

Keeping  
the Lights On

Health  
& Safety

Eyes on the  
'Long Game'

Maintaining  
Connections

Financial  
Discipline

# Building Connections for Life

Resilient, Reliable  
Relationships that Matter



Annual Report to  
Shareholders for the  
Year 2020

AGM May 25, 2021



GSU

Celebrating 20 Years  
GSU marked 20 years  
as a corporation.

20 20

A Noteworthy Year

COVID19



Renewed  
sense of  
what really  
matters:

- Keeping the Lights ON
- Health & Safety
- The "Long Game"
- Maintaining Connections
- Financial Discipline

# Keeping the Lights On

...Despite COVID-19



Daytime



Nighttime

# Keeping the Lights On

...Despite COVID19

## Average 'Down-Time'

**89min**

Avg. Outage  
Duration excluding "loss  
of supply"



**15min**

of total is due to  
scheduled interruptions

**<1 Outage**

Average number of outages a  
customer might have experienced



## Power Interruptions Scheduled "After School"

Supporting people struggling to Work  
or School at home whenever possible.



Working  
from Home

Schooling  
from Home









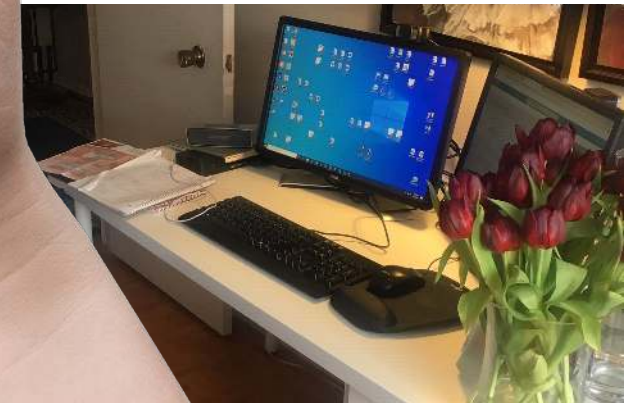
The Safety of Our People and  
Our Communities



# Health **is** Safety

The safety of our staff and customers is more critical than ever before!

-  All Staff who can Work from Home, Are!
-  Operations/external workers muster in separate areas
-  PPE, sanitizer and other essentials protect our teams and the people they serve
-  We put COVID protocols in place early and update them as needed





# Health **is** Safety



Offices have been closed to the public since early 2020

- Only 2 complaints



Creative solutions

- Over-the-phone troubleshooting for water heaters



Full PPE to serve those in isolation





# Mental Health & Morale Count too!

## Support Resources



Communication  
through SAFE Team  
& Intranet Channel



Virtual events  
for "Connectedness"



"Distant Together" Dinner



# 2020 Safety Statistics



0

Lost Time  
Accidents

**NO  
LOST TIME**



2 YEARS  
RUNNING



5

Accidents  
(No Lost Time)



14

Reported Incidents

15 in 2019



8

Vehicle Accidents

6 in 2019



3

Hazard Observations

2 in 2019



0

Threat Incidents

1 in 2019



# Eyes on the “Long Game”



# Substation Renewals

Even during a pandemic we need to stick with our Capital Renewal Plan. Aging substations need updates or we risk catastrophic system failure.

Gemmell  
**\$3.1M**  
2020



On time and  
On budget

Cressey  
**\$4.6M**  
2021



Moonlight  
59 YEARS OLD  
**2022**



Marttila  
59 YEARS OLD  
**2023**



Paris  
53 YEARS OLD  
**2024**



Critical Investments to  
Ensure Future Viability

CAPEX  
2020

**\$14.3M**

CAPEX  
IN PAST 5 YRS

**\$63.2M**

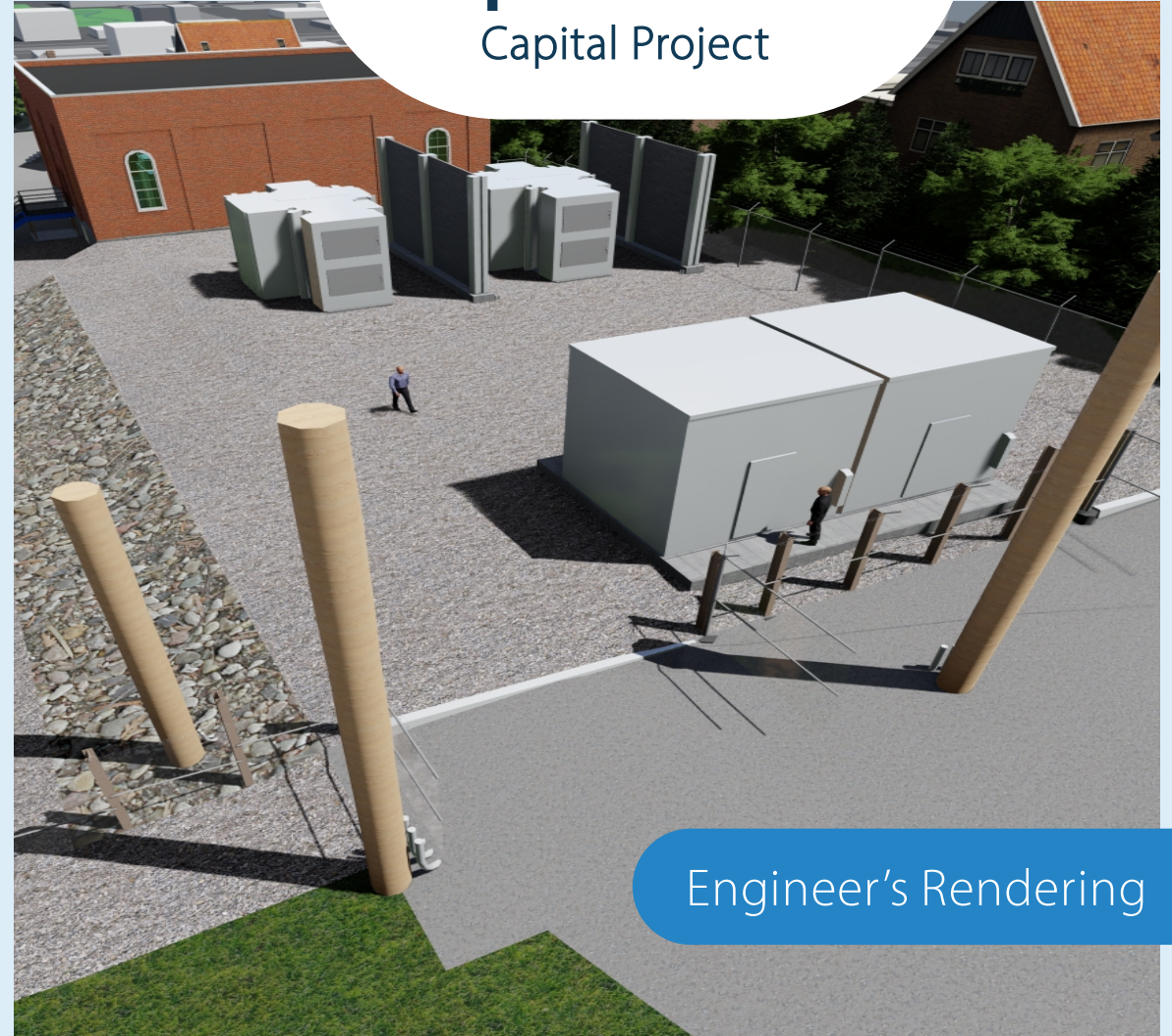


# Cressey Substation



Before

2021–This Year  
**\$4.6M**  
Capital Project



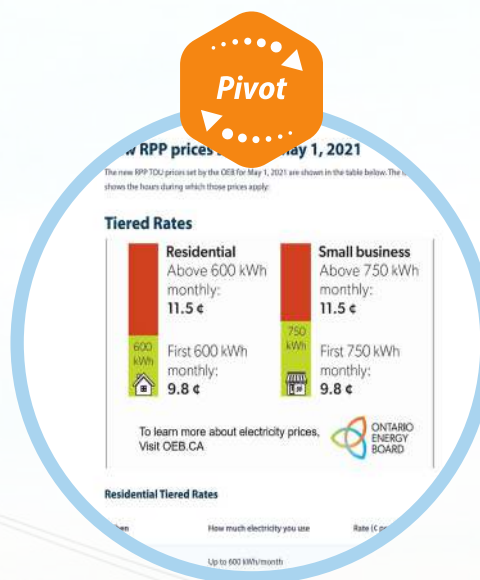
Engineer's Rendering



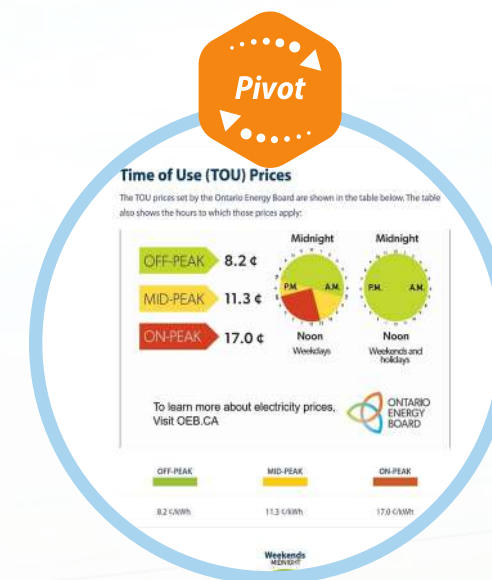
# Maintaining Connections Harder—But Smarter—From a Distance



COVID-19 Energy  
Assistance Program-  
Residential & Small Business  
(CEAP/CEAP-SB))



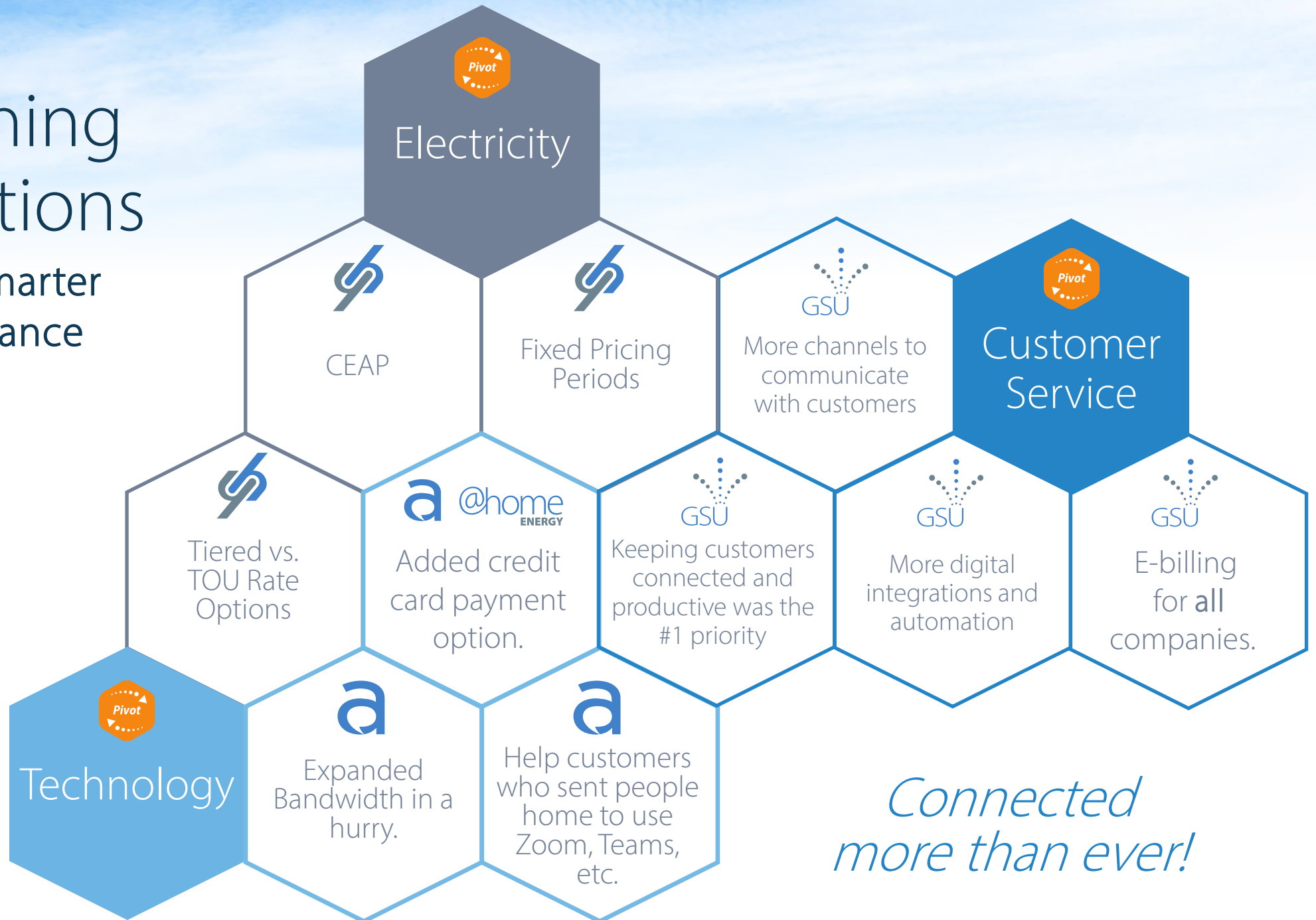
Fixed Pricing Periods



Tiered vs. TOU Rate Options

# Maintaining Connections

Harder, But Smarter  
—From a Distance



*Connected  
more than ever!*



# Maintaining Connections

Investing in the things you can't see.



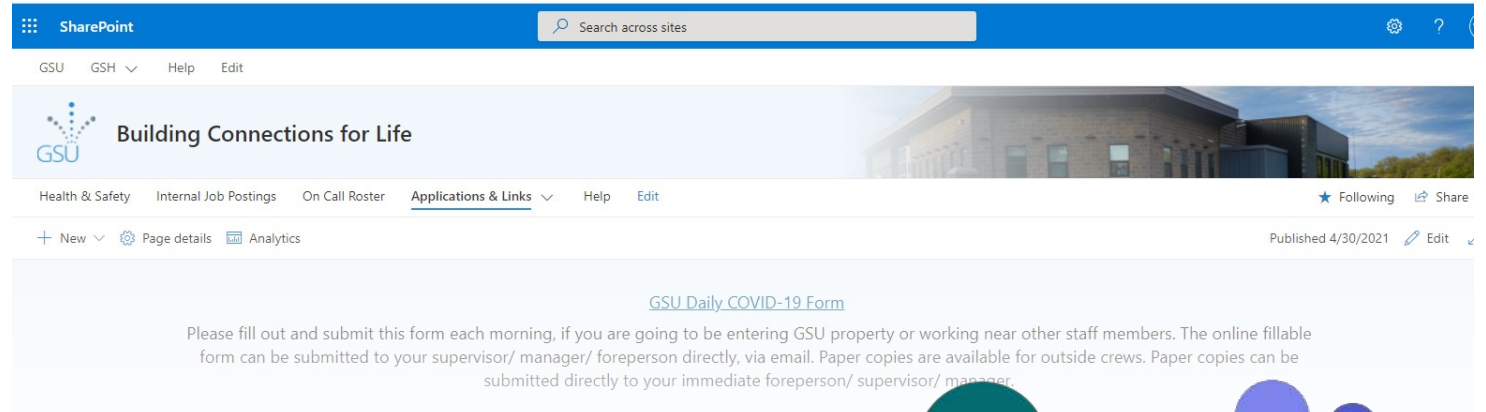
SharePoint & Teams  
—A new "watercooler"



Software Fatigue  
—It's real



Cybersecurity & Training  
—More Important Every Day



# Disciplined Financial Performance


## Where a dollar went in 2020



**65%**  
Electricity &  
Global Adjustment

**14.9%**  
Distribution  
Charge

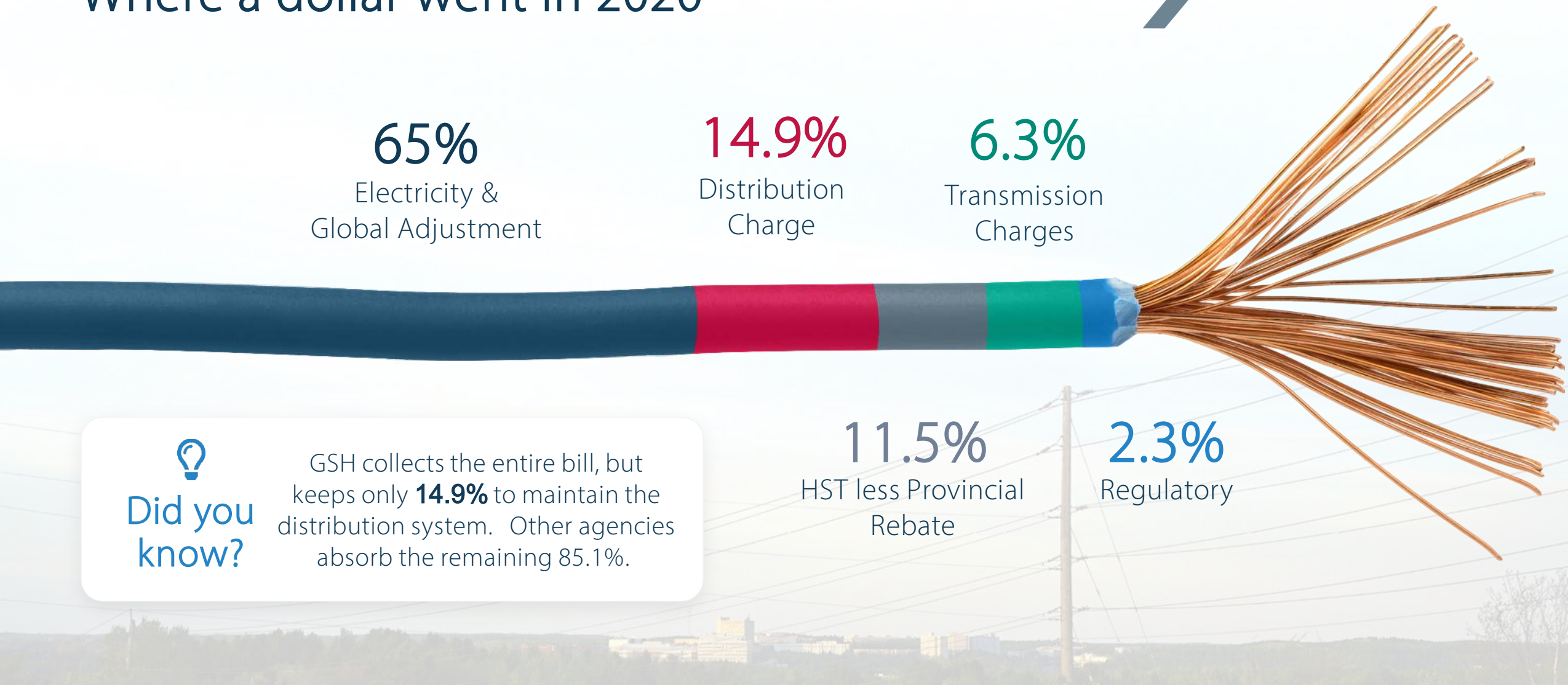
**6.3%**  
Transmission  
Charges

  
**Did you  
know?**

GSH collects the entire bill, but keeps only **14.9%** to maintain the distribution system. Other agencies absorb the remaining 85.1%.

**11.5%**  
HST less Provincial  
Rebate

**2.3%**  
Regulatory



# Disciplined Financial Performance

1.58%  
per year

GSH Distribution Rate Change

Average Over past 5 yrs. (2016-2020) inclusive

**7.89%** GSH Distribution Rate Change  
Over 5 Years (2016-2020)

*(based on avg. consumption of 750 kwh/month)*

The Goal is to  
always keep any  
increase BELOW  
the Inflation  
Rate!

1.86%  
per year

Inflation Rate Change

Over the Same 5 Years (2016-2020 inclusive)

**9.3%** Cumulative Inflation Rate  
over 5 years (2016-2020)

*(source [bankofcanada.ca/rates/related/inflationcalculator/](https://bankofcanada.ca/rates/related/inflationcalculator/) )*





Discounted  
**\$1.23**  
MILLION  
In telecom  
services in 2020

CGS  
\$1.03M

GSPS  
\$195K



Transferred  
**\$358**  
THOUSAND  
Cash to  
CGS in 2020

For landfill  
gasses, which  
would otherwise  
have been  
wasted.



Transferred  
**\$3.8**  
MILLION  
in 2020 to CGS  
(Annual payment)

**\$75.9M**  
Transferred to  
CGS since  
incorporation in  
2000



 **Conveyed**  
Approximately

**\$5.4**  
MILLION  
In value to CGS in 2020

**= 1.6%**  
Of the total CGS tax  
levy in 2020

Based on \$332M\*  
combined Operating &  
Capital levy in CGS 2020  
Approved Budget

\*sourced from CGS 2021 Budget final p. 84

# Disciplined Financial Performance

## Change in equity from Dec 31, 2019 - Dec 31, 2020

 **45%**

Equity Increased  
dramatically  
from 2019 to 2020

Due to change in OEB  
rules & regulations.

Total Equity  
**\$70.4M**

From Affiliates    Hydro-related  
**27%**                **63%**

**\$19M** from Affiliates

In 2020, contributed  
**\$574k**  
to GSU bottom line

**@home**  
**ENERGY**



# Consolidated Financial Statements

For the year ended December 31, 2020



# Summary Consolidated Balance Sheet

(in millions of \$)

## Assets

	2020	2019
Current assets	\$ 26.8	\$ 32.9
Capital assets	\$126.4	\$ 119.8
Other assets	\$ 39.4	\$ 13.6
<hr/>		
<b>Total Assets</b>	<b>\$192.6</b>	<b>\$166.3</b>

# Summary Consolidated Balance Sheet

(in millions of \$)

## Liabilities and Shareholder's Equity

	2020	2019
Current liabilities	\$20.4	\$22.0
Promissory note payable to City	\$52.3	\$ 52.3
Deferred revenue, other liabilities and regulatory balances	\$17.1	\$17.8
Long-term obligations	\$32.4	\$25.6
Shareholder's Equity	\$70.4	\$48.6
<hr/>		
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$192.6</b>	<b>\$166.3</b>



# Summary Statement of Earnings and Comprehensive Income

(in millions of \$)

	2020 Statements	2019 Statements
Revenue	\$158.6	\$146.4
<i><del>Less:</del>Energy Sales</i>	(\$117.3)	(\$104.2)
<b>GSU Revenue</b>	<b>\$41.3</b>	<b>\$42.2</b>
Expenses	(\$159.5)	(\$146.3)
<i><del>Less:</del>Energy Costs</i>	\$120.7	\$105.7
<b>GSU Expenses</b>	<b>(\$38.7)</b>	<b>(\$40.6)</b>
Net Comprehensive Income	\$2.5	\$1.6
Future Pension Benefit net adjustment	\$20.7	
<b>Total Comprehensive Net Income</b>	<b>\$23.3</b>	<b>\$1.6</b>

# IFRS Rules for posting directly to retained earnings:

IFRS  $\neq$  OEB

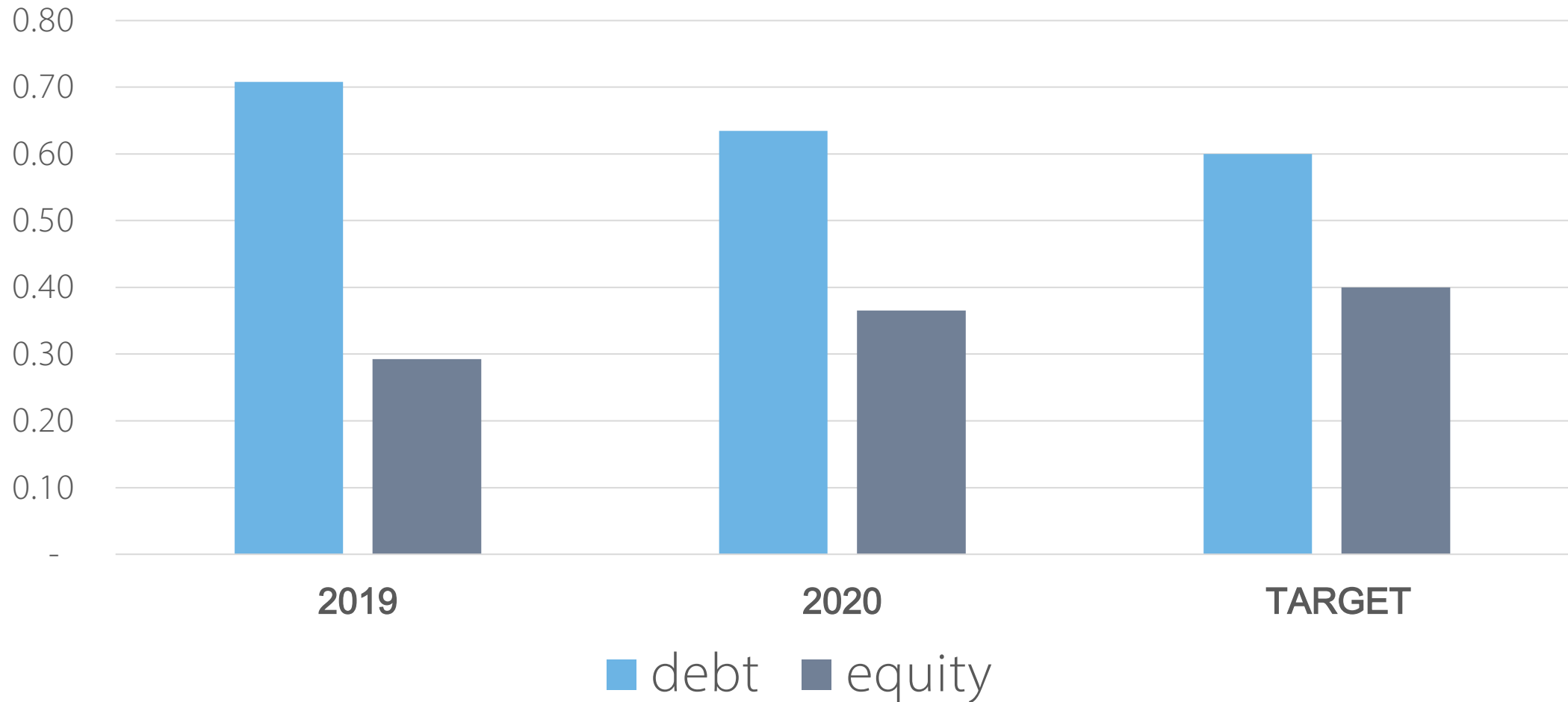
IAS 1 states only the following items can flow into the statement of changes in equity:

- Profit and loss for the year
- Amounts flowing to owners (i.e. dividends)
- Adjustments as a result of retrospective application of an accounting standard
- Adjustments relating to restatements of prior period financial statements

The Change in OEB rules from cash to accrual is not a change in accounting standards so we must recognize the future recovery of the existing liability in the income statement this year.



# Consolidated Debt to Equity



# Summary Statement of Earnings and Comprehensive Income

(in millions of \$)

## Revenues

	2020	2019
Energy sales	\$117.3	\$104.2
Distribution revenue	\$23.5	\$23.7
Other revenues	\$17.8	\$19.3
<b>Total Revenue</b>	<b>\$158.6</b>	<b>\$147.2</b>

# Summary Statement of Earnings and Comprehensive Income

(in millions of \$)

## Expenses

	2020	2019
Cost of energy and net movement on regulatory accounts without OPEB adjustment	\$117.3	\$104.2
Operating expenses, amortization, interest, taxes	\$34.8	\$35.9
Interest on promissory note payable to City	\$3.8	\$3.8
Loss on remeasurement of future benefit obligation	\$0.2	\$1.7
<b>Total Expenses</b>	<b>\$156.1</b>	<b>\$145.6</b>



# Cash Balances

Increase (decrease) in cash during the year	\$(5,571,768)
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Cash and cash equivalents, <b>beginning of year</b>	\$5,359,297
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Cash and cash equivalents (bank indebtedness), <b>end of year</b>	\$(212,471)
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Restricted Cash	\$1,478,112
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Bank Indebtedness	\$(1,690,583)
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	<b>\$(212,471)</b>
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Building Connections for Life  
Établir des liens pour la vie



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Relationships that Matter

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*AGM May 25, 2021*

