Wires Inc.?

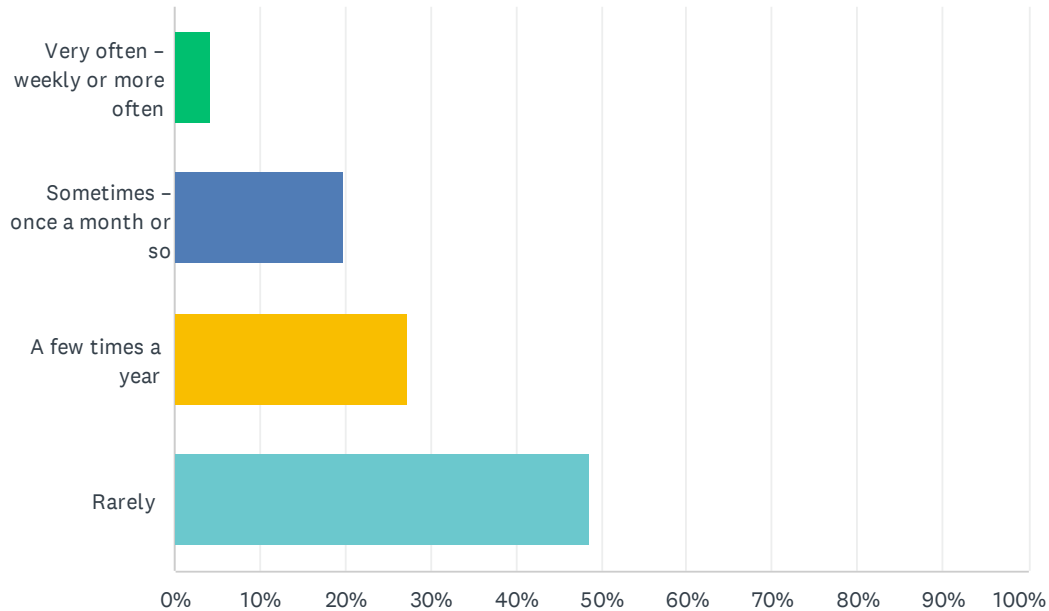
Answered: 257 Skipped: 39



ANSWER CHOICES	RESPONSES	
Very satisfied	59.53%	153
Somewhat satisfied	19.84%	51
Neither satisfied nor dissatisfied	10.12%	26
Somewhat dissatisfied	7.00%	18
Very dissatisfied	3.50%	9
<b>TOTAL</b>		<b>257</b>

## Q4 How often do you experience problems with your electricity service, such as flickering or brief power outages?

Answered: 257 Skipped: 39



ANSWER CHOICES	RESPONSES	
Very often – weekly or more often	4.28%	11
Sometimes – once a month or so	19.84%	51
A few times a year	27.24%	70
Rarely	48.64%	125
<b>TOTAL</b>		<b>257</b>

#	PLEASE EXPLAIN:	DATE
1	Never notice power flickering and there are some outage but we get notice before hand.	8/9/2024 9:45 PM
2	Couple power blips here and there, mostly storms	8/9/2024 9:35 AM
3	caused by weather or repairs	8/9/2024 7:26 AM
4	Normal power outages	8/9/2024 3:32 AM
5	Not often but on occasion	8/8/2024 7:56 PM
6	Rarely except for storm or bird hitting wire	8/8/2024 6:18 PM
7	Power Reliability was so much an issue that i now have a Generac standby by generator installed	8/8/2024 4:41 PM
8	Power outages happen frequently	8/8/2024 1:59 PM
9	The odd flicker during storms	8/8/2024 12:50 PM
10	Lots of outages winter time, take too long to get power back on. When power switched back on	8/8/2024 6:09 AM

## NOW's Customer Satisfaction Survey 2024

	it flickers 5-10 times before it stays on	
11	Other towns, every 6 months would be considered frequent. Here, monthly translates to "sometimes "	8/7/2024 8:19 PM
12	Seems like we don't get as many outages in the west end as other areas in town	8/7/2024 6:58 PM
13	Consistent, extremely long, unplanned power outages. Planned power outages are extremely long as well and never last the time suggested but far long. Absolutely zero communication from NOW and horrible, rude customer service. An awful company from start to finish. Not the mention the absolutely unreasonable prices - how is it possible that the delivery cost is more than the amount used. Be better.	8/7/2024 4:33 PM
14	Usually planned outages	8/7/2024 11:29 AM
15	Never	8/7/2024 10:52 AM
16	1 or 2 scheduled and a tree took it out once	8/7/2024 7:40 AM
17	Mainly for scheduled maintenance or severe weather. Power never stays off for long.	8/7/2024 6:44 AM
18	Once in a while on certain over head lights but nothing major	8/6/2024 10:28 PM
19	Flickering lights	8/6/2024 10:19 PM
20	Planned for upgrading	8/6/2024 9:55 PM
21	Few outages a year. Usually unplanned	8/6/2024 9:04 PM
22	Only scheduled maintenance for my area	8/6/2024 8:29 PM
23	I find that in the last 10 yrs, the power goes out more often	8/6/2024 7:35 PM
24	We don't have very many but the schedules outages never startup as scheduled	8/6/2024 5:53 PM
25	Almost never	8/6/2024 12:58 PM
26	Na	8/6/2024 12:50 PM
27	Power interruptions due to Maintenance	8/6/2024 11:44 AM
28	Although power outages longer in duration are quite common, brief outages /flickering is relatively rare	8/6/2024 11:25 AM
29	We experience a lot of smaller outages (assume when transformer goes) and there are days that we flicker. Longer outages seem to be less than once a month	8/6/2024 8:36 AM
30	Never had any problems	8/6/2024 5:50 AM
31	Power outages	8/5/2024 9:52 PM
32	Scheduled maintenance, weather related, other unknown	8/5/2024 9:30 PM
33	power outage	8/5/2024 7:29 PM
34	The electricity does go off one in a while but we are prepared with a generator, gas stove and wood stove	8/5/2024 6:30 PM
35	Some months it happens very often.	8/5/2024 5:25 PM
36	No issues	8/5/2024 5:05 PM
37	regular power outage that the town gets	8/5/2024 9:03 AM
38	We usually have 1 or 2 planned outages a year and then in a bad storm our power may flicker, or need to be turned off for a repair near by. I think 2023 we have 2 transformers go.	8/5/2024 8:22 AM
39	I have a 100 year old house. It's expected.	8/5/2024 7:59 AM
40	A little brushing might go a long way to improve your reliability	8/4/2024 10:34 PM
41	Very rare for that to occur unless there is a storm	8/4/2024 9:32 PM
42	no problem	8/4/2024 9:31 PM



## NOW's Customer Satisfaction Survey 2024

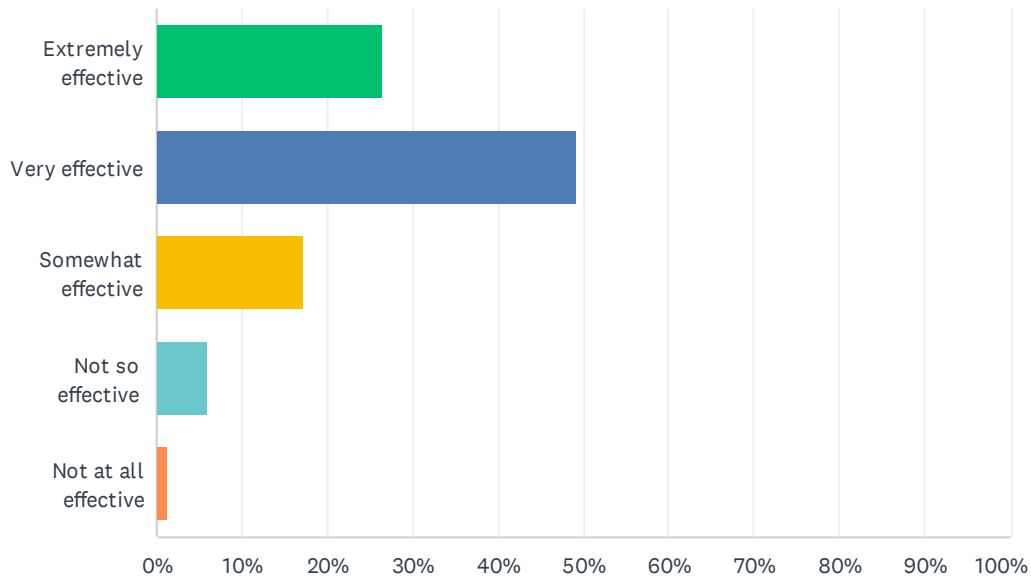
43	Weather	8/4/2024 7:55 PM
44	Well if it rains too hard or a crow decides to meet Jesus we lose power 😊	8/4/2024 6:31 PM
45	Power outages from wires in the kapuskasing area are more frequent then 3rd world countries	8/4/2024 5:03 PM
46	We have several bumps a month	8/4/2024 4:44 PM
47	When out, upon return my electric devices are displaying power loss	8/4/2024 4:21 PM
48	Lights flickering several times a day	8/4/2024 2:57 PM
49	The northern Ontario wires side of town seems to have outages much more frequent than the hydro one side of town, I have had to install a generator panel on my home because of random outages	8/4/2024 11:34 AM
50	I live on main street and rarely any outages	8/4/2024 9:33 AM
51	Usual blackouts during the occasional winter or electric storm	8/3/2024 7:46 PM
52	Power goes out, even, if's for 2 seconds, clocks need to be reset.	8/3/2024 4:05 PM
53	Mostly short cut offs but very annoying	8/3/2024 3:41 PM
54	Occasional power outages	8/3/2024 3:02 PM
55	Unplanned outages that are very inconvenient.	8/3/2024 12:53 PM
56	Power goes off often and power surges are very common during those outages which damages our appliances	8/3/2024 8:37 AM
57	Power goes out weekly, very unreliable. Had to buy a generator for my house because my wife and me work from home, we lose money everytime the power goes out. Very poor service from you guys...	8/3/2024 8:02 AM
58	Its so unreliable I've purchased a generalink. Yet you unishe me for it and charge me over 300\$ disconnect fee for few second!	8/3/2024 1:20 AM
59	Although it's almost monthly	8/2/2024 11:00 PM
60	For repairs	8/2/2024 9:44 PM
61	I have never lived in a place that has so many outages. It seems like more than once a month lately.	8/2/2024 5:28 PM
62	Strong windstorms uncontrollable	8/2/2024 4:04 PM
63	Frequent outages, flickering, brown-outs. A client since 2011. So far, I have fried a printer and a refrigerator.	8/2/2024 3:57 PM
64	Way too much.	8/2/2024 2:29 PM
65	A lot of power outages	8/2/2024 12:55 PM
66	Always bumps on the system	8/1/2024 9:28 PM
67	Power interruption/brief flickering more frequent than when we lived where Hydro was the electrical supplier	8/1/2024 8:06 AM
68	Lived in town for 3 years now and ive only had my power out twice all my family and friends that are serviced my hydro one lose power quite often so i am very pleased with northern wires service in Iroquois falls	7/29/2024 3:43 PM
69	Reoccurring power outages for overly long periods	7/29/2024 7:54 AM
70	Many power outages...planned and unplanned	7/28/2024 3:50 PM
71	There are often general power outages	7/27/2024 8:11 PM
72	When they have to do emergency repairs which is understandable	7/27/2024 10:45 AM
73	Most of the power outages are scheduled and just lately they resume power sooner rather than later.	7/27/2024 7:45 AM

## NOW's Customer Satisfaction Survey 2024

74	Few times a year due to maintenance or storms or accidents	7/26/2024 4:53 PM
75	Never had any issues	7/26/2024 4:17 PM
76	Though we've had two in the last week alone.	7/26/2024 3:59 PM

## Q5 Restoring service when a power outage occurs

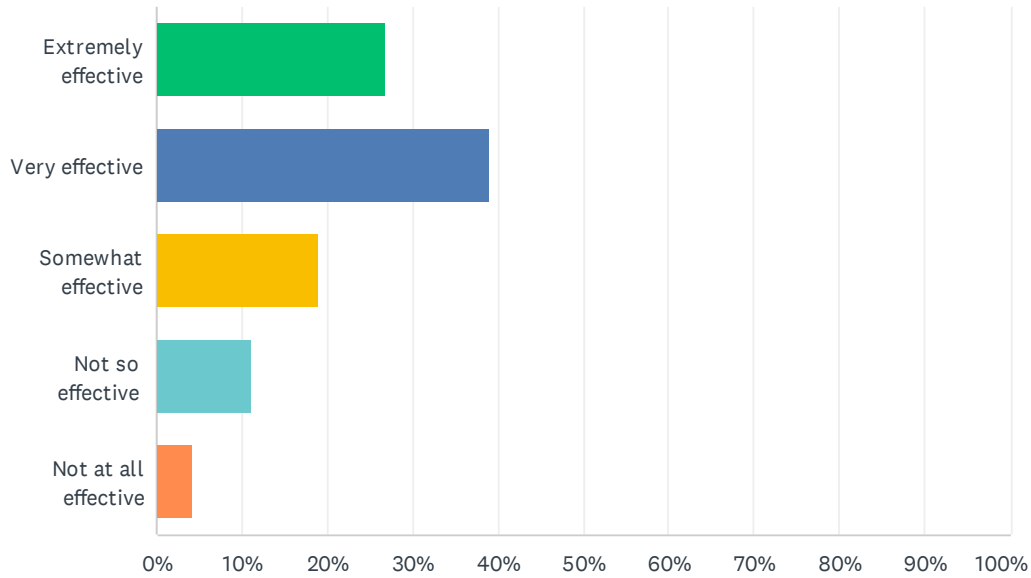
Answered: 254 Skipped: 42



ANSWER CHOICES	RESPONSES	
Extremely effective	26.38%	67
Very effective	49.21%	125
Somewhat effective	17.32%	44
Not so effective	5.91%	15
Not at all effective	1.18%	3
<b>TOTAL</b>		<b>254</b>

## Q6 Minimizing the number of power outages

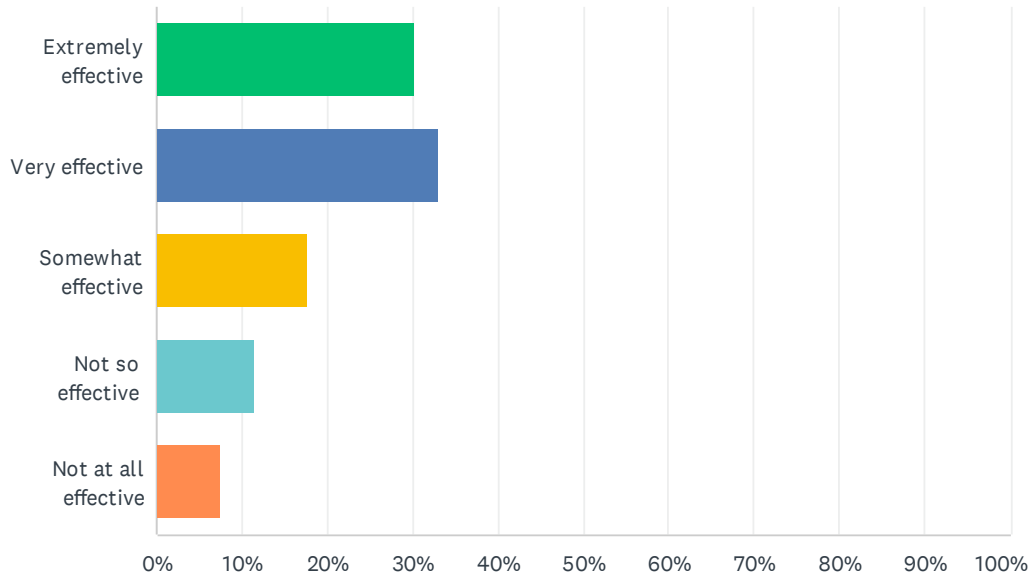
Answered: 254 Skipped: 42



ANSWER CHOICES	RESPONSES	
Extremely effective	26.77%	68
Very effective	38.98%	99
Somewhat effective	18.90%	48
Not so effective	11.02%	28
Not at all effective	4.33%	11
<b>TOTAL</b>		<b>254</b>

## Q7 Providing information about extended outages

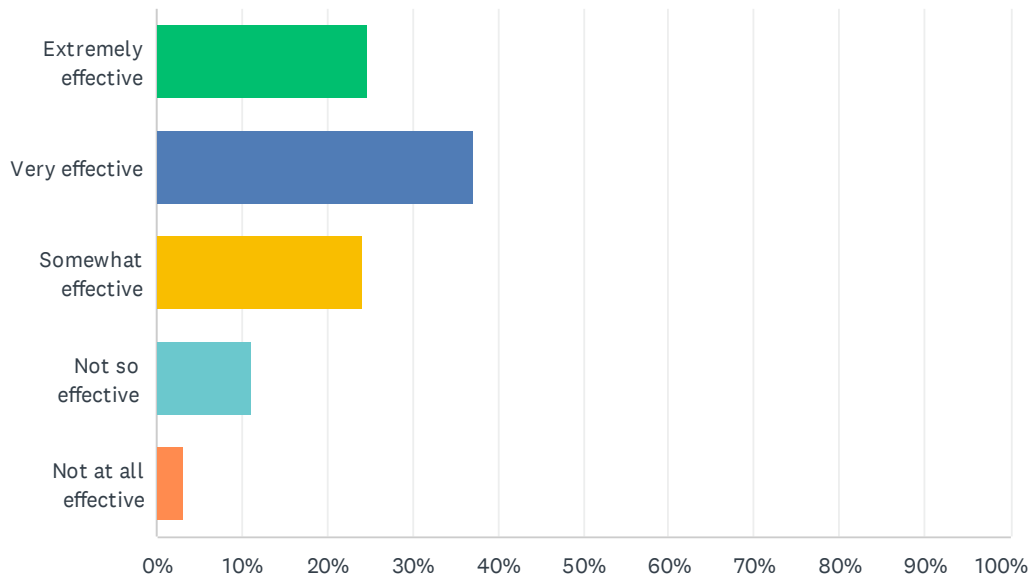
Answered: 254 Skipped: 42



ANSWER CHOICES	RESPONSES	
Extremely effective	30.31%	77
Very effective	33.07%	84
Somewhat effective	17.72%	45
Not so effective	11.42%	29
Not at all effective	7.48%	19
<b>TOTAL</b>		<b>254</b>

## Q8 Being reachable by telephone during an outage

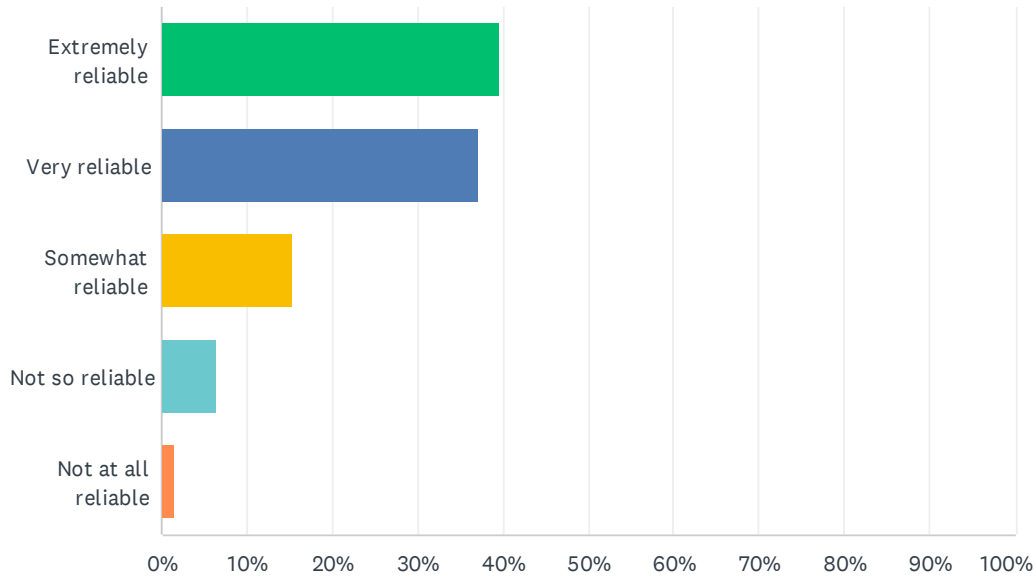
Answered: 254 Skipped: 42



ANSWER CHOICES	RESPONSES	
Extremely effective	24.80%	63
Very effective	37.01%	94
Somewhat effective	24.02%	61
Not so effective	11.02%	28
Not at all effective	3.15%	8
<b>TOTAL</b>		<b>254</b>

## Q9 How would you rate the overall reliability of electricity from your utility?

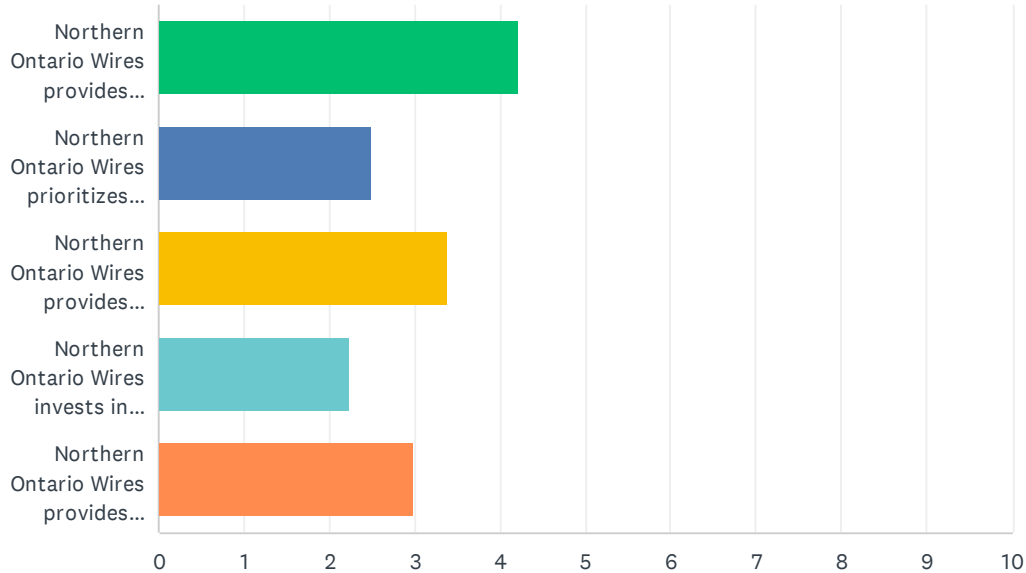
Answered: 254 Skipped: 42



ANSWER CHOICES	RESPONSES	
Extremely reliable	39.76%	101
Very reliable	37.01%	94
Somewhat reliable	15.35%	39
Not so reliable	6.30%	16
Not at all reliable	1.57%	4
<b>TOTAL</b>		<b>254</b>

**Q10 Based on these five options, rank each from one to five with one being most important and five being least important to you.**

Answered: 236 Skipped: 60

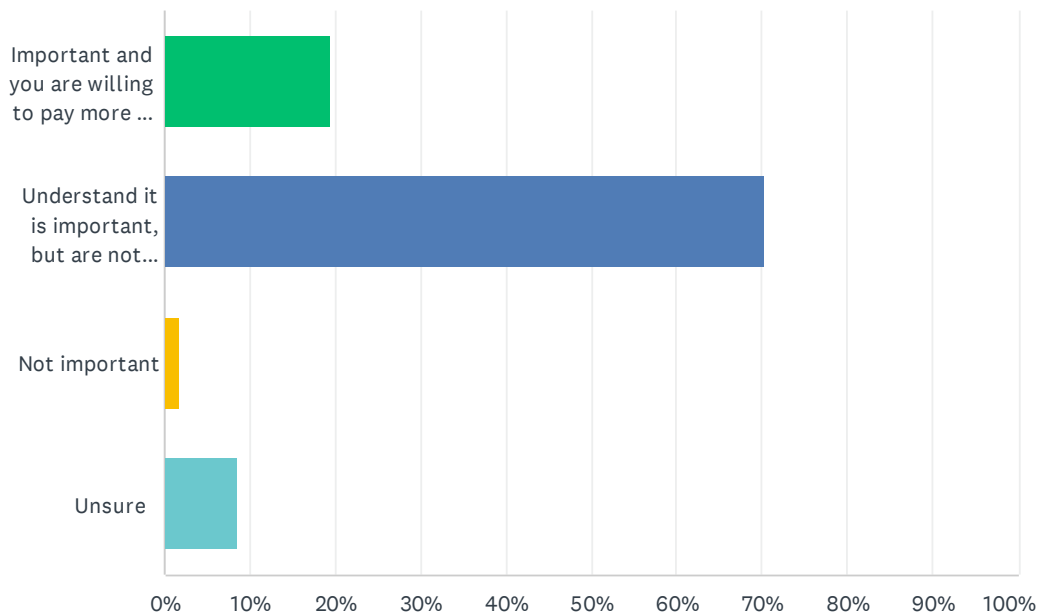


	1	2	3	4	5	TOTAL	SCORE
Northern Ontario Wires provides electricity that is "reliable" and "safe" (fewer outages and focuses on public and employee safety)	58.33% 119	22.55% 46	6.86% 14	7.35% 15	4.90% 10	204	4.22
Northern Ontario Wires prioritizes aesthetics over most cost-effective solution when constructing or replacing assets at an increased cost to customers (things such as moving overhead wires underground, and moving rear lot infrastructure to front of property)	8.10% 17	16.67% 35	20.00% 42	26.19% 55	29.05% 61	210	2.49
Northern Ontario Wires provides electricity at low cost at the expense of reliability, green initiatives, innovation and customer service.	19.61% 40	31.86% 65	25.00% 51	15.20% 31	8.33% 17	204	3.39
Northern Ontario Wires invests in innovative solutions such as smart grid, battery storage, electric vehicle infrastructure, solar and smart home technologies at an increased cost to customers.	4.07% 9	10.41% 23	21.72% 48	31.67% 70	32.13% 71	221	2.23
Northern Ontario Wires provides excellent customer service	16.09% 37	20.43% 47	27.83% 64	16.52% 38	19.13% 44	230	2.98



**Q11 Northern Ontario Wires strives to always keep the power on. However, there are occasions (ex. due to storms, vehicles accidents and equipment failure) when we experience a power outage. How important is it for you that Northern Ontario Wires continues to minimize power outages?**

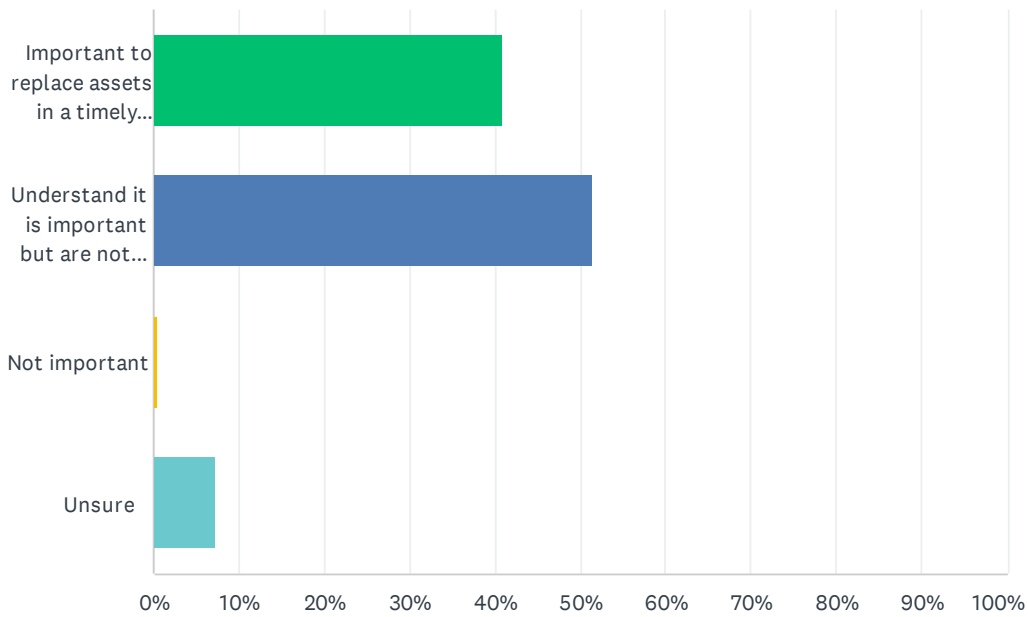
Answered: 236 Skipped: 60



ANSWER CHOICES	RESPONSES	
Important and you are willing to pay more to increase investment to keep power on	19.49%	46
Understand it is important, but are not willing to pay more and understand this may have a negative impact on service	70.34%	166
Not important	1.69%	4
Unsure	8.47%	20
<b>TOTAL</b>		<b>236</b>

Q12 Poles, substation, and transformers typically last 40 to 50 years. To ensure an uninterrupted supply of electricity to you, we need to maintain and replace these assets when their useful life has expired and/or are in poor condition. If assets are not replaced on a timely basis, outages could increase, and reliability be negatively impacted. Please select one of the following statements:

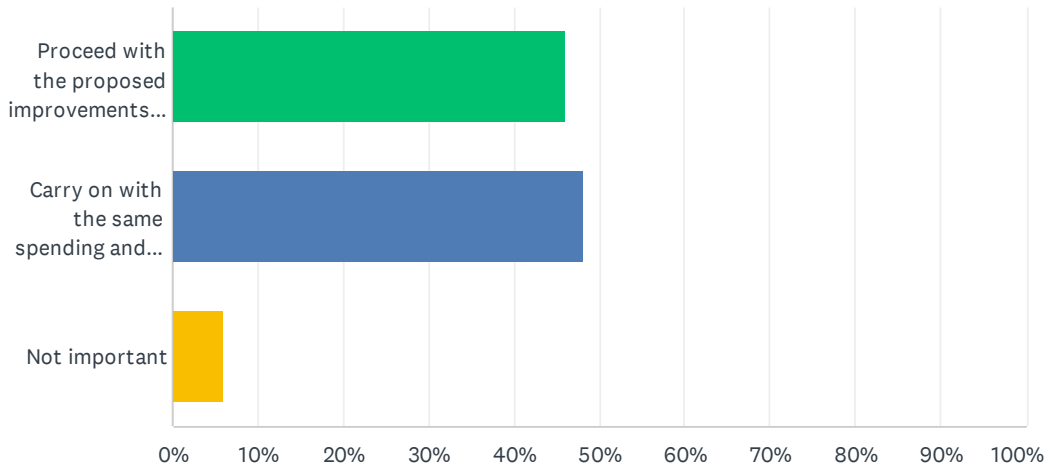
Answered: 235 Skipped: 61



ANSWER CHOICES	RESPONSES	
Important to replace assets in a timely manner that have reached end of life and/or are in poor condition, and you are willing to pay more to increase investment to keep power on	40.85%	96
Understand it is important but are not willing to pay more and understand this may have a negative impact on service.	51.49%	121
Not important	0.43%	1
Unsure	7.23%	17
<b>TOTAL</b>		<b>235</b>

Q13 Northern Ontario Wires carries out vegetation management, which includes tree-trimming, as part of its maintenance practice. This program helps Northern Ontario Wires minimize outages due to tree-contacts. However, we recognize that this service requires improvement to allow for a more standardized and improved approach. Please select one of the following statements:

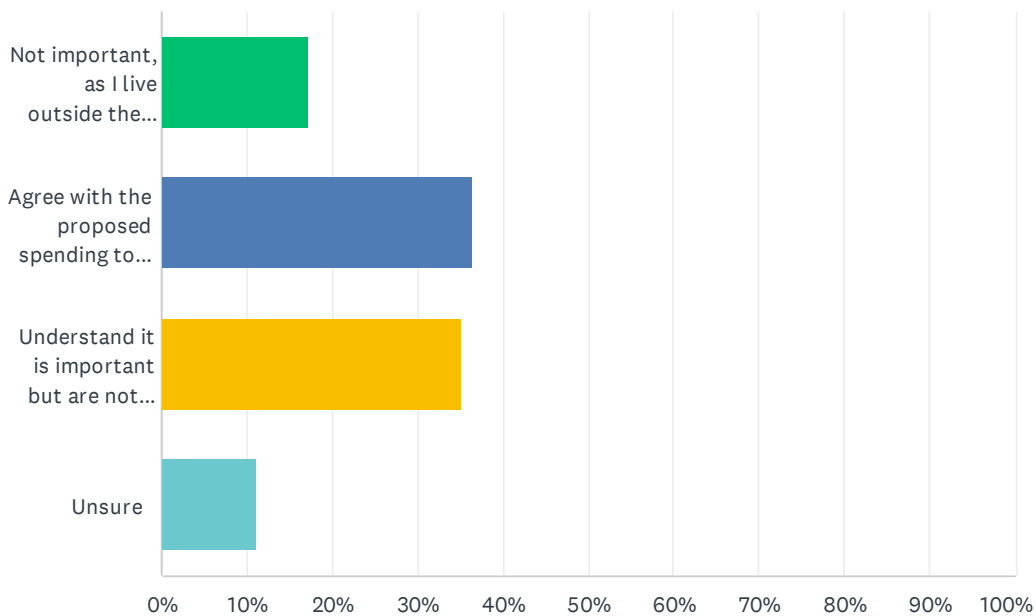
Answered: 235 Skipped: 61



ANSWER CHOICES	RESPONSES
Proceed with the proposed improvements to the vegetation management to help minimize reliability impacts, with an increase in spending	45.96% 108
Carry on with the same spending and program, but understand this may negatively impact the service you receive	48.09% 113
Not important	5.96% 14
TOTAL	235

Q14 Northern Ontario Wires has identified that load demand in its Cochrane area is increasing due to notice from two industrial sites on their requirements for additional electrical supply. To accommodate this and continue to meet all customer demand in the area, as well as replace its station assets that are at end of life, Northern Ontario Wires has proposed to build a new Municipal Transformer station. This is estimated to cost an additional \$15M over the forecast period on top of its typical spending buckets. Please select one of the following statements:

Answered: 233 Skipped: 63

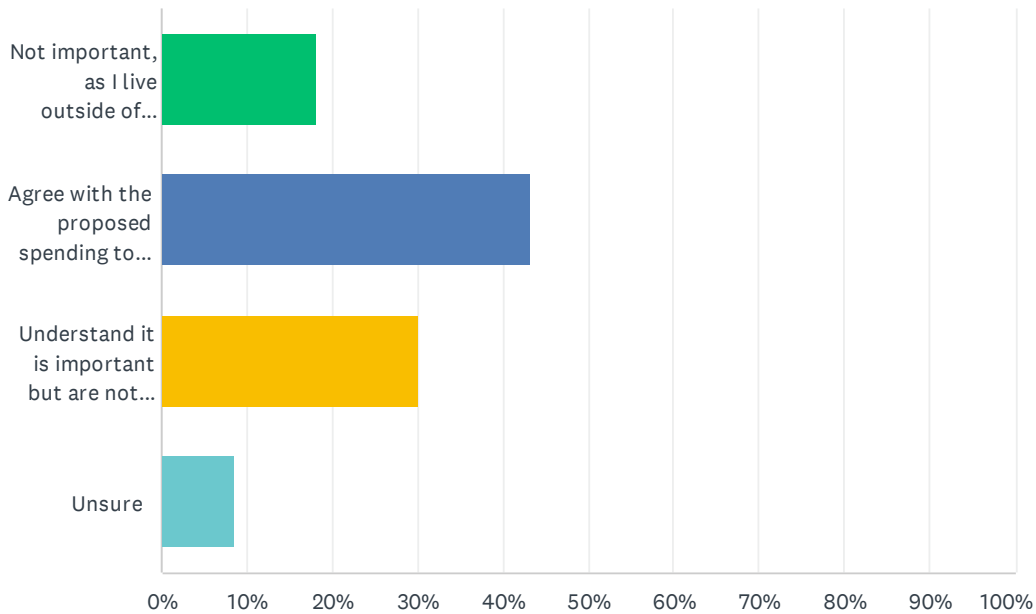


ANSWER CHOICES	RESPONSES	
Not important, as I live outside the Cochrane area	17.17%	40
Agree with the proposed spending to enable Northern Ontario Wires to meet all demand and maintain reliability	36.48%	85
Understand it is important but are not willing to pay more and understand this may have a negative impact on service	35.19%	82
Unsure	11.16%	26
<b>TOTAL</b>		<b>233</b>

Q15 To further address its reliability and replace assets that are at end of life and deteriorating, Northern Ontario Wires is continuing its voltage conversion projects in both Kapuskasing and Iroquois Falls service areas.

These multi-year projects are aimed to improve reliability and reduce system losses. These projects, outside of the new station, will be Northern Ontario Wires biggest expenditures during the forecast period. Please select one of the following statements:

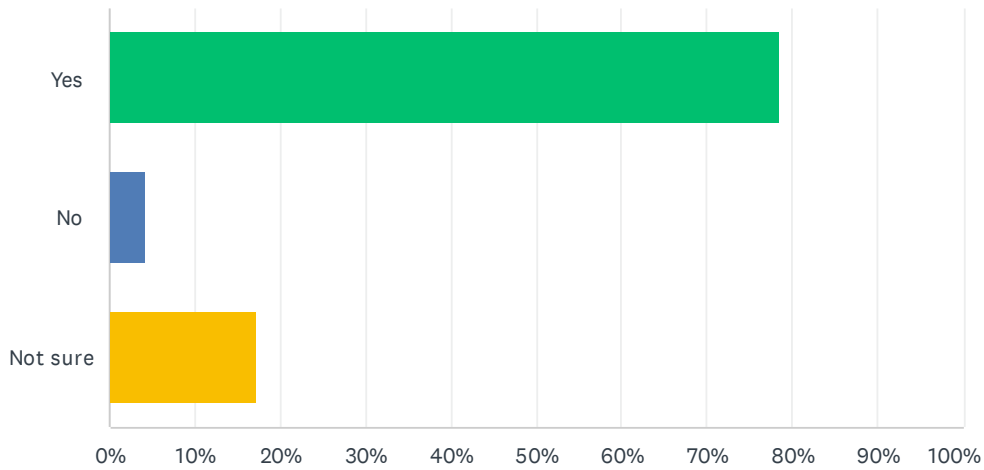
Answered: 233 Skipped: 63



ANSWER CHOICES	RESPONSES	
Not important, as I live outside of these areas	18.03%	42
Agree with the proposed spending to enable Northern Ontario Wires to address end of life and obsolete asset to improve reliability and reduce system losses	43.35%	101
Understand it is important but are not willing to pay more and understand this may have a negative impact on service	30.04%	70
Unsure	8.58%	20
<b>TOTAL</b>		<b>233</b>

Q16 To enable Northern Ontario Wires crews to continue to maintain its system, respond to emergencies, and carry out capital investments, there is a need to have a well-maintained fleet of vehicles. Northern Ontario Wires has identified the need to replace two of its large vehicles, that have reached end of life, during the forecast period. Do you agree that Northern Ontario Wires should be prudent and replace vehicles when they have reached end of life?

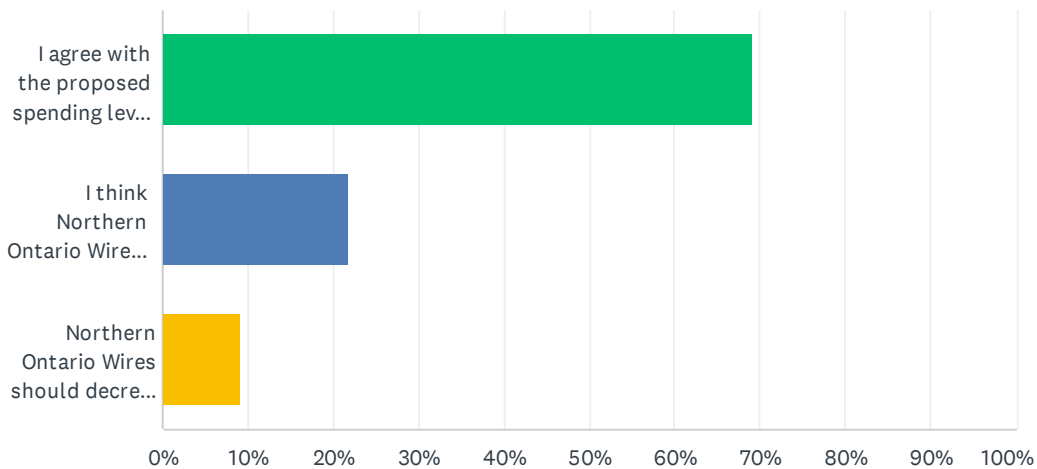
Answered: 232 Skipped: 64



ANSWER CHOICES	RESPONSES	
Yes	78.45%	182
No	4.31%	10
Not sure	17.24%	40
TOTAL		232

Q17 Northern Ontario Wires is planning on continuing to invest in its computer hardware and software, buildings, and tools and equipment to enable the continued operation of its network. These investments are fundamental to enabling Northern Ontario wires and its staff to carry out its jobs in an efficient and safe manner. Northern Ontario Wires is proposing to spend a similar amount in the forecast period when compared to the 2017-2023 period. In relation to these investments, do you agree that Northern Ontario Wires is being prudent in its investments for the forecast period?

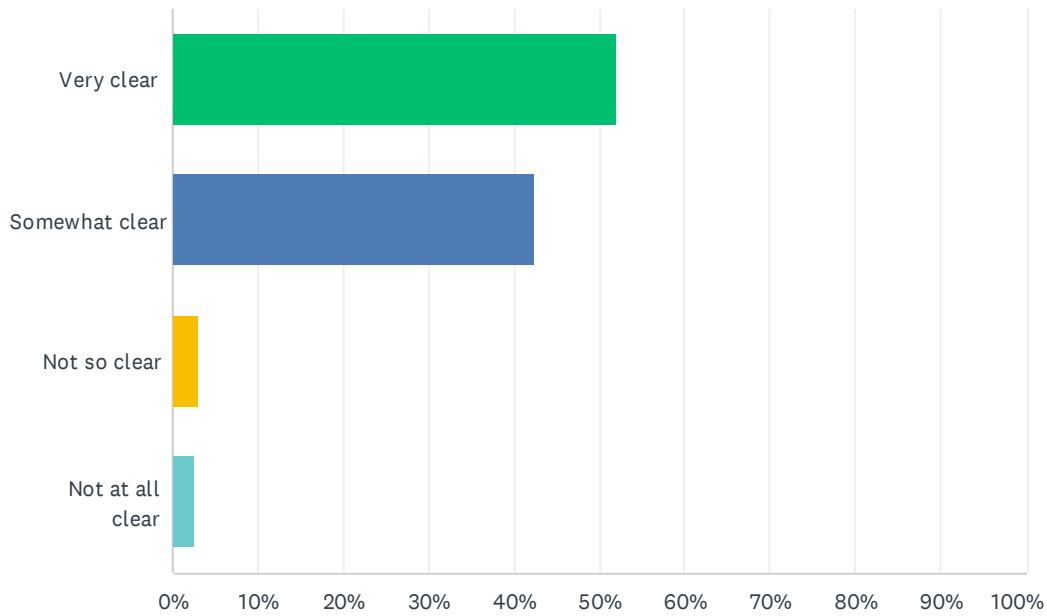
Answered: 229 Skipped: 67



ANSWER CHOICES	RESPONSES
I agree with the proposed spending level in alignment with the historical period	69.00% 158
I think Northern Ontario Wires should increase its spending level when compared to the historical period	21.83% 50
Northern Ontario Wires should decrease its spending when compared to historical level, even if this means a reduction in service	9.17% 21
TOTAL	229

## Q18 Do you find that the explanations of the charges on your bill are clear

Answered: 233 Skipped: 63

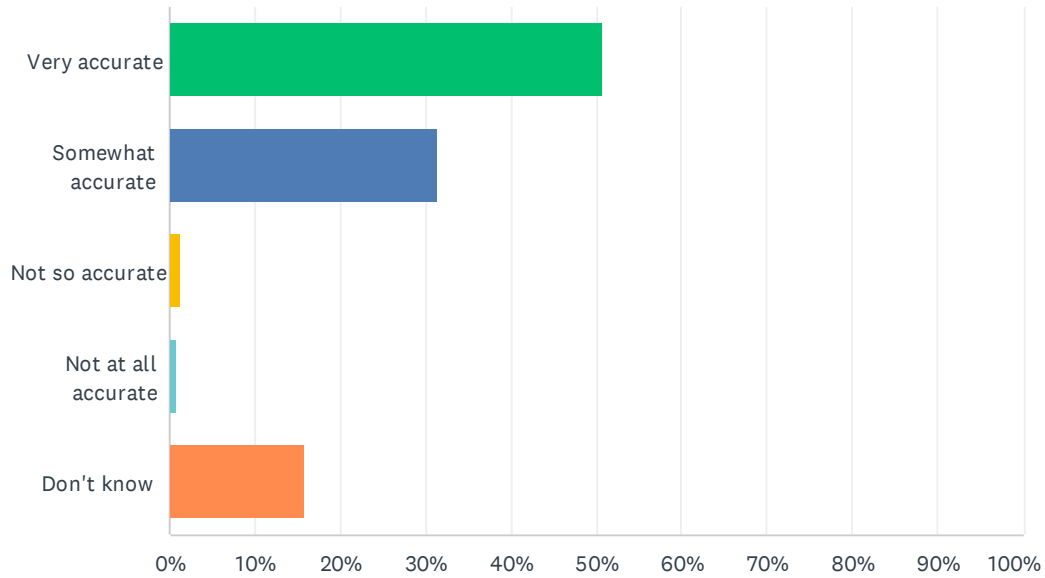


ANSWER CHOICES	RESPONSES	
Very clear	51.93%	121
Somewhat clear	42.49%	99
Not so clear	3.00%	7
Not at all clear	2.58%	6
<b>TOTAL</b>		<b>233</b>



## Q19 Is your bill accurate?

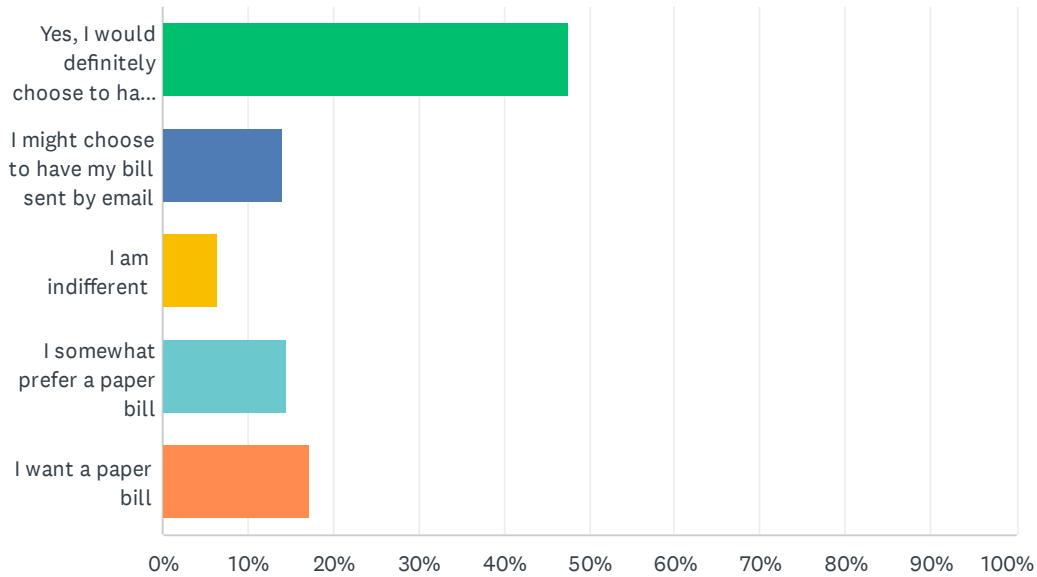
Answered: 233 Skipped: 63



ANSWER CHOICES	RESPONSES	
Very accurate	50.64%	118
Somewhat accurate	31.33%	73
Not so accurate	1.29%	3
Not at all accurate	0.86%	2
Don't know	15.88%	37
<b>TOTAL</b>		<b>233</b>

## Q20 If you could have your electricity bill sent by e-mail rather than as a paper bill, would you choose that option?

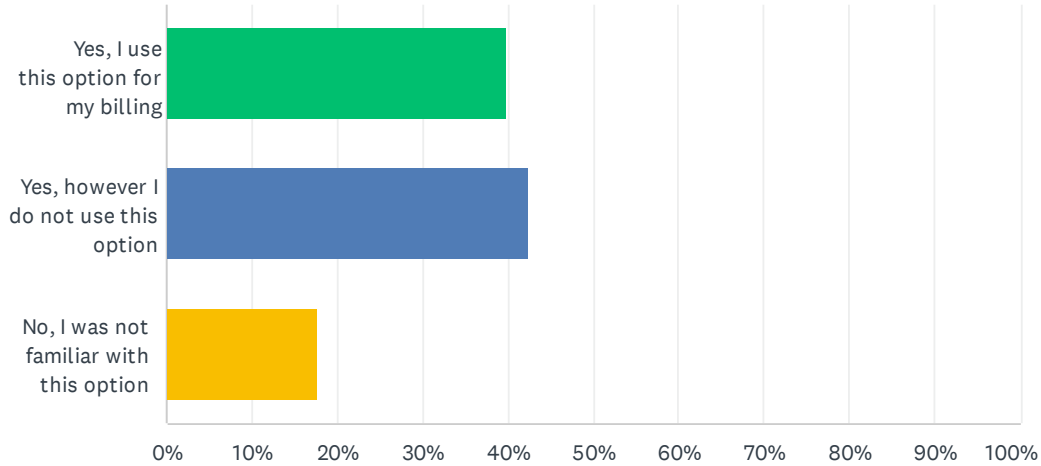
Answered: 233 Skipped: 63



ANSWER CHOICES	RESPONSES	
Yes, I would definitely choose to have my bill sent by email	47.64%	111
I might choose to have my bill sent by email	14.16%	33
I am indifferent	6.44%	15
I somewhat prefer a paper bill	14.59%	34
I want a paper bill	17.17%	40
<b>TOTAL</b>		<b>233</b>

## Q21 Are you familiar with Northern Ontario Wires e-bill option? (Information regarding setting up this option can be found under the 'Paperless' tab on our website)

Answered: 233 Skipped: 63



ANSWER CHOICES	RESPONSES	
Yes, I use this option for my billing	39.91%	93
Yes, however I do not use this option	42.49%	99
No, I was not familiar with this option	17.60%	41
<b>TOTAL</b>		<b>233</b>

## Q22 As we try to develop our procedures, how might you recommend we improve the incentive for customers to transition to e-billing?

Answered: 83 Skipped: 213

#	RESPONSES	DATE
1	I have worked in the electrical utility system for 34yrs and have been involved in equipment upgrades. I don't agree with nothern wires askink their customers to pay for all the equipement upgrades. NOW should have seen this coming and have budgeted for this situation. You are asking the rate payer to absorb these cost so that you can make more profits. Upgrades should cut into your profits not into your customer pockets.	8/10/2024 11:38 AM
2	Charge for paper bills.	8/9/2024 9:58 PM
3	draws for prizes	8/9/2024 9:47 AM
4	Don't have anything right now	8/9/2024 9:40 AM
5	% decrease in prime time	8/9/2024 8:08 AM
6	Not sure	8/9/2024 3:39 AM
7	Keep it optional as some do not have emails or access to an email.	8/8/2024 9:20 PM
8	N/a	8/8/2024 6:21 PM
9	Not everyone owns a computer	8/8/2024 5:25 PM
10	Set a sign-up trial period with customers who haven't used e-billing before. If enjoyed they have option to continue with e-billing at end of trial, for those that don't can return to paper billing.	8/8/2024 1:01 PM
11	Lots of communication	8/8/2024 8:38 AM
12	Some of us just don't want to participate in e billing. Stop trying to shove it down peoples throats and respect our wishes	8/8/2024 6:13 AM
13	Less cost	8/7/2024 9:44 PM
14	Surcharge for paper, print costs, mail and handling costs. Email bills, no charge as it is all a program maintained by existing employees	8/7/2024 8:30 PM
15	Might make it easier to sign up. I don't think you really need an incentive, most people like getting bills emailed to them.	8/7/2024 7:05 PM
16	As if this is what is important. Instead of spending even more money and charging customers and even more outrageous price, budget more effectively.	8/7/2024 4:38 PM
17	Unfortunately not all customers are electronically knowledgeable and connected, especially seniors. This may cure itself in time.	8/7/2024 11:41 AM
18	None	8/7/2024 10:57 AM
19	Not sure	8/7/2024 8:38 AM
20	I think most are and prefer and the rest will follow	8/7/2024 7:47 AM
21	Add a 5% discount for 3 months after switching. Monthly draws for those who are paperless.	8/7/2024 6:55 AM
22	Maybe developing an incentive to go paperless?	8/6/2024 10:35 PM
23	Most senior citizens in area don't use computers	8/6/2024 10:01 PM
24	Ebilling is free but paying your bill should also be free went paying online .what the point ebilling went it free paying paper at some place	8/6/2024 9:53 PM

## NOW's Customer Satisfaction Survey 2024

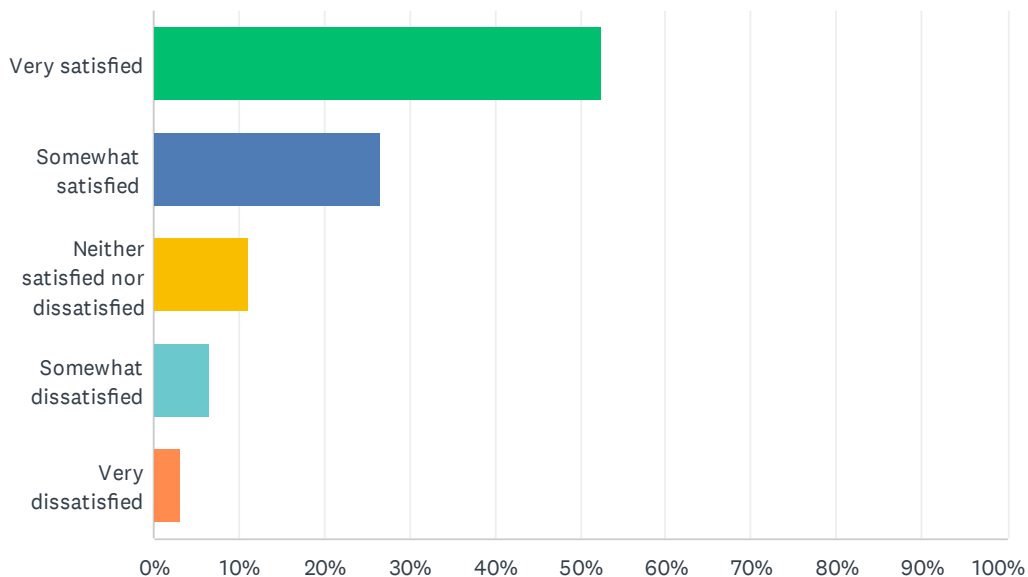
25	Survey such as this with incentives	8/6/2024 9:10 PM
26	Unsure	8/6/2024 8:35 PM
27	Offer a discount on their bills, provide packages in mail to help save energy such as lights, insulation	8/6/2024 8:26 PM
28	Don't know	8/6/2024 7:42 PM
29	Advise your customers that in 6 months that everything will go paperless and they have no choice in the matter	8/6/2024 6:00 PM
30	Incentives	8/6/2024 5:52 PM
31	Better wifi in iroquois falls	8/6/2024 2:37 PM
32	Have an option for automatic payments.	8/6/2024 1:04 PM
33	Better advertising	8/6/2024 12:03 PM
34	It would be nice to have something either on facebook, webpage or even an app that we can see info when outages occur about possible times of returning power but also to receive notification of planned outages	8/6/2024 8:42 AM
35	Run promotion or contest for customers that switch each month. Also having a bill reminder sent via text for customer that want would be helpful.	8/6/2024 7:16 AM
36	Not interested	8/6/2024 6:01 AM
37	Give incentives	8/5/2024 10:57 PM
38	Keep up the good work.	8/5/2024 10:39 PM
39	Already have bill via email, I only accessible online ensure that it is easily downloaded and in both official languages. Be mindful of those who are elderly or access to the internet	8/5/2024 5:30 PM
40	Charge fees for bill replacement (lost bill). Always have your bill accessible on your device. Maybe try a mobile app, similar to other companies like mobility services, where you can view your current e-bill, view past ones, and pay it all in the same place.	8/5/2024 5:01 PM
41	Give a credit	8/5/2024 1:12 PM
42	I was set up for e-billing and never received a bill. It would have been very helpful to know how much my bill was at so I could keep up with accurate payments.	8/5/2024 1:10 PM
43	Would it be possible to create their account with a temporary password? I'm a realtor in the area and many people don't realize they can do e-billing. However, many who make the switch find it tedious and struggle to active their account.	8/5/2024 8:37 AM
44	Allow a box to put in your billing # during these surveys to ask for paperless	8/5/2024 8:05 AM
45	Make it clear, have staff available to help	8/5/2024 6:58 AM
46	% discount on my bill might persuade me to go paperless	8/4/2024 10:43 PM
47	everything is fine too me so far with this service	8/4/2024 9:41 PM
48	Go for it!	8/4/2024 9:37 PM
49	Send email to register	8/4/2024 8:02 PM
50	Offer it with every new account opened	8/4/2024 6:46 PM
51	Discount if you sign up?	8/4/2024 6:36 PM
52	One month free electricity	8/4/2024 4:52 PM
53	Credit on bill	8/4/2024 3:01 PM
54	bill credit	8/4/2024 2:11 PM
55	Give them a small discount giving them a reason to switch to paperless billing	8/4/2024 11:47 AM
56	Very satisfied at this time	8/3/2024 9:10 PM

## NOW's Customer Satisfaction Survey 2024

57	Give the customer a couple of dollars reduction on their bill if they use e-billing, it's usually a good incentive	8/3/2024 7:53 PM
58	A discount on your bill for having e billing	8/3/2024 6:15 PM
59	No recommendation, we want a paper bill.	8/3/2024 4:23 PM
60	N/A	8/3/2024 3:14 PM
61	Advertise and promote	8/3/2024 10:31 AM
62	NOT INTERESTED IN E-BILLING	8/3/2024 10:29 AM
63	Getting a monthly rebate is using e-billing	8/3/2024 8:43 AM
64	Cut ceo and high office wage. They make too much for the amount of work and it unreasonable. Cost of delivery is crimainay insane!	8/3/2024 1:27 AM
65	Very	8/2/2024 11:26 PM
66	Unsure I just forgot to switch to e bill thats all	8/2/2024 11:26 PM
67	Provide paper billing to only people who do not have an email address	8/2/2024 11:14 PM
68	I find it easy to understand	8/2/2024 7:24 PM
69	Maybe offer a small credit for the first month after signing up for e-billing.	8/2/2024 7:08 PM
70	Call us and tell us how.	8/2/2024 5:37 PM
71	No come t	8/2/2024 1:17 PM
72	The is not incentives, it's that many people are not comfortable with e-billing or simply aren't comfortable with anything electronic.	8/2/2024 11:31 AM
73	Enter in a draw if you go into e-billing	8/1/2024 9:35 PM
74	Provide different options to clients with incentive to use e-billing to save our planet with less paper.	7/29/2024 6:49 PM
75	Offer a credit to people who sign up for it and maybe make it easier for non tech savvy people offer a help course on setting it up or have a group of people for phones so you can help set up the e-billing over the phone	7/29/2024 3:53 PM
76	Draw to win something. Everybody likes a chance to win free things	7/28/2024 3:29 AM
77	Many people don't have internet, electronics and/or email for various reasons (i.e. elderly, financial issues,etc) and this must be respected	7/27/2024 8:20 PM
78	Give them a discount	7/27/2024 8:05 PM
79	no comment	7/27/2024 10:59 AM
80	NA	7/27/2024 7:57 AM
81	Na	7/26/2024 7:57 PM
82	Sign up for e-billing get \$25 bucks off your first bill.	7/26/2024 6:28 PM
83	Run contests. I believe hydro One did the same to get customers to switch over.	7/26/2024 4:59 PM

## Q23 How satisfied are you with Northern Ontario Wires in getting you the information you need?

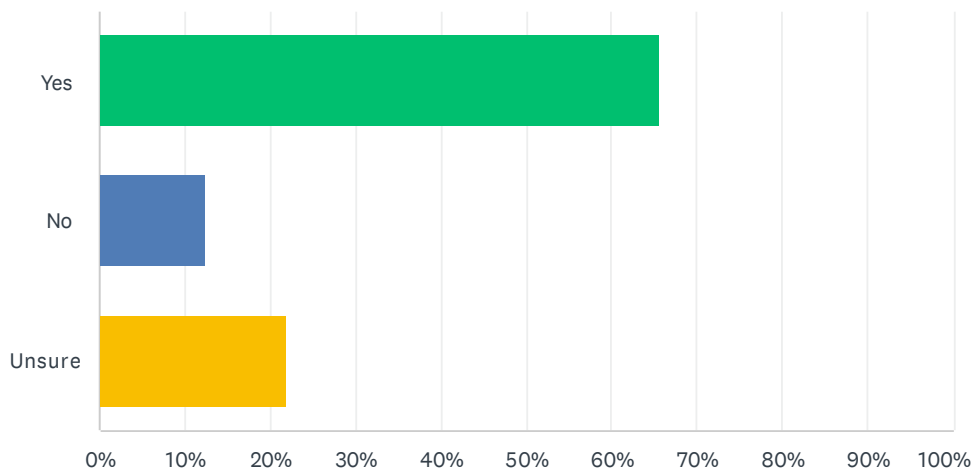
Answered: 225 Skipped: 71



ANSWER CHOICES	RESPONSES	
Very satisfied	52.44%	118
Somewhat satisfied	26.67%	60
Neither satisfied nor dissatisfied	11.11%	25
Somewhat dissatisfied	6.67%	15
Very dissatisfied	3.11%	7
<b>TOTAL</b>		<b>225</b>

## Q24 Does Northern Ontario Wires provide you with the useful information, tools, tips and assistance to help you manage your electricity consumption and bills?

Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Yes	65.64%	149
No	12.33%	28
Unsure	22.03%	50
TOTAL		227



## Q25 How could Northern Ontario Wires improve its way of providing you with the information you need?

Answered: 73 Skipped: 223

#	RESPONSES	DATE
1	N/A	8/9/2024 10:00 PM
2	I see information on social media.	8/9/2024 9:48 AM
3	More emails	8/9/2024 9:41 AM
4	Doing fine	8/9/2024 8:09 AM
5	Not sure	8/9/2024 3:40 AM
6	By letter	8/8/2024 9:22 PM
7	More communication about rebates	8/8/2024 8:11 PM
8	No comment, am satisfied with service	8/8/2024 1:04 PM
9	We're good for now	8/8/2024 8:39 AM
10	More info online, tips, cost, tier option	8/8/2024 7:48 AM
11	Send out energy efficient packages or brochures	8/8/2024 6:14 AM
12	Email newsletter	8/7/2024 9:11 PM
13	I like seeing the notices on Facebook and in the paper when there will be an outage	8/7/2024 7:06 PM
14	Actually provide information. When there are power outages communicate with the public. Tell us how long the power outage will last and why it occurred. Have kinder people answer the phone when there are issues. As things stand you either can't reach anyone and if you can they are extremely rude and unhelpful.	8/7/2024 4:40 PM
15	Seems to be ok for the time being	8/7/2024 11:42 AM
16	None	8/7/2024 10:57 AM
17	I don't think they could do more as a hydro company	8/7/2024 7:48 AM
18	More ads on local radio stations. Joining area specific social media groups only to post about outages and leave links to where we can get more information concerning unscheduled outages	8/7/2024 6:59 AM
19	Online Q and A section of popular questions and info	8/6/2024 10:36 PM
20	Brochure	8/6/2024 10:02 PM
21	Power outage application would be nice in case of no schedule power outage	8/6/2024 9:56 PM
22	Electronic & paper options	8/6/2024 9:11 PM
23	Via social media	8/6/2024 8:36 PM
24	Send with bill in the mail	8/6/2024 7:44 PM
25	Have real updates on outages.	8/6/2024 6:03 PM
26	Improved mailed communication and up to date information regarding outages on Facebook accounts	8/6/2024 5:53 PM
27	Send warning emails and ways to pay	8/6/2024 2:39 PM
28	Facebook posts newspaper	8/6/2024 1:22 PM

## NOW's Customer Satisfaction Survey 2024

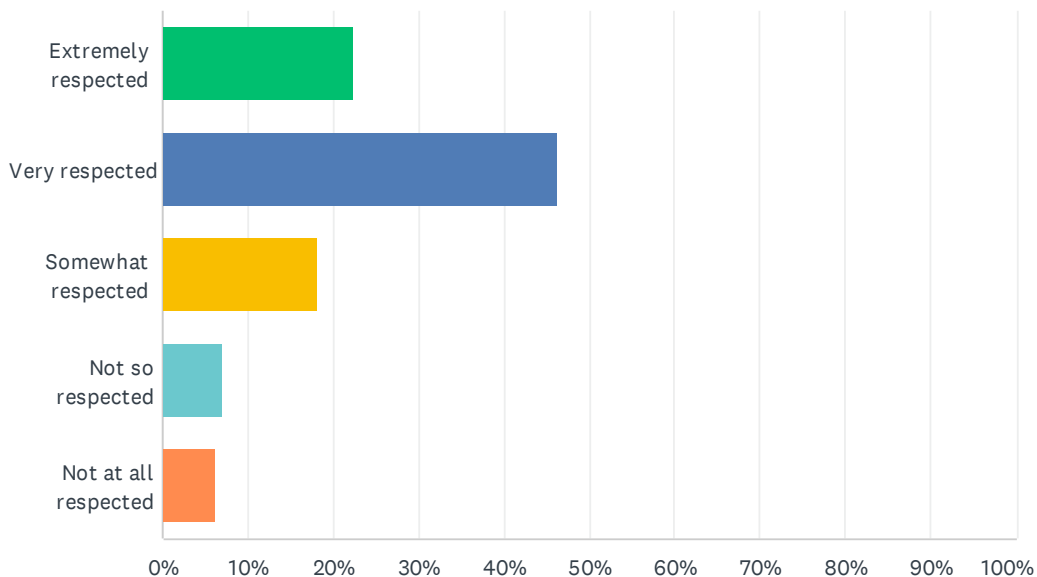
29	N/a	8/6/2024 1:05 PM
30	Reminders of usage times and examples of how much you could potentially save.	8/6/2024 12:04 PM
31	I'm glad that NOW has finally started to post explanations and updates on social media when there's a power outage. Also, sending emails to clients when a power outage is planned is great; now if they could only call or text customers like Hydro One does, that would be even better!	8/6/2024 9:04 AM
32	An app or giving tips about ways to save and if high somewhere explaining how to improve in those areas	8/6/2024 8:43 AM
33	NOW could send emails better explaining the different billing options for electricity and ways to improve consumption.	8/6/2024 7:20 AM
34	Keep putting information in our envelopes with the bills	8/6/2024 6:04 AM
35	Use social media for updates on unplanned power outages.	8/5/2024 7:53 PM
36	Having everything online	8/5/2024 6:38 PM
37	I am satisfied with the service	8/5/2024 5:32 PM
38	Email newsletter	8/5/2024 12:35 PM
39	Sending our emails or letters with these tips or increasing their activities on social media.	8/5/2024 8:39 AM
40	Maybe real-time app based load on my meter?	8/4/2024 10:45 PM
41	Better call system automated explaining outages and when to expect power	8/4/2024 10:36 PM
42	everything is good to me	8/4/2024 9:42 PM
43	Newsletter	8/4/2024 9:38 PM
44	Informational emails	8/4/2024 6:49 PM
45	Updates on social media during power outages	8/4/2024 7:19 AM
46	No comment	8/3/2024 9:11 PM
47	Online outage maps would help with online updates to keep people from having to call.	8/3/2024 7:55 PM
48	Not sure what this means.	8/3/2024 4:27 PM
49	Continue with bill stuffers	8/3/2024 12:56 PM
50	Advertise and promote	8/3/2024 10:32 AM
51	UNSURE	8/3/2024 10:31 AM
52	Have a statement that is more simple to understand and continuously updating their social medias and internet site with up to date information and power outages	8/3/2024 8:46 AM
53	Keep the power on	8/3/2024 8:07 AM
54	Email instead of sending paper copies of notices	8/2/2024 11:28 PM
55	When there is outages to send an email	8/2/2024 11:27 PM
56	No answer	8/2/2024 11:15 PM
57	They cut my tree or slap my limb on my tree!!!! And just left everything as they fell to the ground!!!! Tangled in my bushes!!! Couldn't remove myself!!	8/2/2024 8:32 PM
58	Newsletter maybe	8/2/2024 7:26 PM
59	A monthly newsletter include with bill	8/2/2024 7:09 PM
60	No come t	8/2/2024 1:19 PM
61	No improvements required in my opinion.	8/2/2024 11:32 AM
62	Have an actual call centre in those area	8/1/2024 9:37 PM

## NOW's Customer Satisfaction Survey 2024

63	N/a	7/29/2024 6:50 PM
64	Outage map	7/29/2024 3:54 PM
65	All good here	7/28/2024 3:29 AM
66	Unplanned power outages should be alerted and updated to customers asap	7/27/2024 8:22 PM
67	no comment	7/27/2024 11:00 AM
68	I would like an E-mail alert for un scheduled outages explaining the problem .	7/27/2024 8:02 AM
69	N /a	7/26/2024 9:14 PM
70	Keep doing what you're doing.	7/26/2024 7:58 PM
71	Newsletters	7/26/2024 6:30 PM
72	Not sure I am happy with what I receive.	7/26/2024 5:00 PM
73	In case of power outages, social media updates.	7/26/2024 4:08 PM

## Q26 Would you say that your utility is a respected company in the community?

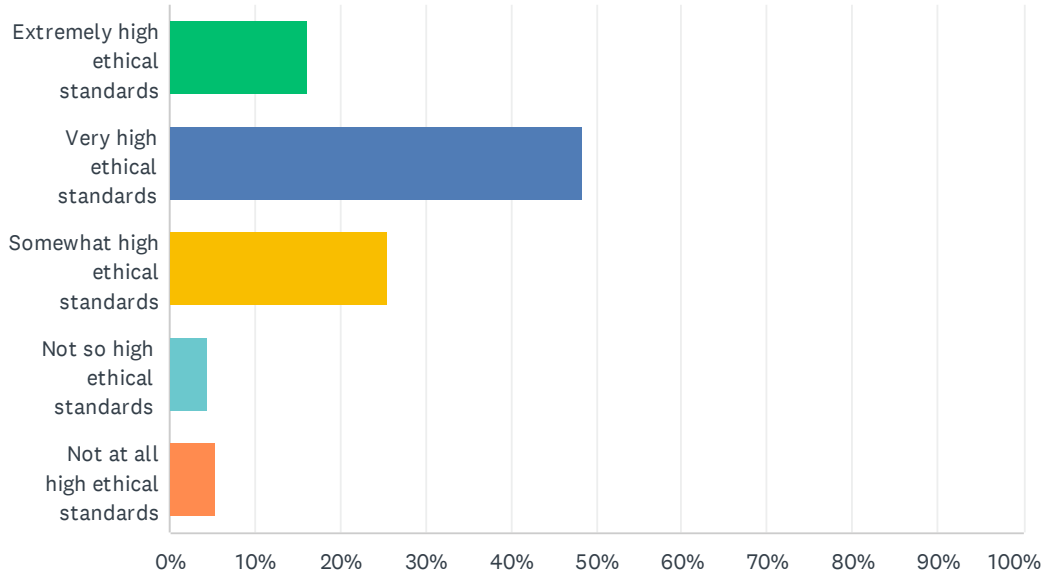
Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Extremely respected	22.47%	51
Very respected	46.26%	105
Somewhat respected	18.06%	41
Not so respected	7.05%	16
Not at all respected	6.17%	14
<b>TOTAL</b>		<b>227</b>

## Q27 Would you say that your utility has a high standard of business ethics?

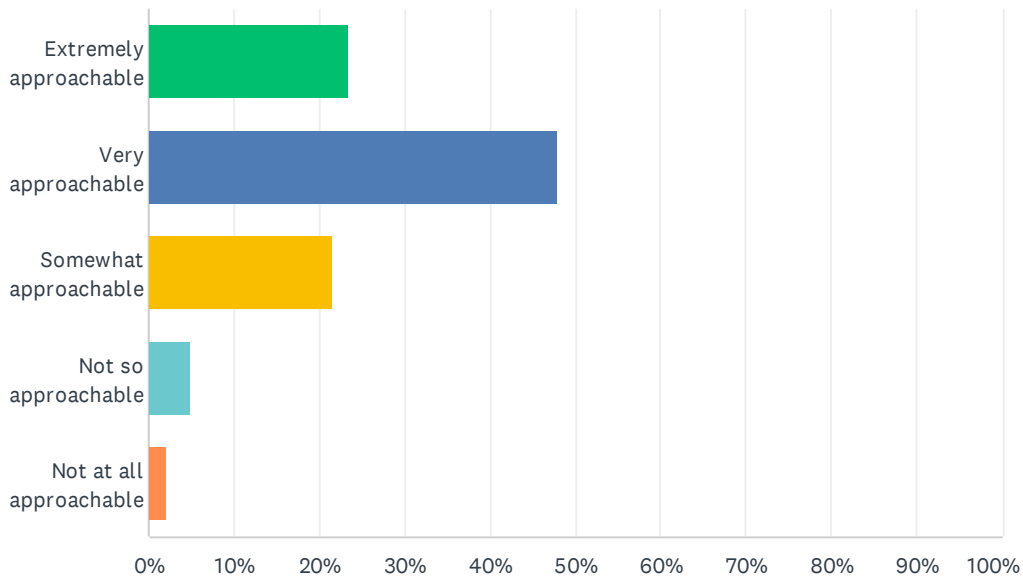
Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Extremely high ethical standards	16.30%	37
Very high ethical standards	48.46%	110
Somewhat high ethical standards	25.55%	58
Not so high ethical standards	4.41%	10
Not at all high ethical standards	5.29%	12
<b>TOTAL</b>		<b>227</b>

## Q28 Would you describe your utility as approachable?

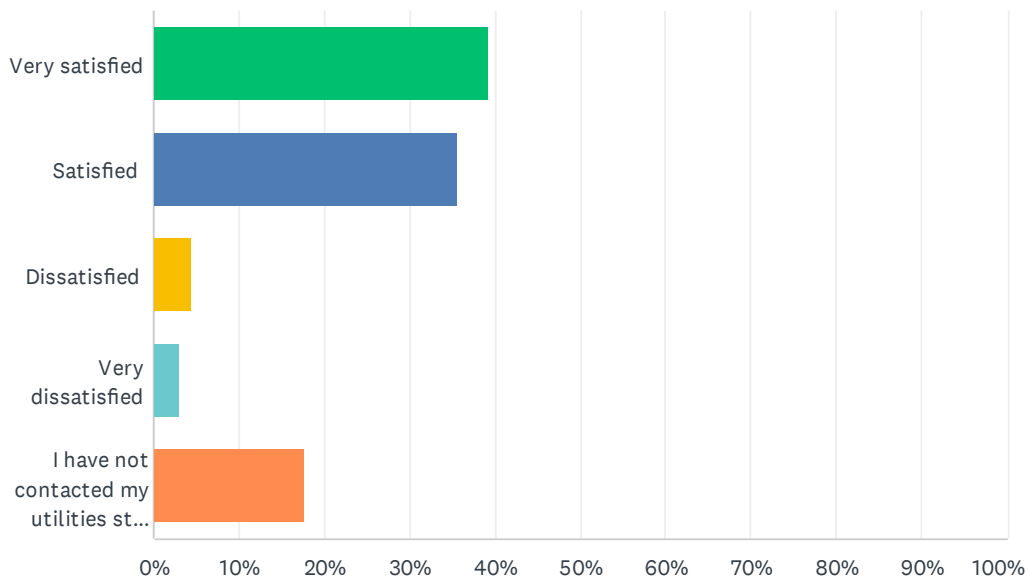
Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Extremely approachable	23.35%	53
Very approachable	48.02%	109
Somewhat approachable	21.59%	49
Not so approachable	4.85%	11
Not at all approachable	2.20%	5
<b>TOTAL</b>		<b>227</b>

## Q29 Thinking about your most recent contact with the staff of your utility, how satisfied are you with your experience regarding their service?

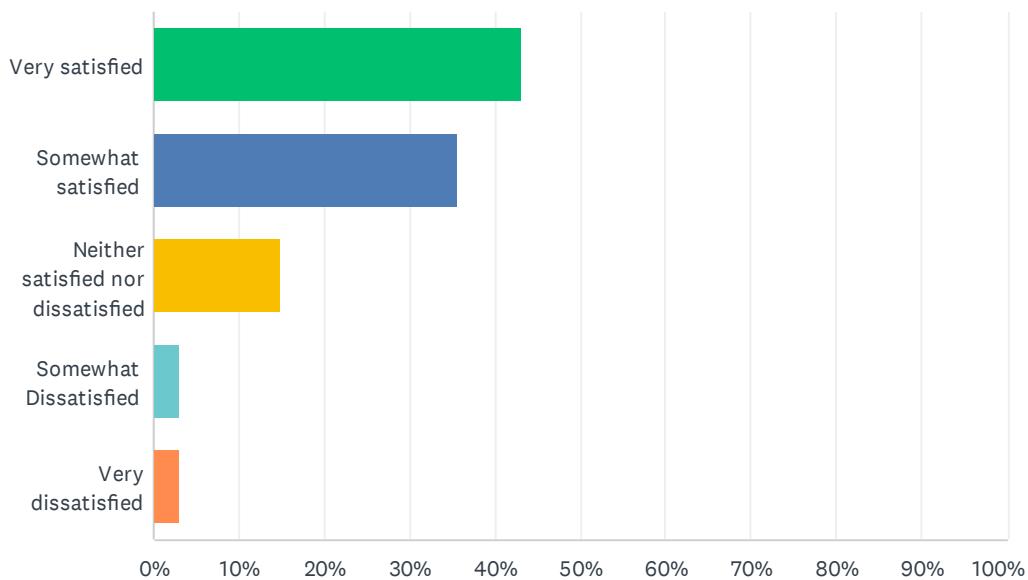
Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Very satisfied	39.21%	89
Satisfied	35.68%	81
Dissatisfied	4.41%	10
Very dissatisfied	3.08%	7
I have not contacted my utilities staff in the past	17.62%	40
<b>TOTAL</b>		<b>227</b>

## Q30 After having taken this survey, how satisfied are you that Northern Ontario Wires has the right plan to address the needs of the communities it serves:

Answered: 227 Skipped: 69



ANSWER CHOICES	RESPONSES	
Very satisfied	43.17%	98
Somewhat satisfied	35.68%	81
Neither satisfied nor dissatisfied	14.98%	34
Somewhat Dissatisfied	3.08%	7
Very dissatisfied	3.08%	7
<b>TOTAL</b>		<b>227</b>



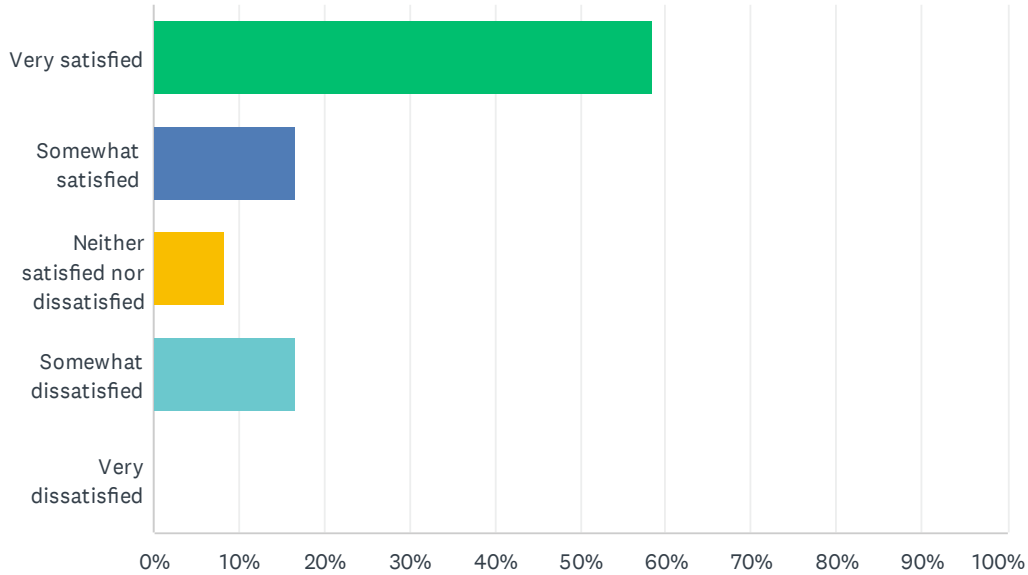
Q31 Northern Ontario Wires serves three communities (Cochrane, Iroquois Falls, and Kapuskasing). For us to know what community you are part of, please let us know what the postal code is for your primary establishment, where is your business located?

Answered: 12 Skipped: 284

#	RESPONSES	DATE
1	P5N2X7	8/7/2024 9:11 AM
2	P5N 1T3	8/6/2024 4:34 PM
3	P0L1C0	8/5/2024 10:41 PM
4	P0l1c0	8/4/2024 11:58 PM
5	P0L1C0	8/4/2024 8:15 PM
6	P0L1C0	8/3/2024 9:22 PM
7	P5N1R3	8/2/2024 7:27 PM
8	P5N 3A1	8/2/2024 1:50 PM
9	P5N 1W3	7/29/2024 4:16 PM
10	P5n 1m8	7/27/2024 8:05 AM
11	P5N1M7	7/27/2024 1:11 AM
12	P0K1G0	7/26/2024 5:17 PM

## Q32 Overall, how satisfied or dissatisfied are you with the electricity service from Northern Ontario Wires Inc.?

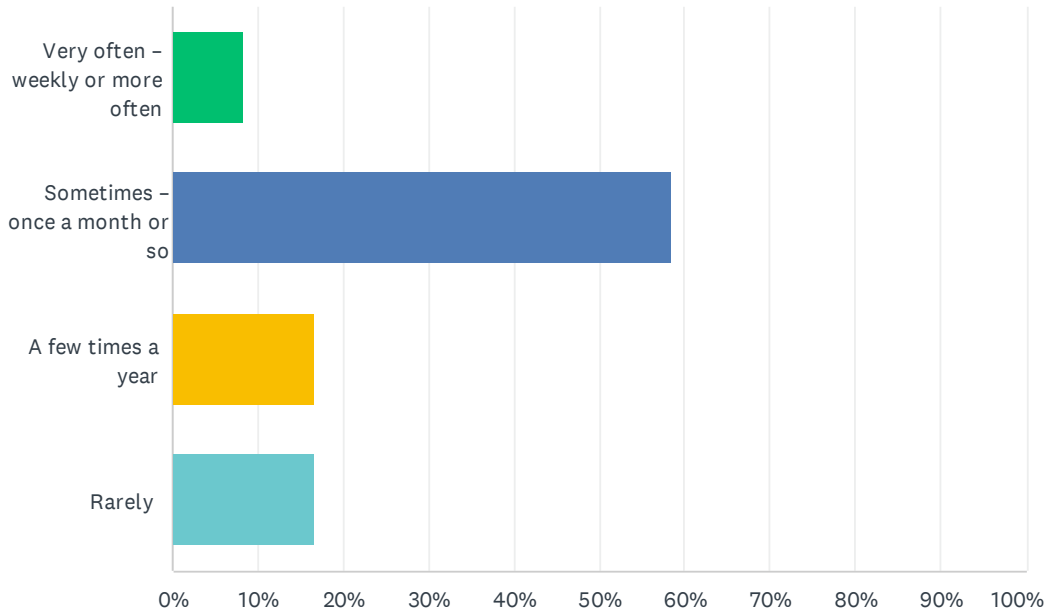
Answered: 12 Skipped: 284



ANSWER CHOICES	RESPONSES	
Very satisfied	58.33%	7
Somewhat satisfied	16.67%	2
Neither satisfied nor dissatisfied	8.33%	1
Somewhat dissatisfied	16.67%	2
Very dissatisfied	0.00%	0
<b>TOTAL</b>		<b>12</b>

### Q33 How often do you experience problems with your electricity service, such as flickering or brief power outages?

Answered: 12 Skipped: 284

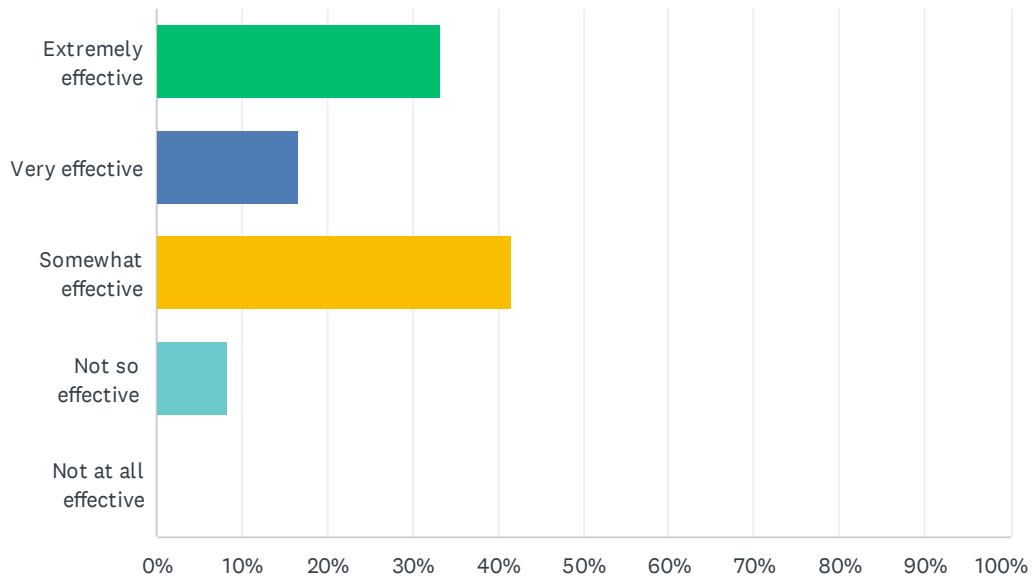


ANSWER CHOICES	RESPONSES	
Very often – weekly or more often	8.33%	1
Sometimes – once a month or so	58.33%	7
A few times a year	16.67%	2
Rarely	16.67%	2
<b>TOTAL</b>		<b>12</b>

#	PLEASE EXPLAIN:	DATE
1	There is often a flickering and power outage I'd say every 2 - 3 months	8/6/2024 4:34 PM
2	One of the reasons I move back to Cochrane was because of the rare power outages	8/3/2024 9:22 PM
3	occasional brown outs, black outs and scheduled power outages	7/29/2024 4:16 PM
4	Power goes out frequently with no warnings or updates from northern ontario wires.	7/27/2024 8:05 AM
5	Unreliable compared to Hydro One	7/27/2024 1:11 AM
6	Even when expecting that there would be power loss (ie weather events), it is uncommon to lose electricity service. Aside from this, the amount of unexpected outages over the past 3 years sits only at two. All outages including weather and planned mantaince have never been longer than a few hours.	7/26/2024 5:17 PM

### Q34 Restoring service when a power outage occurs

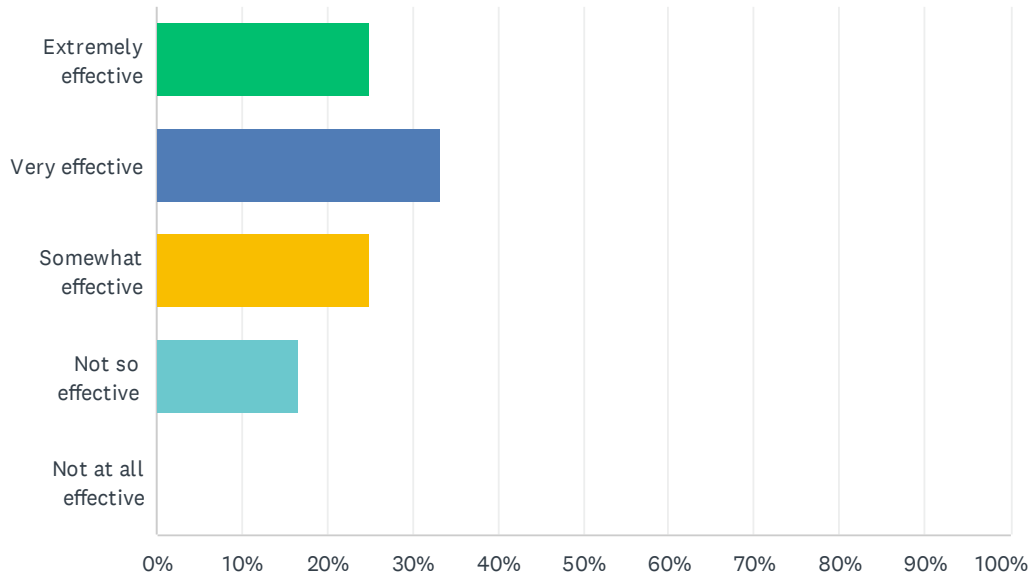
Answered: 12 Skipped: 284



ANSWER CHOICES	RESPONSES	
Extremely effective	33.33%	4
Very effective	16.67%	2
Somewhat effective	41.67%	5
Not so effective	8.33%	1
Not at all effective	0.00%	0
<b>TOTAL</b>		<b>12</b>

### Q35 Minimizing the number of power outages

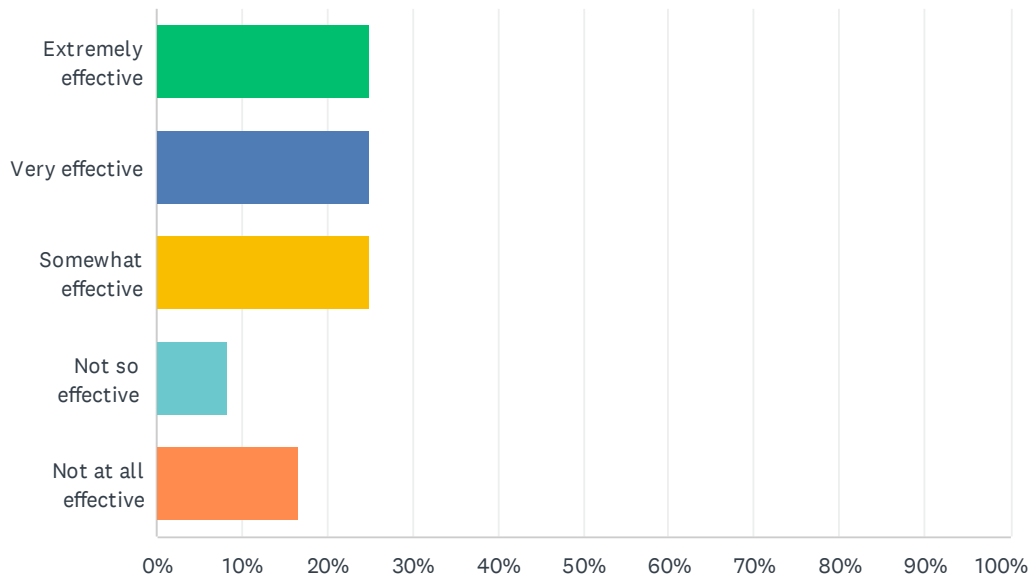
Answered: 12 Skipped: 284



ANSWER CHOICES	RESPONSES	
Extremely effective	25.00%	3
Very effective	33.33%	4
Somewhat effective	25.00%	3
Not so effective	16.67%	2
Not at all effective	0.00%	0
<b>TOTAL</b>		<b>12</b>

## Q36 Providing information about extended outages

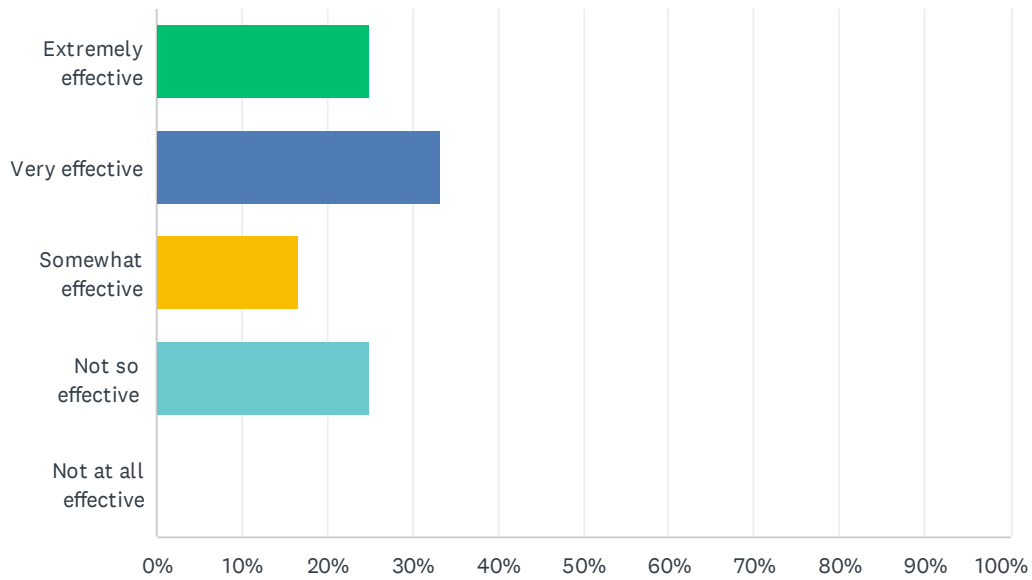
Answered: 12 Skipped: 284



ANSWER CHOICES	RESPONSES	
Extremely effective	25.00%	3
Very effective	25.00%	3
Somewhat effective	25.00%	3
Not so effective	8.33%	1
Not at all effective	16.67%	2
<b>TOTAL</b>		<b>12</b>

### Q37 Being reachable by telephone during an outage

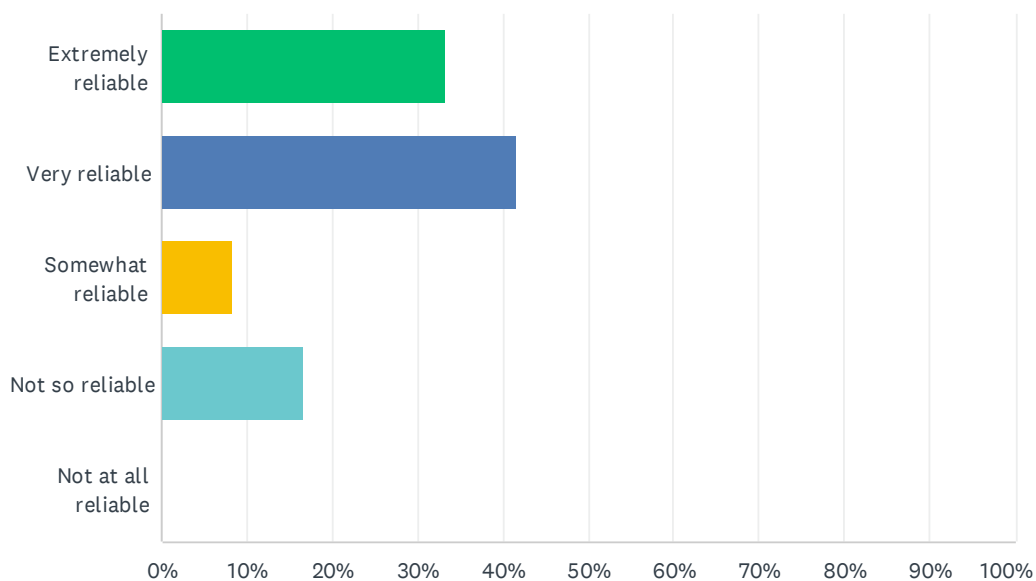
Answered: 12 Skipped: 284



ANSWER CHOICES	RESPONSES	
Extremely effective	25.00%	3
Very effective	33.33%	4
Somewhat effective	16.67%	2
Not so effective	25.00%	3
Not at all effective	0.00%	0
<b>TOTAL</b>		<b>12</b>

### Q38 How would you rate the overall reliability of electricity from your utility?

Answered: 12 Skipped: 284

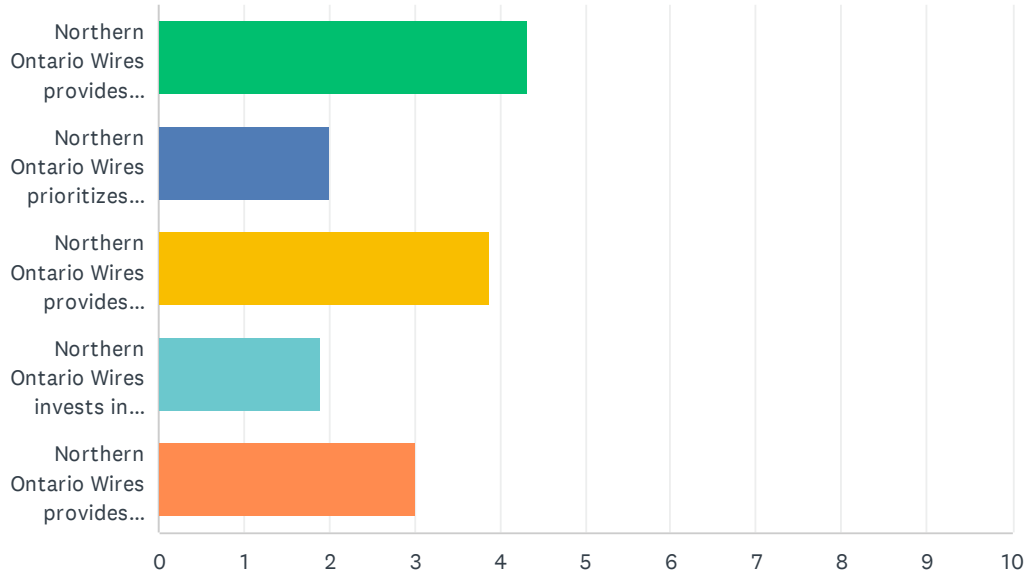


ANSWER CHOICES	RESPONSES	
Extremely reliable	33.33%	4
Very reliable	41.67%	5
Somewhat reliable	8.33%	1
Not so reliable	16.67%	2
Not at all reliable	0.00%	0
<b>TOTAL</b>		<b>12</b>



**Q39 Based on these five options, rank each from one to five with one being most important and five being least important to you.**

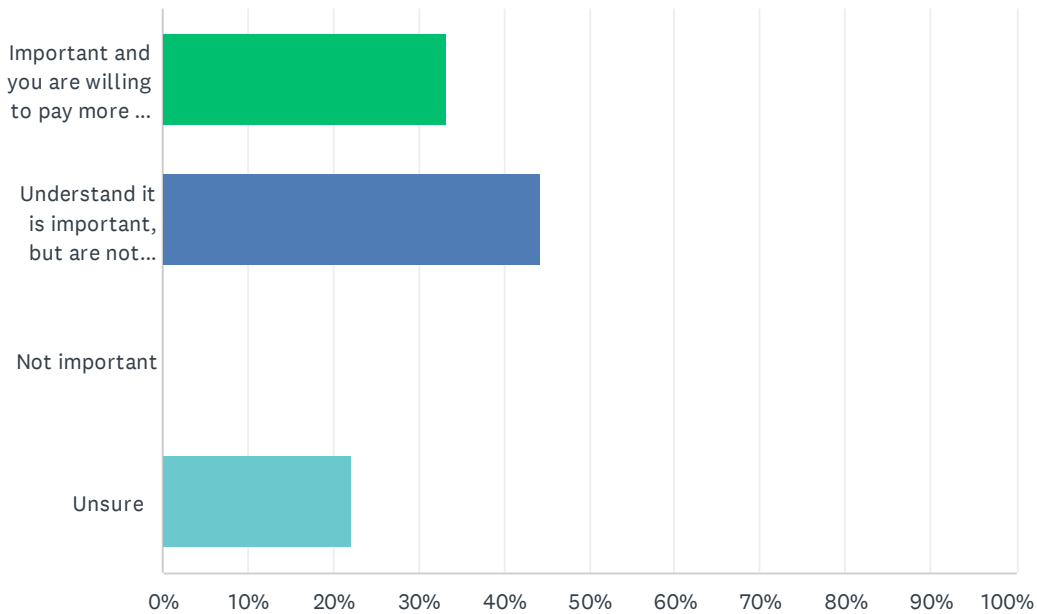
Answered: 9 Skipped: 287



	1	2	3	4	5	TOTAL	SCORE
Northern Ontario Wires provides electricity that is "reliable" and "safe" (fewer outages and focuses on public and employee safety)	33.33% 3	66.67% 6	0.00% 0	0.00% 0	0.00% 0	9	4.33
Northern Ontario Wires prioritizes aesthetics over most cost-effective solution when constructing or replacing assets at an increased cost to customers (things such as moving overhead wires underground, and moving rear lot infrastructure to front of property)	0.00% 0	12.50% 1	12.50% 1	37.50% 3	37.50% 3	8	2.00
Northern Ontario Wires provides electricity at low cost at the expense of reliability, green initiatives, innovation and customer service.	66.67% 6	0.00% 0	11.11% 1	0.00% 0	22.22% 2	9	3.89
Northern Ontario Wires invests in innovative solutions such as smart grid, battery storage, electric vehicle infrastructure, solar and smart home technologies at an increased cost to customers.	0.00% 0	0.00% 0	11.11% 1	66.67% 6	22.22% 2	9	1.89
Northern Ontario Wires provides excellent customer service	0.00% 0	22.22% 2	66.67% 6	0.00% 0	11.11% 1	9	3.00

Q40 Northern Ontario Wires strives to always keep the power on. However, there are occasions (ex. due to storms, vehicles accidents and equipment failure) when we experience a power outage. How important is it for you that Northern Ontario Wires continues to minimize power outages?

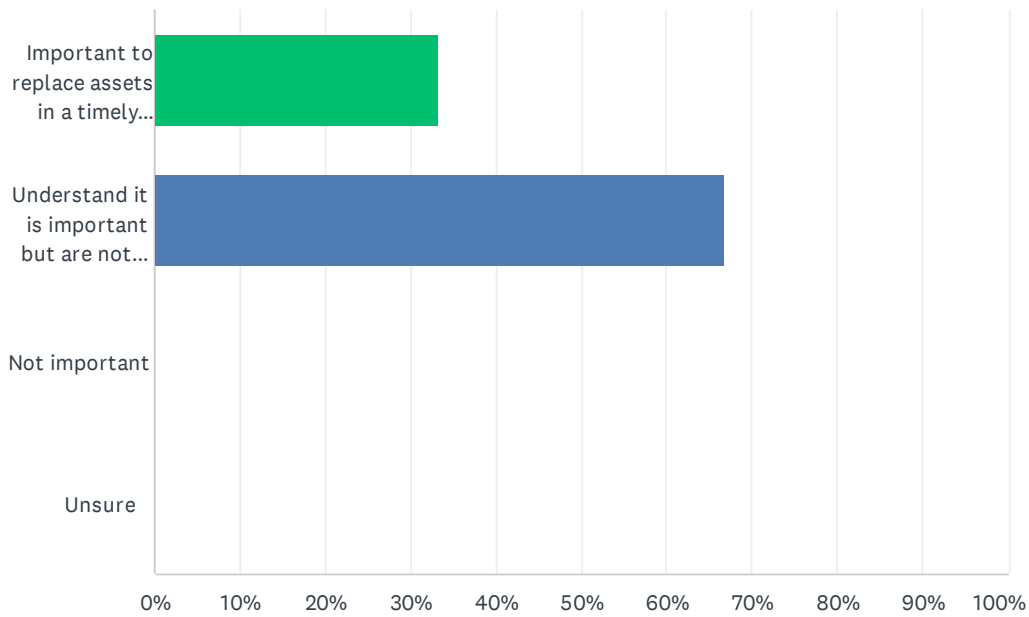
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Important and you are willing to pay more to increase investment to keep power on	33.33%	3
Understand it is important, but are not willing to pay more and understand this may have a negative impact on service	44.44%	4
Not important	0.00%	0
Unsure	22.22%	2
<b>TOTAL</b>		<b>9</b>

Q41 Poles, substation, and transformers typically last 40 to 50 years. To ensure an uninterrupted supply of electricity to you, we need to maintain and replace these assets when their useful life has expired and/or are in poor condition. If assets are not replaced on a timely basis, outages could increase, and reliability be negatively impacted. Please select one of the following statements:

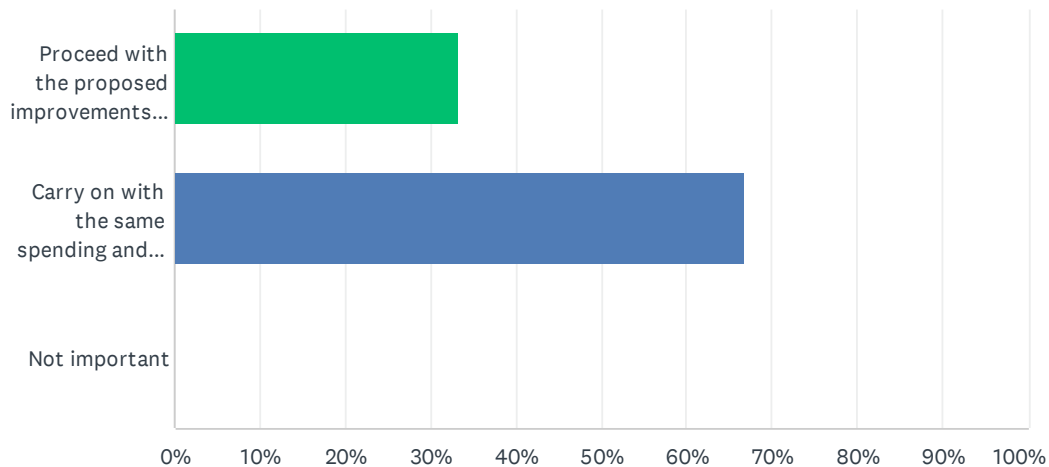
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Important to replace assets in a timely manner that have reached end of life and/or are in poor condition, and you are willing to pay more to increase investment to keep power on	33.33%	3
Understand it is important but are not willing to pay more and understand this may have a negative impact on service.	66.67%	6
Not important	0.00%	0
Unsure	0.00%	0
<b>TOTAL</b>		<b>9</b>

Q42 Northern Ontario Wires carries out vegetation management, which includes tree-trimming, as part of its maintenance practice. This program helps Northern Ontario Wires minimize outages due to tree-contacts. However, we recognize that this service requires improvement to allow for a more standardized and improved approach. Please select one of the following statements:

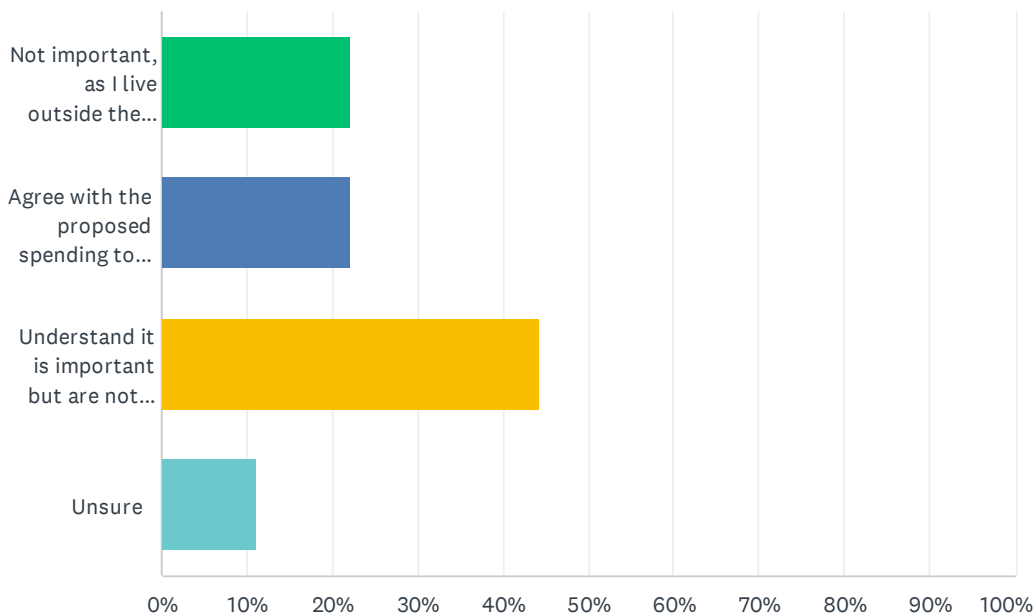
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Proceed with the proposed improvements to the vegetation management to help minimize reliability impacts, with an increase in spending	33.33%	3
Carry on with the same spending and program, but understand this may negatively impact the service you receive	66.67%	6
Not important	0.00%	0
<b>TOTAL</b>		<b>9</b>

Q43 Northern Ontario Wires has identified that load demand in its Cochrane area is increasing due to notice from two industrial sites on their requirements for additional electrical supply. To accommodate this and continue to meet all customer demand in the area, as well as replace its station assets that are at end of life, Northern Ontario Wires has proposed to build a new Municipal Transformer station. This is estimated to cost an additional \$15M over the forecast period on top of its typical spending buckets. Please select one of the following statements:

Answered: 9 Skipped: 287

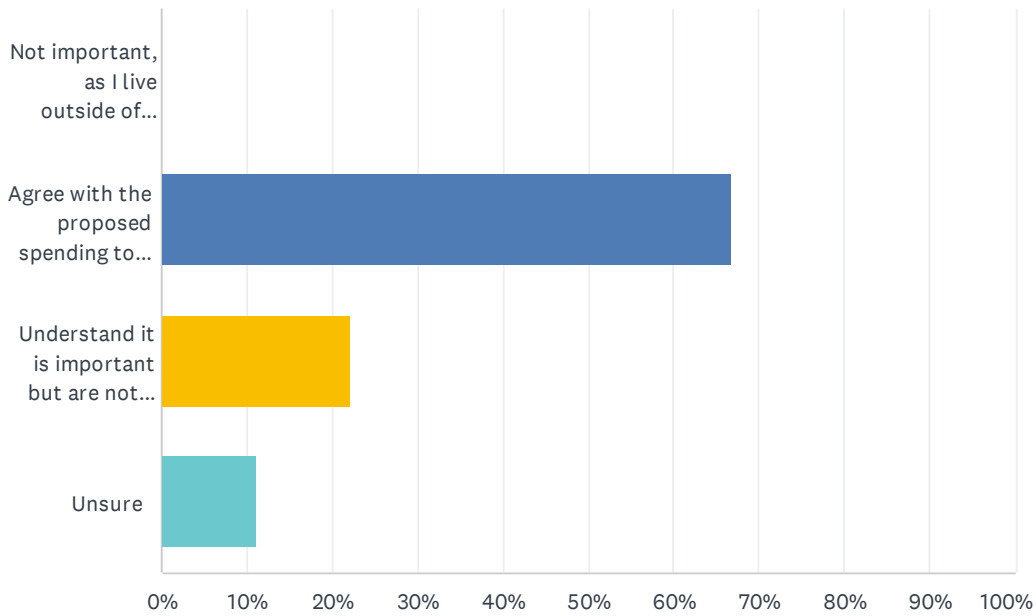


ANSWER CHOICES	RESPONSES	
Not important, as I live outside the Cochrane area	22.22%	2
Agree with the proposed spending to enable Northern Ontario Wires to meet all demand and maintain reliability	22.22%	2
Understand it is important but are not willing to pay more and understand this may have a negative impact on service	44.44%	4
Unsure	11.11%	1
<b>TOTAL</b>		<b>9</b>

Q44 To further address its reliability and replace assets that are at end of life and deteriorating, Northern Ontario Wires is continuing its voltage conversion projects in both Kapuskasing and Iroquois Falls service areas.

These multi-year projects are aimed to improve reliability and reduce system losses. These projects, outside of the new station, will be Northern Ontario Wires biggest expenditures during the forecast period. Please select one of the following statements:

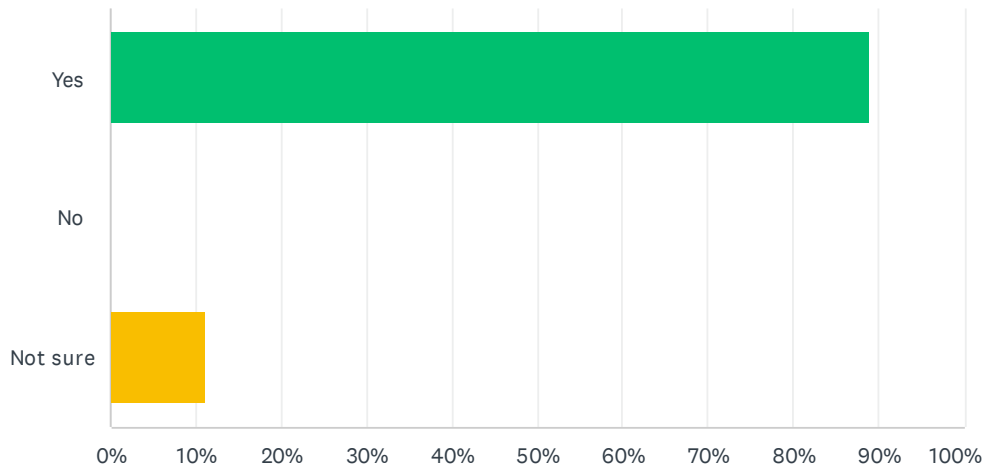
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Not important, as I live outside of these areas	0.00%	0
Agree with the proposed spending to enable Northern Ontario Wires to address end of life and obsolete asset to improve reliability and reduce system losses	66.67%	6
Understand it is important but are not willing to pay more and understand this may have a negative impact on service	22.22%	2
Unsure	11.11%	1
<b>TOTAL</b>		<b>9</b>

Q45 To enable Northern Ontario Wires crews to continue to maintain its system, respond to emergencies, and carry out capital investments, there is a need to have a well-maintained fleet of vehicles. Northern Ontario Wires has identified the need to replace two of its large vehicles, that have reached end of life, during the forecast period. Do you agree that Northern Ontario Wires should be prudent and replace vehicles when they have reached end of life?

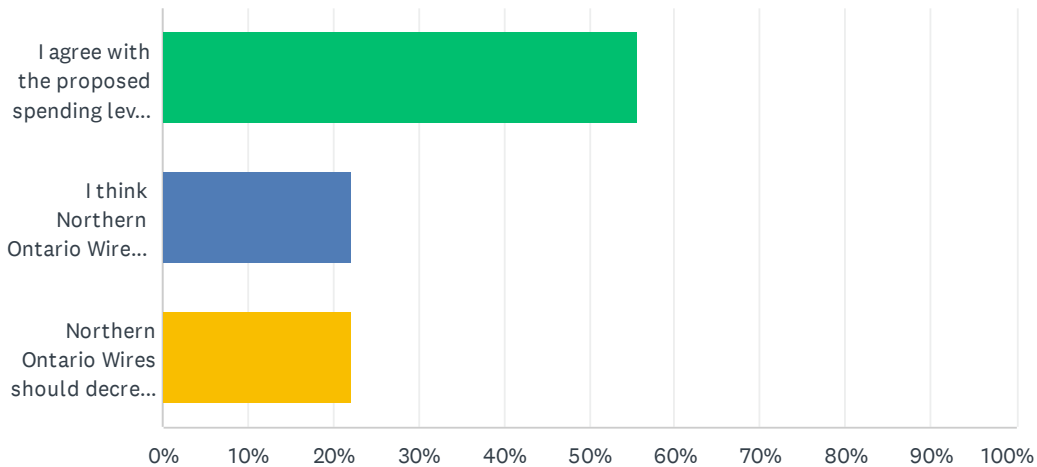
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Yes	88.89%	8
No	0.00%	0
Not sure	11.11%	1
TOTAL		9

Q46 Northern Ontario Wires is planning on continuing to invest in its computer hardware and software, buildings, and tools and equipment to enable the continued operation of its network. These investments are fundamental to enabling Northern Ontario wires and its staff to carry out its jobs in an efficient and safe manner. Northern Ontario Wires is proposing to spend a similar amount in the forecast period when compared to the 2017-2023 period. In relation to these investments, do you agree that Northern Ontario Wires is being prudent in its investments for the forecast period?

Answered: 9 Skipped: 287

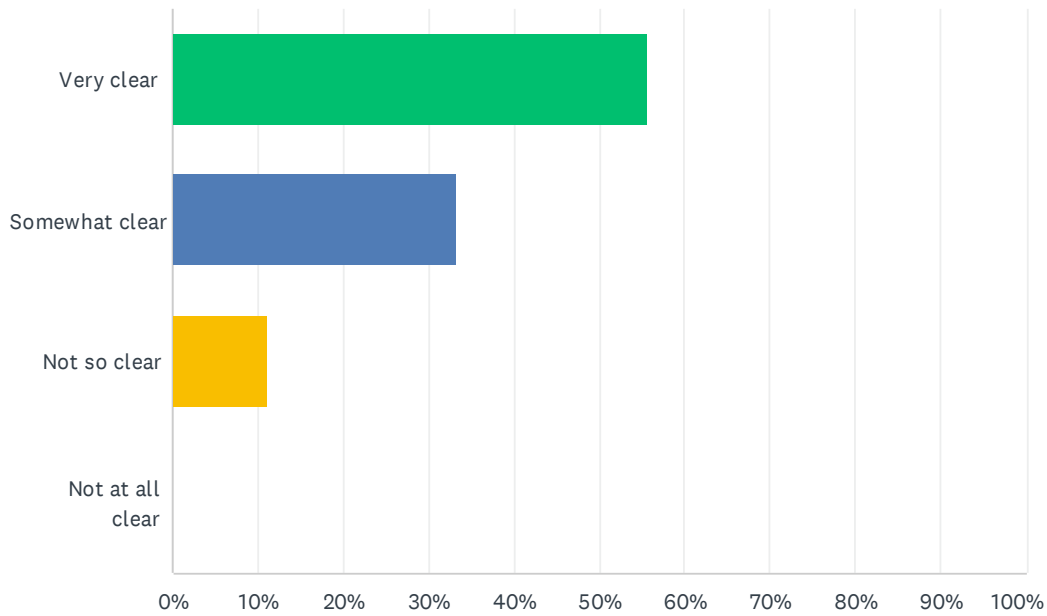


ANSWER CHOICES	RESPONSES	
I agree with the proposed spending level in alignment with the historical period	55.56%	5
I think Northern Ontario Wires should increase its spending level when compared to the historical period	22.22%	2
Northern Ontario Wires should decrease its spending when compared to historical level, even if this means a reduction in service	22.22%	2
<b>TOTAL</b>		<b>9</b>



## Q47 Do you find that the explanations of the charges on your bill are clear

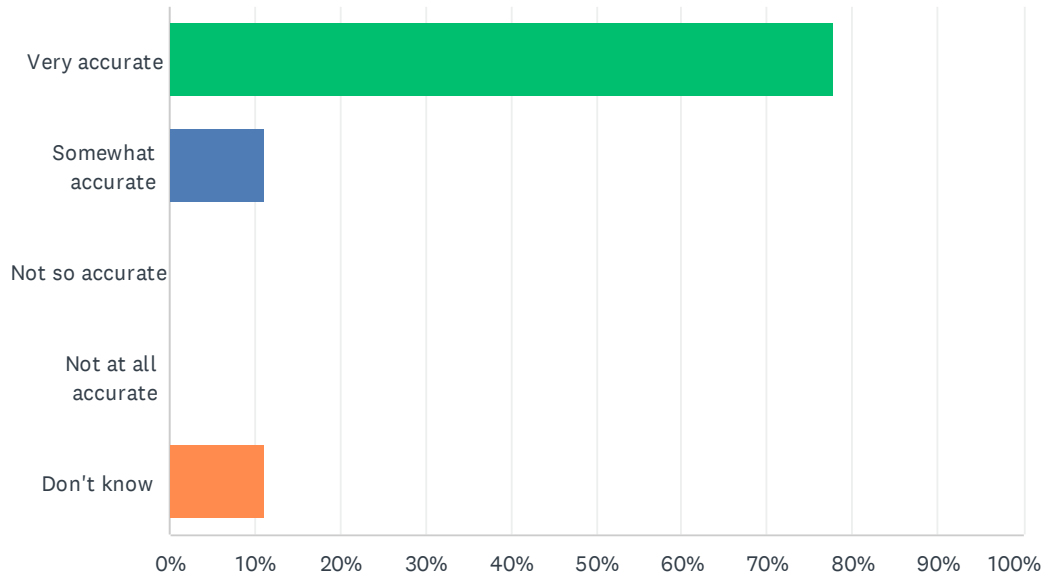
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES
Very clear	55.56% 5
Somewhat clear	33.33% 3
Not so clear	11.11% 1
Not at all clear	0.00% 0
<b>TOTAL</b>	<b>9</b>

## Q48 Is your bill accurate?

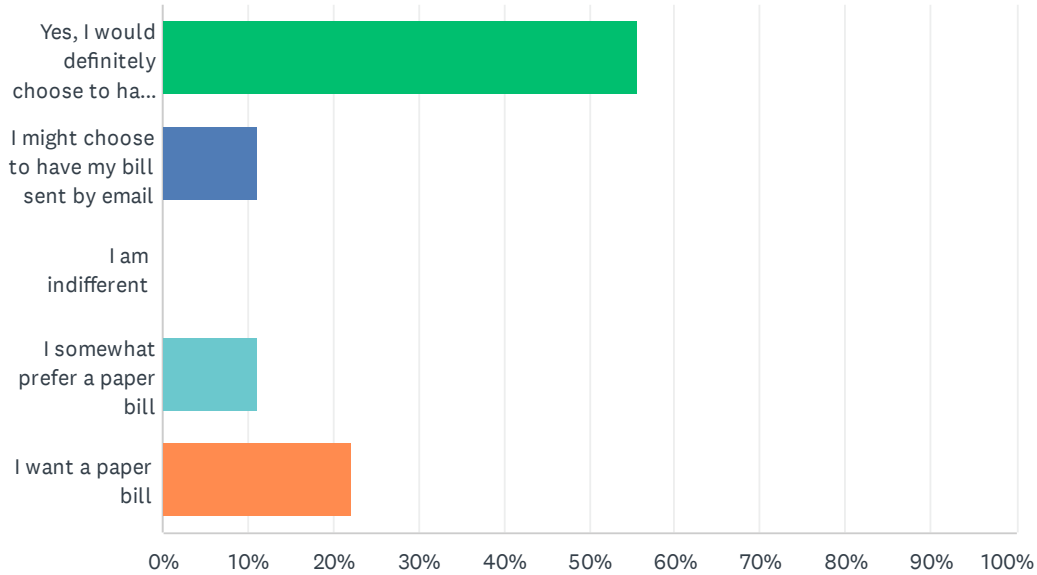
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Very accurate	77.78%	7
Somewhat accurate	11.11%	1
Not so accurate	0.00%	0
Not at all accurate	0.00%	0
Don't know	11.11%	1
<b>TOTAL</b>		<b>9</b>

## Q49 If you could have your electricity bill sent by e-mail rather than as a paper bill, would you choose that option?

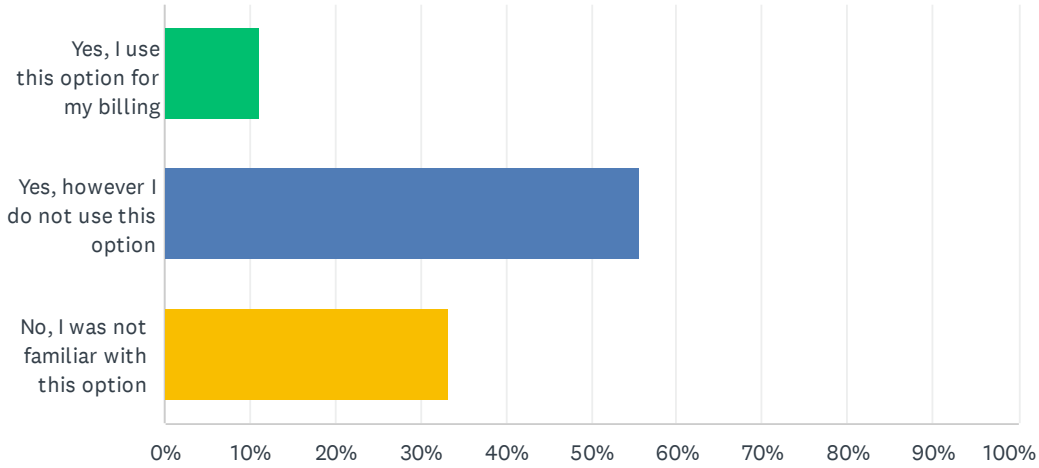
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Yes, I would definitely choose to have my bill sent by email	55.56%	5
I might choose to have my bill sent by email	11.11%	1
I am indifferent	0.00%	0
I somewhat prefer a paper bill	11.11%	1
I want a paper bill	22.22%	2
<b>TOTAL</b>		<b>9</b>

**Q50 Are you familiar with Northern Ontario Wires e-bill option?**  
 (Information regarding setting up this option can be found under the 'Paperless' tab on our website)

Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Yes, I use this option for my billing	11.11%	1
Yes, however I do not use this option	55.56%	5
No, I was not familiar with this option	33.33%	3
<b>TOTAL</b>		<b>9</b>

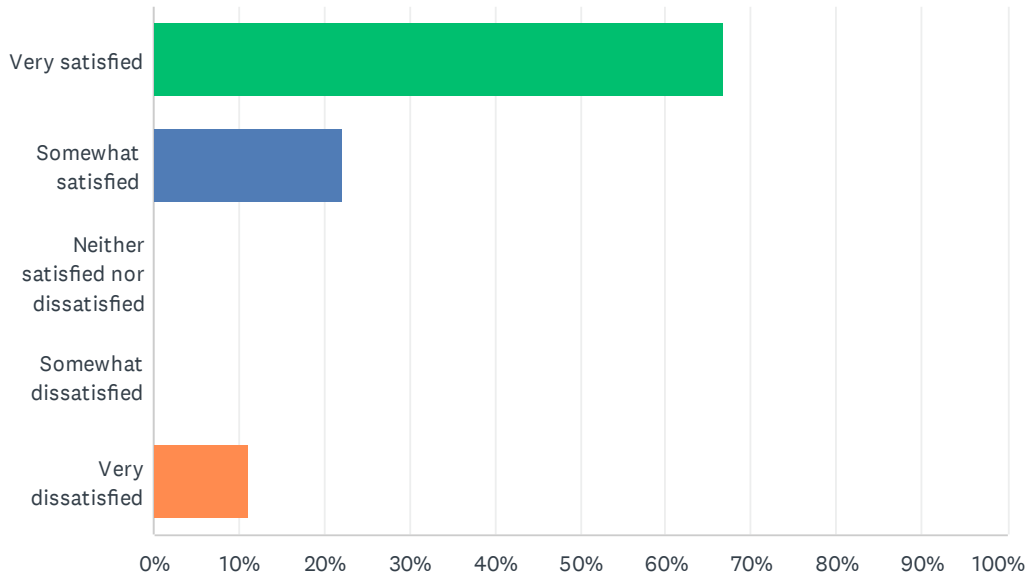
## Q51 As we try to develop our procedures, how might you recommend we improve the incentive for customers to transition to e-billing?

Answered: 3 Skipped: 293

#	RESPONSES	DATE
1	EBILLS would be amazing!	8/4/2024 8:20 PM
2	Give a discount on the bill.	8/3/2024 9:29 PM
3	Provide a monetary incentive like 50\$ off after 6months of switching to e-bill BUT make your online easier to access it's NOT even close to being user friendly	7/27/2024 1:20 AM

## Q52 How satisfied are you with Northern Ontario Wires in getting you the information you need?

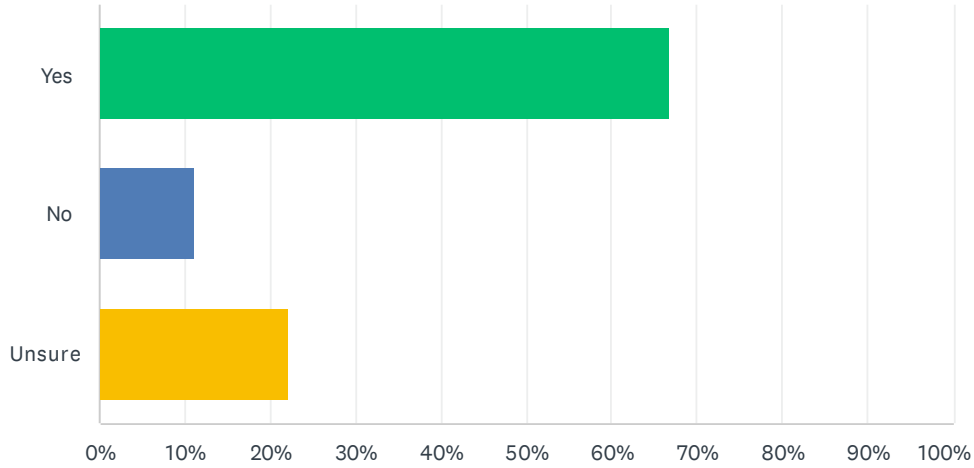
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Very satisfied	66.67%	6
Somewhat satisfied	22.22%	2
Neither satisfied nor dissatisfied	0.00%	0
Somewhat dissatisfied	0.00%	0
Very dissatisfied	11.11%	1
<b>TOTAL</b>		<b>9</b>

### Q53 Does Northern Ontario Wires provide you with the useful information, tools, tips and assistance to help you manage your electricity consumption and bills?

Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Yes	66.67%	6
No	11.11%	1
Unsure	22.22%	2
<b>TOTAL</b>		<b>9</b>

## Q54 How could Northern Ontario Wires improve its way of providing you with the information you need?

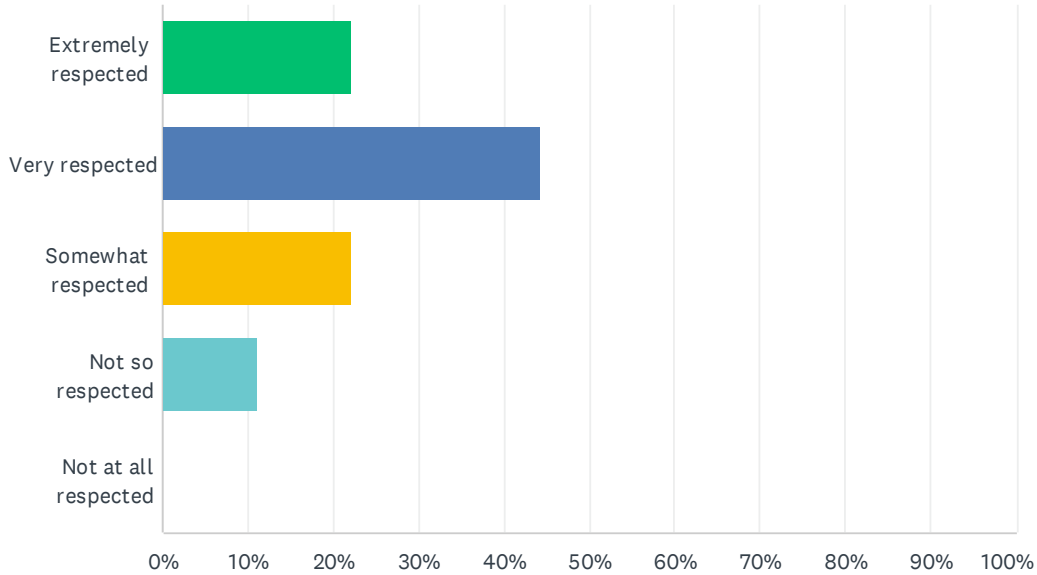
Answered: 4 Skipped: 292

#	RESPONSES	DATE
1	e-mail is best communication	8/6/2024 4:44 PM
2	A better website.	8/4/2024 8:21 PM
3	Send an automated text.	8/3/2024 9:30 PM
4	Follow up when contacting regarding an issue, keep getting told oh will call you back or someone will call back from your local crew but no calls are returned	7/27/2024 1:21 AM



## Q55 Would you say that your utility is a respected company in the community?

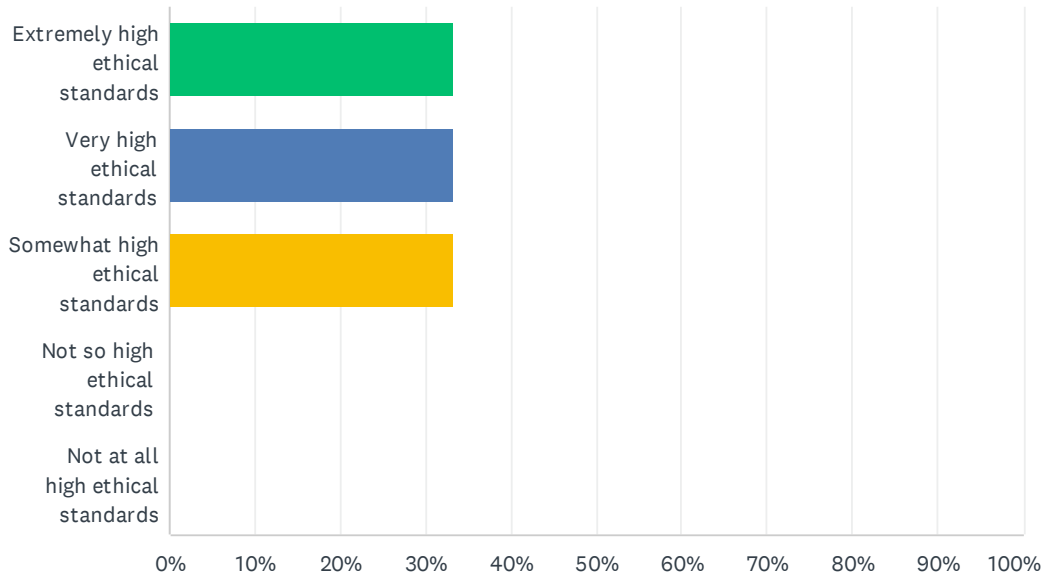
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Extremely respected	22.22%	2
Very respected	44.44%	4
Somewhat respected	22.22%	2
Not so respected	11.11%	1
Not at all respected	0.00%	0
<b>TOTAL</b>		<b>9</b>

## Q56 Would you say that your utility has a high standard of business ethics?

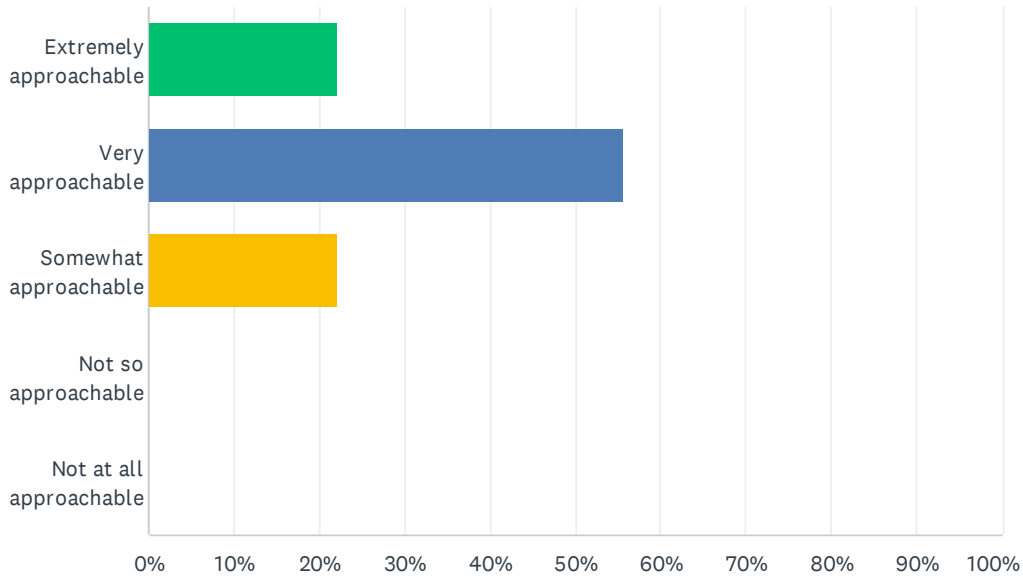
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Extremely high ethical standards	33.33%	3
Very high ethical standards	33.33%	3
Somewhat high ethical standards	33.33%	3
Not so high ethical standards	0.00%	0
Not at all high ethical standards	0.00%	0
<b>TOTAL</b>		<b>9</b>

## Q57 Would you describe your utility as approachable?

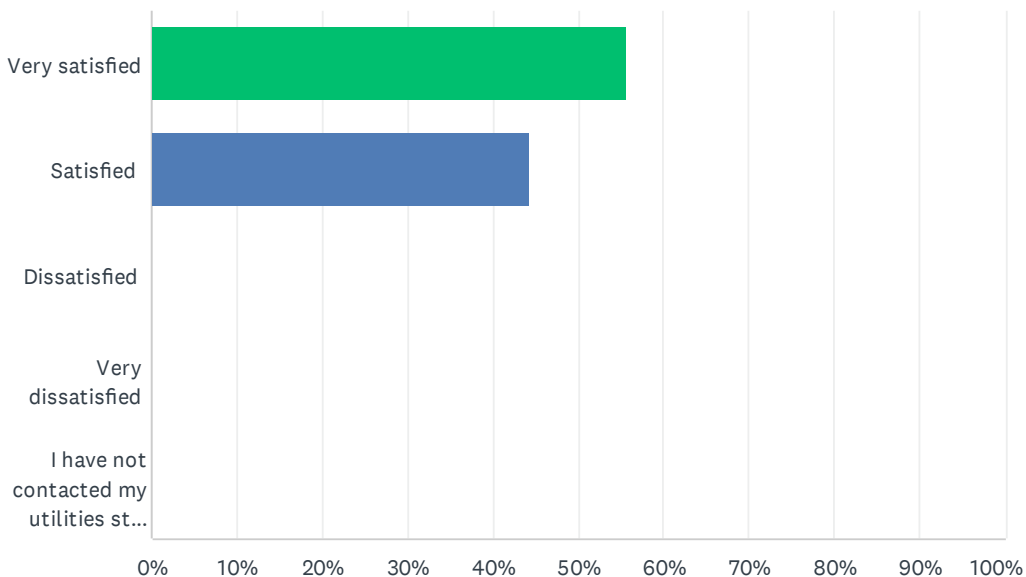
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Extremely approachable	22.22%	2
Very approachable	55.56%	5
Somewhat approachable	22.22%	2
Not so approachable	0.00%	0
Not at all approachable	0.00%	0
<b>TOTAL</b>		<b>9</b>

### Q58 Thinking about your most recent contact with the staff of your utility, how satisfied are you with your experience regarding their service?

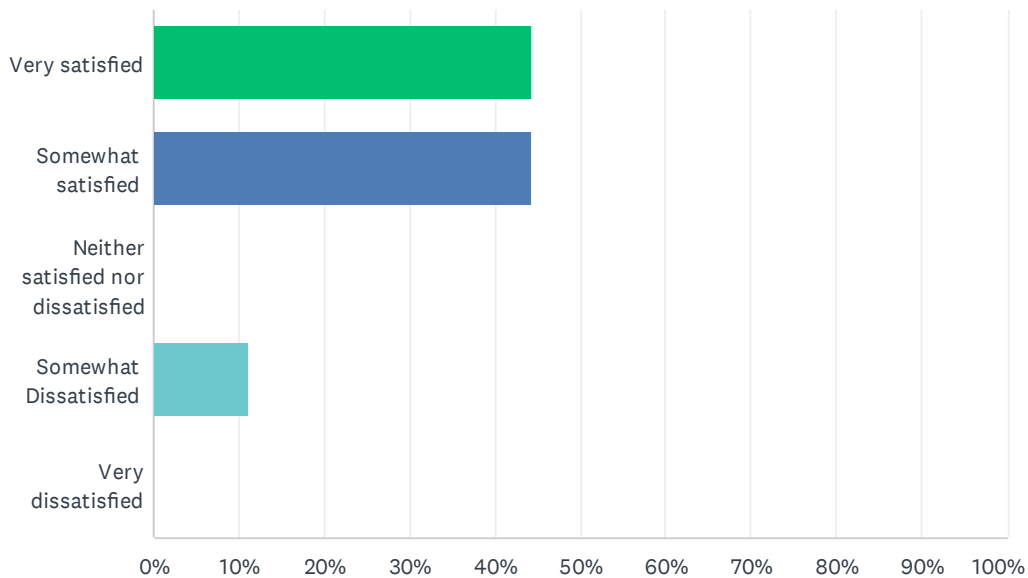
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Very satisfied	55.56%	5
Satisfied	44.44%	4
Dissatisfied	0.00%	0
Very dissatisfied	0.00%	0
I have not contacted my utilities staff in the past	0.00%	0
<b>TOTAL</b>		<b>9</b>

## Q59 After having taken this survey, how satisfied are you that Northern Ontario Wires has the right plan to address the needs of the communities it serves:

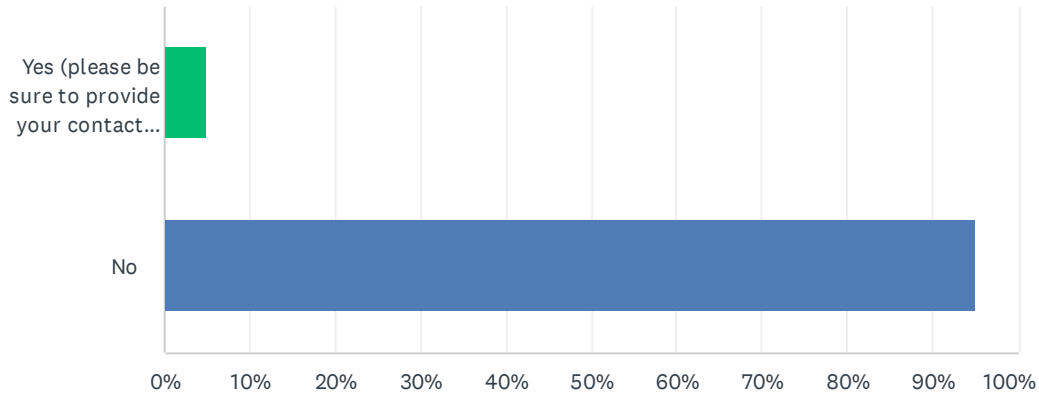
Answered: 9 Skipped: 287



ANSWER CHOICES	RESPONSES	
Very satisfied	44.44%	4
Somewhat satisfied	44.44%	4
Neither satisfied nor dissatisfied	0.00%	0
Somewhat Dissatisfied	11.11%	1
Very dissatisfied	0.00%	0
<b>TOTAL</b>		<b>9</b>

## Q60 Would you like someone from Northern Ontario Wires to contact you about the issues in this survey?

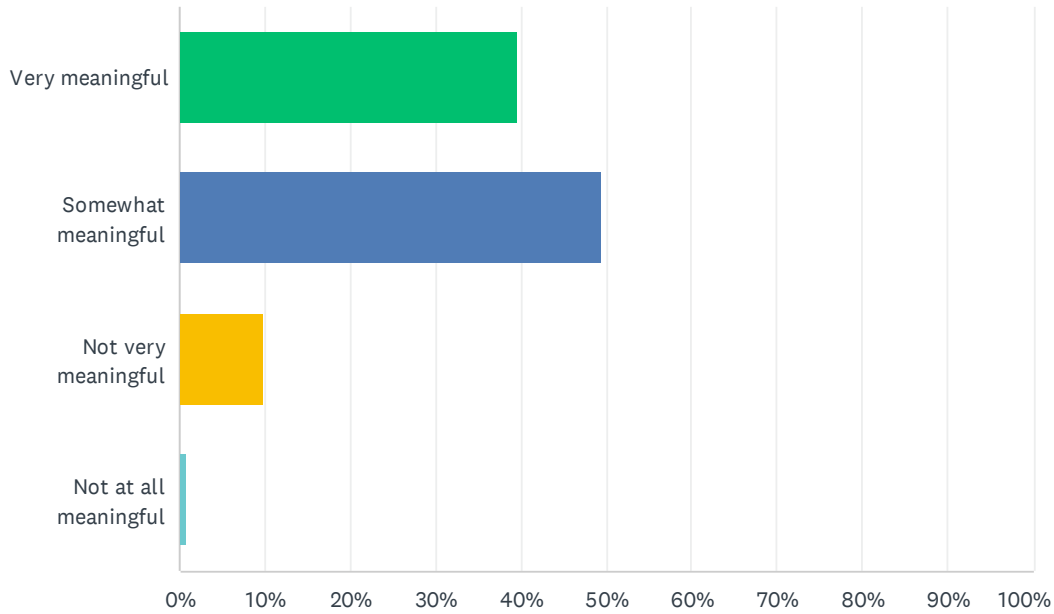
Answered: 221 Skipped: 75



ANSWER CHOICES	RESPONSES	
Yes (please be sure to provide your contact information below)	4.98%	11
No	95.02%	210
<b>TOTAL</b>		<b>221</b>

## Q62 Did you find the questions in this survey meaningful?

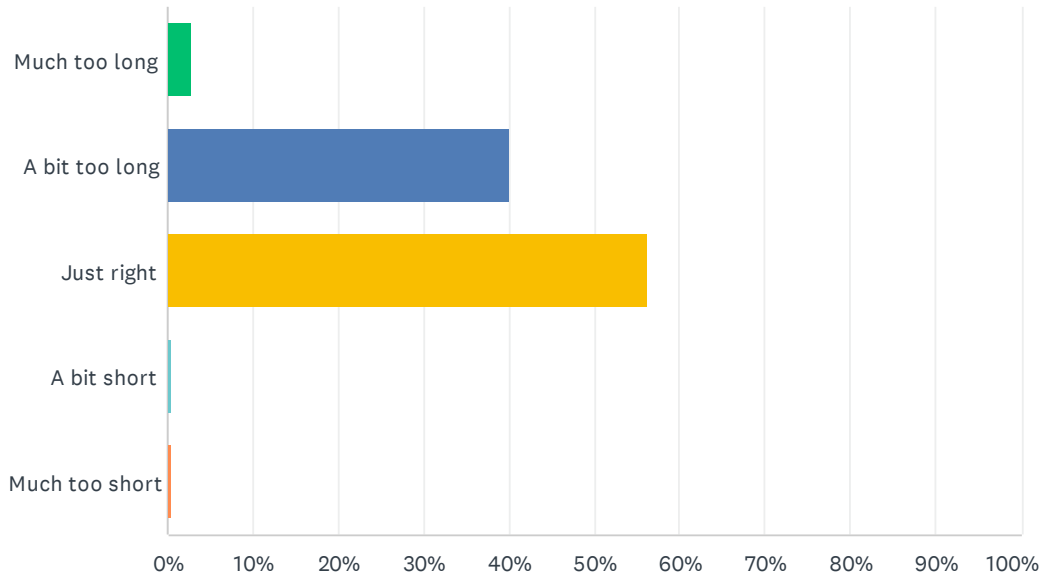
Answered: 222 Skipped: 74



ANSWER CHOICES	RESPONSES	
Very meaningful	39.64%	88
Somewhat meaningful	49.55%	110
Not very meaningful	9.91%	22
Not at all meaningful	0.90%	2
TOTAL		222

## Q63 How did you find the length of the survey?

Answered: 222 Skipped: 74



ANSWER CHOICES	RESPONSES
Much too long	2.70% 6
A bit too long	40.09% 89
Just right	56.31% 125
A bit short	0.45% 1
Much too short	0.45% 1
<b>TOTAL</b>	<b>222</b>





Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 7

Exhibit 1: Administrative Documents

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## **Tab 7 (of 11): Performance Measurement**



1                   **DISCUSSION OF PERFORMANCE BY MEASURE**

2       NOW Inc.'s strategic objectives are to (a) deliver safe and reliable electricity, (b)  
3       enhance customer value while contributing to the well-being of the communities, (c)  
4       achieve performance excellence; (d) invest in capital, technology, and infrastructure; and  
5       (e) collaborate with other LDC's. NOW Inc. believes that delivering customer value is at  
6       the core of its mission and that through the activities and initiatives it undertakes, NOW  
7       Inc. can achieve or exceed target performance and contribute to the three communities it  
8       serves. As a result customers will receive long-term value.

9       These corporate objectives are consistent with the four performance outcomes set out in  
10       the Ontario Energy Board's Renewed Regulatory Framework, namely (a) Customer  
11       Focus – that services are provided in a manner that responds to identified customer  
12       preferences; (b) Operational Effectiveness – that continuous improvement in productivity  
13       and cost performance is achieved and utilities deliver on system reliability and quality  
14       objectives; (c) Public Policy Responsiveness – that utilities deliver on obligations  
15       mandated by government; and (d) Financial Performance – that financial viability is  
16       maintained and savings from operational efficiencies are sustainable.

17       The Scorecard reflects the operational and financial performance of NOW Inc. NOW  
18       Inc. has performed very well relative to the OEB targets. The 2022 Scorecard is provided  
19       in E1/T7/S1/Att1 and is posted to NOW Inc.'s website.<sup>1</sup> **Table 1** below provides a  
20       summary of the Scorecard demonstrating its performance over the last six years.

21  
22  
23  
24

---

<sup>1</sup> [2022 NOW Inc. Scorecard](#)



1  
2

**Table 1**  
**Scorecard Summary**

Measure	2018	2019	2020	2021	2022	2023
Services Connected on Time	100.00%	100.00%	-	-	-	100%
Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	100%
Telephone Calls Answered on Time	100.00%	100.00%	100.00%	100.00%	100.00%	100%
First Contact Resolution	100%	100%	100%	100%	100%	100%
Billing Accuracy	99.95%	99.85%	99.90%	99.94%	99.97%	99.96%
Customer Survey Results	88%	92%	92%	92%	88%	88%
Public Awareness	80.82%	80.50%	80.50%	81.67%	81.67%	82.06%
Compliance With O.Reg 22/04	C	C	C	NI	C	C
Public Incidents	0	0	0	0	0	0
Average Hours of Interruption	4.73	2.87	5.59	1.86	1.11	8.06
Average Number of Interruptions	1.47	1.63	1.26	1.42	0.57	2.19
DSP Implementation Progress	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Efficiency Assessment	1	1	1	1	1	1
Total Cost per Customer	\$695	\$715	\$706	\$704	\$769	\$847
Total Cost per Km of Line	\$11,085	\$11,551	\$11,310	\$11,287	\$12,344	\$13,645
Liquidity – Current Ratio	1.80	1.70	1.45	1.25	1.38	1.19
Leverage – Total Debt	1.06	0.92	0.84	0.82	0.89	0.90
Deemed Profitability	8.78%	8.78%	8.78%	8.78%	8.78%	8.78%
Achieved Profitability	9.97%	10.92%	8.99%	10.48%	9.06%	4.44%

3



1 **SERVICE QUALITY**

2

3 ***New Residential/Small Business Services Connected on Time***

4 Results from this period indicate NOW Inc. has provided excellent service and exceeded  
5 the industry standard in connecting residential and small business customers to its  
6 system within the five-day timeline prescribed by the Distribution System Code.

7 ***Scheduled Appointments Met On Time***

8 Providing excellence in customer service is a core value of NOW Inc.. The Company is  
9 seeking new ways to improve communication and service convenience. Over the last  
10 five years, NOW Inc. has exceeded the industry standard of the measure "Appointments  
11 Met".

12 **Telephone Calls Answered On Time**

13 NOW Inc. has a 100% timely call response rate. This exceeds the OEB 65% target. In  
14 reviewing the overall performance of customer interaction, NOW Inc. focuses on both  
15 maintaining a high call answering time result and also the quality of the interaction in  
16 answering customer questions.

17

18 **CUSTOMER SATISFACTION**

19

20 **First Contact Resolution**

21 First Contact Resolution measures whether the clerk answering the call resolved the  
22 issue at the first instance. This is documented for each call. In some cases, written  
23 correspondence is required and documented accordingly. NOW Inc. scored perfectly in  
24 this area.

25 **Billing Accuracy**

26 NOW Inc. implemented the prescribed methodology and continually monitors its billing  
27 accuracy results and processes with a goal to exceed the OEB performance standard  
28 and to identify opportunities for improvement.



1 **Customer Satisfaction Survey Results**

2 The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results  
3 measure beginning in 2013. At a minimum, electricity distributors are required to  
4 measure and report customer satisfaction results at least every other year. Currently the  
5 Ontario Energy Board is allowing electricity distributors discretion as to how they  
6 implement this measure. The survey asks customers questions on a wide range of  
7 topics, including overall satisfaction with NOW Inc. reliability, customer service, outages,  
8 billing and corporate image. In its 2023 Scorecard, NOW Inc. reported the number of  
9 customers that were very or fairly satisfied and received a score of 88%. The general  
10 feedback was positive and the Company will continue to monitor customer satisfaction  
11 and response. The 2024 Customer Survey is provided in E1/T6/S1/Att2.

12 **SAFETY**

13 The OEB introduced the Safety measure in 2015. This measure looks at safety from a  
14 customers' point of view as the safe operation of the distribution system and the safety  
15 of the public is a high priority. The Safety measure is generated by the Electrical Safety  
16 Authority (ESA) and includes three components: Public Awareness of Electrical Safety  
17 (Component A), Compliance with Ontario Regulation 22/04 (Component B), and the  
18 Serious Electrical Incident Index (Component C). In 2022, the level of public awareness  
19 regarding electrical safety was a score 81.67%.

20 Ontario Regulation 22/04 establishes objective-based electrical safety requirements for  
21 the design, construction and maintenance of electrical distribution systems owned by  
22 licensed distributors. NOW Inc. is compliant with Ontario Regulation 22/04 and NOW  
23 Inc. has recorded zero serious electrical incidents in the past five years. Strong  
24 commitment to safety and adherence to company's procedures and policies is at the  
25 heart of NOW Inc.'s everyday mission.

26 **SYSTEM RELIABILITY**

27

28 From Figure 1 it can be seen that the leading cause of customer hours of interruption is  
29 due to loss of supply, which is responsible for 79% of the total hours interrupted. Some

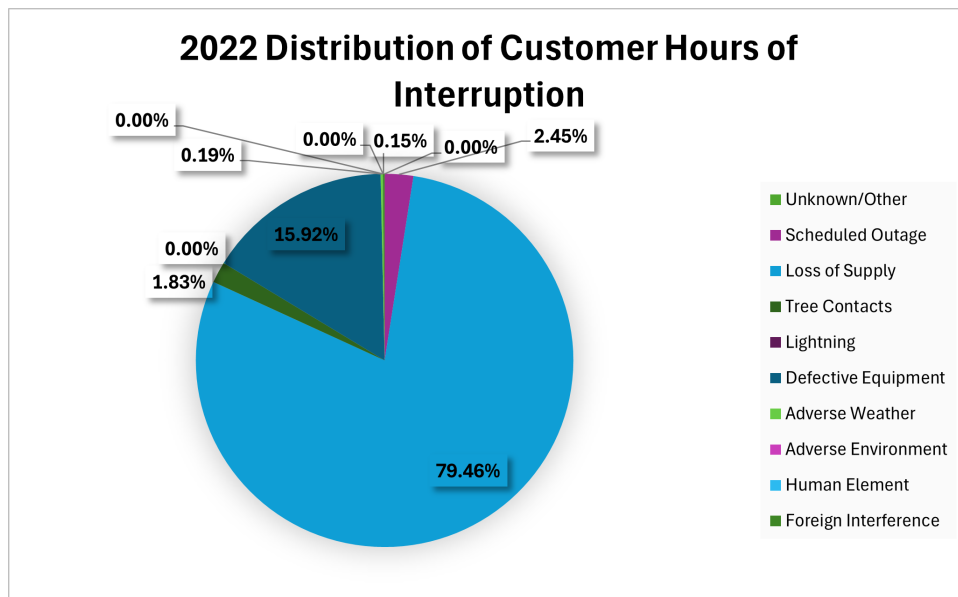


1 of the other notable causes include defective equipment, scheduled outages and tree  
2 contacts.

3 NOW Inc. had been experiencing a decrease in the average number of hours that power  
4 to a customer was interrupted, however, this trend reversed in 2023 with an increase in  
5 average number of hours of interruption and duration of outages. NOW Inc.'s  
6 construction standards are being reviewed to improve resiliency to severe weather,  
7 enhanced tree trimming practices are being enacted and upgrades to the distribution  
8 system are being regularly implemented. NOW Inc. continues to view reliability of  
9 electricity service as a high priority for its customers and as such developed programs  
10 for continuous improvement of reliability, which have been incorporated into the capital  
11 expenditure program.

12  
13  
14

**Figure 1**  
**Distribution of Customer Hours of Interruption**



15

16 NOW Inc.'s Average Number of Times that Power to a Customer is Interrupted (i.e.,  
17 frequency) was an average of 1.27 from 2018 to 2022 and this increased to 2.19 in



1 2023. From 2018 to 2022 the average number of hours of interruption was 3.23; this  
2 increased to 8.06 in 2023.

3 Figure 2 demonstrates the leading causes of interruptions, which includes defective  
4 equipment, scheduled outages, and tree contacts. Additionally, some less common yet  
5 notable causes include foreign interference, and human element. The full list can be  
6 found in the figure below.

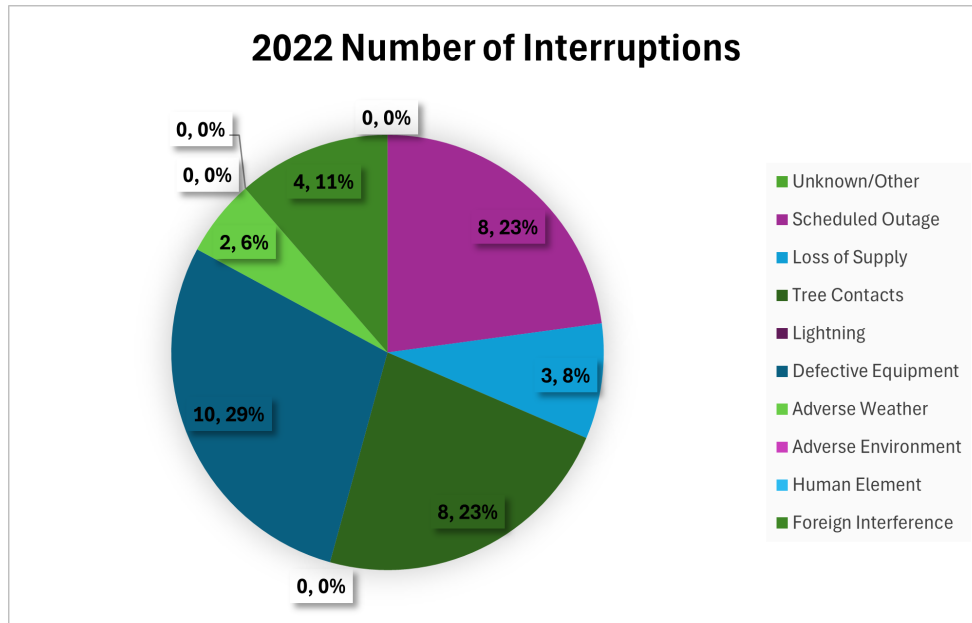
7 NOW Inc. has adopted a proactive approach to distribution system planning,  
8 infrastructure investment and replacement programs to address immediate risks  
9 associated with end-of-life assets; manage distribution system risks; ensure the safe and  
10 reliable delivery of electricity; and balance ratepayer and utility affordability.

11

12

13

**Figure 2**  
**Number of Interruptions**



14

15

16

17



1 **ASSET MANAGEMENT**

2

3 The Distribution System Plan (DSP) implementation progress performance measure was  
4 implemented in 2013. Consistent with other new measures, utilities were given an  
5 opportunity to define this measure in the manner that best fits their organization.

6 NOW Inc's. capital expenditures over the 2017-2021 DSP were under the planned level.  
7 Management reacted to changes in circumstances such as COVID-19, equipment  
8 prioritization and the availability of skilled resources to complete necessary capital work.

9 **COST CONTROL**

10

11 **Efficiency Assessment**

12 The Pacific Economics Group LLC ("PEG") report evaluates the total costs for Ontario  
13 local electricity distribution companies on behalf of the OEB to produce a single  
14 efficiency ranking. The rankings of the electricity distributors are divided into five groups  
15 based on the magnitude of the difference between their actual and predicted costs.  
16 NOW Inc. has earned a Group 1 (most efficient) ranking every year since 2014.

17

18 Table 2 outlines the LDC's who achieved a Group 1 efficiency ranking in 2022. These are  
19 utilities whose actual costs are 25% lower than costs as predicted by PEG. Within  
20 Group 1 it is noted that NOW Inc. ranks as the 5<sup>th</sup> most efficient LDC in the Province.

21

22

**Table 2**

23

**Benchmarking Analysis for 2022 – Utility Efficiency Ranking Comparison for  
Group 1**

24

Distributor	2022 Efficiency Ranking	Efficiency Assessment
Hydro Hawkesbury Inc.	1	-67.6%
Cooperative Hydro Embrun Inc.	2	-63.3%
Wasaga Distribution Inc.	3	-49.7%
E.L.K. Energy Inc.	4	-46.8%
Northern Ontario Wires Inc.	5	-44.3%





Grimsby Power Incorporated	6	-37.2%
Halton Hills Hydro Inc.	7	-35.6%
Sioux Lookout Hydro Inc.	8	-34.3%
Welland Hydro-Electric System Corp.	9	-32.9%
Hearst Power Distribution Company Limited	10	-32.0%
Essex Powerlines Corporation	11	-29.0%
Orangeville Hydro Limited	12	-28.9%
Lakefront Utilities Inc.	13	-28.4%
Entegrus Powerlines Inc.	14	-27.0%
Ottawa River Power Corporation	15	-26.2%
Milton Hydro Distribution Inc.	16	-26.2%

1

2 The historical efficiency assessment values for NOW Inc. during 2017-2022, outlined in  
 3 Table 3, show a trend with increased in efficiency over this period.

4

5

**Table 3**

6

**NOW Inc. 2017-2022 Historical Efficiency Assessment**

NOW Inc. Efficiency Assessment					
2017	2018	2019	2020	2021	2022
-38.9%	-37.3%	-37.2%	-39.2%	-42.0%	-44.3%

7

8 NOW Inc. has used the Benchmarking Spreadsheet Forecast Model to predict the  
 9 impact that the applied for 2025 costs will have on the PEG benchmarking results. The  
 10 result, as shown in the following Table 4, is that with approval of the applied for OM&A  
 11 and Capital costs, NOW Inc. will remain in Group 1, amongst the most efficient LDCs.  
 12 Actual costs are calculated to be 38.5% lower than predicted, which provides a margin  
 13 above the 25% level to continue to qualify in Group 1.

14



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**Table 4**  
**Benchmarking Forecast Results 2023-2025**

<b>Benchmarking Forecast Results (with Applied For costs in 2025)</b>			
<b>Cost Benchmarking Summary</b>	<b>2023 (History)</b>	<b>2024 (Bridge)</b>	<b>2025 (Test Year)</b>
Actual Total Cost	5,048,793	5,829,614	6,816,660
Predicted Total Cost	8,026,895	8,771,836	9,049,416
Difference	(2,978,102)	(2,942,222)	(2,232,757)
<b>Percentage Difference (Cost Performance)</b>	<b>-46.4%</b>	<b>-40.9%</b>	<b>-28.3%</b>
Three-Year Average Performance	-46.4%	-43.6%	-38.5%
<b>Stretch Factor Cohort:</b>			
Annual Result	1	1	1
Three Year Average	1	1	1

**Total Cost per Customer**

Total cost per customer is calculated as the sum of NOW Inc.'s capital and operating costs and divided by the total number of customers that NOW Inc. serves. NOW Inc. continues to strive to increase operating efficiency in order to provide cost-effective service to customers. The renewal of the distribution system, increased wage and benefits and investments in new information systems technology, have all contributed to increased operating and capital costs. These increases have been mitigated by effective planning and cost sharing. NOW Inc. will continue to implement productivity and improvement initiatives to offset some of the costs associated with future system improvement and enhancements.

From Table 5, it is noted that in 2022, NOW Inc. had a total cost per customer of \$769. This placed NOW Inc. As the 3<sup>rd</sup> lowest amongst LDCs with similar service characteristics, primarily geographical location.



1

**Table 5**

2

**Total Cost Per Customer – 2022 – Geographical Comparators**

Distributor	Total Cost (\$) per Customer
Hearst Power Distribution Company Limited	599
Fort Frances Power Corporation	737
<b>Northern Ontario Wires Inc.</b>	<b>769</b>
Sioux Lookout Hydro Inc.	836
Chapleau Public Utilities Corporation	862
Atikokan Hydro Inc.	1,098
Hydro One Networks Inc.	1,172
Algoma Power Inc.	2,479
<b>Average</b>	<b>1,069</b>

3

4

**5 Total Cost per Km of Line**

6 This measure uses the same total cost that is used in the Cost per Customer calculation  
7 above, the Total Cost is divided by the kilometers of line that NOW Inc. operates to  
8 serve its customers. NOW Inc. has experienced essentially no growth in its total  
9 kilometers of lines due negligible annual customer growth. NOW Inc. continues to seek  
10 innovative solutions to help ensure cost/km of line remains reasonable.

11

12 From Table 6, it is notable that in 2022, NOW Inc. had a total cost per km of line of  
13 \$12,344. This value placed NOW Inc. As having the 2<sup>nd</sup> lowest cost per km of line  
14 amongst similar comparators to the section above.

15



1

**Table 6**

2

**Total Cost Per Km of Line – 2022 – Geographical Comparators**

Distributor	Total Cost (\$) per Km of Line
Sioux Lookout Hydro Inc.	3,411
Northern Ontario Wires Inc.	12,344
Hydro One Networks Inc.	13,537
Algoma Power Inc.	14,501
Hearst Power Distribution Company Limited	16,793
Atikokan Hydro Inc.	19,325
Chapleau Public Utilities Corporation	19,535
Fort Frances Power Corporation	34,059
<b>Average</b>	<b>16,688</b>

3

4

**5 CONNECTION OF RENEWABLE GENERATION**

6 Electricity distributors are required to conduct Connection Impact Assessments (CIAs)  
7 within 60 days of receiving authorization from the ESA. NOW Inc. had no Connection  
8 Impact Assessments in 2022. It is noted that any CIA work is outsourced to an  
9 engineering consultant.

10

**11 FINANCIAL RATIOS**

12 Other than ROE, the financial performance parameters do not have targets set and are  
13 discussed in general terms. Capital projects are financed through internal and external  
14 financial resources. NOW Inc. does not anticipate exceeding the 60/40 debt/equity ratio  
15 but it is expected that the total debt will remain near the 60% level and the ratio is a  
16 factor in the budget approval process.

17

18 In 2017, the OEB approved a regulatory ROE of 8.78% for NOW Inc.. Actual ROE in  
19 2017 was 6.24% due to the impact of the approved rate increase not being in place for  
20 the full year (rates were effective May 1, 2017). In the 2018 to 2022 period the average



1 Return on Equity was 9.89%. This was higher than the approved ROE primarily due to a  
2 number of non-recurring factors such as:

- 3 - No wage adjustments (June 2019 – July 2022) due to no new union contract
- 4 - Staff turnover, vacancies and leaves of absence, and
- 5 - Recovery of large outstanding bad debts

6 Without the non-repeatable temporary circumstances as outlined, NOW Inc. would have  
7 been underearning in the 2018-2022 period. In 2023 NOW Inc. regulated ROE was  
8 4.44%, which was 4.34% lower than the Board approved rate of 8.78% and below the  
9 +/- 300 basis point deadband. It is expected that this lower Return on Equity trend will  
10 continue in 2025 and beyond absent the funding requested in this Application.

11

## 12 **EXPECTED PERFORMANCE**

13 NOW Inc. continues to invest in its distribution system based on prudent system  
14 planning and asset management processes which incorporate customer interests and  
15 feedback. With the approvals requested in this Application, NOW Inc. will be well  
16 positioned to deliver on its goals.

17 Until recently, NOW Inc. met its reliability targets. However, the reliability results in 2023  
18 were significantly different than the 2018 to 2022 average as issues arose such as  
19 vegetation management and more scheduled outages to address system issues. There  
20 are investments in the test year to address these issues to help mitigate the declining  
21 reliability measures. There are also investments included in the test year and forecast  
22 period to address customer concerns regarding momentary outages. The  
23 implementation of an Outage Management System will also provide needed  
24 enhancements in available management information to better address the cause and  
25 possible prevention of outages.

## 26 **ACTIVITY AND PROGRAM-BASED BENCHMARKING (APB)**

27 NOW Inc. has analyzed its APB results and also those of comparator LDCs in order to  
28 gain insight on cost performance, unit cost changes within its control, and to help identify  
29 areas of improvement.



1 NOW Inc. has selected a relevant cohort to compare data from each program. This  
 2 cohort comprises distributors based in the northern region of Ontario. The tables below  
 3 demonstrate NOW Inc.'s ability to remain consistent in maintaining APB Unit Costs in  
 4 the mid-to-lower cost range when grouped with comparable distributors.

5 **Billing O&M Unit Cost Index** – NOW Inc.'s average unit cost index is \$41.66, while the  
 6 industry average unit cost index is \$26.43. NOW Inc.'s average comes in under the  
 7 cohort average of \$54.19.

8 NOW Inc. performs billing functions in house which results in differences due to  
 9 numerous factors including wages and burden. Additional costs include third party  
 10 assistance with testing and bill rendering, postage and postage supplies and office rental  
 11 space. NOW Inc.'s customer base is not increasing resulting in increased cost pressures  
 12 driving up this metric.

13 **Table 7**  
 14 **APB Program 1 2018-2022 Cohort Historical**

1. Billing O&M						
Distributor	Unit Cost (\$/Customer)					
	2018	2019	2020	2021	2022	Avg
Algoma Power Inc.	13.62	16.21	18.78	16.65	15.41	16.14
Hydro One Networks Inc.	34.14	30.12	31.80	30.51	29.97	31.31
Northern Ontario Wires Inc.	42.22	39.18	38.18	43.28	45.46	41.66
Fort Frances Power Corporation	48.93	44.24	42.34	45.55	46.79	45.57
Chapleau Public Utilities Corporation	59.58	66.64	71.14	63.55	52.30	62.64
Sioux Lookout Hydro Inc.	67.49	69.98	71.10	65.47	66.96	68.20
Hearst Power Distribution Company Limited	74.70	76.50	86.25	88.58	80.12	81.23
Atikokan Hydro Inc.	83.93	84.88	88.00	88.17	88.73	86.74
<b>Average</b>	<b>53.08</b>	<b>53.47</b>	<b>55.95</b>	<b>55.22</b>	<b>53.22</b>	<b>54.19</b>

15  
 16  
 17 **Metering O&M Unit Cost Index** – NOW Inc.'s average unit cost index is \$46.30, while  
 18 the industry average unit cost index is \$13.96. NOW Inc.'s average unit cost is above the  
 19 cohort average unit cost of \$35.56.

20 NOW Inc. relies on third-party meter reading services as well as meter testing and  
 21 reverifications. Any maintenance and work on the meters in the service territory is



1 performed by powerline technicians at a higher rate than a meter technician. NOW Inc.  
 2 does not have an increasing customer base which would help with economies of scale.

3 **Table 8**  
 4 **APB Program 2 2018-2022 Cohort Historical**

2. Metering O&M						
Distributor	Unit Cost (\$/Customer)					
	2018	2019	2020	2021	2022	Avg
Hearst Power Distribution Company Limited	14.41	12.75	7.92	15.02	14.72	12.96
Hydro One Networks Inc.	23.14	21.09	19.34	19.19	21.18	20.79
Fort Frances Power Corporation	16.81	26.13	17.95	23.09	34.18	23.63
Sioux Lookout Hydro Inc.	25.97	33.82	29.96	22.61	22.71	27.02
Chapleau Public Utilities Corporation	34.45	34.31	35.05	36.78	5.41	29.20
Northern Ontario Wires Inc.	43.22	45.12	43.65	56.31	43.19	46.30
Atikokan Hydro Inc.	52.66	52.32	57.52	55.92	39.30	51.54
Algoma Power Inc.	74.85	70.72	75.25	70.64	73.56	73.00
<b>Average</b>	<b>35.69</b>	<b>37.03</b>	<b>35.83</b>	<b>37.45</b>	<b>31.78</b>	<b>35.56</b>

5  
 6  
 7 **Vegetation Management O&M Unit Cost Index** – NOW Inc.'s average unit cost index  
 8 is \$40.97, while the industry average unit cost index is \$67.76. The NOW Inc. average is  
 9 below the cohort average of \$45.05.

10 Vegetation management is below the industry average. Vegetation management has  
 11 been historically performed by powerline technicians inhouse. The direction of  
 12 vegetation management is changing as the system has hit a critical point and the current  
 13 practice is unsustainable. Third-party contractors will be utilized to enhance the  
 14 vegetation management program.



1

**Table 9**

2

**APB Program 3 2018-2022 Cohort Historical**

3. Vegetation Management						
Distributor	Unit Cost (\$/Pole)					
	2018	2019	2020	2021	2022	Avg
Chapleau Public Utilities Corporation	-	-	-	5.00	6.50	<b>5.75</b>
Hearst Power Distribution Company Limited	1.66	9.12	8.42	4.65	5.56	<b>5.88</b>
Sioux Lookout Hydro Inc.	30.92	32.17	24.29	24.26	19.31	<b>26.19</b>
Atikokan Hydro Inc.	31.34	40.30	25.72	31.43	31.35	<b>32.03</b>
Fort Frances Power Corporation	52.47	37.46	25.38	29.28	40.29	<b>36.98</b>
Northern Ontario Wires Inc.	30.72	31.08	33.73	54.83	54.50	<b>40.97</b>
Hydro One Networks Inc.	82.35	97.08	82.24	86.76	86.90	<b>87.07</b>
Algoma Power Inc.	119.15	118.80	124.03	133.71	132.10	<b>125.56</b>
<b>Average</b>	<b>49.80</b>	<b>52.29</b>	<b>46.26</b>	<b>46.24</b>	<b>47.06</b>	<b>45.05</b>

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4

5

6 **Lines O&M Unit Cost Index** – NOW Inc.’s average unit cost index is \$1,266.15, while  
 7 the industry average unit cost index is \$1,042.10. The NOW Inc. average is below the  
 8 cohort average of \$2,128.19.

9 NOW Inc.’s territory is spread across a large geographic area that necessitates three  
 10 crews covering three territories with approximately 170 km between them. This  
 11 geographic challenge does add cost pressures to the utility as compared to a contiguous  
 12 utility.

13

**Table 10**

14

**APB Program 4 2018-2022 Cohort Historical**

4. Lines O&M						
Distributor	Unit Cost (\$/Circuit km of Primary Line)					
	2018	2019	2020	2021	2022	Avg
Hydro One Networks Inc.	-	556.25	567.01	561.94	539.38	<b>561.73</b>
Algoma Power Inc.	-	529.73	773.46	649.35	791.34	<b>650.85</b>
Fort Frances Power Corporation	-	532.67	720.88	952.91	880.00	<b>735.49</b>
Sioux Lookout Hydro Inc.	-	768.71	821.94	814.94	839.38	<b>801.86</b>
Northern Ontario Wires Inc.	-	1110.22	1500.64	1187.60	1453.17	<b>1266.15</b>
Hearst Power Distribution Company Limited	-	3426.52	2528.90	3113.68	3322.12	<b>3023.03</b>
Atikokan Hydro Inc.	-	4025.34	4140.31	3946.85	4245.12	<b>4037.50</b>
Chapleau Public Utilities Corporation	-	5931.69	7014.25	4900.78	5061.80	<b>5948.91</b>
<b>Average</b>	<b>0.00</b>	<b>2110.14</b>	<b>2258.42</b>	<b>2016.01</b>	<b>2141.54</b>	<b>2128.19</b>

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16





1 **Stations O&M Unit Cost Index** – NOW Inc.’s average unit cost index is \$678.60, while  
 2 the industry average unit cost index is \$1,399.00. The NOW Inc. average is below the  
 3 cohort average of \$980.32.

4 NOW Inc. is performing more work on stations with the direction of new management in  
 5 order to get updated assessments of station conditions.

6 **Table 11**  
 7 **APB Program 5 2018-2022 Cohort Historical**

5. Stations O&M						
Distributor	Unit Cost (\$/MVA)					
	2018	2019	2020	2021	2022	Avg
Fort Frances Power Corporation	n/a	n/a	n/a	n/a	n/a	-
Hearst Power Distribution Company Limited	n/a	n/a	n/a	n/a	n/a	-
Sioux Lookout Hydro Inc.	n/a	n/a	n/a	n/a	n/a	-
Chapleau Public Utilities Corporation	372.97	392.68	226.07	376.58	1075.13	<b>488.70</b>
Algoma Power Inc.	718.11	524.59	281.52	696.90	589.27	<b>562.10</b>
<b>Northern Ontario Wires Inc.</b>	<b>527.70</b>	<b>737.90</b>	<b>825.30</b>	<b>419.60</b>	<b>882.40</b>	<b>678.60</b>
Atikokan Hydro Inc.	1440.88	804.61	852.23	1710.40	1372.26	<b>1236.10</b>
Hydro One Networks Inc.	1864.71	1878.56	2029.97	1957.18	1949.83	<b>1936.10</b>
<b>Average</b>	<b>984.87</b>	<b>867.67</b>	<b>843.02</b>	<b>1032.13</b>	<b>1173.78</b>	<b>980.32</b>

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 9  
 10 **Poles, Towers O&M Unit Cost Index** – NOW Inc.’s average unit cost index is \$4.84,  
 11 while the industry average unit cost index is \$11.65. The NOW Inc. average is below the  
 12 cohort average of \$12.63.

13 **Table 12**  
 14 **APB Program 6 2017-2022 Cohort Historical**

6. Poles, Towers O&M							
Distributor	Unit Cost (\$/Pole)						
	2017	2018	2019	2020	2021	2022	Avg
Chapleau Public Utilities Corporation	-	0.42	-	-	2.54	3.89	<b>1.48</b>
Atikokan Hydro Inc.	-	-	-	-	1.98	4.06	<b>1.98</b>
Algoma Power Inc.	4.01	3.35	4.67	3.92	4.26	3.09	<b>4.04</b>
<b>Northern Ontario Wires Inc.</b>	<b>5.60</b>	<b>7.50</b>	<b>5.59</b>	<b>4.44</b>	<b>1.09</b>	<b>15.48</b>	<b>4.84</b>
Fort Frances Power Corporation	17.54	14.74	9.59	6.72	6.92	3.34	<b>11.10</b>
Hydro One Networks Inc.	11.82	12.30	14.15	14.31	14.00	13.93	<b>13.32</b>
Sioux Lookout Hydro Inc.	15.50	14.32	9.16	16.97	16.85	14.81	<b>14.56</b>
Hearst Power Distribution Company Limited	50.42	65.29	31.98	39.94	60.79	62.58	<b>49.68</b>
<b>Average</b>	<b>17.48</b>	<b>16.85</b>	<b>12.52</b>	<b>14.38</b>	<b>13.55</b>	<b>15.15</b>	<b>12.63</b>

15



1

2 **Stations CAPEX Unit Cost Index** – NOW Inc.’s average unit cost index is \$1,076.70,  
 3 while the industry average unit cost index is \$3,234.90. The NOW Inc average is below  
 4 the cohort average of \$4,066.23.

5

**Table 13**

6

**APB Program 7 2018-2022 Cohort Historical**

7. Stations CAPEX						
Distributor	Unit Cost (\$/MVA)					Avg
	2018	2019	2020	2021	2022	
Atikokan Hydro Inc.	-	-	-	-	-	-
Fort Frances Power Corporation	n/a	n/a	n/a	n/a	n/a	-
Hearst Power Distribution Company Limited	n/a	n/a	n/a	n/a	n/a	-
Sioux Lookout Hydro Inc.	n/a	n/a	n/a	n/a	n/a	-
<b>Northern Ontario Wires Inc.</b>	<b>2585.00</b>	<b>372.00</b>	<b>-</b>	<b>273.00</b>	<b>-</b>	<b>1076.70</b>
Algoma Power Inc.	3.00	1330.00	410.00	5636.00	16215.00	<b>4718.80</b>
Hydro One Networks Inc.	9176.00	11186.00	486.00	899.00	2395.00	<b>4828.40</b>
Chapleau Public Utilities Corporation	8480.00	-	3120.00	4526.00	6438.00	<b>5641.00</b>
<b>Average</b>	<b>5061.00</b>	<b>4296.00</b>	<b>1338.67</b>	<b>2833.50</b>	<b>8349.33</b>	<b>4066.23</b>

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9 **Poles, Towers CAPEX Unit Cost Index** – NOW Inc.’s average unit cost index is  
 10 \$4,892.00, while the industry average unit cost index is \$24,157.90. The NOW Inc.  
 11 average is below the cohort average of \$9,063.13.

12 NOW Inc. has used in-house powerline technicians to perform capital pole  
 13 replacements. Some pole conversions will be performed by contractors. NOW Inc. also  
 14 is a part of the North East District Buying Consortium (NEDBC) which allows for savings  
 15 on the cost of poles. Also, crew wages were stagnant between June 2019 to July 2022  
 16 as a result of the change in union with no agreement, which reduced labour costs.



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**Table 14**  
**APB Program 8 2018-2022 Cohort Historical**

8. Poles, Towers CAPEX						
Distributor	Unit Cost (\$/Pole Addition)					
	2018	2019	2020	2021	2022	Avg
Hearst Power Distribution Company Limited	3235.00	2848.00	3711.00	2813.00	3275.00	<b>3176.00</b>
Northern Ontario Wires Inc.	2811.00	2347.00	3252.00	4129.00	11919.00	<b>4892.00</b>
Atikokan Hydro Inc.	9138.00	5246.00	3805.00	3379.00	3375.00	<b>4989.00</b>
Sioux Lookout Hydro Inc.	7794.00	5382.00	5122.00	3854.00	5537.00	<b>5538.00</b>
Algoma Power Inc.	6154.00	9301.00	6828.00	6982.00	5263.00	<b>6906.00</b>
Chapleau Public Utilities Corporation	3063.00	4292.00	2769.00	9577.00	21624.00	<b>8265.00</b>
Fort Frances Power Corporation	4980.00	3407.00	31254.00	7459.00	9211.00	<b>11262.00</b>
Hydro One Networks Inc.	TBD	TBD	TBD	TBD	27477.00	<b>27477.00</b>
<b>Average</b>	<b>5310.71</b>	<b>4689.00</b>	<b>8105.86</b>	<b>5456.14</b>	<b>10960.13</b>	<b>9063.13</b>

**Line Transformers CAPEX Unit Cost Index** – NOW Inc.’s average unit cost index is \$4,791.60, while the industry average unit cost index is \$16,796.00. The NOW Inc. average approximates the cohort average of \$4,682.95.

NOW Inc. has many smaller transformers that are more cost-effective than some larger transformers. NOW Inc. has performed this capital program in house and 2019-2022 figures are lower than expected as there was a change in unions and delay in implementing a new collective agreement and corresponding raises.

**Table 15**  
**APB Program 9 2018-2022 Cohort Historical**

9. Line Transformer CAPEX						
Distributor	Unit Cost (\$/Line Transformer Addition)					
	2018	2019	2020	2021	2022	Avg
Hydro One Networks Inc.	TBD	TBD	TBD	TBD	823.00	<b>823.00</b>
Chapleau Public Utilities Corporation	1056.00	771.00	7257.00	-	-	<b>1816.80</b>
Hearst Power Distribution Company Limited	5677.00	1987.00	2641.00	1921.00	2941.00	<b>3033.40</b>
Atikokan Hydro Inc.	5600.00	2576.00	2577.00	-	7275.00	<b>3605.60</b>
Northern Ontario Wires Inc.	5062.00	2794.00	2326.00	4472.00	9304.00	<b>4791.60</b>
Sioux Lookout Hydro Inc.	7135.00	4658.00	6379.00	3630.00	8201.00	<b>6000.60</b>
Algoma Power Inc.	5749.00	4350.00	8814.00	6278.00	9104.00	<b>6859.00</b>
Fort Frances Power Corporation	-	6174.00	15658.00	428.00	30408.00	<b>10533.60</b>
<b>Average</b>	<b>5046.50</b>	<b>3330.00</b>	<b>6521.71</b>	<b>3345.80</b>	<b>9722.29</b>	<b>4682.95</b>



1 **Meters CAPEX Unit Cost Index** – NOW Inc.’s average unit cost index is \$3.22, while  
 2 the industry average unit cost index is \$136.36. The NOW Inc. average is below the  
 3 cohort average of \$14.38.

4 This is not a material program for NOW Inc. as the customer count is not in a growth  
 5 phase, which results in reduced activity in the meter capital program.

6 **Table 16**  
 7 **APB Program 10 2018-2022 Cohort Historical**

10. Meters CAPEX						
Distributor	Unit Cost (\$/Customer)					
	2018	2019	2020	2021	2022	Avg
Northern Ontario Wires Inc.	2.17	0.30	5.18	7.41	1.02	3.22
Chapleau Public Utilities Corporation	9.00	-	2.56	3.47	1.11	4.04
Hearst Power Distribution Company Limited	9.06	-	-	2.87	3.51	5.15
Sioux Lookout Hydro Inc.	4.05	12.59	3.31	2.57	3.40	5.18
Algoma Power Inc.	3.64	4.02	24.92	7.35	2.35	8.46
Atikokan Hydro Inc.	12.87	9.28	18.33	0.29	-	10.19
Fort Frances Power Corporation	-	17.27	2.19	3.86	29.93	13.31
Hydro One Networks Inc.	53.84	61.27	66.35	71.58	74.35	65.48
<b>Average</b>	<b>13.52</b>	<b>17.46</b>	<b>17.55</b>	<b>12.43</b>	<b>16.52</b>	<b>14.38</b>

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 9  
 10 **Conclusion** – The data provided through the APB is important for benchmarking  
 11 performance. Grouping this data against relevant comparators complements this idea  
 12 and provides some insight into NOW Inc. cost performance and where improvements  
 13 can be made. Such results can also indicate areas where there has been  
 14 underspending relative to comparator LDCs, as a lower unit cost does not necessarily  
 15 indicate higher efficiency. NOW Inc. acknowledges the importance of the APB  
 16 benchmarking initiative results, and also that further work is required to interpret and  
 17 implement appropriate improvements.

18 **BENCHMARKING OM&A PER CUSTOMER**

19 Table 17 uses Electricity Distributor Yearbook data to compare the OM&A per customer  
 20 cost for the 2018-2022 timespan, amongst the same cohort of comparators used in the  
 21 APB. This comparison has placed NOW Inc. in the position of 4<sup>th</sup> lowest average OM&A



1 per customer amongst the group and below the cohort average. Breaking it down  
 2 further, NOW Inc. consistently remained in this position for the years 2018, 2020, and  
 3 2021, however in 2019 NOW Inc. ranked higher, having the 3<sup>rd</sup> lowest cost, and in 2022  
 4 ranked one position higher.

5 **Table 17**  
 6 **OM&A Per Customer 2018-2022 Cohort Historical**

Distributor	2018	2019	2020	2021	2022	Avg
Hearst Power Distribution Company Limited	415.91	408.05	409.28	425.78	442.02	<b>420.21</b>
Hydro One Networks Inc.	420.06	419.58	416.84	410.56	434.04	<b>420.22</b>
Fort Frances Power Corporation	460.75	471.27	451.29	447.40	470.57	<b>460.32</b>
Northern Ontario Wires Inc.	455.67	464.54	466.09	463.42	512.61	<b>472.47</b>
Sioux Lookout Hydro Inc.	516.67	546.28	525.50	504.75	497.97	<b>518.23</b>
Chapleau Public Utilities Corporation	646.97	680.90	686.31	606.83	659.30	<b>658.06</b>
Atikokan Hydro Inc.	680.30	681.34	699.72	706.09	725.55	<b>698.60</b>
Algoma Power Inc.	1048.07	1047.24	1113.41	1124.32	1112.47	<b>1089.10</b>
<b>Average</b>	<b>580.55</b>	<b>589.90</b>	<b>596.06</b>	<b>586.14</b>	<b>606.82</b>	<b>592.15</b>

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8  
9 **BENCHMARKING PP&E PER CUSTOMER**

10 Table 18 compares the PP&E per customer cost for the 2018-2022 timespan, amongst  
 11 the same cohort of comparators used in the APB and in the OM&A. This comparison has  
 12 placed NOW Inc. in the position of 3<sup>rd</sup> lowest average PP&E per customer amongst the  
 13 group and below the cohort average. The ranking reflected by the average remains  
 14 relatively consistent when broken down into each individual year included in the table.

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**Table 18**  
**PP&E Per Customer 2018-2022 Cohort Historical**

Distributor	2018	2019	2020	2021	2022	Avg
Hearst Power Distribution Company Limited	576.22	642.17	676.89	769.34	808.13	<b>694.55</b>
Fort Frances Power Corporation	1096.92	1098.27	1155.26	1187.53	1278.28	<b>1163.25</b>
Northern Ontario Wires Inc.	<b>1169.52</b>	<b>1195.28</b>	<b>1254.71</b>	<b>1312.93</b>	<b>1365.22</b>	<b>1259.53</b>
Chapleau Public Utilities Corporation	1278.87	1320.98	1297.73	1315.53	1286.23	<b>1299.87</b>
Sioux Lookout Hydro Inc.	1913.91	2081.32	2191.04	2126.44	1912.04	<b>2044.95</b>
Atikokan Hydro Inc.	2058.35	2157.71	2093.14	2123.98	1925.94	<b>2071.82</b>
Hydro One Networks Inc.	5989.26	6134.38	6319.01	6366.94	6711.84	<b>6304.29</b>
Algoma Power Inc.	9567.06	9962.59	9887.60	11065.82	11034.94	<b>10303.60</b>
<b>Average</b>	<b>2956.26</b>	<b>3074.09</b>	<b>3109.42</b>	<b>3283.56</b>	<b>3290.33</b>	<b>3142.73</b>



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 7  
Schedule 1  
Attachment 1  
Page 1 of 1

***Attachment 1 (of 1):***

***Scorecard 2022***

**Scorecard - Northern Ontario Wires Inc.**

Performance Outcomes	Performance Categories	Measures	2018	2019	2020	2021	2022	Trend	Target	
									Industry	Distributor
<b>Customer Focus</b>  Services are provided in a manner that responds to identified customer preferences.	<b>Service Quality</b>	New Residential/Small Business Services Connected on Time	100.00%	100.00%					↔	90.00%
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	↗	90.00%	
		Telephone Calls Answered On Time	100.00%	100.00%	100.00%	100.00%	100.00%	↗	65.00%	
	<b>Customer Satisfaction</b>	First Contact Resolution	100%	100%	100%	100%	100%			
		Billing Accuracy	99.95%	99.85%	99.90%	99.94%	99.97%	↗	98.00%	
		Customer Satisfaction Survey Results	88%	92%	92	92%	88%			
<b>Operational Effectiveness</b>  Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	<b>Safety</b>	Level of Public Awareness	80.82%	80.50%	80.50%	81.67%	81.67%			
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	C	C	C	NI	C	↗	C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	↗	0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	↗	0.000	
	<b>System Reliability</b>	Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>	4.73	2.87	5.59	1.86	1.11	↘	3.69	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	1.47	1.63	1.26	1.42	0.57	↗	1.47	
	<b>Asset Management</b>	Distribution System Plan Implementation Progress	Excellent	Excellent	Excellent	Excellent	Excellent			
	<b>Cost Control</b>	Efficiency Assessment	1	1	1	1	1			
		Total Cost per Customer <sup>3</sup>	\$695	\$715	\$706	\$704	\$769			
Total Cost per Km of Line <sup>3</sup>		\$11,085	\$11,551	\$11,310	\$11,287	\$12,344				
<b>Public Policy Responsiveness</b>  Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	<b>Connection of Renewable Generation</b>	Renewable Generation Connection Impact Assessments Completed On Time <sup>4</sup>								
		New Micro-embedded Generation Facilities Connected On Time							90.00%	
<b>Financial Performance</b>  Financial viability is maintained; and savings from operational effectiveness are sustainable.	<b>Financial Ratios</b>	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.80	1.70	1.45	1.25	1.38			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.06	0.92	0.84	0.82	0.89			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.78%	8.78%	8.78%	8.78%	8.78%		
			Achieved	9.97%	10.92%	8.99%	10.48%	9.06%		

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).  
 2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.  
 3. A benchmarking analysis determines the total cost figures from the distributor's reported information.  
 4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

**Legend:**

5-year trend  
 ↗ up   ↘ down   ↔ flat

Current year  
 ● target met   ● target not met



# 2022 Scorecard Management Discussion and Analysis (“2022 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2022 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

## Scorecard MD&A - General Overview

In 2022, Northern Ontario Wires Inc. once again performed well on performance targets. System reliability results show that NOW Inc. is replacing aging infrastructure in accordance with the Distribution System Plan and increased vegetation control activities in order to mitigate outages. There were less prolonged outages as a result of severe weather. NOW Inc. is continuing to work to increase resiliency to weather and foreign interference that is impacting statistics. NOW Inc. is implementing outage management tools that will assist in identifying and mitigating potential concerns which will impact NOW Inc. statistics.

In 2023, the company expects to maintain its excellent results and improve where possible. Sustaining results is a priority focus as this enhances overall operational effectiveness, performance and customer satisfaction.

## Service Quality

- **New Residential/Small Business Services Connected on Time**

In 2022, Northern Ontario Wires Inc. connected 100% of one eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). This percentage is maintained from the previous year and above the OEB-mandated threshold of 90%. Where possible, Northern Ontario Wires Inc. coordinates connection activities with other planned construction activities undertaken by the utility, other utilities or municipal and provincial government agencies. Northern Ontario Wires Inc. continuously works with local municipalities, to further enhance the coordination between municipal and electrical distribution construction activities.

- **Scheduled Appointments Met On Time**

Northern Ontario Wires Inc. meets with customers to complete work, read meters, reconnect, or otherwise perform necessary consultation. The 2022 result is consistent with the prior year as the utility met 100% of these appointments on time, which significantly exceeds the industry target of 90%.

- **Telephone Calls Answered On Time**

In 2022 Northern Ontario Wires Inc. received approximately 4,791 calls from its customers, which is similar to the previous year. Our clerks answer calls within 30 seconds or less at all times. This result significantly exceeds the OEB-mandated 65% target for timely call response. Northern Ontario Wires Inc. does not have an automated system and promotes a one-on-one friendly service.

## Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

For Northern Ontario Wires Inc., First Contact Resolution was measured based on whether the clerk answering the call resolved the issue. This is documented for each call. In some cases, written correspondence was required and documented accordingly. NOW Inc. resolved issues with 100% accuracy. In most cases, balance inquiries or notifications of moving are the primary reason for calls.

- **Billing Accuracy**

For the period from January 1, 2022 – December 31, 2022 Northern Ontario Wires Inc. issued more than 71,978 bills and achieved a billing accuracy of 99.97%. This compares favorably to the prescribed OEB target of 98%.

Northern Ontario Wires Inc. continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. At this time the Ontario Energy Board is allowing electricity distributors discretion as to how they implement this measure.

Northern Ontario Wires Inc. last conducted a customer satisfaction survey in 2022. The customer satisfaction survey provides information that supports discussions surrounding improving customer service at all levels and departments within Northern Ontario Wires Inc. The final report on these customer satisfaction surveys evaluates the level of customer satisfaction and identifies areas of improvement. It also helps identify the most effective means of communication. The survey asks customers questions on a wide range of topics, including: overall satisfaction with Northern Ontario Wires Inc. reliability, customer service, outages, billing and corporate image. In its 2022 Scorecard Northern Ontario Wires Inc. reported the number of customers that were very or fairly satisfied and received a score of 88%. The general feedback was positive and Northern Ontario Wires Inc. will continue to monitor customer satisfaction and response.

## Safety

- **Public Safety**

The Ontario Energy Board (OEB) introduced the Safety measure in 2015. This measure looks at safety from a customers' point of view as safety of the distribution system is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.

- **Component A – Public Awareness of Electrical Safety**

Northern Ontario Wires Inc. continues to promote electrical safety within the service territories and maintains a website with safety tips for when dealing with electricity. Additionally, information detailing outages and how to prepare for them are outlined for customer reference. NOW Inc. performed the last Electrical Safety Authority Survey in 2021 and received a score of 81.67%. This is similar to the score achieved in 2019 which was 80.50%. NOW Inc., will continue to monitor its messages to enhance customer safety.

- **Component B – Compliance with Ontario Regulation 22/04**

In March 2022 Northern Ontario Wires Inc. was found to be in good compliance with Ontario Regulation 22/04 (Electrical Distribution Safety). Northern Ontario Wires Inc. has a strong commitment to safety, and adherence to company procedures & policies. Ontario Regulation 22/04 - *Electrical Distribution Safety* establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service.

- **Component C – Serious Electrical Incident Index**

Northern Ontario Wires Inc. had no reported incidents.

## System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

Northern Ontario Wires Inc. experienced a decrease in the average number of hours that power to a customer was interrupted during 2022. A result of 1.11 was achieved which is below the target of 3.69. Despite Northern Ontario Wires Inc.'s system reliability improvement trend in the last few years, there are still a number of foreign interference issues (mainly birds) and adverse weather that have contributed to these numbers as well as scheduled outages to upgrade the distribution system. NOW's construction standards are being reviewed to improve resiliency to such events, including severe weather, wherein enhanced tree trimming practices are being enacted and upgrades to the distribution system are being regularly implemented.

Northern Ontario Wires Inc. continues to view reliability of electricity service as a high priority for its customers and as such developed a program several years ago for the continuous improvement of reliability, which has been incorporated into the Asset Management Plan and capital works.

- **Average Number of Times that Power to a Customer is Interrupted**

In 2022, Northern Ontario Wires Inc.'s Average Number of Times that the Power to a Customer was Interrupted (i.e., frequency) is 0.57 which is lower than the 1.47 target. The frequency of outages was on a downward trend in recent years, thus proving the effectiveness of our Asset Management Plan. Northern Ontario Wires Inc. has adopted a proactive, balanced approach to distribution system planning, infrastructure investment and replacement programs to address immediate risks associated with end-of-life assets; manage distribution system risks; ensure the safe and reliable delivery of electricity; and balance ratepayer and utility affordability.

## Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a new performance measure instituted by the OEB starting in 2013. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. The Distribution System Plan (“DSP”) outlines Northern Ontario Wires Inc.’s forecasted capital expenditures, over the next five (5) years, required to maintain and expand the distributor’s electricity system to serve its current and future customers. The “Distribution System Plan Implementation Progress” measure is intended to assess NOW’s effectiveness at planning and implementing the DSP. Northern Ontario Wires Inc. measures the progress of its DSP implementation against a target based on planned activities, the capital expenditure and amount of work completed are both utilized to come up with a determination for each calendar year.

## Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2022, for the eleventh year in a row, Northern Ontario Wires Inc. was placed in Group 1, where a Group 1 distributor is defined as being the most efficient. Northern Ontario Wires Inc. is continually working to ensure this rating continues.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Northern Ontario Wires Inc.’s capital and operating costs and dividing this cost figure by the total number of customers that NOW Inc. serves. The cost performance result for 2022 is \$769 /customer which is a 9.2% increase over 2021.

Northern Ontario Wires Inc. continues to strive to increase operating efficiency in order to provide the cost effective service to our customers. Province wide programs such as Time of Use pricing, growth in wage and benefits costs for our employees, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to operating and capital costs. Northern Ontario Wires Inc. will continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above, The Total cost is divided by the kilometers of line that Northern Ontario Wires Inc. operates to serve its customers. NOW’s 2022 rate is \$12,344 per Km of line, a 9.4% increase over 2021. Northern Ontario Wires Inc. experienced a low level of growth in its total kilometers of lines due to a low annual customer growth rate. See above cost per customer section for cost drivers commentary. Northern Ontario Wires Inc. continues to seek innovative solutions to help ensure cost/km of line remains competitive and within acceptable limits to our customers.

## Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving authorization from the Electrical Safety Authority. NOW Inc. had no Connection Impact Assessments for projects >10kW in 2022. Northern Ontario Wires Inc. outsources the CIA work to an engineering consultant.

- **New Micro-embedded Generation Facilities Connected On Time**

In 2022, Northern Ontario Wires Inc. had no new micro-embedded generation facilities (microFIT projects of less than 10 kW). The minimum acceptable performance level for this measure is 90% of the time. Our workflow to connect these projects is very streamlined and transparent with our customers. NOW Inc. works closely with its customers and their contractors to tackle any connection issues to ensure the project is connected on time.

## Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

Northern Ontario Wires’ current ratio increased from 1.25 in 2021 to 1.38 in 2022. This level continues to allow NOW Inc. to meet current obligations. Additionally, NOW Inc. currently regularly pays the principal portion of long-term debt that is not included in funding which would reduce current assets with no comparative decline in current liabilities.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring. Northern Ontario Wires continues to strive for a debt to equity structure that approximates the deemed 60% to 40% capital mix as set out by the OEB. NOW Inc. balances the future cash flow needs and the amount of debt outstanding. The 2022 debt to equity ratio is 0.89. In 2022 NOW Inc. used additional leverage for capital projects. NOW Inc.'s current arrangement includes regular principal payments on long-term debt, which reduces the debt to equity ratio while increasing credit.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Northern Ontario Wires' current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.78%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

**Profitability: Regulatory Return on Equity – Achieved**

Northern Ontario Wires' return achieved in 2022 was 9.06%, which is within the +/-3% range allowed by the OEB. NOW Inc. had the Cost of Service Application for May 1, 2017 rates approved, which has adjusted rates to realize profitability and remain within the target range. The 2022 fiscal year was the sixth year since rebasing, NOW Inc. continues to follow the manage projects in order to maintain a financially viable utility while promoting efficiency in the operations to try and offset cost pressures.

## Note to Readers of 2022 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.



Northern Ontario Wires Inc.  
Filed: August 30, 2024  
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Exhibit 1  
Tab 8

Exhibit 1: Administrative Documents

---

## **Tab 8 (of 11): Facilitating Innovation**



1

## FACILITATING INNOVATION

2

3 Facilitating innovation within an organization is essential to help keep costs down  
4 and adapt to a rapidly changing business landscape. Innovation is also required  
5 to meet customer needs. NOW Inc. has made significant progress on various  
6 innovative initiatives over the last few years.

7

8 1. **Digitalization** – NOW Inc. is currently a paper-based organization but is  
9 taking steps to move some of its processes to a digital platform

10 Some of the innovative projects NOW Inc. has undertaken, and plans to  
11 undertake, are as follows:

12 a. Implementation of Go360 (currently ongoing) – Go360 is a  
13 Geographic Information System (GIS) that allows organizations to  
14 track assets and manage service requests more efficiently, leading to  
15 improved resource allocation and decision-making. NOW Inc.  
16 anticipates that the transition to Go360 will save staff hours by  
17 reducing manual paper processes for outside staff and minimizing  
18 potential transcription errors, as well as saving on office supplies  
19 (notably paper).

20 b. New Website Applications – NOW has launched The Silverblaze  
21 Customer Portal, a software solution designed for utility companies to  
22 enhance customer engagement and self-service capabilities. Key  
23 features and benefits include:

24 ■ Account Management: Customers can view and manage  
25 their utility accounts online.





- 1                   ▪ Billing History and Usage Data: Provides access to billing  
2                   history, usage data, and payment options.
- 3                   ▪ Online Bill Payment: Customers can view and pay their bills  
4                   online.
- 5                   ▪ Payment Methods: Supports various payment methods and  
6                   options for setting up automatic payments.
- 7                   ▪ Usage Monitoring: Customers can monitor usage, track  
8                   consumption patterns, and compare usage over different  
9                   periods.
- 10                  ▪ Interactive Customer Choice: Allows customers to switch  
11                  between Time-of-Use (TOU), Tiered, and Ultra-Low  
12                  Overnight (ULO) pricing. This applies to residential and small  
13                  commercial customers.
- 14                  ▪ Green Button: A standardized method for utility customers to  
15                  access and share their energy usage data in a secure and  
16                  user-friendly format, enabling smarter energy choices and  
17                  reducing their environmental footprint.
- 18                  c. Implementation of Go360 Outage Management Tool (currently  
19                  ongoing) – This tool will facilitate outage information delivery to the  
20                  public through a web-based interactive GIS map accessible via a  
21                  web browser. This innovative software will improve outage data  
22                  tracking and create efficiencies for distribution system maintenance  
23                  and regulatory reporting.
- 24
- 25                  2. **Modernization** – NOW Inc. has identified the need to modernize aging  
26                  infrastructure. The capital projects presented in this application will ensure it  
27                  is ready for the evolving LDC landscape. The New Cochrane MTS will feature  
28                  modern SCADA and control system capabilities to support DER development.



1 NOW Inc. is currently in talks with a third-party power generation company  
2 and exploring new distributed energy resources (DERs), distribution system  
3 operation, microgrid, and smart grid technologies as part of NOW Inc.'s goal  
4 towards a more modernized grid and sustainable future.

5

6 3. **Efficiencies** - NOW Inc. and McMillan Distribution Engineering have  
7 developed a plan for Kapuskasing fuse coordination, including the  
8 implementation of new technology called TripSaver reclosers. This  
9 technology will advance the lateral protection strategy by managing 80% of  
10 temporary overhead faults. It prevents these faults from becoming sustained  
11 outages and avoids momentary interruptions on feeders by blinking only the  
12 affected lateral, thereby mitigating a significant number of outages. This will  
13 improve outage statistics and will help reduce outage frequency and  
14 duration.in Kapuskasing, enhance reliability for customers, reduce  
15 unnecessary truck rolls and O&M expenses, and improve customer  
16 satisfaction by minimizing the frustrating and costly consequences of outages.  
17 Additionally, it provides environmental benefits by reducing field trips and  
18 contributing to more sustainable operations.

19

20 4. **Process-Improvement** - NOW Inc. is building upon its investment in Go360,  
21 including GIS Asset Editor, Go360 LiveOps Network Operations & Outage  
22 Management System and Go360 Public Outage Map, with a cloud enterprise  
23 license of Go360 Business Centre Suite for all of internal and contract  
24 employees.

25 The Go360 Business Centre provides real-time seamless integration across  
26 all Go360 modules, as well as utilizing supported API's to Sensus AMI and  
27 Harris CIS and Billing systems.



1 In addition, the Go360 Business Centre cloud solution provides all of the  
2 back-end hardware, software and managed services required by NOW Inc.

3 Listed below are the modules comprising the Go360 Business Centre to be  
4 licensed by NOW Inc.

5

6 Go360 Business Centre Modules and Services

7 a) LiveOps (Existing)

8 b) Editor (Existing)

9 c) Public Outage Map (Existing)

10 d) Audit & Compliance – Examples uses include Mobile Asset Health  
11 Condition Assessment, Algorithmic Asset Health Scoring, Automated Dail  
12 Job Tail-Boards, Vehicle Audits, Health & Safety Audits etc.

13 e) Contact Centre – Used by Customer Contact Agents (Internal and After  
14 Hour 3<sup>rd</sup> Party) for all service requests and will include API Integration to  
15 Harris CIS & Sensus Metering. Also includes a public facing contact  
16 module.

17 f) Dispatch – Creation of Service Orders and End-to-End Management of  
18 Service Order Process

19 g) CrewOps – Mobile Network Viewer, Service order Dispatches to Crews  
20 and Crew Updates of Completed Service Tasks.

21 h) Enterprise Network Viewer – Generic Map Viewer

22 i) Hosted Managed Server Hardware with Cloud Environment

23 j) In addition to the functional benefits outlined in the module descriptions,  
24 the Go360 Business Centre implementation will facilitate key goals for  
25 NOW Inc. These include:



1 k) Automate Service Order workflows across all NOW Inc. stakeholders  
2 including customer requests, call centre personnel, managers and  
3 employees.

- 4 ○ Faster (automatic) response to recording, completing and status  
5 updates for any type of customer request
- 6 ○ Go360 for one system for customer request data entry and  
7 workflow replacing multiple formal and informal interfaces and  
8 processes. Real-time information flows between customers,  
9 customer care, management and field staff / contractors
- 10 ○ Go360 provides automated real-time service order progress, alerts  
11 on timeliness of response and reports any unforeseen issues
- 12 ○ Real-time situational awareness during emergencies (e.g. storm  
13 restoration etc.)
- 14 ○ Eliminate paperwork and associated duplication i.e. data entry for  
15 record management and reporting
- 16 ○ Automate and standardize business reporting and provide deeper  
17 analytical insights utilizing sophisticated data analysis tools
- 18 ○ Automate many of the OEB Reports and utilize the validated data in  
19 the centralized solutions, including Go360 data analytics, for  
20 continuous operational improvements

21 NOW Inc. will receive a product configured to the size and needs of the  
22 organization designed to streamline workflow and communication.

23 OM&A costs for this enterprise system and back-end environments and  
24 support are optimized by licensing all modules together. This includes  
25 existing annual licensing making up part of the new enterprise license and  
26 services.



1           There is the ability for mobile access to the Go360 environment creating  
2           operational efficiencies with access to information anywhere LTE data is  
3           available including at the work sites.

4           Go360 Crew Live Ops and Crew Ops will allow the power line technicians  
5           equipped with mobile tablets access to distribution system and service  
6           order information anywhere via cellular data. With this information at hand  
7           crews can work safer and more efficiently with all information access at  
8           their fingertips.

9

10   5. **Proposed New Cochrane MTS** - The Cochrane station project (E2/T2/S5)  
11   embraces innovation by integrating advanced SCADA and SEL networks for real-  
12   time monitoring and control, load-shedding capabilities for effective demand  
13   management, and futureproofing for smart grid expansion and Distributed Energy  
14   Resources (DER) integration. These innovations enhance reliability, optimize grid  
15   efficiency, and provide greater customer choice while supporting conservation  
16   efforts.

17



Northern Ontario Wires Inc.  
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Exhibit 1  
Tab 9

Exhibit 1: Administrative Documents

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## **Tab 9 (of 11): Financial Information**



1

## **FINANCIAL INFORMATION**

2 The audited financial statement for the most recent year, 2023, along with the previous  
3 year's comparative results is provided in attachment E1/T9/S1/Att1.

4

5 NOW Inc. does not have any parent business annual reports, rating agency reports or  
6 any other public reports.

7



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***Attachment 1 (of 1):***

***2022-2023 Audited Statements***



**NORTHERN ONTARIO WIRES INC.**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Directors and Shareholder of  
Northern Ontario Wires Inc.

### *Opinion*

We have audited the financial statements of Northern Ontario Wires Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of income and other comprehensive income, statement of changes in equity and accumulated other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International financial reporting standards (IFRS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT, (CONT'D)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT, (CONT'D)

- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly HKC*

Chartered Professional Accountants  
Licenced Public Accountants  
April 25, 2024

**NORTHERN ONTARIO WIRES INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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**NORTHERN ONTARIO WIRES INC.****STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 5)	\$ 212,749	\$ 188,956
Accounts receivable (Note 6)	1,361,951	1,209,772
Unbilled service revenue	1,677,629	1,601,361
Inventory (Note 7)	319,978	286,477
Prepaid expenses	191,918	174,519
Due from related party (Note 15)	-	7,939
	<u>3,764,225</u>	<u>3,469,024</u>
PROPERTY AND EQUIPMENT (Note 8)	8,275,800	8,186,026
INTANGIBLE ASSETS (Note 9)	205,858	54,230
	<u>8,481,658</u>	<u>8,240,256</u>
<b>TOTAL ASSETS</b>	<b>12,245,883</b>	<b>11,709,280</b>
REGULATORY DEFERRALS (Note 10)	702,518	668,771
	<u>702,518</u>	<u>668,771</u>
<b>TOTAL ASSETS AND REGULATORY DEFERRALS</b>	<b>\$ 12,948,401</b>	<b>\$ 12,378,051</b>

The accompanying notes are an integral part of these financial statements.

**NORTHERN ONTARIO WIRES INC.****STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit (Note 11)	\$ 820,000	\$ 370,000
Accounts payable and accrued liabilities (Note 12)	1,880,275	1,728,587
Payments in lieu of taxes (Note 13)	587	11,637
Customer deposits (Note 14)	288,148	289,561
Due to related parties (Note 15)	259,811	198,443
Current portion of long-term debt (Note 16)	198,465	192,582
	<u>3,447,286</u>	<u>2,790,810</u>
LONG-TERM DEBT (Note 16)	3,564,995	3,763,533
FUTURE PAYMENTS IN LIEU OF TAXES (Note 13)	47,341	26,286
EMPLOYEE FUTURE BENEFITS (Note 17)	290,421	434,358
CONTRIBUTIONS IN AID OF CONSTRUCTION (Note 18)	125,896	129,462
	<u>4,028,653</u>	<u>4,353,639</u>
<b>TOTAL LIABILITIES</b>	<u>7,475,939</u>	<u>7,144,449</u>
<b>SHAREHOLDER'S EQUITY</b>		
SHARE CAPITAL (Note 19)	4,106,593	4,106,593
RETAINED EARNINGS	964,417	850,432
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	31,173	(114,920)
	<u>5,102,183</u>	<u>4,842,105</u>
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<u>5,102,183</u>	<u>4,842,105</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	12,578,122	11,986,554
REGULATORY DEFERRALS (Note 10)	370,279	391,497
	<u>370,279</u>	<u>391,497</u>
<b>TOTAL LIABILITIES, EQUITY AND REGULATORY DEFERRALS</b>	<u>\$ 12,948,401</u>	<u>\$ 12,378,051</u>

**COMMITMENTS (Note 26)****SUBSEQUENT EVENT (Note 27)**

Approved on behalf of the board



\_\_\_\_\_, President



\_\_\_\_\_, Director

The accompanying notes are an integral part of these financial statements.

**NORTHERN ONTARIO WIRES INC.**  
**STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>SERVICE REVENUE</b>		
Electricity	\$ 10,931,322	\$ 11,328,207
Wholesale market services, transmission and connection	2,198,968	2,052,446
Regulatory adjustment to sale of energy	(54,965)	(195,599)
	<u>13,075,325</u>	<u>13,185,054</u>
<b>COST OF SALES</b>		
Electricity	10,931,322	11,328,207
Wholesale market services, transmission and connection	2,198,968	2,052,446
	<u>13,130,290</u>	<u>13,380,653</u>
	<u>(54,965)</u>	<u>(195,599)</u>
<b>GROSS MARGIN</b>		
DISTRIBUTION REVENUE	3,570,277	3,434,731
OTHER REVENUES	365,218	349,106
	<u>3,935,495</u>	<u>3,783,837</u>
<b>EXPENSES (Note 24)</b>		
Operating and maintenance	1,769,022	1,622,259
Billing and collection	712,805	652,023
Administration	756,141	636,835
Amortization	371,091	385,747
	<u>3,609,059</u>	<u>3,296,864</u>
<b>INCOME FROM OPERATIONS</b>	<u>271,471</u>	<u>291,374</u>

The accompanying notes are an integral part of these financial statements.



**NORTHERN ONTARIO WIRES INC.**  
**STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>OTHER INCOME (EXPENSES)</b>		
Loss on disposal of property and equipment	(9,157)	(5,619)
Finance income (Note 25)	57,099	22,407
Finance expenses (Note 25)	(182,346)	(144,334)
	<u>(134,404)</u>	<u>(127,546)</u>
<b>INCOME BEFORE PAYMENTS IN LIEU OF TAXES AND REGULATORY ITEMS</b>	<u>137,067</u>	<u>163,828</u>
Net movement on regulatory deferral accounts	65,864	218,675
Net movements in regulatory balances arising from deferred PILs	(10,899)	(23,076)
	<u>54,965</u>	<u>195,599</u>
<b>INCOME BEFORE PAYMENTS IN LIEU OF TAXES</b>	<u>192,032</u>	<u>359,427</u>
<b>PAYMENTS IN LIEU OF TAXES</b>		
Current (Note 13)	2,236	11,637
Future (Note 13)	21,055	4,083
	<u>23,291</u>	<u>15,720</u>
<b>NET INCOME</b>	168,741	343,707
<b>COMPREHENSIVE INCOME</b>		
Actuarial gain (Note 17)	146,093	-
<b>NET INCOME AND COMPREHENSIVE INCOME</b>	<u>\$ 314,834</u>	<u>\$ 343,707</u>

The accompanying notes are an integral part of these financial statements.

## NORTHERN ONTARIO WIRES INC.

### STATEMENT OF CHANGES IN EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

	Share capital	Accumulated other comprehen- sive income (loss)	Retained earnings	Total
<b>DECEMBER 31, 2021</b>	\$ 4,106,593	\$ (114,920)	\$ 581,807	\$ 4,573,480
Net income and other comprehensive income	-	-	343,707	343,707
Dividends paid	-	-	(75,082)	(75,082)
<b>DECEMBER 31, 2022</b>	4,106,593	(114,920)	850,432	4,842,105
Net income and other comprehensive income	-	146,093	168,741	314,834
Dividends paid	-	-	(54,756)	(54,756)
<b>DECEMBER 31, 2023</b>	\$ 4,106,593	\$ 31,173	\$ 964,417	\$ 5,102,183

The accompanying notes are an integral part of these financial statements.

# NORTHERN ONTARIO WIRES INC.

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 168,741	\$ 343,707
Items not involving cash:		
Amortization as presented on the statement of income and other comprehensive income	371,091	385,747
Amortization allocated to other expense accounts	104,889	106,126
Contributions in aid of construction recognized as other revenues	(3,566)	(3,566)
Change in future payment in lieu of taxes	21,055	4,083
Loss on disposal of property and equipment	9,157	5,619
Net movement on regulatory deferral accounts	(54,965)	(195,599)
Change in other comprehensive income	146,093	-
	762,495	646,117
Changes in:		
Accounts receivable	(152,179)	(59,102)
Unbilled service revenue	(76,268)	(17,765)
Inventory	(33,501)	(5,433)
Prepaid expenses	(17,399)	(24,519)
Accounts payable and accrued liabilities	151,688	(223,819)
Payments in lieu of taxes	(11,050)	(34,674)
Customer deposits	(1,413)	174,852
Employee future benefits	(143,937)	3,978
	478,436	459,635
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(527,474)	(946,820)
Purchase of intangible assets	(199,065)	-
	(726,539)	(946,820)
<b>FINANCING ACTIVITIES</b>		
Line of credit	450,000	80,000
Advances from related parties	69,307	35,217
Repayment of long-term debt	(192,655)	(182,839)
Proceeds of long-term debt	-	700,000
Dividends paid	(54,756)	(75,082)
	271,896	557,296
<b>INCREASE IN CASH</b>	23,793	70,111
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	188,956	118,845
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 212,749	\$ 188,956

The accompanying notes are an integral part of these financial statements.

# **NORTHERN ONTARIO WIRES INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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### **1. STATUS AND NATURE OF OPERATIONS**

Northern Ontario Wires Inc. (the "Company") was incorporated under the Ontario Business Corporations Act. The Company operates an electrical distribution utilities in Cochrane, Iroquois Falls and Kapuskasing, Ontario. The address of the Company's office and principal place of business is 153 Sixth Avenue, Cochrane, Ontario, Canada.

The sole shareholder of the Company is the Corporation of the Town of Cochrane.

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### **2. STATEMENT OF COMPLIANCE**

The financial statements of Northern Ontario Wires Inc. have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

The financial statements for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors on April 25, 2024.

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The significant policies are detailed as follows:

#### **BASIS OF MEASUREMENT**

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars (CDN\$), which is also the Company's functional currency, and all values are rounded to the nearest dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment, complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### ELECTRICITY REGULATION

Northern Ontario Wires Inc., as an electricity distributor, is both licensed and regulated by the Ontario Energy Board (“OEB”) which has a legislative mandate to oversee various aspects of the electricity industry. The OEB exercises statutory authority through setting or approving all rates charged by the Company and establishing standards of service for the Company’s customers.

The OEB has broad powers relating to licensing, standards of conduct and service and the regulation of rates charged by the Company and other electricity distributors in Ontario. The Ontario government enacted the Energy Competition Act, 1998, to introduce competition to the Ontario energy market. Rates are set by the OEB on an annual basis for May 1 to April 30.

The following regulatory policy is practiced in a rate regulated environment:

#### *Regulatory deferral accounts*

In accordance with IFRS 14, the Company has continued to apply the accounting policies it applied in accordance with the pre-changeover Canadian Generally Accepted Accounting Principles (“GAAP”) for the recognition, measurement and impairment of assets and liabilities arising from rate regulation.

Regulatory deferral account debit balances represent future revenues associated with certain costs incurred in the current period or in prior period(s) that are expected to be recovered from consumers in future periods through the rate-setting process. Regulatory deferral account credit balances are associated with the collection of certain revenues earned in the current period or in prior period(s), that are expected to be returned to consumers in future periods through the rate-setting process. Regulatory deferral account balances can arise from differences in amounts collected from customers (based on regulated rates) and the corresponding cost of non-competitive electricity service incurred by the Company in the wholesales market administered by the Independent Electricity System Operator (the “IESO”) after May 1, 2002. These amounts have been accumulated pursuant to regulation underlying the Electricity Act (the “EA”) and deferred in anticipation of their future recovery or expense in electricity distribution service charges.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### ELECTRICITY REGULATION, (CONT'D)

##### *Explanation of recognized amounts*

Regulatory deferral account balances are recognized and measured initially and subsequently at cost. They are assessed for impairment on the same basis as other non-financial assets as described below:

Management continually assesses the likelihood of recovery of regulatory assets. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

##### *Regulatory risk*

Regulatory risk is the risk that the Province and its regulator, the OEB, could establish a regulator regime that imposes conditions that restrict the electricity distribution business from achieving an acceptable rate of return that permits financial sustainability of its operations including the recovery of expenses incurred for the benefit of other market participants in the electricity industry such as transition costs and other regulatory assets. All requests for changes in electricity distribution charges require the approval of the OEB.

##### *Recovery risk*

Regulatory developments in Ontario's electricity industry, including current and possible future consultations between the OEB and interested stakeholders, may affect distribution rates and other permitted recoveries in the future. Northern Ontario Wires Inc. is subject to a cost of service regulatory mechanism under which the OEB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization and income taxes, of providing the regulated service, and (ii) to provide a fair and reasonable return on utility investment, or rate base. As actual operating conditions may vary from forecast, actual returns achieved can differ from approved returns.

#### REVENUE RECOGNITION

The Company recognizes revenue when it transfers control over a promised good or service, a performance obligation under the contract, to a customer and where the Company is entitled to consideration as a result of completion of the performance obligation.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### REVENUE RECOGNITION, (CONT'D)

##### *Sale and distribution of energy*

The Company is licensed by the OEB to distribute electricity. As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers. The Company has determined that they are acting as a principal for the electricity distribution and, therefore, have presented the electricity revenues on a gross basis.

Revenues from the sale and distribution of electricity is recognized on an accrual basis, including unbilled revenues accrued in respect of electricity delivered but not yet billed. Sale and distribution of energy revenue is comprised of customer billings for distribution service charges. Customer billings for distribution service charges are recorded based on meter readings.

##### *Other*

Other revenues, which include revenues from pole use rental, collection charges, street lighting installation and repair and/or maintenance services and other miscellaneous revenues are recognized at the time services are provided. Interest income is recognized when earned.

Where the Company has an ongoing obligation to provide services, revenues are recognized as the service is performed and amounts billed in advance are recognized as deferred revenue.

##### *Contributions in aid of construction*

Property and equipment may be constructed or acquired with financial assistance in the form of contributions from customers in the purpose of providing service or where special equipment is needed to supply the customers' specific requirements. Since the contributions will provide customers with ongoing access to supply of electricity, these contributions are classified as contributions in aid of construction and are recognized as other revenues on a straight-line basis over the useful life of the related property and equipment. Contributions in aid of construction received from developers are considered out of scope of IFRS 15 *Revenue from Contracts with Customers*.

##### *Non-utility revenues*

Non-utility revenues include other revenues not related to sale and distribution of energy. These revenues consist mainly of street lighting installation, repair and/or maintenance services and water reading and billing services.

Non-utility revenues are recognized as the service is performed.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

#### ACCOUNTS RECEIVABLE AND UNBILLED REVENUE

Accounts receivable are recorded at the invoiced amount and arrears amounts bear interest at the OEB prescribed interest rates. Unbilled revenue is recorded based on actual billings. The carrying amount of accounts receivable and unbilled revenue is reduced through an allowance for doubtful accounts, if applicable, and the amount of the impairment loss is recognized in the statement of income. The impairment loss is the difference between an asset's carrying amount and the estimated future cash flows. When the Company considers that there are no realistic prospects of recovery of the accounts receivable, the relevant amounts are written off. If the amount of impairment loss subsequently decreases due to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through net income.

#### FINANCIAL INSTRUMENTS

Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss or at amortized cost.

Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the net asset and settle the liability simultaneously.

#### *At amortized cost*

Cash and cash equivalents, accounts receivables, unbilled service revenue and due from related party are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.



# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### FINANCIAL INSTRUMENTS, (CONT'D)

The Company's line of credit, accounts payable and accrued liabilities, customer deposits, due to related parties and long-term debt are classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at amortized cost using the effective interest rate method.

#### *At fair value through other comprehensive income*

Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows solely represent payments of principal and interest, are classified as financial assets at fair value through other comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income except for the recognition of impairment losses, reversal of impairment losses, interest income and foreign exchange gains and losses, gain or loss previously recognized in net income. On de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to net income. Interest income from these financial assets is recognized as other income using the effective interest rate method. As at December 31, 2023, the Company does not have any financial assets classified at fair value through other comprehensive income.

#### *At fair value through profit or loss*

Financial instruments at fair value through profit and loss include instruments that are designated as financial instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or loss are recognized in net income. As at December 31, 2023, the Company does not have any financial instruments recorded at fair value through profit or loss.

#### *Impairment of financial assets at amortized cost*

Collectability of accounts receivable is reviewed on an ongoing basis. Accounts receivable which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of future cash flows. The amount of the provision is recognized in the statement of income.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### PROPERTY AND EQUIPMENT

##### *Recognition and measurement*

Property and equipment ("P&E") are recognized at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including eligible borrowing costs.

Amortization of P&E is recorded in the statement of income on a straight-line basis over the estimated useful life of the related asset. In the year of acquisition, only half of the following rate is used. In the year of disposition, no amortization is recorded. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives are as follows:

##### **Land and buildings**

Land	Not amortized
Buildings and components	5 to 50 years
Leasehold improvements	5 to 20 years

##### **Distribution equipment**

Distribution system	15 to 45 years
Distribution stations	30 to 45 years

##### **Vehicles and other equipment**

Office equipment	5 to 15 years
Tools and equipment	5 to 10 years
Vehicles	5 to 20 years

##### **Capital work-in-progress**

Not amortized

##### **Contributed capital**

35 to 45 years

##### *Capital work-in-progress*

Capital work-in-progress such as spare transformers and other items kept as standby/back-up equipment are accounted for as P&E since they support the Company's distribution system's reliability.

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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#### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

##### PROPERTY AND EQUIPMENT, (CONT'D)

###### *Gains and losses on disposal*

Gains and losses on disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the asset, and are included in the statement of income when the asset is disposed of. When an item of property and equipment with related contributions in aid of construction is disposed, the remaining deferred revenue is recognized in full in the statement of income.

##### CONTRIBUTIONS IN AID OF CONSTRUCTION

When capital contributions in aid of construction are received toward the cost of constructing distribution assets, they are initially recorded at fair value with the corresponding amount recognized as contributions in aid of construction on the statement of financial position. The contribution represents the Company's obligation to continue to provide customers access to the supply of electricity and is amortized to income over the economic useful life of the related asset.

##### BORROWING COSTS

The Company capitalizes interest expenses and other finance charges directly relating to the acquisition, construction or production of assets that take a substantial period of time to get ready for its intended use. Capitalization commences when expenses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization will be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

##### INTANGIBLE ASSETS

###### *Computer software*

Computer software that is acquired or developed by the Company, including software that is not integral to the functionality of equipment purchased, which has finite useful lives, is measured at cost less accumulated amortization and accumulated impairment losses.

###### *Amortization*

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date. The estimated useful lives for the current and comparative years are:

Computer software	7 years
Intangible work in progress	Not amortized

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company conducts annual internal assessments of the values of property and equipment, intangible assets and regulatory deferral account debit balances to determine whether there are events or changes in circumstances that indicate that their carrying amount may not be recoverable. Where the carrying value exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed. An impairment loss is charged to the statement of income and comprehensive income, except to the extent it reverses gains previously recognized in other comprehensive income.

#### EMPLOYEE FUTURE BENEFITS

##### *Defined contribution plan*

The employees of the Company participate in the Ontario Municipal Employees Retirement System ("OMERS"). The Company also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The contribution payable in exchange for services rendered during a period is recognized as an expense during that period. The Company is one of a number of employers that participates in the plan and the financial information provided to the Company on the basis of the contractual agreements is usually insufficient to measure the Company's proportionate share in the plan assets and liabilities on defined benefit accounting requirements.

##### *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation on behalf of its retired employees unfunded extended medical and dental benefits is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value. Any unrecognized past service costs are deducted.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### EMPLOYEE FUTURE BENEFITS, (CONT'D)

##### *Other long-term service benefits*

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

##### *Early retirement benefit*

A program of early-retirement benefits includes a drug plan coverage, dental benefits, semi-private bed insurance, optical plan coverage and life insurance benefits. The program is offered to those employees who retire at age 55 whose normal retirement age is 65 and who have completed 30 years of service with the Company.

#### PAYMENTS IN LIEU OF TAXES

##### *Tax status*

The Company is a Municipal Electricity Utility (“MEU”) for purposes of the payments in lieu of taxes (“PILs”) regime contained in the Electricity Act, 1998. As an MEU, the Company is exempt from tax under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario).

Under the Electricity Act, 1998, the Company is required to make, for each taxation year, PILs to Ontario Electricity Financial Corporation (“OEFC”), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

##### *Current and future payments in lieu of tax*

Income tax expense comprises of current and future PILs. Current and future PILs are recognized in net income except to the extent that it relates to items recognized directly in equity or regulatory deferral account balances. Current income PILs are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income PILs are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### PAYMENTS IN LIEU OF TAXES, (CONT'D)

Future PILs assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base. The amount of the future PILs asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities or assets are settled or recovered.

Recognition of future PILs assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the future PILs asset can be utilized.

At the end of each reporting period, the Company reassesses both recognized and unrecognized future tax assets. The Company recognizes a previously unrecognized future PILs asset to the extent that it has become probable that future taxable profit will allow the future PILs asset to be recovered.

#### FINANCE INCOME AND FINANCE COSTS

Finance income comprises of interest income on funds invested such as cash and short-term investments. Interest income is recognized as it accrues in the statement of income, using the effective interest method.

Finance cost comprises of interest payable on debt and impairment losses recognized on financial assets and net interest on employee future benefits.

#### INVENTORY

Cost of inventory comprise of direct materials, which typically consists of distribution assets not deemed as major spare parts, unless purchased for specific capital projects in process or as spare units. Costs, after deducting rebates and discounts, are assigned to individual items of inventory on the basis of weighted average cost. Decommissioned assets that are transferred to inventory are tested for impairment once they are removed from service and placed into inventory. Inventory is recognized at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 3. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

#### STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been early adopted by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

*Effective for annual periods beginning on or after January 1, 2024:*

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IAS 16);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

*Effective for annual periods beginning on or after January 1, 2025:*

- Lack of Exchangeability (Amendments to IAS 21)

The Company anticipates that the adoption of these accounting pronouncements will not have a material impact on the Company's financial statements.

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# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 4. USE OF ESTIMATES AND JUDGEMENTS

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Useful lives of depreciable assets*

Depreciation and amortization expense is based on estimates of the useful lives of property and equipment and intangible assets. The Company estimates the useful lives based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

#### *Payments in lieu of taxes*

The Company is required to make payments in lieu of taxes calculated on the same basis as income taxes on taxable income earned. Significant judgment is required in determining the provision and liability or asset for PILs. Changes in future payments in lieu of taxes may be required due to changes in future tax rates.

#### *Allowance for doubtful accounts receivable*

In determining the allowance for doubtful accounts, the Company considers historical loss experience of account balances based on the aging and arrears status of accounts receivable balances.

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## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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#### 5. CASH AND CASH EQUIVALENTS

The Company's business operating account held at the CIBC earns interest monthly based upon the average monthly credit balance. Interest rate paid is determined by the balance in which the average monthly credit balance falls and is the monthly average prime rate less 1.90% to 2.0%.

The Company's chequing account held at the Caisse Desjardins Ontario Inc. earns interest based on the average monthly balance. Interest is paid monthly at the bank's monthly prime rate less 3.20%. As at December 31, 2023, the rate was 4.0% (2022 - 3.45%).

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#### 6. ACCOUNTS RECEIVABLE

	2023	2022
Electrical energy receivable	\$ 1,695,749	\$ 1,699,414
Government remittances	14,297	8,384
Other	20,091	7,021
	<hr/>	<hr/>
	1,730,137	1,714,819
Allowance for doubtful accounts	(368,186)	(505,047)
	<hr/>	<hr/>
	<u>\$ 1,361,951</u>	<u>\$ 1,209,772</u>

Due to its short-term nature, the carrying amount of the accounts receivable approximates its fair value.

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#### 7. INVENTORY

Inventory recognized as an expense during the year totaled \$75,905 in 2023 (2022 - \$104,531).

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## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 8. PROPERTY AND EQUIPMENT

<b>COST</b>	<b>2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>2023</b>
Land and buildings	\$ 572,177	\$ 4,270	\$ -	\$ 576,447
Distribution equipment	8,622,602	155,723	(12,344)	8,765,981
Vehicles and other equipment	2,284,790	131,509	-	2,416,299
Capital work-in-progress	1,055,152	235,972	-	1,291,124
Contributed capital	155,283	-	-	155,283
	<u>\$ 12,690,004</u>	<u>\$ 527,474</u>	<u>\$ (12,344)</u>	<u>\$ 13,205,134</u>

<b>ACCUMULATED AMORTIZATION</b>	<b>2022</b>	<b>Amortization</b>	<b>Disposals</b>	<b>2023</b>
Land and buildings	\$ 176,748	\$ 20,525	\$ -	\$ 197,273
Distribution equipment	2,421,564	278,672	(3,187)	2,697,049
Vehicles and other equipment	1,879,845	125,780	-	2,005,625
Contributed capital	25,821	3,566	-	29,387
	<u>\$ 4,503,978</u>	<u>\$ 428,543</u>	<u>\$ (3,187)</u>	<u>\$ 4,929,334</u>

<b>CARRYING AMOUNTS</b>	<b>2023</b>	<b>2022</b>
Land and buildings	\$ 379,174	\$ 395,429
Distribution equipment	6,068,932	6,201,038
Vehicles and other equipment	410,674	404,945
Capital work-in-progress	1,291,124	1,055,152
Contributed capital	125,896	129,462
	<u>\$ 8,275,800</u>	<u>\$ 8,186,026</u>

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 8. PROPERTY AND EQUIPMENT, (CONT'D)

<b>COST</b>	<b>2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>2022</b>
Land and buildings	\$ 550,554	\$ 21,623	\$ -	\$ 572,177
Distribution equipment	8,240,105	392,113	(9,616)	8,622,602
Vehicles and other equipment	2,100,616	248,158	(63,984)	2,284,790
Capital work-in-progress	770,226	284,926	-	1,055,152
Contributed capital	155,283	-	-	155,283
	<u>\$ 11,816,784</u>	<u>\$ 946,820</u>	<u>\$ (73,600)</u>	<u>\$ 12,690,004</u>

<b>ACCUMULATED AMORTIZATION</b>	<b>2021</b>	<b>Amortization</b>	<b>Disposals</b>	<b>2022</b>
Land and buildings	\$ 156,834	\$ 19,914	\$ -	\$ 176,748
Distribution equipment	2,154,032	272,486	(4,954)	2,421,564
Vehicles and other equipment	1,817,092	125,780	(63,027)	1,879,845
Contributed capital	22,255	3,566	-	25,821
	<u>\$ 4,150,213</u>	<u>\$ 421,746</u>	<u>\$ (67,981)</u>	<u>\$ 4,503,978</u>

<b>CARRYING AMOUNTS</b>	<b>2022</b>	<b>2021</b>
Land and buildings	\$ 395,429	\$ 393,720
Distribution equipment	6,201,038	6,086,073
Vehicles and other equipment	404,945	283,524
Capital work-in-progress	1,055,152	770,226
Contributed capital	129,462	133,028
	<u>\$ 8,186,026</u>	<u>\$ 7,666,571</u>

**NORTHERN ONTARIO WIRES INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****9. INTANGIBLE ASSETS**

<b>COST</b>	<b>2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>2023</b>
Computer software	\$ 495,381	\$ 57,580	\$ -	\$ 552,961
Intangible work-in-progress	-	141,485	-	141,485
	<u>\$ 495,381</u>	<u>\$ 199,065</u>	<u>\$ -</u>	<u>\$ 694,446</u>

<b>ACCUMULATED AMORTIZATION</b>	<b>2022</b>	<b>Amortization</b>	<b>Disposals</b>	<b>2023</b>
Computer software	\$ 441,151	\$ 47,437	\$ -	\$ 488,588

<b>CARRYING AMOUNTS</b>	<b>2023</b>		<b>2022</b>	
Computer software		\$ 64,373	\$ 54,230	
Intangible work-in-progress		141,485	-	
		<u>\$ 205,858</u>	<u>\$ 54,230</u>	

**INTANGIBLE ASSETS**

<b>COST</b>	<b>2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>2022</b>
Computer software	\$ 495,381	\$ -	\$ -	\$ 495,381

<b>ACCUMULATED AMORTIZATION</b>	<b>2021</b>	<b>Amortization</b>	<b>Disposals</b>	<b>2022</b>
Computer software	\$ 371,024	\$ 70,127	\$ -	\$ 441,151

<b>CARRYING AMOUNTS</b>	<b>2022</b>		<b>2021</b>	
Computer Software		\$ 54,230	\$ 124,357	

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 10. REGULATORY DEFERRALS

All amounts deferred as regulatory deferral account debit balances are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. In 2023, the Company had a decision and rate order to the OEB, resulting in disposal of deferral accounts and new rates applicable as of May 1, 2023. Where no recovery period is noted, the deferral amount will be applied for disposition at the time of the next cost of service application to the OEB. The recovery period will be determined by the OEB at that time. Due to previous, existing or expected future regulatory articles or decisions, the Company has the following amounts expected to be recovered by customers (returned to customers) in future periods and as such regulatory deferral account balances are comprised of:

	2022	Disposition	Balances arising in the period	Recovery	2023
<b>Regulatory deferral debits</b>					
Other regulatory assets	\$ 20,272	\$ -	\$ 874	\$ -	\$ 21,146
Retail cost variance	14,963	-	299	-	15,262
Other post employment benefits	49,351	-	8,709	-	58,060
Retail settlement variance accounts (RSVA)	522,997	(143,519)	124,180	-	503,658
Disposition and recovery of regulatory 2017	25,353	(25,721)	368	-	-
Disposition and recovery of regulatory 2021	7,895	-	148	-	8,043
Disposition and recovery of regulatory 2022	27,940	-	541	(17,286)	11,195
Disposition and recovery of regulatory 2023	-	166,705	3,947	(85,498)	85,154
<b>Total</b>	<b>668,771</b>	<b>(2,535)</b>	<b>139,066</b>	<b>(102,784)</b>	<b>702,518</b>

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 10. REGULATORY DEFERRALS, (CONT'D)

	2022	Disposition	Balances arising in the period	Recovery	2023
<b>Regulatory deferral credits</b>					
Other regulatory credits	(285,590)	-	42,990	-	(242,600)
Smart metering entity charge	(18,838)	2,535	(12,286)	-	(28,589)
Disposition and recovery of regulatory 2018	(7,403)	-	-	-	(7,403)
Disposition and recovery of regulatory 2019	(5,712)	-	(219)	-	(5,931)
Disposition and recovery of regulatory 2020	(31,109)	-	(903)	-	(32,012)
PILs and tax variance account	(42,845)	-	(10,899)	-	(53,744)
Total	(391,497)	2,535	18,683	-	(370,279)
Net regulatory asset	\$ 277,274	\$ -	\$ 157,749	\$ (102,784)	\$ 332,239

	2021	Disposition	Balances arising in the period	Recovery	2022
<b>Regulatory deferral debits</b>					
Other regulatory credits	\$ 16,412	\$ -	\$ 3,860	\$ -	\$ 20,272
Retail cost variance	14,347	-	616	-	14,963
Other post employment benefits	40,642	-	8,709	-	49,351
Retail settlement variance accounts (RSVA)	186,787	(48,371)	384,581	-	522,997
Disposition and recovery of regulatory 2017	24,919	-	434	-	25,353
Disposition and recovery of regulatory 2021	100,380	-	203	(92,688)	7,895
Disposition and recovery of regulatory 2022	-	48,257	544	(20,861)	27,940
Total	383,487	(114)	398,947	(113,549)	668,771

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 10. REGULATORY DEFERRALS, (CONT'D)

	2021	Disposition	Balances arising in the period	Recovery	2022
<b>Regulatory deferral credits</b>					
Other regulatory assets	(235,683)	-	(49,907)	-	(285,590)
Smart metering entity charge	(2,562)	114	(16,390)	-	(18,838)
Disposition and recovery of regulatory 2018	(7,403)	-	-	-	(7,403)
Disposition and recovery of regulatory 2019	(5,629)	-	(83)	-	(5,712)
Disposition and recovery of regulatory 2020	(30,766)	-	(343)	-	(31,109)
PILs and tax variance account	(19,769)	-	(23,076)	-	(42,845)
Total	(301,812)	114	(89,799)	-	(391,497)
Net regulatory asset	\$ 81,675	\$ -	\$ 309,148	\$ (113,549)	\$ 277,274

The “Disposition” column consists of the principal and interest amounts which the OEB approved for disposition during the year. The “Balances arising in the period” column consists of new additions to regulatory balances (for both debits and credits). The “Recovery” column consists of amounts disposed through OEB approved rate riders.

Carrying charges are calculated monthly on the opening balance of the applicable variance account using the prescribed interest rate set by the OEB. During the year, the Company recorded a net credit balance of \$19,850 (2022 - \$4,430) to the above regulatory accounts for carrying charges and the related net credit balance is included in finance income and expenses. The prescribed interest rate history is as follows:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
2023 OEB quarterly prescribed interest rates	4.73%	4.98%	4.98%	5.49%
2022 OEB quarterly prescribed interest rates	0.57%	1.02%	2.20 %	3.87%

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 10. REGULATORY DEFERRALS, (CONT'D)

#### **Other regulatory assets**

The Company used these deferral accounts to record any material differences between OEB cost assessments currently built into rates and cost assessments that resulted from the application of the new cost assessment model effective April 1, 2016. The OEB has authorized deferral accounts to record related carrying charges.

In 2018, the OEB authorized a variance account to record the excess incremental revenues received from carriers for the new pole attachment charge. The OEB has authorized deferral accounts to record related carrying charges.

In 2020, the OEB authorized a variance account to record incremental costs directly attributable to the customer choice initiative. Carrying charges are calculated monthly at the OEB's prescribed rate. The OEB also ordered the establishment of variance accounts to track any incremental costs and lost revenues related to the COVID-19 pandemic. Carrying charges at the OEB's prescribed rate apply to these accounts.

In 2021, the OEB authorized a variance account to record incremental costs directly attributable to the implementation of the Green Button initiative. Carrying charges are calculated monthly at the OEB's prescribed rate.

In 2023, the OEB authorized a variance account to record costs of implementing the new optional ultra-low overnight price plan. Carrying charges are calculated monthly at the OEB's prescribed rate.

#### **Retail settlement variance accounts (RSVA)**

RSVAs are comprised of the variances between amounts charged by the Company to its customers, based on regulated rates, and the corresponding cost of non-competitive electricity service incurred by the Company. The settlement variances relate primarily to service charges, non-competitive electricity charges and the global adjustment. Accordingly, the Company has deferred the variances between the costs incurred and the related recoveries in accordance with the criteria set-out in the accounting principles prescribed by the OEB. The balance for settlement variances continues to be calculated and attracts carrying charges in accordance with the OEB's direction.

#### **Smart metering entity charge**

The OEB is managing the development of the meter data management/repository to collect, manage, store and retrieve information related to the metering of customers' use of electricity in Ontario.

A monthly carrying charge is calculated based on the OEB's approved interest rates and added to the balance of each account.



**NORTHERN ONTARIO WIRES INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023**

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**10. REGULATORY DEFERRALS, (CONT'D)****Other post employment benefits (OPEB)**

Starting May 2017, the OEB established the following deferral account to record the difference in revenue requirement each year between operating, maintenance and administration (“OM&A”) components OPEB accounted for using a forecasted cash basis and the OM&A components of OPEB's accounted for using a forecasted accrual basis.

**Retail cost variance**

The OEB has allowed the deferral of specific customer and retailer billing costs.

**Disposition and recovery of regulatory**

This variance account is comprised of the cumulative balances of regulatory assets and liabilities approved for disposition by the OEB, reduced by amounts recovered/(refunded) to customers through billing of approved disposition rate riders. The number of years over which the recovery has been approved is prescribed by the OEB.

**PILs and tax variance accounts**

This variance account is used to record the revenue requirement impact of accelerated capital cost allowance deductions from the Accelerated Investment tax measure and the Designated Immediate Expensing Property rules. These changes are not reflected in the rate base previously approved by the OEB. As such, the tax savings must be deferred in this variance account and shared with the rate payers upon disposition. A monthly carrying charge is calculated based on the OEB's approved interest rates and added to the balance of the account.

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**11. LINE OF CREDIT**

The Company has an authorized commercial line of credit of \$1,000,000 bearing interest at prime and secured by a general security agreement and guaranteed by the Corporation of the Town of Cochrane. As at December 31, 2023, the balance was \$820,000 (2022 - \$370,000).

*Other credit facilities*

The Company has a commercial letter of guarantee of \$898,462 (2022 - \$898,462) with the IESO, as required by regulation, through an agreement with Caisse Desjardins Ontario Inc.

The Company has a commercial letter of guarantee in the amount of \$32,000 (2022 - \$32,000) with OMERS plan through an agreement with Caisse Desjardins Ontario Inc.

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## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable	\$ 1,404,130	\$ 1,406,951
Accrued liabilities	414,120	227,176
Government remittances	43,470	40,121
Wages payable	18,555	54,339
	<u>\$ 1,880,275</u>	<u>\$ 1,728,587</u>

#### 13. PAYMENTS IN LIEU OF TAXES

The significant components of the provision for payments in lieu of taxes recognized in net income are as follows:

	2023	2022
Current year payments in lieu of taxes	\$ 2,236	\$ 11,637
Change in unrecognized future payments in lieu of taxes	21,055	4,083
	<u>\$ 23,291</u>	<u>\$ 15,720</u>

#### Reconciliation of effective tax rate

Statutory Canadian Federal and Provincial tax rates reduced by the small business deductions for the current year comprise 9% (2022 - 9%) for Federal corporate tax and 3.2% (2022 - 3.2%) for Ontario corporate tax. The PILs expense varies from amounts which would be computed by applying the Company's combined statutory income tax rate as follows:

	2023	2022
<b>Income before PILs</b>	\$ 192,032	\$ 359,427
Statutory Canadian federal and provincial tax rate	12.20 %	12.20 %
<b>Provision for PILs at statutory rate</b>	\$ 23,428	\$ 43,850
<b>Increase (decrease) in PILs resulting from:</b>		
Capital cost allowance in excess of amortization of property and equipment	(22,194)	(33,115)
Loss on disposal of property and equipment	1,117	686
Non-deductible interest and penalties	85	216
Apprenticeship Tax Credit	(200)	-
<b>Provision for PILs of taxes</b>	<u>\$ 2,236</u>	<u>\$ 11,637</u>
<b>Effective tax rate</b>	<u>1.16 %</u>	<u>3.24 %</u>

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 13. PAYMENTS IN LIEU OF TAXES, (CONT'D)

##### Future payments in lieu of taxes

Significant component of the Company's future payments in lieu of taxes is as follows:

	2023	2022
Property and equipment	\$ (47,341)	\$ (26,286)

#### 14. CUSTOMER DEPOSITS

Customer deposits represents cash deposits from electricity distribution customers and retailers.

Deposits from electricity distribution customers are refundable to customers demonstrating an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

As at December 31, 2023, the customer deposits balance is \$288,148 (2022 - \$289,561).

#### 15. RELATED PARTIES TRANSACTIONS

##### Transactions with related parties

The Company is wholly owned by the Corporation of the Town of Cochrane ("Town"). The Company provides electrical energy to the Corporation of the Town of Cochrane at the same regulated rates and terms as other similar customers based on the amount of electricity consumed.

The Company has entered into an agreement with Cochrane Telecom Services which The Economic Development Corporation of the Town of Cochrane has a 30% interest. Cochrane Telecom Services provides management and staff services, administration facilities and equipment to Northern Ontario Wires Inc.

The Company is related to Northern Ontario Energy Inc. which is owned by the same shareholder. The Company provides management and staff services, equipment and inventory to Northern Ontario Energy Inc.

**NORTHERN ONTARIO WIRES INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****15. RELATED PARTIES TRANSACTIONS, (CONT'D)**

Transactions were as follows:

	<b>2023</b>	<b>2022</b>
<i>Cochrane Telecom Services</i>		
<b>Service revenue</b>	\$ 30,704	\$ 30,068
<b>Expenses</b>		
Payroll	\$ 6,676	\$ 19,411
Rent	\$ 41,634	\$ 37,736
Other	\$ 86,021	\$ 110,369
<i>Northern Ontario Energy Inc.</i>		
<b>Revenues</b>		
Administration charges	\$ 1,061	\$ 1,198
Management fees	\$ 127	\$ 144
Other	\$ 12,059	\$ 14,559
<b>Expenses</b>		
Other expenses	\$ 26,220	\$ 18,545
<i>Corporation of the Town of Cochrane</i>		
<b>Service revenue</b>	\$ 532,391	\$ 474,198
<b>Expenses</b>		
Payroll	\$ 1,339,178	\$ 1,348,547
Management fees	\$ 158,851	\$ 176,009
Other expenses	\$ 34,814	\$ 18,838
Rent	\$ 21,000	\$ 19,908

These transactions are in the normal course of operations and are measured at the exchange amount received or paid on similar terms as those of unrelated parties. None of these transactions would constitute an individually significant transaction.

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 15. RELATED PARTIES TRANSACTIONS, (CONT'D)

Year-end balances were as follows:

	2023	2022
Due to Cochrane Telecom Services	\$ (26,595)	\$ (3,905)
Due (to) from Northern Ontario Energy Inc.	(3,242)	7,939
Due to the Corporation of the Town of Cochrane	<u>(229,974)</u>	<u>(194,538)</u>
	<u>\$ (259,811)</u>	<u>\$ (190,504)</u>
Unbilled service revenue of Cochrane Telecom Services	\$ 2,235	\$ 2,210
Unbilled service revenue of the Corporation of the Town of Cochrane	<u>47,796</u>	<u>46,479</u>
	<u>\$ 50,031</u>	<u>\$ 48,689</u>

#### Key management personnel compensation

The key management personnel of Northern Ontario Wires Inc. are the members of the board of directors and all executive positions. They have the authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. The total compensation of the key management personnel is detailed as follows:

	2023	2022
Salary and short-term benefits	\$ 473,704	\$ 401,982
Post-employment benefits	<u>\$ 46,982</u>	<u>\$ 39,466</u>

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 16. LONG-TERM DEBT

	2023	2022
Caisse Desjardins Ontario Inc., loan payable in blended monthly principal and interest payments of \$21,841, bearing interest at 2.99%, secured by a general security agreement and a guarantee of the Corporation of the Town of Cochrane, maturing in December 2026	\$ 3,110,976	\$ 3,277,413
Caisse Desjardins Ontario Inc., loan payable in blended monthly principal and interest payments of \$3,935, bearing interest at 3.15%, secured by general security agreement and a guarantee of the Corporation of the Town of Cochrane, maturing in February 2027	652,484	678,702
	3,763,460	3,956,115
Less: current portion	198,465	192,582
	<u>\$ 3,564,995</u>	<u>\$ 3,763,533</u>

On December 27, 2023 the Company executed agreements for a \$1,100,000 further draw on the loans with Caisse Desjardins Ontario Inc. On January 14, 2024, a draw of \$853,227 was deposited into the Company's bank account. It is repayable starting on February 9, 2024 in blended interest and principal monthly payments of \$5,749 for five years and bears interest of 5.25%.

On January 17, 2024 a draw of \$246,773 was deposited into the Company's bank account. It is repayable starting February 9, 2024 in blended interest and principal monthly payments of \$4,685 and bears interest at 5.25%.

The principal payments to be made over the next five years are as follows:

	Existing debt schedule	New debt schedule
2024	\$ 198,465	\$ 261,679
2025	204,526	277,039
2026	210,772	287,185
2027	217,208	297,731
2028	223,842	308,695
	1,054,813	1,432,329
Subsequent	2,708,647	3,431,131
	<u>\$ 3,763,460</u>	<u>\$ 4,863,460</u>

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 16. LONG-TERM DEBT, (CONT'D)

##### *Other credit facilities*

The Company has an authorized commercial line of credit of \$3,476,339 bearing interest at prime and secured by a general security agreement and guaranteed by the Corporation of the Town of Cochrane. As at December 31, 2023 the amount available was \$2,776,339 (2022 - \$2,776,339). The December 31, 2023 amount available did not reflect the \$1,100,000 draw received in January 2024. As of the date of issuance of these financial statements, the amount available of the authorized commercial line of credit was \$2,136,347.

#### 17. EMPLOYEE FUTURE BENEFITS

##### *a) Defined contribution plan*

The employees of the Company participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit plan for employees, the related obligation of the corporation cannot be identified. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. The employer's portion of amounts paid to OMERS during the year was \$46,982 (2022 - \$39,466). The contributions were made for current service and these have been recognized in net income.

##### *b) Defined benefit plan*

The Company provides certain unfunded health, dental and life insurance benefits on behalf of its retired employees. These benefits are provided through a group defined benefit plan. The Company has reported its share of the defined benefit costs and related liabilities in these financial statements.

	2023	2022
Accrued benefit liability at beginning of year	\$ 434,358	\$ 430,380
Current service cost	13,818	15,079
Interest on accrued benefit obligation	11,160	10,836
Benefits paid	(22,822)	(21,937)
Actuarial gain	(146,093)	-
Accrued benefit liability at the end of the year	<u>\$ 290,421</u>	<u>\$ 434,358</u>

The main actuarial assumptions employed for the valuation of the defined benefit plan obligation were as follows:

- (a) Discount rate: the rate used to discount future benefits is assumed to be 2.5% (2022 - 3.5%) for fiscal benefit expense;
- (b) Inflation rate: the consumer price index is assumed to be 4.6% (2022 - 2.5%) per annum;

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 17. EMPLOYEE FUTURE BENEFITS, (CONT'D)

- (c) Salary increase rate: the salary increase is assumed to be 3% (2022 - 3%) per annum;
- (d) Retirement age: the later of 60 and age that employee will attain 30 years of service;
- (e) Dental cost trend rate: the increase in dental cost is assumed to be 4% (2022 - 4%) per annum and;
- (f) Extended health care trend rates: the increase in health care costs is 5.5% in 2025; decreasing to an ultimate rate of 4% per year over 15 years.

#### 18. CONTRIBUTIONS IN AID OF CONSTRUCTION

	2023	2022
Deferred contributions, net beginning of year	\$ 129,462	\$ 133,028
Contributions in aid of construction recognized as other revenues	<u>(3,566)</u>	<u>(3,566)</u>
	<u>\$ 125,896</u>	<u>\$ 129,462</u>

#### 19. SHARE CAPITAL

	2023	2022
<i>Authorized</i>		
Unlimited number of common shares		
Unlimited number of Class D non-voting, retractable, redeemable, preferred shares		
Unlimited number of preferred shares, subject to the Business Corporations Act, the directors may fix, before the issue thereof, the number of preferred shares of each series and the designation, rights, privilege restrictions and conditions attaching to the preferred shares of each series		
<i>Issued</i>		
1,000 common shares	\$ 4,106,593	\$ 4,106,593



## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 20. LIABILITY INSURANCE

The Company belongs to the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a self-insurance plan that pools the risks of all of its members. Any losses experienced by MEARIE are shared amongst its members. As at December 31, 2023, the Company has not been made aware of any assessments for losses. Insurance premiums charged to each member consist of a levy per thousand of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. The maximum coverage of the Company's policy is \$30,000,000 for general liability insurance.

#### 21. FINANCIAL INSTRUMENTS

The Company's carrying value and fair value of financial instruments consist of the following:

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>ASSETS</b>				
Cash and cash equivalents	\$ 212,749	\$ 212,749	\$ 188,956	\$ 188,956
Accounts receivable	\$ 1,361,951	\$ 1,361,951	\$ 1,209,772	\$ 1,209,772
Unbilled service revenue	\$ 1,677,629	\$ 1,677,629	\$ 1,601,361	\$ 1,601,361
Due from related party	\$ -	\$ -	\$ 7,939	\$ 7,939
<b>LIABILITIES</b>				
Line of credit	\$ 820,000	\$ 820,000	\$ 370,000	\$ 370,000
Accounts payable and accrued liabilities	\$ 1,880,275	\$ 1,880,275	\$ 1,728,587	\$ 1,728,587
Customer deposits	\$ 288,148	\$ 288,148	\$ 289,561	\$ 289,561
Due to related parties	\$ 259,811	\$ 259,811	\$ 198,443	\$ 198,443
Long-term debt	\$ 3,763,460	\$ 3,763,460	\$ 3,956,115	\$ 3,956,115

The estimated fair values of financial instruments as at December 31, 2023 are based on relevant market prices and information available at that time. The fair value estimates are not necessarily indicative of the amounts that the corporation may receive or incur in actual market transactions. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

#### Determination of fair values

The fair values of all financial instruments approximate their carrying values because of the short-term nature of these instruments.

## **NORTHERN ONTARIO WIRES INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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#### **21. FINANCIAL INSTRUMENTS, (CONT'D)**

Financial instruments which are disclosed at fair value are to be classified using a three-level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial instruments and are as follows:

- Level 1: Inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and,
- Level 3: Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

The Company's fair value hierarchy is classified as Level 1 for cash and cash equivalents. All others financial instruments are classified as Level 3.

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#### **22. CAPITAL MANAGEMENT**

The main objectives of the Company, when managing capital, are:

- (a) To ensure ongoing access to funding to maintain and improve the electricity distribution system;
- (b) To respect the capital structure for regulated activities with debt to equity structure recommended by the OEB, which is 60% debt and 40% equity;
- (c) To ensure prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity business.

The Company defines capital as shareholder's equity.

The OEB regulates the amount of interest on debt that may be recovered by the regulated electricity distribution business of the Company through its electricity distribution rates. The actual capital structure of the Company may differ from the OEB deemed structure.

The Company has no external capital requirements.

---

#### **23. FINANCIAL RISK MANAGEMENT**

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest risk, and liquidity risk as well as related mitigation strategies are discussed below. However, the risks described below are not exhaustive of all the risks nor will the mitigation strategies eliminate the Company's exposure to all risks listed.

# NORTHERN ONTARIO WIRES INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 23. FINANCIAL RISK MANAGEMENT, (CONT'D)

#### *CREDIT RISK*

Financial assets carry credit risk that a counter-party will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. Exposure to credit risk is limited due to the Company's large and diverse base of customers located in the municipalities of Cochrane, Kapuskasing and Iroquois Falls. The Company has approximately 6,009 (2022 - 5,982) active accounts, the majority of which are residential.

The carrying amount of accounts receivable is reduced through the use of an allowance for bad debts and the amount of the related impairment loss is recognized in the statement of income and other comprehensive income. Subsequent recoveries of receivables previously provisioned are credited to the income statement. As at year-end, an allowance for impairment is recognized in the amount of \$368,186 (2022 - \$505,047).

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2023, approximately \$348,415 (2022 - \$486,148) is considered 60 days past due. The Company has many customers, the majority of which are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2023, the Company holds security deposits in the amount of \$288,148 (2022 - \$289,561) and Irrevocable Standby Letters of Credit in the amount of \$262,000 for security of non-payment.

#### *INTEREST RISK*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank indebtedness. Changes in the bank's prime lending rate can cause fluctuations of interest payments and cash flows. The Company does not use derivative instruments to reduce its exposure to interest rate risk. The Company believes that the risk is low and not material.

#### *LIQUIDITY RISK*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Company has access to a line of credit and monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they become due. The Company believes that the risk is low and not material.

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**NORTHERN ONTARIO WIRES INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****24. EXPENSES BY NATURE**

	<b>2023</b>	<b>2022</b>
<b>OPERATING AND MAINTENANCE</b>		
Management fees	\$ 100,980	\$ 109,930
Materials and supplies	625,966	568,548
Wages and benefits	1,042,076	943,781
	<u>1,769,022</u>	<u>1,622,259</u>
<b>BILLING AND COLLECTION</b>		
Bad debt expense (recovery)	5,407	(81,747)
Billing costs	338,668	338,227
Management fees	37,919	42,384
Wages and benefits	330,811	353,159
	<u>712,805</u>	<u>652,023</u>
<b>ADMINISTRATION</b>		
Insurance expense	53,856	45,122
Management fees	19,825	9,705
Materials and supplies	212,939	189,651
Outside services	110,086	75,073
Travel	45,912	27,139
Wages and benefits	313,523	290,145
	<u>756,141</u>	<u>636,835</u>
<b>AMORTIZATION</b>		
	<u>371,091</u>	<u>385,747</u>
	<u>\$ 3,609,059</u>	<u>\$ 3,296,864</u>

## NORTHERN ONTARIO WIRES INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### 25. FINANCE INCOME AND EXPENSES

Finance income consists of the following:

	2023	2022
Interest income on bank deposits	\$ 13,187	\$ 9,407
Interest on regulatory deferral accounts	43,912	13,000
	\$ 57,099	\$ 22,407

Finance expenses consists of the following:

	2023	2022
Letter of guarantee and late payment fees	\$ 10,327	\$ 11,705
Interest cost on customer deposits	13,985	4,351
Interest cost on line of credit	17,311	1,100
Interest cost on long-term debt	116,662	118,609
Interest cost on regulatory deferral accounts	24,061	8,569
	\$ 182,346	\$ 144,334

#### 26. COMMITMENTS

As at December 31, 2023, the Company has outstanding commitments of approximately \$288,821 with respect to the acquisition of a AT48M Quickturn unit mounted on a 2022 Dodge Ram 5500 with an expected delivery date of August 2024.

#### 27. SUBSEQUENT EVENT

Subsequent to the year end, the Company purchased two 2024 Chevrolet Silverado Trucks for \$137,116. The company paid these trucks with cash.

In addition, subsequent to the year end, the Company received additional draws on its long-term debt facilities. See Note 16 - Long-term debt for additional details.





Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 10

Exhibit 1: Administrative Documents

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## **Tab 10 (of 11): Distributor Consolidation**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**ACQUISITION OR AMALGAMATION DETAILS &  
INCORPORATING ACM/ICM**

NOW Inc. has not investigated any potential opportunities for consolidation with other distributors, nor has it been a party to any Merger, Amalgamation, Acquisition, or Divestiture transaction with any other distributor(s) since its last rebasing application.

**Incorporation of Approved ACM or ICM**

NOW Inc. confirms it does not have an approved ACM or ICM to add to its rate base and base distribution rates.





Northern Ontario Wires Inc.  
Filed: August 30, 2024  
EB-2024-0046  
Exhibit 1  
Tab 11

Exhibit 1: Administrative Documents

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## **Tab 11 (of 11): Impacts of COVID-19 Pandemic**



## 1                                   **IMPACTS OF THE COVID-19 PANDEMIC**

2  
3    On March 11, 2020, the World Health Organization declared the COVID-19  
4    outbreak a global pandemic. This pandemic had a major impact on NOW Inc.'s  
5    operations and overall business continuity plan. NOW Inc. acted in response to  
6    COVID-19 at the end of March 2020 when it began setting up some employees  
7    in a work from-home environment for those who were able. NOW Inc. enacted a  
8    number of business continuity plans to protect the safety of its workers and to  
9    continue to operate a safe and reliable distribution system. NOW Inc.'s operations  
10   and spending plans had to be adjusted somewhat to accommodate the  
11   pandemic.

12  
13   The COVID-19 pandemic caused increases in costs due to major supply chain  
14   disruptions. NOW Inc., alongside other utilities in Ontario, faced pressure on  
15   ongoing supply costs and significant delays in the delivery of materials. This  
16   greatly impacted timelines for completing some projects. While the availability of  
17   materials and distribution system equipment is now being alleviated, costs for  
18   some products remain high. The supply chain issue also resulted in much higher  
19   costs for certain items that are critical for managing aging infrastructure.

20  
21   From a regulatory perspective, the OEB issued an emergency accounting order  
22   on March 25, 2020, acknowledging that distributors may incur incremental costs  
23   as of the result of the ongoing COVID-19 pandemic. The OEB required LDC's to  
24   complete monthly reporting to ensure that each LDC could continue to operate  
25   from a cash flow perspective during the pandemic. During the pandemic, the  
26   OEB suspended disconnections until September 1, 2020. For some individuals  
27   and businesses, the pandemic resulted in financial hardship, and as a result,



1 NOW Inc. has seen greater challenges for some of our customers to pay their  
2 bills. Despite government programs available to assist customers, NOW Inc. saw  
3 an increasing trend in non-payment of accounts which created larger overdue  
4 accounts and bad debts that NOW Inc. continues to manage. It should be noted  
5 that NOW Inc. customer did take advantage of the CEAP program to clear debts  
6 that could have turned into bad debt.

7

8 NOW Inc. is not seeking to recover any incremental costs it incurred resulting  
9 from the COVID-19 pandemic.