



Burlington **enterprises**
corporation

Burlington Enterprises Corporation Community Report 2023

“We stand by your side as dedicated community partners, driven by our mission to deliver a safe, secure, dependable supply of electricity and essential energy services to the City of Burlington.”

Gerry Smallegange, President and CEO, Burlington Hydro Inc.

OUR CORPORATE STRUCTURE

Burlington Enterprises Corporation (BEC) is an energy services company, wholly owned by the City of Burlington. The company consists of two affiliate subsidiaries: a regulated electricity distribution company, Burlington Hydro Inc. (BHI), and a non-regulated electricity services company, Burlington Electricity Services Inc. (BESI).

BURLINGTON HYDRO INC.

With a total licensed service area of 188 square kilometres and employing 102 dedicated individuals, Burlington Hydro serves approximately 69,500 residential and commercial customers in the City of Burlington. Electricity is delivered safely and reliably to the community through a network of 1,600 kilometres of medium-voltage distribution lines and 32 substations.

Burlington Hydro is regulated by Ontario Energy Board, an independent regulatory agency that oversees Ontario's electricity and natural gas sectors to ensure consumers receive safe, reliable and reasonably priced energy services.

BURLINGTON ELECTRICITY SERVICES INC.

Burlington Electricity Services Inc. (BESI) offers a range of services, including Electric Vehicle (EV) Chargers, Water/Gas/Thermal Sub Meters, Water and Wastewater Billing, and acts as a sales agent for Electricity Suite Meters.

OUR COMMITMENT TO COMMUNITY

Burlington Hydro is a progressive company committed to continuous improvement and performance excellence in the areas of safety, stewardship, community involvement and innovation.

OUR CORE VALUES

WE CARE FOR PEOPLE

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

WE CARE ABOUT STEWARDSHIP

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

WE CARE ABOUT PERFORMANCE

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

WE CARE FOR THE COMMUNITY

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

Message from the Chair & CEO

POST-PANDEMIC

In the post-pandemic environment, we have once again focused on our community and stakeholders, reinvigorating relationships, and working for the people of Burlington during a very exciting time of growth. The City of Burlington is currently estimating the addition of approximately 29,000 residential units by 2031. Burlington Hydro is fully prepared to work in partnership to support the growth and infrastructure plans that are anticipated to help meet this housing target.

Burlington Hydro acknowledges the escalating frequency of extreme weather occurrences, which present potential hazards to our electricity infrastructure. In response to provincial and federal initiatives aimed at achieving net-zero emissions, the City is proactively developing a Sustainability and Climate-Resiliency plan. This comprehensive strategy delineates specific actions to be undertaken between 2022 and 2032. In response, our mitigation efforts are primarily directed towards factors within our jurisdiction, notably our infrastructure such as cables and technology, which are susceptible to weather-related tree damage. Additionally, we are committed to aligning our operational strategies with the evolving needs of the City.

PARTNERING WITH MCMASTER UNIVERSITY

Burlington Hydro has also partnered with McMaster University, which has been successful in obtaining the Natural Sciences and Engineering Research Council of Canada Alliance Research Grant worth \$999,000. This funding will allow an in-depth study of the proposed topic entitled, "Impact of Decarbonization of Heating on the Electrical Grid." We are thrilled to collaborate with McMaster as we work together to navigate the future.

DELIVERING VALUE

The culture at Burlington Hydro continues to promote flexibility, adjustment, and continuous improvement to ensure it delivers value and provides superior customer service. This approach served us well in 2023. Evolving consumer preferences and expectations, environmentally friendly practices, increased use of electronic devices and electric vehicles and concerns about environmental impacts are all driving positive change. Enhancing the customer experience is a central pillar of our ethos.

It is always important to us that we address our community's concerns. This includes but is not limited to improving our outage response time, and outage communication via digital and traditional media.

In our commitment to addressing our community's concerns, we've developed two customer-focused initiatives. Burlington Hydro's MyAccount platform offers customers convenient access to manage their energy usage and billing online. Our Green Button initiative empowers users to access and securely share their energy data, fostering transparency and promoting sustainable energy practices.

SUPPORTING OUR COMMUNITY

We have been very pleased to give back to the broader community, whether sponsoring initiatives for the Carpenter Hospice, United Way Halton & Hamilton, Royal Botanical Gardens, and Burlington Green or supporting various Burlington Chamber of Commerce events throughout the year. This includes the Green Economy Symposium, Take Your Kid to Work Day, and Women Leaders event among others. Burlington Hydro is a community-minded utility first and foremost.

MILESTONES

Significant milestones were achieved in various aspects of team empowerment and safety culture. Notable achievements included the hiring of 13 full-time employees and offering 9 co-op student roles. Equally commendable is the remarkable retention rate of 97%, underscoring the company's dedication to providing a supportive and engaging work environment.

Burlington Hydro recognizes the importance of prioritizing mental health alongside physical safety. Initiatives aimed at promoting mental health awareness and providing resources for employee wellness are an integral part of our organizational strategy.

Safety is at the core of Burlington Hydro operations, with a strong emphasis on ensuring that every employee returns home safely at the end of the day.

Despite the diverse economic and societal challenges that 2023 presented, we have had a successful year running and maintaining an efficient and financially sound, responsive, and community-focused utility. We would like to thank our committed and dedicated employees and our hard-working Board of Directors for their many contributions.

POISED FOR SUCCESS

As we look ahead to 2024, we continue to strive to meet the needs of our customers and community. We feel confident we are ready to greet the energy industry's evolving challenges with expertise and optimism.

We are pleased to note that our 2023 Customer Satisfaction Survey recorded an overall satisfaction score of 90 percent. And on the safety front, our employees surpassed an impressive 1.4 million work hours without a lost-time injury.

Susan Kilburn, Chair

Gerry Smallegange, President & CEO

COMMITTED TO DELIVERING SAFE, RELIABLE POWER

86% of customers agree that Burlington Hydro provides consistent, reliable electricity (2023 Customer Satisfaction Survey)

CAPITAL INVESTMENTS TO ENABLE GROWTH

Burlington Hydro's capital investment program is focused on accommodating planned community growth while improving the reliability, resiliency, efficiency and security of our distribution system. In 2023, we invested \$31 million in distribution infrastructure expansions and upgrades. Notable projects include:

- Connection for the new Palladium Way industrial subdivision.
- Completion of the installation of a new pole line along Waterdown Road (from Mountain Brow Road to North Service Road). This facilitates the City of Burlington's road-widening project in that area.
- Completion of various Metrolinx projects that lie in Burlington Hydro's service territory. This involved replacing overhead power lines over railroad tracks with underground cables.
- Expansion of a major electrical supply to support a new subdivision at 2100 Brant Street and connection to the subdivision at 2273 Turnberry Road.
- Conversion of the supply feeder to an underground section and creation of a new connection for a large logistics company at 3100 Mainway Drive.
- Construction of electrical distribution infrastructure to provide electricity to the new City of Burlington Skyway Community Centre.
- Conversion of overhead lines to an underground cable supply along Fairview Street, thereby providing a feeder extension and temporary service for a multi-tower on Fairview Street at Drury Lane.
- Replacement of approximately 3 kilometres of underground cable to improve service reliability in Brant Hills community.
- Connection of a commercial/industrial building at 4385 Mainway and 4216 South Service Road.

87% of customers agree that Burlington Hydro makes electricity safety a top priority (2023 Customer Satisfaction Survey)

In response to the increasingly frequent and severe weather events attributed to climate change, we are fully committed to enhancing the resilience and dependability of our infrastructure to ensure the reliability of the electricity supply.

ENERGIZING PARTNERSHIPS

We are thrilled to be working in collaboration with several community partners on projects that will have long-term positive outcomes.

PARTNERSHIP WITH MCMASTER UNIVERSITY

Burlington Hydro is proud to be collaborating with McMaster University, a leader in research and innovation. McMaster University has secured the prestigious National Sciences and Engineering Research Council of Canada Alliance Research Grant valued at \$999,000 to study the 'Impact of Decarbonization of Heating on the Electrical Grid'. As a key partner, Burlington Hydro will provide invaluable expertise in distribution systems and will facilitate data sharing with undergraduate students as they research the implications of electric vehicles on distribution systems.

OUR INDUSTRY PARTNERS: THE GRIDSMARTCITY COOPERATIVE

The GridSmartCity Cooperative (GSCC) unites utilities in Ontario to address grid challenges. With 14 local distribution company (LDC) members managing \$3 billion in assets and serving 794,000 customers, GSCC focuses on identifying and capitalizing on scale efficiencies and fostering information exchange. As a proud founding partner of the GridSmartCity Cooperative (GSCC), Burlington Hydro leverages this collaborative framework to identify best industry practices and achieve cost savings while driving innovation forward.

For example, with the Government of Canada's commitment to reducing greenhouse gas emissions by 40-45% by 2030 and achieving net-zero emissions by 2050, electrification has emerged as a pivotal strategy, particularly in the transportation and building heating sectors. Partnership within GSCC has enabled Burlington Hydro to cultivate strong ties with all levels of government focused on these goals and has fueled synergies as LDCs tackle emerging issues including supply chain, distributed energy resources, electric vehicle adoption, system reliability, and cybersecurity.

Through our participation in GSCC, Burlington Hydro is well-positioned to navigate industry transitions and drive positive outcomes for our customers and communities.

WORKING NOW FOR A GREAT FUTURE

Burlington Enterprises Corporation has embraced significant responsibilities as a primary stakeholder on the City of Burlington's Climate Action Plan and Climate Resilient Burlington Plan Stakeholder Committees. This role holds immense significance for us, not only because the company's future is dependent on our successful adaptation to the changing energy landscape, but also because the future of our community will be determined through strategic decision-making.

Our focus revolves around two pivotal areas: preparing our distribution system for the growing frequency and severity of weather events and ensuring our power supply aligns with the demands of vehicle, building and community growth. These are multifaceted challenges that drive us to actively engage in problem-solving efforts with the community.

CLIMATE ACTION PLAN (CAP)

The City of Burlington has set an ambitious goal within its Strategic Plan: to become a net carbon-neutral community by 2050. In 2020, it took a significant step forward by introducing a Climate Action Plan (CAP), designed as a comprehensive roadmap toward achieving this objective. Central to the CAP are two key aims: mitigating greenhouse gas emissions (GHGs) and reducing energy consumption. Additionally, the plan delves into various related topics such as the proliferation of electric vehicles (EVs), conservation efforts, district energy initiatives, microgeneration projects, and the integration of storage technologies.

Burlington Enterprises Corporation proudly stands as a supporter and partner of the Climate Action Plan Stakeholder Committee, offering expertise and industry insights crucial for the plan's successful implementation.

Currently, Burlington Enterprises Corporation is actively engaged in crafting a Climate Sustainability Plan, which will complement and bolster the ongoing efforts of the city's Climate Action Plan. Among its primary objectives are delineating a pathway that facilitates the transition away from fossil fuels through electrification and evaluating the impacts of climate change on the distribution grid. This forthcoming plan is slated to be submitted as a pivotal component of the continuing evolution of the CAP, solidifying Burlington's commitment to sustainability and resilience in the face of climate challenges.

CLIMATE RESILIENT BURLINGTON (CRB)

The 10-year action plan, Climate Resilient Burlington (CRB), approved by Burlington City Council in July 2022, is a proactive response to the escalating challenges posed by climate change, marked by warmer, wetter, and increasingly unpredictable weather patterns. Aligned with the Climate Action Plan (CAP), CRB aims to bolster the city's resilience against climate change impacts.

Recognizing the potential impact of extreme weather events on electricity distribution infrastructure, the creators of the CRB action plan actively involved Burlington Hydro in its development. Burlington Hydro's participation in the CRB Stakeholder Committee underscores the significance of our expertise in enhancing the resilience of the distribution network to prevent widespread power outages during extreme weather events.

From offering insights on major outage reports to emphasizing the importance of routine tree-trimming activities and implementing self-healing grid technologies, Burlington Hydro's contribution is instrumental in ensuring the success of the CRB plan. This active engagement reaffirms our dedication to enhancing the City of Burlington's resilience and preparedness to confront climate-related challenges.

POWERING FORWARD WITH GREEN MOBILITY

Canada has outlined a plan to phase out the sale of new combustion engine cars and light trucks by 2035. Embracing electric vehicles (EVs) as an energy-efficient mode of transportation, the shift holds the potential to slash greenhouse gas emissions by up to 70 percent for individual car owners.

The transition from fossil fuels to electrified transportation forms a crucial pillar of the City of Burlington's Climate Action Plan. As electric vehicle charging becomes increasingly prevalent, Burlington Hydro faces the task of accommodating and planning for the surge in electricity demand on its distribution system.

This imperative is driving Burlington Hydro's proactive efforts, which are already well underway, to formulate strategies and solutions. This planning will take centre stage in the Burlington Enterprises Corporation's Climate Sustainability Plan, underscoring its commitment to sustainability and the reduction of greenhouse gases.

Additionally, Burlington Hydro is leading by example, committing to transitioning our fleet of vehicles. Our Engineering and Operations departments have introduced 5 electric vehicles to our fleet, which includes 4 service vans and 1 truck.

GROWING NETWORK OF CHARGING STATIONS

As the number of electric vehicles on our streets increases, so, too, must the number of charging stations we need to supply them. In fact, Burlington Electricity Services' (Burlington Enterprises Corporation non-regulated entity affiliate) predicts the demand for Burlington Electricity Services' electric vehicle chargers particularly in multi-unit residential buildings will grow exponentially over the next two years. Burlington Electricity Services electric vehicle charging station solutions reflect the latest charging station technology.

They are a leading-edge, made-in-Canada option that is connected to Burlington's premier future-focused electric vehicle network. As we have seen through 2023 and now into 2024, this impressive network is expanding rapidly.

SPARKING INTEREST AMONG OUR YOUTH

BAY AREA SCIENCE AND ENGINEERING FAIR

A steadfast commitment for Burlington Hydro is to inspire the next generation to pursue Science, Technology, Engineering, and Math (STEM) education and careers. Since 2020, we have proudly sponsored the Bay Area Science & Engineering Fair (BASEF) annually. The BASEF serves as a catalyst, igniting a passion for STEM by providing a platform for students in grades 7 through 12 to showcase their innovative projects. With over 500 participants each year, the fair offers a vibrant hub for collaboration, learning, and discovery. Through our support of BASEF, Burlington Hydro aims to cultivate a future generation equipped with the skills and enthusiasm needed to tackle the challenges of tomorrow's world.

"POWER TO BE SAFE" STUDENT ROADSHOW

The Burlington Hydro "Power to be Safe" Roadshow is an eagerly awaited annual event among students, providing an interactive and informative presentation on electrical safety to elementary school children. In 2023, the roadshow visited 12 Burlington schools, catering to students from Junior Kindergarten to Grade 8. An impressive total of 4,164 students attended, benefiting from age-appropriate lessons on staying safe around electricity both at school and at home. The engaging sessions covered essential topics such as the hazards of powerlines, utility poles, and substations, while also offering practical energy conservation tips.

"I was the recipient of a Canada-Wide Science Fair Trip Award. I would like to sincerely thank you for your support of this year's fair and for this award. The ability to participate in BASEF and to receive this award has inspired me in STEM and have strengthened my confidence that by persisting success is possible...Thank you very much for supporting me on this journey. I hope that you will continue to empower more students like me at future science fairs."

2023 Bay Area Science & Engineering Fair participant

EMBRACING INCLUSION AND A SENSE OF BELONGING

At Burlington Hydro, we prioritize employee well-being, growth, and diversity within our workplace culture. We emphasize diversity and inclusion as fundamental drivers of creativity, innovation, and sustainability as we strive to create a work environment where everyone feels valued and supported.

As a signatory of the Electricity Human Resources Canada's "Leadership Accord on Gender Diversity in the Electricity Industry," Burlington Hydro is committed to fostering an inclusive environment and enhancing opportunities for women within the industry. We actively support women in STEM education, recognizing their vital contributions to our sector's advancement.

We have continued to support Natural Resource Canada's "Equal by 30" campaign, aligning with public and private sector organizations in our commitment to achieving equal pay, leadership, and opportunities for women in the clean energy sector by 2030.

MENTAL HEALTH AND WELL-BEING

According to the Mental Health Commission of Canada, approximately 20% of Canadians grapple with mental health issues each year. At Burlington Hydro, we're committed to providing assistance through our employee support network and assistance program dedicated to mental health.

In 2023, we introduced a training requirement in Mental Health First Aid for our supervisors and managers. This equips them with the skills and knowledge to recognize and respond effectively to mental health challenges among their teams.

OUR CULTURE FOCUSES ON EMPLOYEE WELL-BEING, INCLUSION AND GROWTH

Burlington Hydro's learning and development strategy prioritizes key themes aimed at fostering the growth and inclusivity of our workforce. In 2023, our professional development promoted inclusion and cultivating a sense of belonging within the workplace. All employees participated in comprehensive Inclusion training sessions designed to deepen their understanding of anti-oppression, diversity, power dynamics, and privilege, fostering a culture of allyship within the organization.

Additionally, our people leaders received specialized training and tools to further enhance their abilities to create inclusive environments. They are now better prepared to support and empower teams comprised of individuals from diverse backgrounds and communities.

MENTAL HEALTH SUPPORT FOR OUR PEOPLE

Burlington Hydro is committed to creating a mentally healthy workplace environment through various programs and initiatives. We offer comprehensive resources such as the Employee Family Assistance Program (EFAP) and extensive medical coverage for mental health professionals, ensuring support for both employees and their families. We prioritize ongoing training and development, including specialized Mental Health First Aid (MHFA) training. Additionally, we introduced a week-long event dedicated to promoting wellness and mental health awareness which included activities such as mediation and healthy nutrition education.

A GROWING CITY It's all in the numbers...

Over the next 25 years, Burlington is poised to undergo significant growth, unprecedented in its history. Mandated by the Province of Ontario, the City of Burlington is tasked with facilitating the construction of 29,000 new homes within the next decade alone.

The forthcoming growth will see a concentration of population density around Burlington's three GO stations, as well as in other designated growth zones, all while prioritizing the preservation of transportation corridors. Burlington Hydro stands in full alignment with this vision for the city we proudly serve. We are prepared to support the electrification of anticipated growth, ensuring our infrastructure evolves in tandem with Burlington's future aspirations.

With an expected population of 265,000 residents by 2051, Burlington is proactively taking steps to uphold the highest standards of living within its community. As an integral partner in this long-term strategy, Burlington Hydro is committed to actively contributing to the establishment of a resilient foundation for Burlington's future development. Together, we will pave the way for a prosperous and sustainable future for generations to come.

CUSTOMER SERVICE

- 43,732 total calls to customer Service
- 8,500 Move in/Move out service calls
- 42% of customers enrolled in our paperless E-Billing accounts
- 1,636 service orders scheduled in 2023
- 14,203 locates completed in 2023

WEB STATS

- 554,181 total visits to the website burlingtonhydro.com
- 215,854 total visits to the Outage Map
- 41% desktop, 56% mobile, 3% tablet

CUSTOMER SATISFACTION SURVEY RESULTS

OVERALL REPORT CARD SCORE – "A"

- 90% Overall Customer Satisfaction
- 84% of customers agree, we deliver on our service commitments
- 83% of customers have had a good customer experience with us
- 82% of customers agree that we are trusted & trustworthy

SOCIAL

X

- 723,300 impressions
- 34,636 profile visits
- 9% increase in followers

LinkedIn

- 92,620 impressions – 92,620
- 25% increase in followers

Instagram

- 32,544 impressions
- 85% increase in followers

Google

- Total Interactions – 48,195
- Total profile views – 91,252

Our new Facebook account – Burlington Hydro Inc.

A RANGE OF CHOICE

ULTRA-LOW OVERNIGHT (ULO) RATE PLAN

In November 2023, Burlington Hydro rolled out an innovative Ultra-Low Overnight (ULO) price plan, in compliance with the mandate from the Ontario Energy Board for all Local Distribution Companies (LDCs) across the province. This introduction marks a significant and positive development for Ontario's Energy Sector.

The ULO price plan offers tangible benefits to customers, particularly those who consume more electricity during off-peak hours, such as electric vehicle (EV) users. By providing lower rates during overnight hours, we aim to incentivize more individuals to make the switch to electric vehicles and reduce their carbon footprint.

The ULO price plan is structured across four distinct time periods:

- On-Peak: Weekdays from 4 p.m. to 9 p.m.
- Mid-Peak: Weekdays from 7 a.m. to 4 p.m., and 9 p.m. to 11 p.m.
- Off-Peak: Weekends and statutory holidays from 7 a.m. to 11 p.m.
- Ultra-Low Overnight: Every day from 11 p.m. to 7 a.m.

Through this initiative, Burlington Hydro aims to empower customers with choice and affordability while encouraging environmentally responsible energy consumption practices.

Burlington Hydro offers pricing flexibility to residential and small-business customers through the Regulated Price Plan (RPP) which has three pricing options to select from: Time-of-Use (TOU), Ultra-Low Overnight (ULO) and Tiered. Customers who procure their energy from an energy retailer are eligible for the RPP when their retail contract expires.

THE GREEN BUTTON PLATFORM

The Green Button platform was designed to empower residents and businesses by providing detailed insight into their energy consumption. Supported by the Province of Ontario and conveniently integrated with Burlington Hydro's enhanced MyAccount portal, this initiative helps customer manage their electricity usage and provides them with great control over their energy consumption.

Through the Green Button platform, households and businesses can effortlessly access and securely download detailed energy data and authorize its automatic transfer to third-party Green Button applications of their choosing.

Using the Green Button platform customers can:

- Gain a comprehensive understanding of their energy usage, enabling informed decision-making.
- Select the most suitable electricity price plan tailored to their specific needs.
- Track and analyze energy consumption trends, facilitating optimization and cost savings.
- Make informed decisions regarding energy efficiency upgrades, promoting sustainability and reducing environmental impact.

By leveraging the Green Button platform, customers can make smarter energy choices, ultimately leading to greater efficiency, cost savings, and environmental stewardship.

“By offering standardized access to energy usage data, we are enabling them to choose solutions that suit their specific needs. This helps them manage electricity consumption more effectively.”

Jennifer Smith, EVP, Corporate and Chief People Officer

ENHANCED MYACCOUNT PORTAL TAILORED TO CUSTOMER NEEDS

Burlington Hydro is dedicated to delivering exceptional service, always aiming to ensure a positive experience for our customers. Our recently revamped MyAccount Customer Portal, introduced in November 2023, reflects this commitment by providing customers with greater convenience, control, and insight into energy usage patterns.

This enhanced portal offers a comprehensive suite of new features, including the ability to link multiple accounts, delegate users, access downloadable energy usage data, and explore time-of-use (TOU) versus tiered pricing comparisons.

FOSTERING A SAFE, HEALTHY WORK ENVIRONMENT

At Burlington Hydro, our top priority is ensuring the safety of our employees, our contractors, our customers and the public. We understand that fostering and maintaining a strong safety culture relies on leadership support, organizational commitment, and personal employee responsibility.

Our stringent safety protocols and procedures adhere to the highest standards of training and certification within the industry. Our proactive approach to safety empowers our employees and ensures clear accountability, with outcomes tied to measurable performance objectives and goals.

MINIMIZING RISK BY ENHANCING HEALTH AND SAFETY PRACTICES

Ontario's Workplace Safety and Insurance Board (WSIB) Excellence Program provides Burlington Hydro with a robust framework to enhance its Health, Safety & Environmental Management System (HSEMS), offering strategies to proactively address, minimize, and mitigate existing and potential areas of risk.

In 2023, Burlington Hydro successfully concluded the second phase within this program, which comprises three phases covering 36 "HSEMS" topics.

Moreover, Burlington Hydro has also achieved the highest level, Platinum (Sustainability), in the Infrastructure Health and Safety Association's (IHSA) Zero Quest program, showcasing the company's steadfast commitment to safety and sustainability.

"We are proud to have surpassed 1.4 million productive hours without a lost-time injury in 2023, and we are unwavering in our determination to uphold this exceptional safety record across all our operations."

Gerry Smallegange, President and Chief Executive Officer

PROMOTING ELECTRICAL SAFETY IN THE COMMUNITY

At Burlington Hydro, we demonstrate our commitment to public safety through our "Power to be Safe" public safety campaigns, by sending out storm preparation and other safety messages using social media, publishing safety tips on our website safety portal and our customer newsletter, and conducting an annual electrical safety public awareness survey.

Other community safety initiatives include:

- Funding an annual elementary school program entitled the Burlington Hydro “Power to be Safe” Roadshow to 12 Burlington schools, catering to a total of 4,164 students from Junior Kindergarten to Grade 8.
- Serving as a partner in Our Youth at Work, a popular and impactful safety awareness program for high school children preparing to enter the workforce.
- Leading the Safe Communities and Passport to Safety programs.

MITIGATING CYBERSECURITY THREATS

KEEPING OUR DATA SAFE

Burlington Hydro continues to improve its cybersecurity and risk management program to protect both critical infrastructure and data against evolving cyber threats such as hacking, ransomware attacks, malware and unauthorized access.

In addition to working with partner companies and industry leading organizations to enhance security controls and processes, Burlington Hydro assesses and reports its cybersecurity capabilities to its regulator, the Ontario Energy Board (OEB), using the Ontario Cyber Security Framework (OCSF) that was developed based on evolving industry standards.

Burlington Hydro's robust cyber defense strategy ensures there are multiple security controls in place to protect information and assets. The company's proactive approach includes ongoing monitoring, rigorous testing, and continuous validation of controls. We're also focused on improving business continuity planning, network protection, and employee awareness training to enhance our security measures.

BUILDING STRONG COMMUNITY RELATIONSHIPS

Burlington Enterprises Corporation is dedicated to fostering strong relationships with a diverse array of community stakeholders through strategic engagement and outreach efforts.

BURLINGTON'S FESTIVAL OF LIGHTS

Every year, from December to early January, Burlington Electricity Services brightens up the City of Burlington's waterfront with the Festival of Lights. This cherished holiday tradition draws thousands of local residents and visitors who stroll through the park with family and friends to admire the themed displays. Countless others delight in the spectacle as they drive along Lakeshore Road. In 2023, the Festival celebrated its 28th anniversary.

This special holiday event is made possible by the generous support of community partners and the dedication of numerous volunteers who assist with set-up and take-down each year.

We take pride in involving local high school students in the process, allowing them to contribute to the creation of waterfront displays. Among the recent favourites are "He Shoots. He Scores" and "Happy New Year."

For more information on the Festival of Lights, visit www.burlingtonfestivaloflights.com and follow event news on Facebook, X and Instagram.

SUPPORTING OUR COMMUNITY

Burlington Hydro is deeply committed to enhancing the wellbeing of the Burlington community through various initiatives, including sponsorships, employee volunteerism, and fundraising activities.

United Way - Halton & Hamilton Chapter

In 2023, Burlington Hydro proudly received the "Champions of Change" workplace award from the United Way of Hamilton & Halton Region. This recognition honored Burlington Hydro's efforts to inspire others to engage, raise funds, and promote awareness for crucial issues within our community.

Burlington Hydro and its employees rallied together, raising nearly \$30,000 through payroll deductions, an employee contribution matching program, and a series of fundraising events. These events included a food truck charity lunch, summer fundraiser barbecues, participation in the United Way Plane Pull and Show Your Local Love events, as well as collecting gifts for the Holiday Helping Hand program.

Burlington Green

Burlington Hydro proudly sponsored the "Action on Climate Day" event, where participants learned about climate action, test-drove electric vehicles, explored eco-friendly homes, and had the chance to win an e-bike. Additionally, the company sponsored the Make the Switch 2023 event, encouraging people to adopt sustainable options for a cleaner, greener Burlington.

Burlington Food Bank

Burlington Hydro's 2023 paperless e-billing campaign successfully raised \$10,000 for the Burlington Food Bank, providing crucial support for those in need.

Bay Area Science and Engineering Fair

As an annual sponsor of the regional Bay Area Science and Engineering Fair, Burlington Hydro plays a vital role in inspiring students in grades 7-12 to explore the world of science, technology, engineering, and mathematics (STEM).

Burlington Chamber of Commerce

As an active member of the Burlington Chamber of Commerce, Burlington Hydro supported various events throughout the year, including the Green Economy Symposium, Take Your Kid to Work Day, Women Leaders and Allies Event

SHAREHOLDER REPORT

2023 BURLINGTON ENTERPRISES CORPORATION CONSOLIDATED FINANCIAL SNAPSHOT

Our 2023 financial performance exceeded budget during a year which continued to be impacted by global unrest and the lingering effects of the COVID pandemic. Higher interest rates, supply chain challenges, a tight labour market and extreme weather events continued to affect distribution system revenue and costs. Despite these ongoing challenges we were able to exceed our net income target and invest \$32.4 million in capital infrastructure to ensure we continue to meet our customers' expectations.

For the year, Burlington Enterprises Corporation reported net income of \$4.4 million. The primary drivers of the year-over-year change were higher operating expenses and payments in lieu of taxes (PILs).

NET INCOME \$4.4 MILLION

In 2023, we delivered \$4.4M in net income while continuing to invest in strategic assets to enhance reliability, safety and the customer experience. These investments included equipment upgrades at our Municipal Substations, and over \$4M in cable, transformer and pole replacements which will contribute to future reliability.

We integrated new technologies for the benefit of our customers such as enhancements to our customer information systems, the implementation of the Ultra Low Overnight pricing plan, and the launch of Green Button - an application which allows consumers to track and control their energy usage.

We plan on investing \$29.3M in capital over the next year, including a new outage management system.

A GROWING & DIVERSE CUSTOMER BASE

With more than 62,000 residential, 5,650 small commercial and 940 large commercial accounts, Burlington Hydro benefits from a well-diversified customer base.

Distribution revenue By Customer

- 15% Small Commercial
- 22% Large Commercial and Industrial
- 63 % Residential

RETURN ON EQUITY 4.5%

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

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

DIVIDENDS AND INTEREST \$4.7 MILLION

Burlington Enterprises Corporation is proud of its long-term track record of creating shareholder value and remains focused on delivering on our commitment of providing a consistent dividend.

2023 marks 23 consecutive years that Burlington Enterprises Corporation has made a dividend payment to the City of Burlington with total interest and dividends since 2001 of \$132.5 million.

In 2023, the City of Burlington received \$3.3 million in dividends from Burlington Enterprises Corporation and interest revenue from Burlington Hydro Inc. of \$1.4 million for a total cash return of \$4.7 million.

BUILDING MOMENTUM FOR THE LONG-TERM

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

We look forward to continuing our long-term track record of delivering value to customers and distributing electricity safely and reliably at a reasonable cost.

BOARD OF DIRECTORS

Committed to strong corporate governance and accountability

- Susan Kilburn, Chair
- Mayor Marianne Meed Ward
- Tim Commisso
- Nicole Fabbro
- David Kerr
- John Maheu
- Sherry Smith
- Patricia Volker

EXECUTIVE TEAM

Committed to providing leadership, with a focus on Corporate Responsibility, Resiliency & Sustainability

- Sally Blackwell, Executive Vice President and Chief Financial Officer
- Joe Saunders, President, Burlington Electricity Services Inc.
- Gerry Smallegange, President and Chief Executive Officer
- Jennifer Smith, Executive Vice President, Corporate and Chief People Officer
- Paul Heeg, Vice President, Engineering Services and Network Operations

The upcoming year holds great promise for Burlington Hydro as we embark on a journey of dynamic engagement. Our focus remains steadfast on fostering strong connections with stakeholders, customers, and community partners. Through innovative collaborations, we aim to ignite growth within the City of Burlington, showcasing our commitment to its forward-thinking development as we stride confidently into the future together.

Community at the Core

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