



# 2019 Community Report

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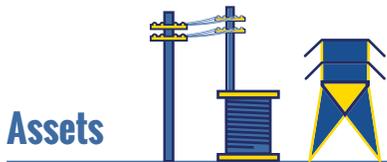
# About Kitchener-Wilmot Hydro Inc.



<b>Customers</b>	97,695
Residential	88,630
Small Business	8,114
Commercial	951



<b>Employees</b>	183
Regular	178
Temporary	5



<b>Assets</b>	
Overhead wire	1,009 km
Underground cable	970 km
Transformer stations	8
Distribution stations	6
Transformers	11,019
Poles	23,163

**Kitchener-Wilmot Hydro Inc. (Kitchener-Wilmot Hydro) is responsible for delivering electricity safely and reliably to more than 97,000 homes and businesses across 425 square kilometres in Kitchener and Wilmot Township.**

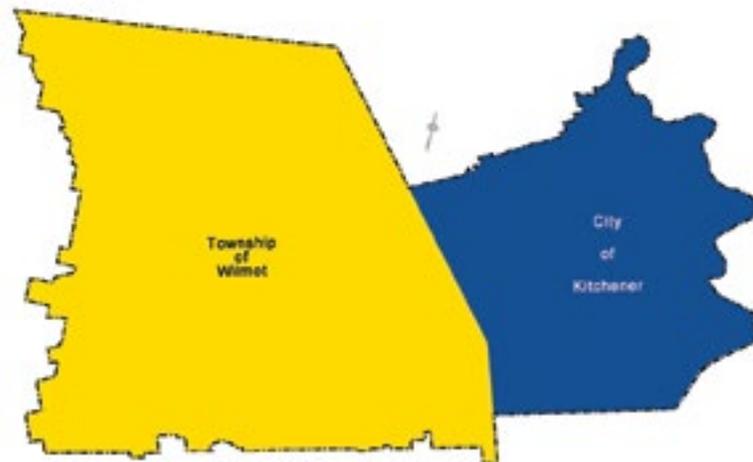
Our distribution system consists of 23,163 poles and 1,979 kilometres of overhead wire and underground cable. This is enough wire and cable to travel to the International Space Station and back – twice.

A wholly-owned subsidiary of Kitchener Power Corp., Kitchener-Wilmot Hydro is one of the most efficient utilities in Ontario. The City of Kitchener and the Township of Wilmot are the shareholders of Kitchener Power Corp., with ownership interests of 92.25 per cent and 7.75 per cent respectively.

Kitchener-Wilmot Hydro is governed by our senior leadership team and board of directors and is regulated by the Ontario Energy Board.

We are committed to ensuring that we are financially viable to make necessary investments to provide safe, reliable, quality service to our customers. Our objective is to meet that commitment while maintaining fair and reasonable local rates.

## Kitchener-Wilmot Hydro Service Area



## System Peaks

### Summer Current Year/All-Time Peak

342.6 MW July 2019/387 MW June 2005

### Winter Current Year/All-Time Peak

296 MW January 2019/344 MW December 2004

## Electricity Consumed In Kitchener & Wilmot

**Total** – 1,822 gigawatt hours

**Residential** – 683 gigawatt hours

**Commercial** – 1,139 gigawatt hours

# Message from the CEO & Chair

## We are pleased to share with you Kitchener-Wilmot Hydro's 2019 Annual Community Report.

The year 2019 was a year of planning and preparation for Kitchener-Wilmot Hydro. We finalized our business plan and distribution system plan for the years 2020 through 2024 and filed our Cost of Service rate application with the Ontario Energy Board to make those plans a reality. Research, planning, and writing our business and distribution system plans and the subsequent rate application consumed much of 2018 and the first half of 2019, and the resulting settlement will allow us to continue to build a modern, safe, reliable electricity future for the communities of Kitchener and Wilmot Township, with a minimal rate increase that ensures that our customers continue to receive top value for their electricity dollars.

After an extensive effort to define our requirements and evaluate options and vendors, we selected and began implementation of an Oracle Customer Care & Billing solution as our new Customer Information System. The new system will streamline many of our customer care processes and functions and represents one of the largest software investments we have made to date. There is a lot of work ahead to move everything into the new system, and we look forward to rolling the system out to our employees.

We completed our bi-annual Customer Satisfaction Survey and are proud to have again exceeded industry averages in almost every category, and achieved an "A" in overall customer satisfaction. These results would not be possible without the relentless hard work of our employees, who strive day in and day out to ensure that our customers receive

best-in-class service. We're proud of all they have achieved, and congratulate them on these outstanding results.

To ensure that as a company and culture we are united and moving towards the same vision, in 2019 we introduced our new Mission, Vision and Values. This refreshed foundation for our corporate culture was developed by a working group of our employees and leadership team, who carefully reflected on what makes Kitchener-Wilmot Hydro the organization it is and the values we believe best deliver value for our customers. We thank everyone who took the time to identify and carefully consider the qualities that make Kitchener-Wilmot Hydro the best electricity distribution company we can be.

The success and passion of our employees has garnered attention in the electricity industry and from across the country. In 2019 we were thrilled to receive a number of awards and accolades for safety and overall performance:

- We were proudly recognized by the Electricity Distributors Association with two prestigious industry awards: The Electrical Safety Authority Public Safety Excellence Award for leading a partnership of 31 local distribution companies in the development of a series of animated videos featuring Lucky the Safety Squirrel, and the Ontario Power Generation LDC Performance Excellence Award for our financial performance while delivering customer service excellence.
- We were named one of Canada's Safest Employers by Canadian Occupational Safety magazine, honoured with a Gold Award in the Utilities and Electrical category.
- We also received two industry awards from the Independent Electricity System Operator for billing accuracy and data synchronization.

Reflecting on our accomplishments, we are incredibly proud of our team and what they have achieved. The year was a whirlwind of activity, and we are eager to see what the future holds for Kitchener-Wilmot Hydro. Ensuring that Kitchener-Wilmot Hydro delivers best-in-class service is more than just a catch phrase; its our commitment to our community. We hope, as community owners of Kitchener-Wilmot Hydro, you are as proud of what we have achieved as we are.



*J. Phillips*  
**J. Phillips**  
CHAIR,  
KITCHENER  
POWER CORP.

*J. Van Ooteghem*  
**J. Van Ooteghem**  
PRESIDENT & CEO

*D. Schnarr*  
**Dave Schnarr**  
CHAIR,  
KITCHENER-WILMOT  
HYDRO INC.

# 2019 Financial Performance: Maximizing Value

Prudent financial management is the cornerstone of decision making for the management team at Kitchener-Wilmot Hydro.

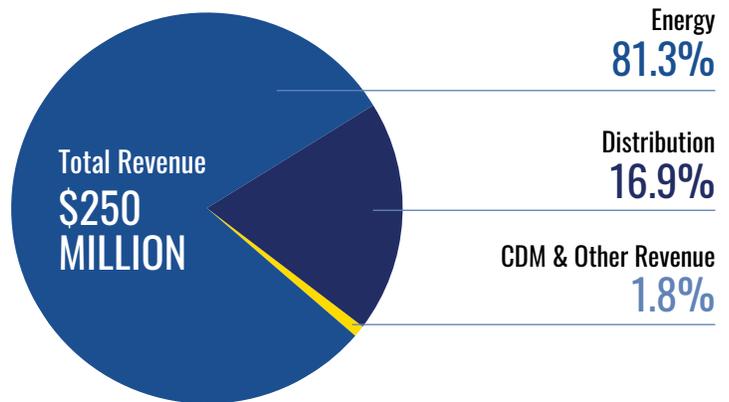


Our priority is to deliver a safe, efficient, reliable supply of electricity to our customers while maintaining reasonable distribution rates.

Spending decisions are carefully considered to ensure that customers receive the best possible value for the investments we make.

Pacing and prioritizing investments helps keep our costs among the lowest in the province. In 2018 our Operating, Maintenance, and Administration (OM&A) costs were the lowest among Ontario's 63 local distribution companies (LDCs), and our residential customers benefited from the second-lowest bills in the province.

Total revenue	\$250 million
Distribution revenue	\$42.3 million
Net income	\$10.5 million



## Economic Value

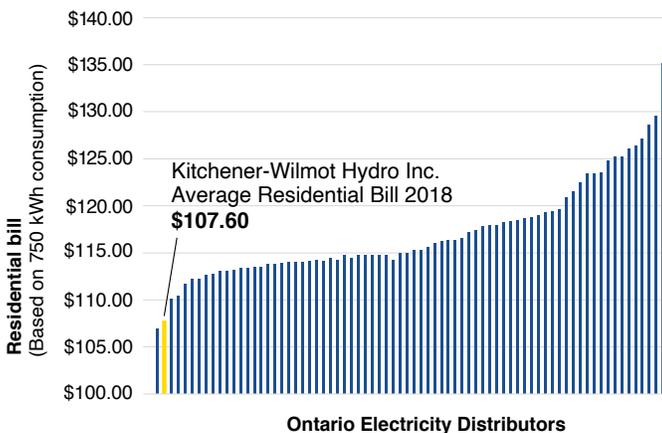
Interest and dividends paid to the City of Kitchener and Township of Wilmot \$4.4 million

Reforestation grants to the City of Kitchener and Township of Wilmot \$90,000

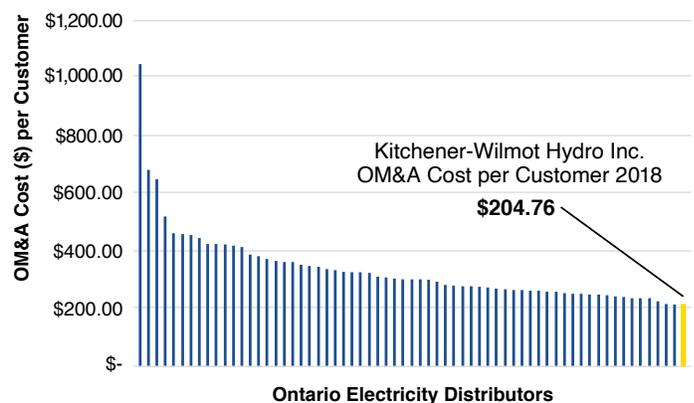
Contributions to Low Income Energy Assistance Program \$49,000

Sponsorships & Community Support \$114,000

### RESIDENTIAL BILL COMPARISON\* 2018



### OM&A COST PER CUSTOMER\*\* 2018



\*Source: Ontario Energy Board 2018 Yearbook of Electricity Distributors. Rates shown exclude tax and the Fair Hydro Plan rebate.

\*\*Source: Ontario Energy Board 2018 Yearbook of Electricity Distributors

# Building the Foundation for a Powerful Future



**A key focus for Kitchener-Wilmot Hydro in 2019 was our Cost of Service rate application with the Ontario Energy Board, which set our business and distribution system plans for the five-year period from 2020 through 2024.**

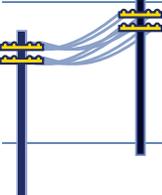
A critical component of the rate application was the customer outreach we undertook in 2018, which saw more than 2,500 residential, small business and commercial customers review our plans in detail and provide input. Customers were candid in their feedback and overall supported the plans we have made, which include:

- Replacing more than 3,500 poles that are nearing end of life.
- Replacing two 40-year-old high-voltage substation power transformers that are nearing end of life.
- The purchase of a new customer information system to replace an obsolete legacy system.

The application was filed with the Ontario Energy Board in April, 2019 and a settlement was reached in August that will ensure customers continue to receive safe, reliable electricity while benefiting from distribution rates that are among the lowest in the province.

**Investment in Capital Projects**  **\$24.8 M**

**New Residential Services Connected** **1,159**

 **Poles installed or replaced** **601**



**Kitchener-Wilmot Hydro continues to operate one of the most reliable distribution systems in Ontario.**

In 2019, Kitchener-Wilmot Hydro's customers experienced on average 70 minutes of power outages.

## 2019 Power Outage Causes

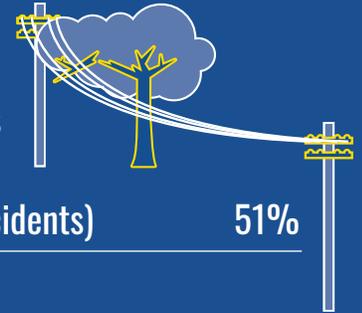
Equipment Failure 24%

Animal Contact 12%

Planned Maintenance 11%

 Weather Related 2%

Other (includes tree contact, and vehicle accidents) 51%



## What They're Saying On Twitter

 **Dan Lauckner** @vidman • Oct 16

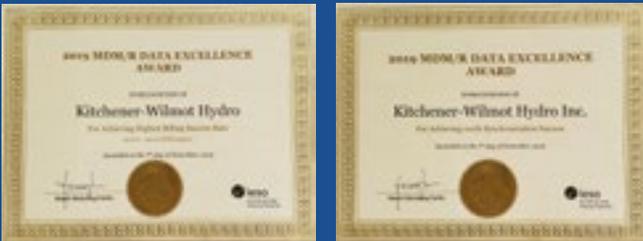
The end of a ? This @KWHydro crew! 



# Award-Winning Attention to Detail

In November, 2019, Kitchener-Wilmot Hydro was presented with two awards from the Independent Electricity System Operator (IESO) for outstanding performance.

**We are proud to have received awards for achieving the highest billing success rate in the province, and 100% synchronization success with the province's Meter Data Management/Repository, which stores all of the smart meter data in the province.**



2019 Data Excellence Awards for achieving Highest Billing Success Rate & 100% Synchronization Success.

These awards are a remarkable achievement in our industry. All of the province's electricity distributors, such as Kitchener-Wilmot Hydro, must ensure that their billing systems are correctly transmitting smart meter data back and forth. This is not easy; the tens of thousands of smart meters installed in homes and businesses across Ontario transmit electricity use data every hour to ensure customers are billed for their electricity use in each time-of-use period correctly.

Congratulations to our billing, information technology, metering, and distribution teams for their tireless efforts in ensuring that our data is transmitted and customers are correctly billed.



# Committed to Safety Excellence

## School Safety Presentations



Presentations	51
Schools	20
Students reached	1,345

## Construction Safety Presentations

Workers reached	203
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## First Responders Safety Presentations



Emergency Medical	33
Firefighters	76
Community events	4
Safety awards	2

Safety is one of Kitchener-Wilmot Hydro's core values, and a key priority. The product we deliver is dangerous and potentially lethal, and the safety of the public and our employees is of utmost importance, demonstrated by our extensive and comprehensive safety program.

Kitchener-Wilmot Hydro's employees are engaged and committed to promoting electrical safety to each other and in the community, and in 2019 our leadership in safety saw Kitchener-Wilmot Hydro named one of Canada's Safest Employers by Canadian Occupational Safety magazine, honoured with a Gold Award in the Utilities and Electrical category, and receive the Electricity Distributors Association's Public Safety Excellence Award.

We are also incredibly proud to have achieved 1.5 million hours worked consecutively without a lost-time injury as of December 31, 2019.



Kitchener-Wilmot Hydro was named one of Canada's Safest Employers and received the Electricity Distributors Association's Public Safety Excellence Award.

# Top Marks In Customer Care



## Trusted. Responsive. Dedicated.

These three words describe all that we strive to embody in delivering best-in-class customer care.



Based on the results of our 2019 Customer Satisfaction Survey, we are hitting the mark. In 2019, UtilityPULSE on behalf of Kitchener-Wilmot Hydro conducted a telephone survey to measure customer satisfaction. We once again exceeded industry scores in many key metrics and achieved an “A” in overall customer satisfaction.

## 421 Customer Satisfaction Survey Participants Agree Kitchener-Wilmot Hydro:

Calls answered		62,720
Bills issued		1,179,629
 Emails received		17,743
In-person visits		34,926
Web forms processed		8,694
Website visits		255,735
Tweets sent		559
 Twitter followers		6,973

Operates a cost-effective distribution system	83%
Customer-focused and treats customers as if they're valued	85%
Accurate billing	92%
Makes electricity safety a top priority	92%
Is a trusted & trustworthy company	93%
Quickly handles outages & restores power	93%
Provides consistent, reliable electricity	94%
Overall the utility provides excellent quality services	93%

# Powering Tomorrow With New Technology



One of the key projects in Kitchener-Wilmot Hydro's 2020-2022 business plan is the purchase of a new customer information system. Our legacy system has served us well for 30 years, but the technology is no longer supported.

In 2019 we launched Project Powerhouse, the project to replace our aging customer information system.

After a long and thorough search, we selected a system and put a project team in place. Project Powerhouse is one of the largest software investments Kitchener-Wilmot Hydro has made and will streamline many customer care functions and transactions that are currently done manually.

Project Powerhouse is progressing on time and on budget, and we expect to have the new system in place in early December 2020.

# GridSmartCity: the Power of Cooperation



**GridSmartCity**  
renewing energy

Kitchener-Wilmot Hydro is a proud member of the GridSmartCity Cooperative. The GridSmartCity Cooperative is a cooperative of municipally-owned LDCs that share resources, insights, and systems that help run smarter companies, while advancing innovation, reliability and efficiency across Ontario's electricity grid.

GridSmartCity's 14 member LDCs manage approximately \$2.7 billion in assets and serve close to 737,500 customers across more than 25 communities.

Membership in the GridSmartCity Cooperative allows Kitchener-Wilmot Hydro to realize the benefits of purchasing power, collaboration, and innovation with other member utilities while customers continue to enjoy the benefits of a locally-owned electrical utility.

Learn more about GridSmartCity at [gridsmartcity.com](http://gridsmartcity.com)



# Powerful People Powerful Communities

The communities we serve are where our employees live, work and play, and our employees are passionate about contributing to the well-being of those communities.

Every year, Kitchener-Wilmot Hydro and its employees donate time and resources to building strong, healthy communities.

In 2019 Kitchener-Wilmot Hydro and its employees donated more than \$114,000 to many community groups and charities:

The Alzheimer's Society

Canadian Mental Health Association

Centre in the Square

Children's Safety Village

Community Energy Investment  
Strategy for Waterloo Region

Conestoga College Education Grants

Foodbank of Waterloo Region

Heart & Stroke Foundation

Kitchener Panthers

Kitchener-Waterloo Symphony

REEP Green Solutions

Salvation Army Toy Mountain

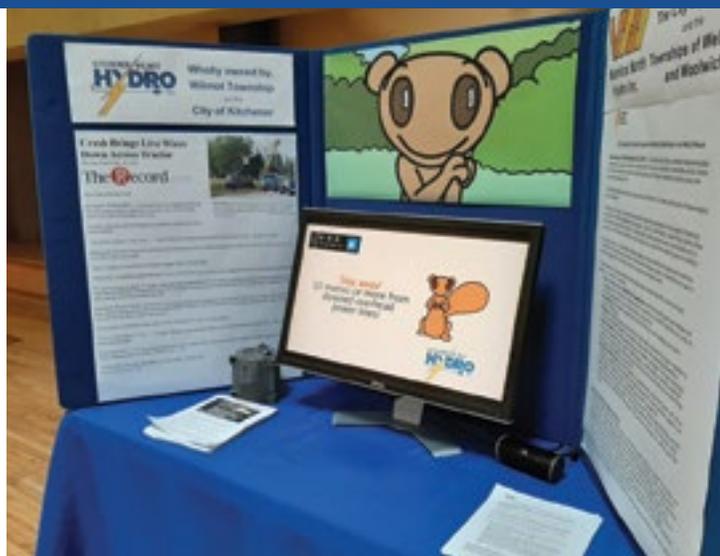
St. Mary's General Hospital

Strong Start

THEMUSEUM

United Way Waterloo Region Communities

Victoria Park Christmas Fantasy



# Sustainability



**Kitchener-Wilmot Hydro's Sustainability Team was active in 2019. 12 employees took part in a neighbourhood clean up for Earth Day, gathering more than 16 bags of trash from the parks and trails around the office.**

In addition, the team conducted a waste audit and introduced a battery recycling program.

Participation in the battery recycling program has been well received by employees, with batteries being collected on a regular basis. The waste audit revealed that Kitchener-Wilmot Hydro is diverting more than 90 per cent of its waste to recycling, with opportunities to divert even more by adding organics waste. The company will explore these opportunities in 2020.

## We Cleaned Up Our Community

Employees  12

Bags of garbage 16

Waste diverted to recycling programs 90%

# Corporate Governance

Kitchener-Wilmot Hydro Inc. is a wholly-owned subsidiary of Kitchener Power Corp. Kitchener Power Corp. was incorporated under the Business Corporations Act (Ontario) on July 1, 2000.

The City of Kitchener and the Township of Wilmot are the shareholders of Kitchener Power Corp., with ownership interests of 92.25 per cent and 7.75 per cent respectively.

**Kitchener Power Corp. owns two subsidiary companies and is one-third owner in a third company:**

**Kitchener-Wilmot Hydro Inc.**, a regulated distribution company.

**Kitchener Energy Services Inc.**, a corporation which provides streetlight maintenance services to our shareholder municipalities, and other future energy services.

**Grand River Energy (GRE)**, a non-regulated corporation investing in energy assets and services jointly owned by Kitchener Power Corp., Waterloo North Hydro Holding Corporation, and Cambridge and North Dumfries Energy Solutions Inc.

## Kitchener Power Corp.

The directors for Kitchener Power Corp. are appointed by the shareholders for a term of one year. The Mayors and President and CEO hold a seat on this board of directors by right of office.

**Jim Phillips**, Chair

**Councillor Bil Ioannidis**, Vice-Chair

**Jerry Van Ooteghem**, President & CEO & Secretary

**Mayor Berry Vrbanovic**

**Mayor Les Armstrong**

**Councillor Kelly Galloway-Sealock**

**Rosa Lupo**



## Kitchener-Wilmot Hydro Inc.

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**Dave Schnarr**, Chair

**Sandra MacGillivray**, Vice-Chair

**Jerry Van Ooteghem**, President & CEO & Secretary

**Mayor Berry Vrbanovic**

**Mayor Les Armstrong**

**Jim Beingessner**

**Jacinda Reitsma**



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