

CUSTOMER SUMMARY (EXHIBIT 1: ADMINISTRATION - 2.1.3)

North Bay Hydro Distribution Limited (NBHDL) has applied to the Ontario Energy Board for a change in the distribution rates that it charges its customers. The distribution rates are based on the amount of capital investments made by NBHDL as well as the cost to operate and maintain the capital investments, along with a percentage for a return on equity. Table 1-15 shows the impact to residential and small business

(GS<50) customers of the 2021 proposed rates compared to the existing rates.

Table 1 - 15: Bill Impacts for Typical Customer

| Rate Class | kWh | Total Bill Impact | |
|-------------|-------|-------------------|-------|
| | | \$ | % |
| Residential | 750 | 2.32 | 1.97% |
| GS<50 | 2,000 | 4.41 | 1.47% |

NBHDL has a service area of 319 square kilometers that provides electricity distribution to approximately 24,000 residential, commercial, and industrial customers. NBHDL is incorporated under the Ontario Business Corporations Act and is 100% municipally owned by the City of North Bay.

The full Application includes information on the amount and location of capital investments being made in the service territory along with the costs to operate and maintain the system, produce bills, and provide customer support. NBHDL employs approximately 50 local staff. The full Application can be found on NBHDL's website (www.northbayhydro.com).

Since NBHDL last rebased, NBHDL has achieved the following:

- In 2017 was presented with the IHSA's President Award in recognition of the achievement of no lost time injuries for 500,000 consecutive hours.
- In 2019 was recognized by Community Living North Bay as an Everyday Champion for our involvement in supporting their local membership.
- Continued operation of a safe, reliable distribution system focused on excellent customer service with fair, stable and affordable rates.
- Established a strong social media presence on Twitter, Facebook and LinkedIn to provide improved interaction, and create more communication and feedback channels for our customers.
- Improved the functionality of the public facing outage map on our website and added an email option for reporting an outage that is distributed immediately to all on-call staff.
- Completed the installation of our WIMAX communication system, enabling high bandwidth licensed communication across our service territory and preparing us for future needs.
- Completed the deployment of SCADA to all substations, automating the operation and control of all distribution breakers/reclosers in our system in turn minimizing restoration times.

- Continued to invest in public safety through the participation at community safety days and the education of youth at Elementary Schools on electrical safety.
- Implemented provincial initiatives to benefit customers such as the Fair Hydro Plan, Ontario Energy Rebate, COVID-19 assistance (Off-Peak Billing, CEAP, CEAP-SB) and customer optionality.
- Achieved an unverified 151% of Conservation First Framework conservation targets.
- Delivered and achieved great results for local customers through the Affordability Fund Trust.
- Invested \$33.3M from 2015 to 2019, with another \$6.4M forecasted in 2020, into local infrastructure through the timely connection of new customers and developments and through the affordably paced renewal of distribution system assets.
- Planted over 500 trees to give back to the community for trees removed as part of maintenance activities aimed at increasing reliability and safety.
- Successfully transitioned almost the entire management team through well 1 planned succession, positioning the company for strong results well into the future.
- Continued to focus on ways to improve all aspects of the business.

In the coming years, NBHDL plans to:

- Continue to deliver on sound asset management principles that ensure the renewal of assets as defined in the current version of the Distribution System Plan, which will result in a continued reliable, safe, efficient distribution system with investment paced in a way that achieves affordability for customers.
- Continue to facilitate connection of new customers to the grid, in a fair, affordable and timely manner.
- Hire additional personnel and retain existing, to deliver on the commitments contained within the full Application. The right people, with the right skills, in the right seats.
- Paced and planned investment in systems, tools, and equipment that allows workers to execute on their tasks, while keeping them safe, effective, and productive.
- Continue to embrace and enable new technology that provides a cost benefit to customers, or allows customers to interact with or connect to the grid in a way that creates customer value, opportunity and satisfaction.
- Improve annual customer engagement with commitments to a number of planned initiatives, with an emphasis directed towards increased education on industry, safety, operational and conservation topics.
- Develop and implement a new interactive customer tool (app, web-interface) and upgrade the existing customer portal to provide better access to information, in real-time, create stronger customer interaction and deliver on customer needs.

- Continue to foster a safe work culture that promotes employee training, safety, health and wellness, while also operating the grid in a way that keeps the public safe from and educated about electrical hazards.
- Increase spending on vegetation management to return to a 5-year cycle, in efforts to improve reliability and reduce safety hazards created by trees in proximity of high voltage lines.
- Update and add policies and practices that drive efficiency and productivity gains across all departments, and ensure a fair and consistent approach to customer service.
- Protect employer operations and customer privacy by having sound information technology processes and systems in place with a focus on enhanced cyber security.
- Implement a disaster recovery site to protect operations in case of a catastrophic event or the failure of critical systems.
- Continue to deliver, on time, provincial directives and initiatives aimed at 1 creating benefit for customers.
- Remain open and flexible to evolving customer needs, rapidly growing technology, and changes to the industry.
- Deliver strong financial performance to ensure prosperity of the business, balancing shareholder and customer expectations.

The application that accumulates to the rate impacts noted above include a capital and operating plan for 2021. The total capital budget for 2021 is \$6.14 Million (gross less contributed) and the total operating budget for 2021 is \$12.03 Million (including depreciation, property taxes, and LEAP).

The capital and operating expenditures will allow NBHDL to:

- Replace and refurbish poles, transformers, and wires
- Replace and refurbish trucks, equipment, tools, and software systems
- Connect new customers
- Accommodate municipal and regional plans
- Ensure a safe, reliable supply of electricity
- Strengthen IT infrastructure and enhance cybersecurity
- Maintain systems and assets
- Respond to outages and provide timely restoration
- Provide locate services
- Provide vegetation management services

- Ensure responsive customer service and consistent, accurate billing
- Engage with the customer to incorporate customer needs and preferences
- Provide adequate staffing levels, and invest in training to ensure effective and safe work delivery

In order to accomplish the items listed above, NBHDL requires annual revenues of \$15,685,587. NBHDL is proud of the service it has offered the community of North Bay over the past 80 years, and in order to continue to meet the needs and expectations of the customer while delivering a safe, reliable and efficient supply of electricity, an increase to rates, as defined in this Application, is required.