



Wellington North Power Inc.

290 Queen Street West, PO Box 359, Mount Forest, ON N0G 2L0

Phone: 519.323.1710 Fax: 519.323.2425

www.wellingtonnorthpower.com

E-mail: customerservice@wellingtonnorthpower.com

ESA # 7012854

Quarterly Newsletter of Wellington North Power Inc.

Quarter 1: January 1st to March 31st 2021

A quarterly update for Municipal Councillors and Shareholders summarizing Wellington North Power Inc.'s initiatives and performance.

Message from the CEO / President

Welcome to this 1st quarter 2021 edition of the Wellington North Power Quarterly Newsletter.

.... and we are off to a busy start this year! In our first quarter we have successfully completed the Cost of Service process resulting in the receipt of the Ontario Energy Board's Decision and Rate Order on April 22nd; connected a new subdivision in Arthur; and responded to numerous developer and customer inquiries while maintaining a safe working environment. Many thanks to the Wellington North Power team members.

In this edition you will see that we have updated the format and details of the Quarterly Scorecard on page 3. I trust that the information will be clear and concise. If you any feedback, please do not hesitate to contact me. From the report you can see that we are on track.

Another important initiative to highlight is our recent registration in the WSIB Excellence Program. By registering we hope to find gaps and make improvements to our existing Health and Safety program.

Last but not least, please mark your calendars, the virtual AGM is on Tuesday May 25th.

Jim Klujber – CEO/President, Wellington North Power Inc.

1. Our Commitment

As your local electricity distribution company, we take pride in providing safe, reliable electricity distribution to consumers in the urban areas of Arthur, Holstein and Mount Forest.

Our Mission Statement is: "Wellington North Power Inc. (WNP) shall provide its customers with the most cost-effective delivery of electricity safely, reliably and efficiently. This will be done while providing superior customer service and promoting customer education and green initiatives within its service area."

Our strategic objectives are to:

- Manage a safe and reliable distribution system in an efficient and cost-effective manner.
- Provide outstanding customer service.
- Continue to increase shareholder value.
- Meet all regulatory obligations.

2. 2021 Priorities

- Maintain day-to-day activities: System reliability, safety and customer service;
- Promote Health & Safety to protect staff and the general public;
- Complete capital projects adhering to safety regulations with no reported injuries;
- Work with and support stakeholders with encouraging economic growth in our communities;
- Control and manage operating expenses and capital expenditures;
- Comply with the Ministry of Energy and the energy regulator rules and codes; and
- Keep abreast of activities in the energy sector.

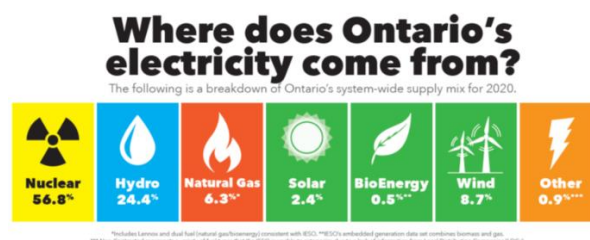
3. Updates

Business

- WNP's office remains closed to the general public during the Provincial lockdown period.
- In January 2021, WNP launched its' refreshed website that is compliant with the Accessibility for Ontarians with Disabilities Act (AODA). Also, we have created user-friendly on-line forms for customers to use that securely transfers information between the sender and WNP.
- On April 22nd WNP received a Decision and Rate Order in response WNP's Cost of Service application. This included approval of the LDC's 5-year capital plan for 2021-2025. The new distribution rates will take effect on May 1st.
- Redhead Media, on behalf of Wellington North Power, completed the 2021 Customer Satisfaction Survey. The survey is mandated to be completed every two years. Wellington North Power's customer satisfaction score is 80% which is just above the average of all LDCs (79%).

Government:

- **April 12th 2021:** Ontario Legislature passed the *Supporting Broadband and Infrastructure Expansion Act, 2021*. This legislation proposes to reduce costs to broadband providers associated with attaching broadband wirelines to hydro utility poles, and if passed, would provide 'timely' access to poles and to municipal rights of way to install broadband on municipal land.
- **Additional CEAP Funding:** WNP has been allocated additional Covid-19 Energy Assistance Program (CEAP) funds, from the Ministry of Energy, to assist those customers that need it most in 2021. Since the CEAP program began in June 2020, WNP has assisted 27 residential / small business customers providing a total credit of \$8,300 towards their hydro account.
- The OEB has extended the prohibition on the issuance of disconnection notices to Residential customers for non-payment during the Stay-at-Home Order currently until May 19th 2021.
- The chart below shows the composite of sources that provided electricity to Ontario in 2020:



Wellington North Power Inc.
Quarterly Update for Shareholders

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4. Scorecard

Strategic Objective	Status	Measure	Annual Target	YTD Target	YTD Actual	Variance to YTD Target	Notes / Remedial Plan
Continue to increase Shareholder Value	G	Net Income (Loss)	\$ 410,285	\$ 58,225	\$ 60,443	4%	
	G	Revenue	\$ 3,101,138	\$ 736,188	\$ 736,188	0%	
	G	Expenses	\$ 2,690,853	\$ 677,963	\$ 675,745	0%	
	G	Load Forecast (kWhr)	98,208,546	24,552,137	25,394,198	3%	
	G	Debt Service Coverage Ratio (IO)	>1 : 1.30		1 : 2.18		
	G	Debt to Total Assets Ratio (IO + OEB)	60:40 or less		52:48		
	G	Leverage Ratio (Total Debt to Equity) (OEB)	1.5		1.29		
	A	Profitability (Return on Equity) (OEB)	8.34%		1.21%		
Manage a safe and reliable distribution system in an efficient and cost effective manner	R	Capital Expenditure	\$ 627,000	\$ 156,750	\$ 105,793	-33%	
	G	Operating Expenditure	\$ 1,899,323	\$ 480,081	\$ 489,170	2%	
	G	Total Expenditures (CapEx & OpEx)	\$ 2,526,323	\$ 636,831	\$ 594,963	-7%	
	G	System Avg Interruption Duration Index	0.28		0.10		
	G	System Avg Interruption Frequency Index	0.15		0.07		
Provide outstanding customer service	G	Connection of LV Services	90.00%		100.00%		
	G	Connection of HV Services	90.00%		100.00%		
	G	Appointment Scheduling	90.00%		100.00%		
	G	Appointments Met	90.00%		100.00%		
	G	Rescheduling a Missed Appointment	100.00%		100.00%		
	G	Emergency Response (urban)	100.00%		100.00%		
	G	Telephone Accessibility	65%		90.08%		
	G	Telephone Call Abandon Rate	10%		0.00%		
	G	Written Response to Enquiries	80%		100.00%		
	G	Reconnection for Non-Payment	85%		100.00%		
	G	Billing Accuracy	98%		99.72%		
Meet all regulatory obligations	A	Electrical Safety Association (ESA) Audit		YTD Actual	Pass Audit		Scheduled for July
	G	Submission of IESO Emergency Prep Plan			Submit Plan		Plan submitted and Approved
	A	Completion of Distribution System Plan			Submit Plan		Application submitted.
	A	Approval of 2021 Cost of Service Rate App			File Application		Application submitted.
	G	Filing of monthly IESO Settlement Data			Submit Filing		Monthly files submitted
	A	Filing of Cost of Service for 2022 Rates (OEB)			Submit Filing		
	A	Filing of Annual information with the OEB			Submit Filing		In progress

Legend:

R	Behind plan / target - remedial action required
A	Slightly behind plan / target - to closely monitor
G	On plan / ahead of target - no remedial action necessary

Note: The "Financial Value" amounts shown are unaudited numbers.

5. Major Projects for 2021

Project	Scope
Pole Line Projects	Wellington North Power plans to complete a number of smaller pole replacement projects as well as several single pole replacements.
Under Ground Projects	An underground rebuild of a street in Mount Forest. Includes replacement of three live front transformers.
System Access Projects	WNP will continue to work on a number of smaller projects that will facilitate the connection of new customers.
General Plant	Network and IT Upgrades.
General Plant	Convert existing two washrooms to single AODA compliant washroom.

6. Outlook

- a) WNP has been responding to numerous new developer inquiries including infill projects, new subdivisions, multiplex units and commercial buildings. We are expecting a higher than normal number of new connections this year.
- b) WNP continues to promote and assist customers in applying for the Ontario Energy Support Program (OESP) initiative. The OESP program provides financial assistance to eligible low-income households and seniors in our community.
- c) WNP will continue to promote the Province's Covid-19 Energy Assistance Program (CEAP) funds, from the Ministry of Energy, to assist those customers that need it most and will report to the OEB to seek additional funding if necessary.
- d) With the Cost of Service application approved, WNP will be setting-up and testing the new billing rates as approved by the regulator and effective May 1st 2021.
- e) WNP provides an annual Low-income Energy Assistance Program (LEAP) donation to the social agencies of Community Resource Centre of North & Centre Wellington and United Way (Bruce Grey). In January 2021 WNP issued LEAP donation cheques totaling \$3,352; in April 2021, WNP will be providing an additional LEAP donation of \$3,500 to assist customers with the impacts of COVID-19 on their ability to manage their energy bills.
- f) Annual line clearing (tree trimming) activities began in the 1st quarter of 2021. WNP maintains a minimum clearance between vegetation and power lines for safety and system reliability.
- g) Continue to monitor current Public Health recommendations and safety protocols to maintain a safe working environment.
- h) Our capital program launched this year with the replacement of a number of rotted single poles. These poles were found through our wood pole testing program.
- i) WNP will continue to develop and upload forms to its website to help customers and developers interact conveniently with their local hydro company.
- j) As mandated, during April and May, WNP will be filing annual reports to Ontario Energy Board and Infrastructure Ontario detailing the company's operating performance and financial results for 2020.

Should you have any questions or feedback or require further information, please contact Jim Klujber (CEO/President) jklujber@wellingtonnorthpower.com or telephone 519-323-1710.