

Burlington Hydro Inc.
Impact of Covid-19
June 2020

Receivable Impacts 2020

	Jan	Feb	Mar	Apr	May	June 8
Current	90.9%	90.3%	88.1%	84.3%	86.3%	79.8%

- A/R balance of \$12M on June 8
- Approximately \$1M of A/R have shifted from Current to Older aging

Aging by Customer Class

Week of June 8 2020

%	Residential	GS<50kW	GS>50kW	Total
Current	71.2%	70.6%	88.4%	79.8%

- Residential comparable to historic
- Small Commercial (GS<50kW) ~ 10% below historic
- Large Customers (GS>50kW) ~ 8% below historic

Energy & Demand YTD

Residential and Small Commercial customers are billed on the basis of kWh consumed.

- Averaging 93% of budget to end of April

		Jan	Feb	Mar	Apr	YTD
kWh Sold	Res & Small Comm	91%	95%	95%	91%	93%

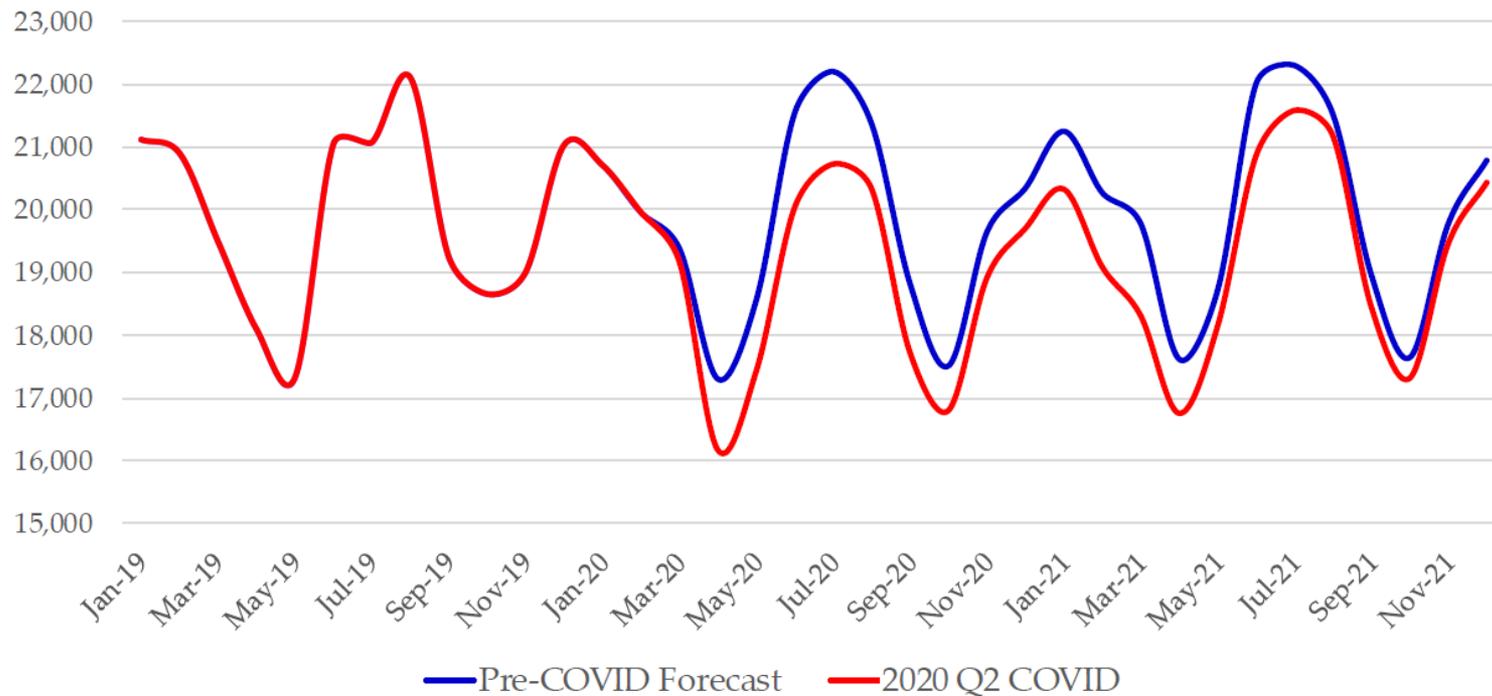
Large Commercial and Industrial customers are billed on the basis of their peak kW.

- Averaging 98% of budget to end of April

		Jan	Feb	Mar	Apr	YTD
kW Peak	Large Comm & Industrial	100%	101%	100%	90%	98%

IESO ONTARIO DEMAND FORECAST

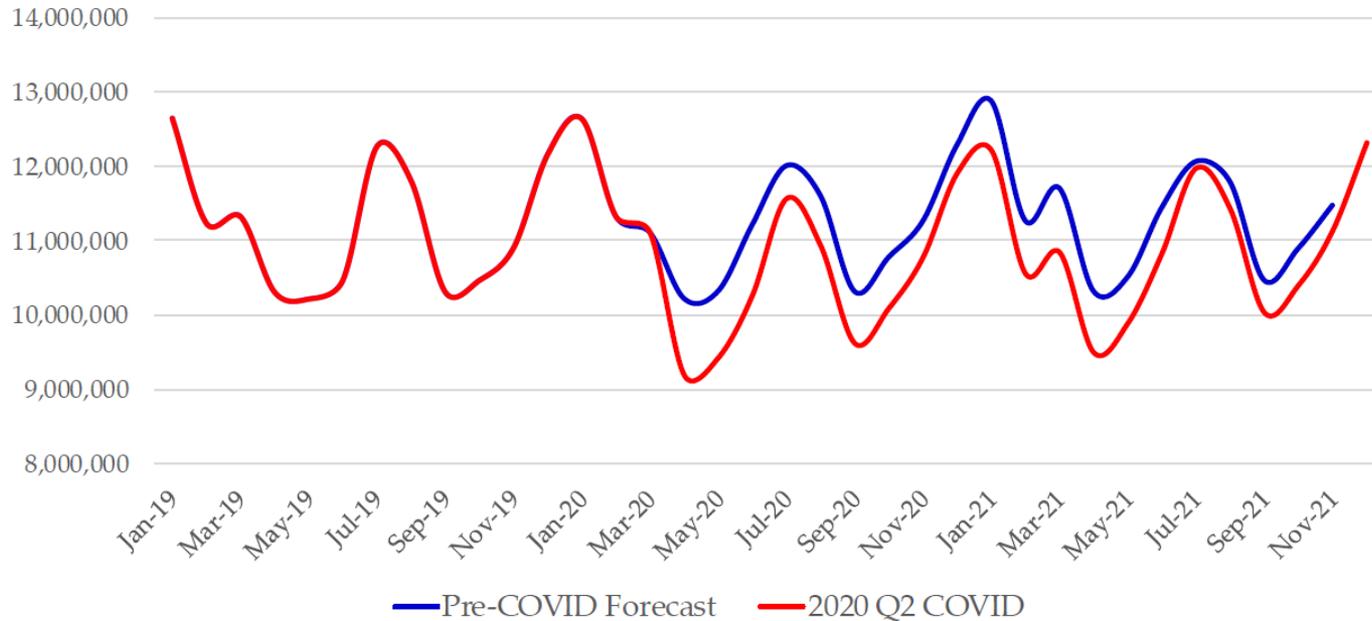
Monthly Peaks



Peak	Q1 Forecast (MWh)	Interim Q1 (MWh)	Forecast Change (% , MW)
2020	22,195	20,722	-6.6%, (-1,473 MW)
2021	22,293	21,577	-3.2%, (-716 MW)

IESO ONTARIO ENERGY FORECAST

Monthly Energy



Energy	Q1 Forecast (TWh)	Interim Q1 (TWh)	Forecast Change (% ,TWh)
2020	135.1	128.9	-4.6%, (-6.2 TWh)
2021	136.8	131.2	-4.1%, -(5.6 TWh)



Scenario Sensitivity

Impacts on Distribution Grid demand are expected due to:

- Stay-in-place policies
- Closure of non-essential businesses

We anticipate energy and peak demands to be lower.

SCENARIO		Q2	Q3	Q4	Annual
Scenario 1	Base Case				
	Chg in demand	-12.8%	-5.4%	-5.2%	-7.7%
Scenario 2	1.5X				
	Chg in demand	-19.1%	-8.1%	-7.8%	-11.7%
Scenario 3	2X				
	Chg in demand	-26.5%	-10.8%	-10.4%	-15.6%

Impacts “without” OM&A Mitigation

(000's)

		2020 Budget	Scenario 1	Scenario 2	Scenario 3
1)	Distribution Revenue	\$32,273	\$31,575	\$31,280	\$30,985
2)	NIAT	\$2,589	\$1,696	\$1,389	\$949
	Reduction in NIAT		-\$893	-\$1,200	-\$1,640

“Without” OM&A Mitigation:

- 1) Distr Rev would reduce anywhere from \$700k to \$1.3M
- 2) NIAT would decline between \$900k and \$1.6M
 - additional bad debt losses taken into account

Impacts “with” OM&A Mitigation (000’s)

		2020 Budget	Scenario 1	Scenario 2	Scenario 3
	Distribution Revenue	\$32,273	\$31,575	\$31,280	\$30,985
1)	NIAT	\$2,589	\$2,329	\$2,022	\$1,582
	Reduction in NIAT		-\$260	-\$567	\$1,007
2)	OM&A cost Mitigation		\$631	\$581	\$531

“With” OM&A Cost Mitigation:

- 1) NIAT would drop in the range of \$260k to \$1M
- 2) OM&A mitigation ranges from reductions of \$631k to \$531K
 - Difference being increased bad debts depending on scenario

Mitigation Efforts

- ❑ OM&A cost reductions & curtail discretionary expenses
 - \$700k reduction identified

- ❑ Inventory level reductions
 - Year End balance of \$5.6M reduced to \$5.2M as of May 31

- ❑ Capital program reductions
 - Budget of \$10.2M reduced to \$7.7M through deferrals

- ❑ Increased Bank line of credit
 - Increased from \$10M to \$20M

- ❑ Purchase of A/R credit insurance
 - Largest GS>50kW customers

- ❑ Lobby IESO and Region for extension of payment terms
 - IESO bill due on the 17th of the month
 - Region water collections due on the 20th of the month