

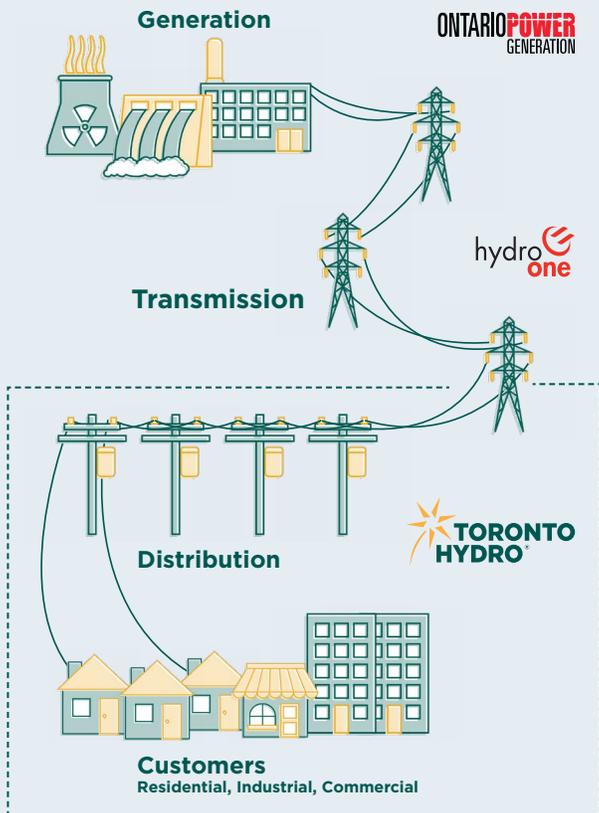
Powering Forward, Together: Our 2025–2029 Investment Plan

As the local electricity distributor for the city of Toronto, Toronto Hydro is responsible for delivering electricity to more than 3 million people across Canada’s largest city. We’ve owned and operated the poles, wires and other equipment that have powered homes and businesses safely and reliably for more than a century. But the way we power our city is evolving.

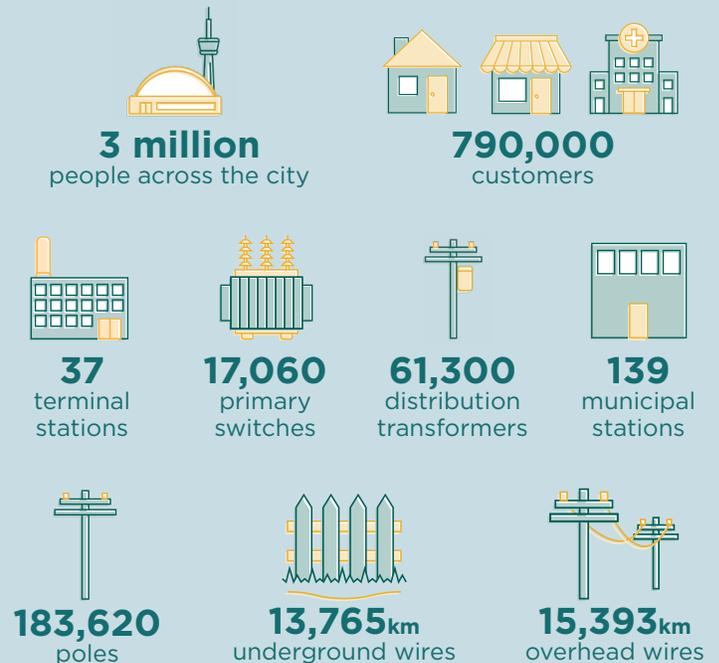
PREPARING OUR NEXT FIVE-YEAR PLAN

As Toronto continues to grow, digitize and electrify, we’ve developed a **five-year investment plan for 2025 to 2029** to get the grid ready to serve the city’s evolving electricity needs. Our plan will help ensure that our grid and operations will continue to be safe, reliable and environmentally responsible as we power our customers through this decade and beyond.

OUR ROLE IN THE ELECTRICITY SYSTEM



Key facts and figures*



* Numbers are approximate.

INVESTMENT NEEDS AND CHALLENGES

Our 2025–2029 investment plan is focused on responding to the needs and challenges of delivering safe, reliable and clean electricity in Toronto, including:



Powering a mature and growing urban city:

We serve Canada's largest and North America's second fastest growing city (by population). We also operate in a dense urban environment, which makes it more complicated and more expensive for us to plan and build infrastructure. As Toronto continues to grow, we need to prepare the grid to power new condo towers, residential communities and businesses.

FACT: Toronto has **238 cranes** in operation* — more than any other city in North America.

* As of Q1 2023.



Fixing and replacing equipment in poor condition:

A large percentage of our grid was installed in the 1950s and 60s. We need to continue monitoring the condition of our grid and replace equipment most at risk to keep it safe and reliable for customers.

FACT: **40% of power outages** are caused by defective equipment.



Keeping up with how customers use electricity:

Customers are increasingly adopting electrified technologies like electric vehicles and heat pumps for their day-to-day energy needs, and using new technologies like solar panels and battery storage to manage their energy usage. We need to upgrade our equipment and modernize our grid to keep up with these changes.

FACT: Did you know that when an EV is charging, it can use as much electricity as **two average homes**?



Responding to extreme weather and cyber security threats:

Extreme weather events such as high heat, high winds, flooding and ice storms are becoming more common due to climate change. In addition, cybercrime is on the rise across Canada. We need to invest in making our grid and operations more resilient against these emerging threats.

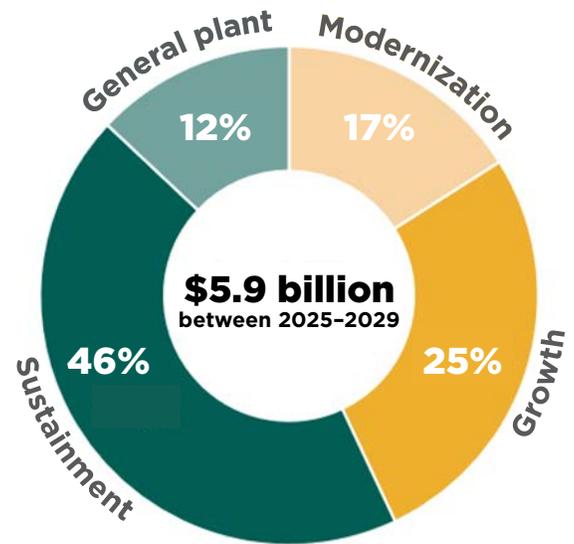
FACT: Between 2018 and 2022, Toronto Hydro experienced **seven major event days**,* impacting a total of **624,000 customers**.

* A major event day is a day when an unforeseeable, unpredictable, unpreventable or unavoidable event occurs that disrupts normal business operations, potentially affecting our services for a substantial number of customers.

OUR STRATEGIC PRIORITIES

In order to help ensure the delivery of safe, reliable and clean electricity now and into the future, we need to focus on four strategic priorities:

- 1. Modernization:** Develop advanced technological capabilities to make the system and our operations more reliable, resilient and efficient over time.
- 2. Growth:** Connect customers on time and get the grid ready to serve the city's growing need for electricity.
- 3. Sustainment:** Upkeep and renew aging, deteriorating and outdated equipment to maintain reliability, reduce safety risks and enhance our grid's capacity to serve customers.
- 4. General plant:** Keep our business running efficiently with safe and reliable vehicles, work centres and IT equipment, and reduce our emissions.



HOW CUSTOMER FEEDBACK SHAPED OUR PLAN

Customer engagement is an essential part of our investment planning and rate application process. Before we prepared our plan, we asked our customers for feedback about their needs and priorities for electricity services.

Customer engagement process

-  1. Identify customer needs, preferences and priorities.
-  2. Use customer feedback to guide development of draft plan.
-  3. Collect customer feedback on draft plan.
-  4. Use customer feedback to finalize plan.
-  5. Submit plan to the Ontario Energy Board (OEB).

Customer feedback

The feedback from customers centred around three core areas:

- Price and reliability
- New technology to reduce costs and improve the system
- System capacity to serve high-growth areas

Our draft plan was developed with these needs and priorities in mind and put back to customers through an interactive online survey.

Rate class	Survey participation	Support for our draft plan*
Residential	32,187	80%
Small business	695	77%
Commerical and industrial	264	82%
Key accounts	52	96%
Total	33,198	84%

*Includes customers who supported a plan that does even more to improve services.

RATE IMPACTS

To fund our proposed investment plan, we're seeking approval from the Ontario Energy Board (OEB) for 2025–2029 distribution rates and charges (Toronto Hydro's portion of the bill). The OEB and various consumer groups will review and test our plan in a rigorous, transparent public process known as a rate application.

Under our proposed plan, the average distribution charges for a **typical residential customer** (who uses 750 kWh per month) would increase by **\$3.44 per month**, annually from 2025 to 2029.

Proposed bill impacts

Rate class	Typical usage	Monthly bill impacts	2025	2026	2027	2028	2029	Average annual change (per month)
Residential	750 kWh	Distribution charges	\$45.93	\$49.33	\$53.05	\$57.02	\$59.88	\$3.44
		\$ change	\$3.24	\$3.40	\$3.72	\$3.97	\$2.86	
Residential suite-metered service*	300 kWh	Distribution charges	\$34.22	\$36.06	\$38.24	\$40.51	\$42.15	\$1.33
		\$ change	-\$1.27	\$1.84	\$2.18	\$2.27	\$1.64	
Small business (General service < 50 kW)	2,000 kWh	Distribution charges	\$132.67	\$141.91	\$151.52	\$162.19	\$169.48	\$10.20
		\$ change	\$14.18	\$9.24	\$9.61	\$10.67	\$7.29	

* Refers to customers in the Competitive Sector Multi-Unit Residential Service rate class.

ACCOUNTABILITY TO CUSTOMERS

Our 2025–2029 investment plan is focused on delivering results that matter to customers and stakeholders. To help ensure we achieve these outcomes, we'll be holding ourselves financially accountable through a performance management framework that tracks and reports our performance on 12 distinct measures across four areas:

System reliability and resilience



- Outage duration
- Outage frequency
- System security enhancements

Customer service and experience



- New services connected on time
- Customer satisfaction
- Customer escalations resolution

Efficiency and financial performance



- Efficiency achievements
- Grid automation readiness
- System capacity (non-wires)

Environment and safety



- Total Recordable Injury Frequency (TRIF)
- Emissions reductions
- ISO compliance and certification

OUR PRODUCTIVITY AND PERFORMANCE

Toronto Hydro strives to provide value for money for customers through continuous improvements in productivity and performance.

We've generated

\$2.2 billion



in savings for our customers since the company was formed in 1999, through activities such as improved asset management, efficient material handling and workforce optimization.

We resolve **92%** of customer issues on first contact.



We connect new residential and small business customers to the grid on time more than

99% of the time.



We completed a facilities consolidation strategy that reduced our square footage per employee by approximately 40% and is expected to return more than

\$200 million

to customers by the end of this decade.

