

PUC GROUP OF COMPANIES | SUSTAINABILITY REPORT 2024

The Power of Partnerships





Your Trusted Utility

for a Brighter Tomorrow

PUC is proud to present our
2024 Sustainability Report

This report shows our dedication to driving innovation and fostering sustainable practices that address the evolving needs of our customers while shaping a more sustainable future for all. As we look ahead, we recognize the power in partnership. By partnering with our community, stakeholders, and industry leaders alike, we are not only advancing our business but also leading the charge toward a greener, more sustainable world—pushing boundaries and creating meaningful, lasting change.

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Message from Andy McPhee

Chair, PUC Services Inc. / PUC Inc.

The PUC team continues to raise the bar in innovation, service excellence and delivering on its strategic plan.

With a focus on strategic partnerships PUC was able to create significant new opportunities in 2024 for Sault Ste. Marie that will drive sustainable growth and support community resilience.

Obtaining Ontario Energy Board Leave to Construct Approval to build new Transmission Lines in the city was a significant milestone. Third party recognition as a top employer in Canada as well as for safety were also highlights for PUC in the past year.

As PUC exceeded on its commitment to deliver shareholder value it never wavered on its role as a community partner with great emphasis on charitable giving.

Congratulations to the hard-working employees of PUC including its exceptional leadership team led by Rob Brewer. I would also like to thank my board colleagues who diligently supported and guided PUC through an exciting 2024.

Andy McPhee

Chair, PUC Services Inc./PUC Inc. Board of Directors



Strategic Goals

A conversation with Rob Brewer

President and CEO, PUC Services Inc.

► Q. PUC is moving into the final year of its 2023-25 Strategic Plan - Growing with Purpose. How has PUC measured against its goals to date?

Measurements are a key element of our strategic plan. In some areas we have actually surpassed our goal. PUC has already positioned itself as the dominant electrical leader in Northern Ontario and PUC was named as one of Canada's top 100 small and medium employers for 2024. These are two specific long-term (10 years plus) goals that we have already achieved. As well, we have made progress in fostering workplace diversity, equity and inclusion. We are also on track with our focus to becoming the largest provider of water and wastewater services in Ontario! Throughout this report, there are more details on the progress of our strategic plan.

► Q. As challenging times continue what has set PUC apart and what advice do you have for other communities grappling with the energy transition?

There are really a few things at play. First, to lead you need to be bold, curious and forward thinking. I believe the senior team at PUC and our employees have fully embraced those qualities. It's also important to be innovative and one of our strengths has been to focus on strategic partnerships. What may seem out of reach for many communities can actually become achievable with the right partners. In order for communities to manage future energy challenges as well as sustain and build their economies, strategic partnerships can be a cost-effective solution.

► **Q. In a very busy year, what were some of the highlights?**

It's definitely been another incredibly active year. Obviously, a major highlight was the Ontario Energy Board (OEB) approval for PUC Transmission's Leave to Construct application. We are now able to build a new 230 kV transmission line that will be a game changer for Sault Ste. Marie. In the short term, it was a critical step to support one of the city's largest employers - Algoma Steel Inc. (ASI). This new line will enable ASI to transition to state-of-the-art electric arc furnaces, allowing them to become more competitive and will also reduce carbon emissions in our community by 70 per cent. This new transmission line will also be critical to attracting investment to Sault Ste. Marie, making our community better positioned to support the growing energy needs of businesses, creating jobs and boosting our economy. I'm also very proud of our progress on promoting safety, including creating a comprehensive Contractor Management Program and a public safety brochure, to promote a safer environment for both workers and the community.

► **Q. What is ahead for 2025 and beyond?**

In our refreshed strategic plan for 2025-27 we continue to build on our progress adding some new long-term goals including being the most successful integrated utility in Ontario so we can drive sustainable growth and support community resilience. We will also focus on building sustainable business outside of Ontario. This will help promote development in communities, fostering economic growth and job creation and drive revenue that can be re-invested to improve the communities we serve. We also are committed to achieving net-zero carbon emissions to create healthier communities. Through our plan and strategic partnerships, we will continue to build a sustainable future for the communities we serve that is driven by innovation, collaboration and a commitment to excellence.





OUR BRAND PROMISE

We lead the way through innovation and compassion to deliver outstanding service every single day.



OUR MISSION

We are a community leader providing safe and reliable utility services



OUR VISION

Improving communities through curiosity and innovation



OUR VALUES

Safety, Integrity, Customer-Centric, Innovative, Accountable



AREAS OF STRATEGIC FOCUS

Customers

Employees

Shareholder

Where We Operate

PUC operates in 142 communities throughout Ontario to provide:



The supply of electricity



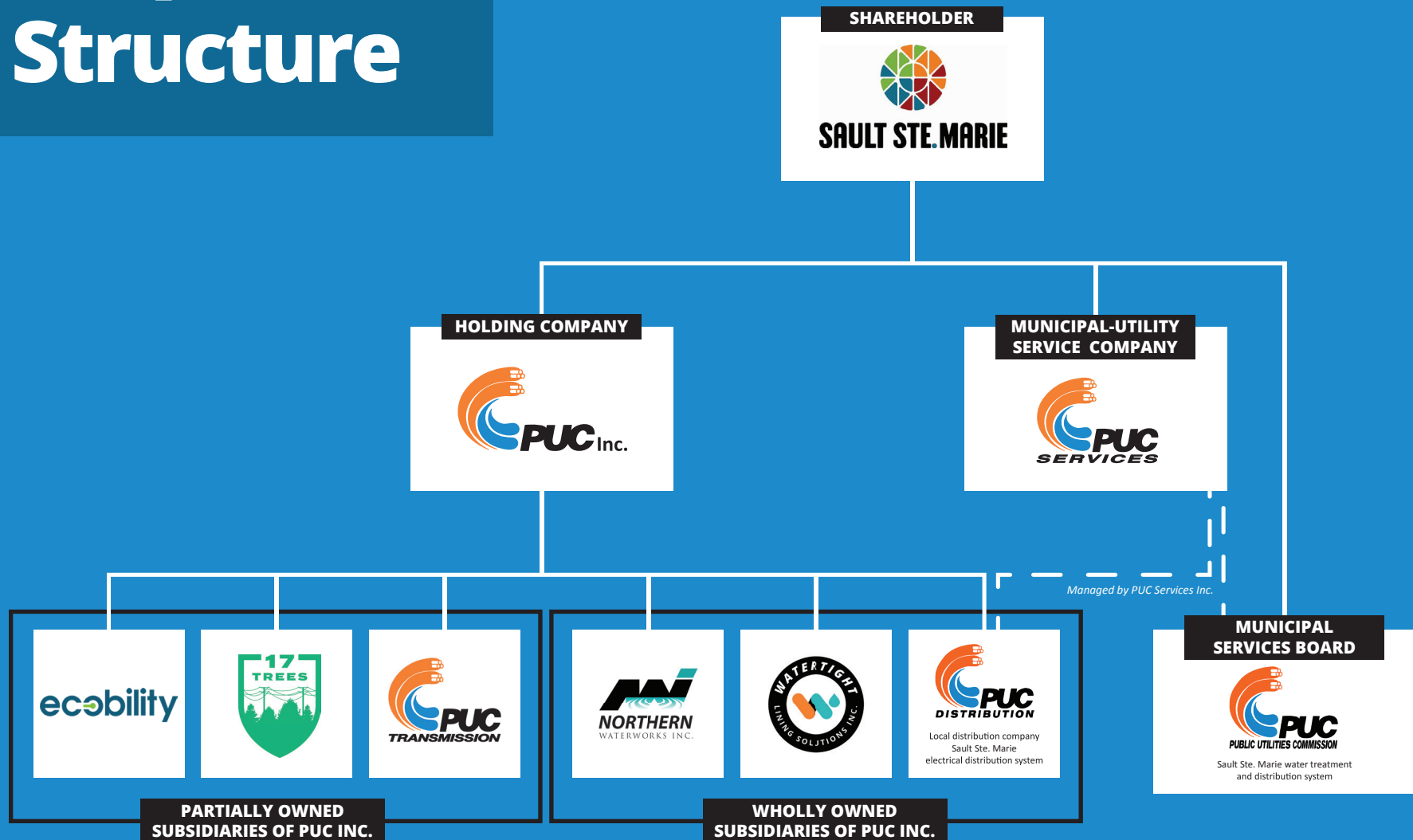
The supply, treatment and distribution of drinking water and the operation of wastewater treatment facilities



Emergency Response Services and Annual Inspections for First Nations



Corporate Structure



PUC Group of Companies

PUC SERVICES INC.

PUC Services Inc. is a utility services company operating as a wholly owned private company of the Corporation of the City of Sault Ste. Marie.

PUC INC.

PUC Inc. is a holding company registered under the Ontario Business Corporations Act and is wholly owned by the Corporation of the City of Sault Ste. Marie.

Water & Wastewater Services

PUBLIC UTILITIES COMMISSION

The Public Utilities Commission of the City of Sault Ste. Marie owns the water supply and distribution infrastructure responsible for the provision of safe, reliable, potable water to customers within the municipal services boundary of the City of Sault Ste. Marie and Rankin Reserve of the Batchewana First Nation.

NORTHERN WATERWORKS INC.

Northern Water Works Inc. (NWI) provides water and wastewater treatment operations, maintenance and management services to 35 municipal and First Nation clients throughout the Province of Ontario. In addition, NWI provides emergency response services and annual inspections for all 133 First Nation communities across Ontario, either directly or through the Government of Canada's Department of Indigenous Services Canada (ISC) and the Ontario Ministry of the Environment, Conservation and Parks' (MECP) Spills Action Centre (SAC).

WATERTIGHT LINING SOLUTIONS INC.

Watertight Linings Solutions Inc. (WLS)'s focus is helping municipalities fix an expensive and common problem: deteriorating water pipe. WLS uses a Spray-in-Place-Pipe (SIPP) process which applies a polymer lining (Resiline 320). This process can save taxpayers millions of dollars, limit construction delays to as little as one day, and reduce the carbon footprint by up to 75% compared to typical replacement pipe.

Electricity

PUC DISTRIBUTION INC.

PUC Distribution Inc. is a local distribution company (LDC) that distributes electricity to residences and businesses within the boundaries of the City of Sault Ste. Marie, the Batchewana First Nation (Rankin Reserve), Prince Township and parts of Dennis Township.

PUC TRANSMISSION LP

PUC Transmission LP is a transmission company incorporated in 2021 to provide cost-effective, locally owned and operated transmission services to Sault Ste. Marie area industries. PUC Transmission's new 230 kV transmission line will convey electricity from Hydro One's Third Line Station in the city's north end to a new PUC transmission station in the west end.

Other

17 TREES

17 Trees is a forestry management company serving the Algoma, Sudbury and North Bay regions. A partnership between PUC Inc., Greater Sudbury Utilities Inc., and North Bay Hydro Services Inc., 17 Trees offers safe, high-quality utility forestry work at competitive rates for customers.



The Power of Partnerships

Our Stories

Sault Smart Grid



09-12	08:52
09-12	08:42
09-12	08:42
09-12	08:10
09-12	08:10
09-12	07:40
09-12	07:38
09-12	07:29
09-12	07:20
09-12	07:20
09-12	07:10
09-12	07:10
09-12	07:10
09-12	07:10
09-12	07:10
09-12	04:35
09-12	04:15
09-12	04:10
09-12	03:57
09-12	01:10
09-12	00:10
08-12	18:23
08-12	18:23
08-12	18:23
08-12	18:23



2.1M
dollars cost savings



6000
customer outages prevented

The Sault Smart Grid (SSG) achieved outstanding results in 2024.

The system surpassed our high expectations. For reliability, SSG was able to prevent over 6,000 customer outages resulting in over 638,000 customer outage minutes saved. We also saw cost savings of 2.1 million dollars thanks to the SSG.

Partnerships



The theme of our 2024 Sustainability Report —*The Power of Partnerships*—captures a core value that has long guided PUC. Over the past year, we’ve seen this value brought to life in powerful ways, with partnerships driving progress across every aspect of our operations—from infrastructure and industry collaboration to safety, community building, and employee engagement.

One of the most significant milestones was the Ontario Energy Board’s approval of PUC’s application to build a new transmission line and station to support Algoma Steel’s shift to electric arc furnace technology. This project represents a critical step forward in decarbonizing one of the region’s largest industrial players. It would not have been possible without the trusted collaboration of our partner, Axiom Infrastructure. Together, we’ve demonstrated how aligned goals, mutual respect, and shared accountability can deliver real, transformative results.

But this is only one example. Our commitment to partnership extends far beyond project development. We’ve engaged with municipal and Indigenous communities to understand local needs, and deepened our focus on workplace safety by further partnering with employees to embed a culture of care and accountability at every level. Our people remain our greatest strength—and their dedication, insight, and collaboration are the foundation of our continued success.

These partnerships—internal and external — are shaping a more sustainable, inclusive, and resilient energy future. They’re also inspiring new conversations across Ontario as other communities and utilities look to PUC as a model for how collaboration can turn bold ideas into achievable action.

We are proud of the momentum we’ve built and remain committed to working alongside our partners—in industry, safety, community, and beyond—to deliver lasting value for our customers, employees, and shareholder.

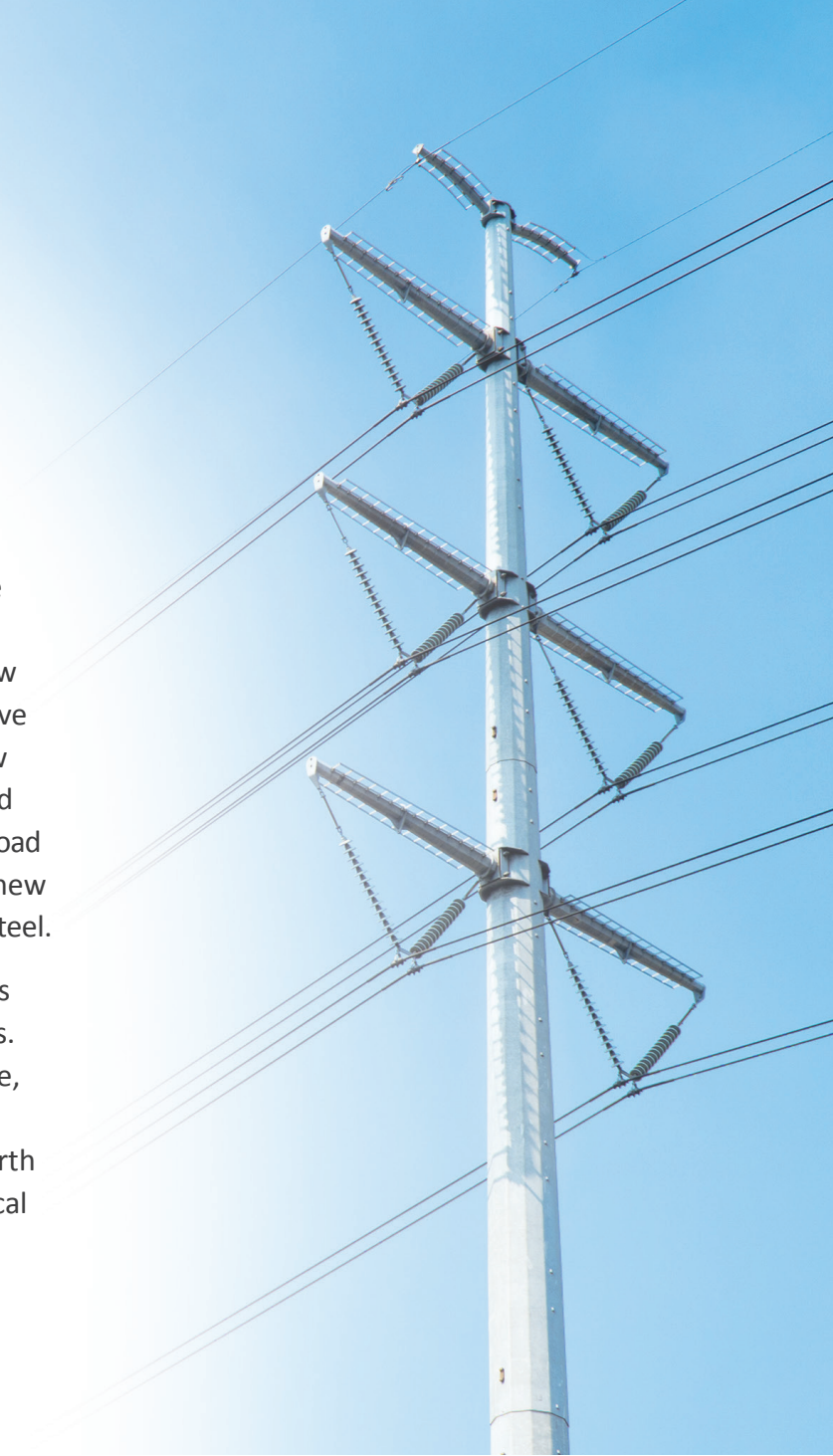
New Transmission Line for the Sault

After comprehensive environmental studies, and a rigorous approval process, PUC Transmission LP's Leave to Construct application was approved by the Ontario Energy Board (OEB) in August 2024.

This key milestone paved the way for construction of a new 230 kV transmission line and transmission station that will service Sault Ste. Marie's west end and play a major role in supporting Algoma Steel Inc's (ASI) transition from coal to electric arc furnaces in its steel making process.

This project's goal is to support a more resilient and sustainable energy future for the Sault Ste. Marie region. The new line and station will significantly improve system reliability to accommodate new loads in Sault Ste. Marie's west end and the surrounding area, including the new load of approximately 280MW for the two new electric arc furnaces (EAFs) at Algoma Steel.

ASI's planned new state-of-the-art EAFs is intended to reduce carbon emissions. As a major employer in Sault Ste. Marie, ASI's \$825 million project will further strengthen its dominant role in the North American steel industry, supporting local jobs and the economy.





The project has undergone rigorous environmental and technical assessments to ensure it meets all regulatory requirements and aligns with community interests. PUC Transmission is committed to working closely with stakeholders, including Indigenous communities and municipal governments, to minimize impacts and maximize benefits throughout the construction process.

Construction of the new 230kV Transmission Line is expected to begin in 2025 with an anticipated completion of 2027. During the construction and implementation, the community will be kept up to date with progress and ongoing communication will be take place with homeowners in the areas that are impacted.



Total Grid Orchestration (TGO) Alliance

Utilities across North America are facing unprecedented challenges as we transition towards a more sustainable and resilient energy future.

There is a need for significant investment over the next few years, beyond traditional investments required to tackle conventional load growth, aging infrastructure, and enabling technologies.

To address these challenges, the Total Grid Orchestration (TGO) Alliance has been established as a collaborative forum to develop an industry-wide framework

for grid orchestration across planning, engineering, and operation. TGO offers a new approach to system-wide coordination, situational awareness, and risk management across the entire grid, enabling near-term operational decisions. PUC Services is proud to be a founding member of the TGO Alliance.



Watertight Lining

Deep River Project

PUC's affiliate, Watertight Lining Solutions Inc., had a successful year, completing a project in Deep River, Ontario. To see more about the project, click on the video link below.

DEEP RIVER PROJECT 

New Website Design



PUC Services launched a new website, designed with both customers and contractors in mind.

The refreshed site offers a more user-friendly experience, with improved navigation, streamlined access to essential information, and responsive design for mobile devices. Whether viewing information about an outage, signing up for e-billing, or accessing contractor resources, users can now find what they need faster and more efficiently.

This upgrade reflects PUC's ongoing commitment to treating customers as partners—enhancing communication, reducing call volumes, and delivering reliable, accessible service in every interaction.

EVs and Green Energy

PUC, in partnership with the community, continues its commitment to reducing its carbon footprint—working together toward a cleaner, more sustainable future. PUC has strategically invested in EV infrastructure, installing 25 chargers across three locations to support internal fleet adoption.

Currently, 33% of PUC's light-duty fleet is electric, comprised of 26 EVs (a mix of pick-up trucks and mid-range SUVs), demonstrating its operational commitment to sustainability. Eight of those vehicles were added to the fleet in 2024.

PUC also saved approximately \$52,000.00 in 2024 on fleet fuel and maintenance. For customers, reduced fuel costs translate into long-term savings and contribute to financial resilience.



33% of PUC's light-duty fleet is electric



25 chargers
have been installed
across three locations



Culture of Learning

A Culture of Safety

PUC's commitment to safety is a collective effort, and the training provided in 2024 is a testament to that dedication. By offering a diverse range of courses and leadership programs, we are not only protecting our employees but also empowering them to contribute to a safer community. At PUC, safety is more than a check-box—it is a culture, a mindset, and a promise to our employees and the community we serve.



Safety in the Community

At PUC, safety is at the core of everything we do – it is the heartbeat of our organization. We prioritize the well-being of every individual and believe everyone plays a crucial role in fostering a safe workplace. This commitment is supported by strong leadership, high safety standards, and a focus on continuous improvement, all aimed at achieving zero incidents. Our ongoing safety initiatives reflect this commitment:

- **Caution and Chance:** A youth-focused program designed to educate students on the importance of electrical safety.
- **The PUC Student Safety Awards:** Recognizing and awarding one Grade 8 student from each elementary school in the community for their efforts of promote safety throughout the school year.
- **The Electrical Awareness Session:** A free session held for 50 contractors in Sault Ste. Marie, aimed at raising awareness of electrical hazards.



In 2024, PUC's commitment to safety was further recognized when we were honored with the Ontario Electrical Safety Award in the Worker Safety category by the Electrical Safety Authority (ESA). This recognition was for our video campaign promoting road safety, created in collaboration with the City of Sault Ste. Marie, the Sault Ste. Marie Construction Association, and local emergency services.

Safety Training Highlights

Throughout the year, PUC employees participated in numerous safety training sessions that covered essential topics for maintaining a safe work environment.

These training sessions reinforced safety protocols and equipped our teams with the confidence to handle emergency situations effectively. The diversity of these courses highlights our proactive approach to hazard prevention and response, ensuring that every employee, whether in the field or office, is prepared to maintain a safe work environment.



COURSES OFFERED IN 2024

Mobile Elevating Work Platform (MEWP)

ARC Flash

Asbestos Training

Basic Supervisory Training

Confined Space Entry

**Contractor Safety Management
and Monitoring**

EUSR Rule Book

Fire Extinguisher Training

First Aid & CPR

Forklift Training

Hoisting and Rigging

Integrated Accessibility Standards

Job Planning

Ladder Handling

Lockout Tagout

Mobile Crane 0-8 Tons

MSD Injury Prevention

OHSA Training – Worker/Supervisor

SCBA Training & Fit Test

Spills Response

Transportation of Dangerous Goods

Trenching Safety Hazard Awareness

Utility Work Protection Code

WHMIS

Work Area Protection Traffic Control

Working at Heights

Workplace Violence and Harassment

Management Training and Development

THE WAY THROUGH INNOVATION
PASSION TO DELIVER THE BEST
SERVICE EVERY SINGLE DAY



In addition to front-line safety training, PUC placed a significant emphasis on leadership development. We partnered with MEARIE and Grid Smart City to provide targeted management training.

Through MEARIE, our leadership team engaged in specialized courses, including:

- **Managing in a Union Environment**
- **Collective Bargaining Preparation**
- **Finance for Non-Financial Managers**

Grid Smart City provided a structured leadership program tailored to managers at different stages of their careers:

- **Entry-Level Management:** For managers in their first five (5) years.
- **Intermediate Management:** Targeting those with 5-10 years of experience.
- **Advanced Management:** For seasoned leaders with over 10 years of leadership experience.

These programs helped our leaders enhance their management capabilities, which in turn fosters a culture of safety,

accountability, and continuous improvement across all levels of the organization.

Strategic Initiatives: Project Management Training

As part of our strategic initiatives, PUC also introduced Project Management Introductory Training. This course was designed to improve our team's ability to manage complex projects safely and efficiently, ensuring that safety protocols are integrated into every project from planning through execution.

Valuing Community



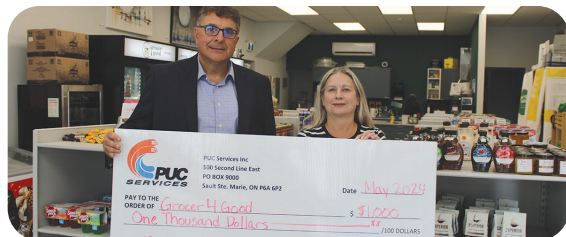
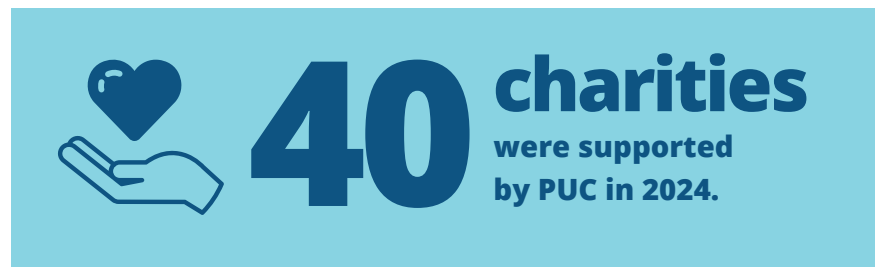
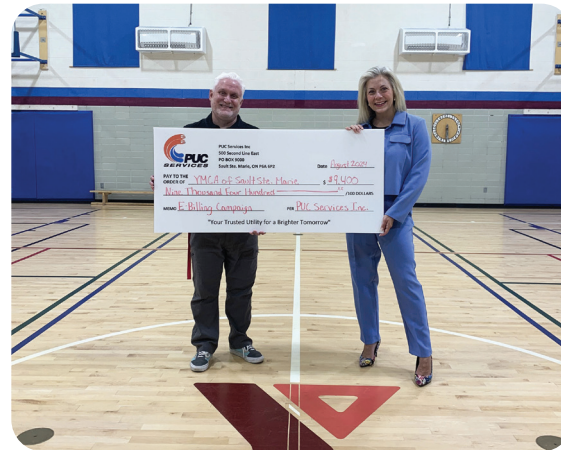
Donations

\$75,000 Raised for Charities

In 2024, PUC remained dedicated to supporting numerous community organizations. One of our ongoing efforts include employees volunteering their time at St. Vincent Place to prepare lunches for those in need.

We also successfully ran two charity donation campaigns aimed at raising funds for local causes while promoting our e-billing. For each new e-billing sign-up, we donated \$20, resulting in a total of over \$9,000 for the local YMCA and \$12,000 for Christmas Cheer.

Additionally, PUC proudly donated \$75,000 to over 40 organizations over the course of the year, further demonstrating our commitment to making a meaningful impact in the community.



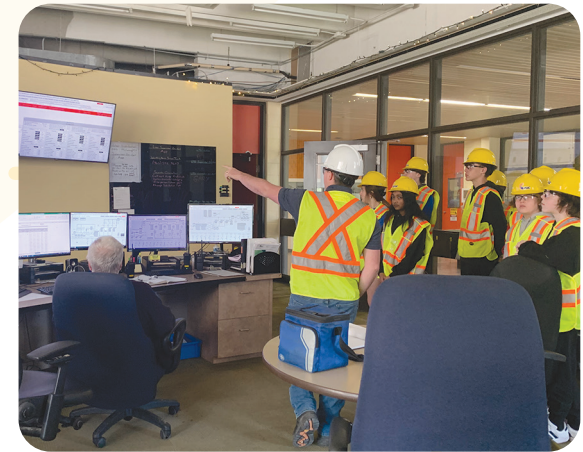
Building Community Connections



Job fairs:

In 2024, PUC attended three job fairs: Algoma University, Sault College, and The Young Women's Skilled Trades 'Try a Trade' Career Fair. These events provide PUC with the opportunity to connect with diverse candidates across various fields from engineering to environmental operations, ensuring we continue to build a team

capable of driving our mission forward. By participating in these events, we not only strengthen our recruitment efforts but also showcase our dedication to fostering a workforce that supports the transition to the future generation. Additionally, it provided us with the opportunity to engage directly with potential job candidates.



School Tours:

In 2024, PUC had the privilege of welcoming over 300 students from various educational levels, ranging from elementary school to postsecondary institutions, to our wastewater treatment plant, water filtration plant, and main office. This initiative was designed to provide students with a comprehensive understanding of the different career paths at PUC, while educating the students on the processes that support our community's utility system. Through these visits, students were able to engage directly with industry professionals, ask questions, and gain valuable insights into the essential services that contribute to a sustainable and healthy community.



Bring Your Kids to Work Day:

On September 27th, PUC hosted a Bring Your Kids to Work Day Event, inviting families of our employees to PUC to participate. The day was a resounding success, with almost 100 children joining us for the occasion that included a celebration of the National Day for Truth and Reconciliation. We offered a variety of fun and educational activities, giving participants an opportunity to explore the important work their loved ones do to support PUC's mission of being a community leader in providing safe, reliable utility services.



World Water Day/Open House:

On Thursday, March 22nd, 2024, PUC hosted around 100 members of the public at our Water Filtration Plant in celebration of World Water Day. The event offered an invaluable opportunity for participants to gain a deeper understanding of the vital processes involved in water treatment and distribution. Through guided tours, attendees gained valuable insights into how we ensure the delivery of clean, safe water to the community. This initiative reflects our commitment to transparency and public education, fostering a greater understanding of where our water comes from and the importance of sustainable water management.



Science Fair:

The Science North Annual Science Carnival is a prominent community event that offers children the opportunity to explore and engage with various scientific concepts in an interactive and enjoyable way. PUC participated in this event to educate young attendees on electricity safety and the process by which power is delivered to their homes. Through a hands-on

demonstration, we showcased a mock electrical distribution system, allowing the children to connect paper homes to powerlines, simulating the delivery of electricity. This activity was well-received and provided an engaging and informative experience, promoting awareness of safe electricity practices in a fun and memorable way.





Co-op Program:

In 2024, we welcomed five cooperative education (co-op) students from a wide range of educational backgrounds, including high school co-op programs and post-secondary internships, to PUC across various departments including Communications, IT and Engineering. This initiative provided valuable opportunities for hands-on learning and professional development, allowing students to gain real-world experience while contributing to the growth and success of our organization. These partnerships not only provided practical experience for the students but also play a powerful role in educating and inspiring the next generation by showcasing the exciting career options available at PUC. Through this collaboration, we continue to strengthen our commitment to innovation (one of PUC's core values) ensuring that future leaders are equipped with the skills and knowledge needed to thrive in an ever-evolving workforce.



Rotaryfest 2024:

Each year, PUC proudly participates in Rotaryfest, a local three-day event. In 2024, PUC seized the opportunity to educate the public about the various ways we contribute to our community, with a special focus on our ongoing commitment to making a positive impact through community donations. We also used the festival as a platform to educate the public on the benefits of Electric Vehicles, even showcasing one for visitors to explore firsthand.

During the festival we also used the opportunity to promote our fundraising campaign to support the local YMCA. For every new e-billing sign-up we received, PUC pledged to donate \$20 to the local YMCA. This initiative was a fantastic way to raise money for a worthy cause while also advancing PUC's digital transformation efforts through the promotion of our e-billing initiative.



2024
Awards

Awards and Recognition

2024

Awards

PUC Services Inc. celebrated a banner year of recognition, earning four prestigious awards that highlight our commitment to safety, innovation, and excellence.



PUC was named *Business of the Year* (50+ employees) by the Sault Ste. Marie Chamber of Commerce showcasing our leadership in the local business community.

PUC received the *EDA Innovation Award* for the groundbreaking *Sault Smart Grid* project, demonstrating our forward-thinking approach to energy management.

Our safety video campaign earned the *ESA Safety Award* in the *Worker Safety category*, reinforcing our dedication to workplace safety.

Lastly, PUC was recognized as one of *Canada's Top 100 Small & Medium Employers* for 2024, solidifying our reputation as an exceptional workplace that values and supports its employees.



Employee Spotlight:

Bright Lights Profile

Each year, PUC hosts the annual Bright Lights Award to celebrate and promote the organization's core values. This award recognizes employees who embody our values in their daily work and serve as shining examples within the company.

The winners are selected through a series of "Good News Story" submissions throughout the year. These stories highlight individuals who have demonstrated one of PUC's values, and the Good News Story then becomes a nomination to the Bright Lights Awards.

Congratulations to all of our winners!

Safety:

Mike P.

**Customer
Centric:**

Patrick P.

Innovation:

Lucas M.

Accountability:

Matt R.

Integrity:

Jen G.



"During a review of financial assistance applications, Jen noticed that a third-party organization had accidentally requested more support than needed for one customer. She brought the error to light and helped create a better process that allowed more customers in need to access available funds.

While one person received slightly less support, Jen's actions made it possible to help a larger number of people facing financial hardship. The third-party organization appreciated her honesty and the fair way she handled the situation.

This example shows Jen's strong sense of fairness and her commitment to helping as many people as possible, while staying true to the company's values."

Executive Team



Robert Brewer,
Hon. BSC, MBA
PRESIDENT & CEO



Robert Battisti,
CPA, CMA, MBA
CHIEF FINANCIAL OFFICER



Mark Faught
VICE PRESIDENT,
CORPORATE SERVICES



Sarah McLeod
VICE PRESIDENT,
PEOPLE, CULTURE AND BRAND

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GREAT LAKES POWER TRANSMISSION

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VICE CHAIR, CEO, SAULT AREA HOSPITAL

Scott Seabrook
SENIOR DIRECTOR, FINANCE, OLG

Bob Giroux
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CITY COUNCILLOR, CITY OF SAULT STE. MARIE

Corey Gardi
CITY COUNCILLOR, CITY OF SAULT STE. MARIE

Musa Onyuna
DR.-ING., P. ENG., CITIZEN METALLURGICAL
SPECIALIST, ALGOMA STEEL INC.

Securing the Future

Financial Statements



PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash	\$ 3,164	\$ 7,924
Accounts receivable	7,736,277	5,903,337
Unbilled service revenue	1,335,731	1,271,954
Receivable from related company, PUC Services Inc. (note 3)	19,042,139	11,752,144
	28,117,311	18,935,359
Financial liabilities:		
Accounts payable and accrued liabilities	14,030,906	7,963,799
Credit facility (note 4)	4,025,000	3,000,000
Loan payable (note 5)	991,442	1,877,477
	19,047,348	12,841,276
Total net financial assets	9,069,963	6,094,083
Non-financial assets:		
Tangible capital assets (note 7)	122,246,057	116,424,108
Inventory	466,311	475,135
	122,712,368	116,899,243
Accumulated surplus (note 8)	\$ 131,782,331	\$ 122,993,326

The accompanying notes are an integral part of these financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2)	2024 Total	2023 Total
Revenues:			
Service revenue:			
Residential	\$ 15,309,865	\$ 15,177,962	\$ 14,545,067
General	10,404,865	10,878,109	9,881,515
Hydrants	1,871,049	1,888,463	1,790,681
	27,585,779	27,944,534	26,217,263
Other:			
Investment income	110,000	497,300	357,529
Non-service revenue	395,894	768,087	732,265
Developers contributions	-	105,729	51,034
	505,894	1,371,116	1,140,828
Total revenues	28,091,673	29,315,650	27,358,091
Expenditures: (note 6)			
Purification and pumping	4,996,084	4,913,675	4,860,694
Transmission and distribution	4,863,876	4,277,454	4,650,296
Amortization of tangible capital assets	3,298,295	3,297,852	3,123,287
Hydrants	594,991	391,172	486,629
Billing and collection	1,396,934	1,520,064	1,476,471
Interest on long-term debt	45,831	449,378	202,377
General and administration	5,043,680	5,677,050	5,128,202
Total expenditures	20,239,691	20,526,645	19,927,956
Operating surplus	7,851,982	8,789,005	7,430,135
Accumulated operating surplus, beginning of year	122,993,326	122,993,326	115,563,191
Accumulated operating surplus, end of year	\$ 130,845,308	\$ 131,782,331	\$ 122,993,326

The accompanying notes are an integral part of these financial statements.

Management has extracted this financial information from the audited financial statements.

PUC DISTRIBUTION INC.

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 1,205,245	\$ 1,007,300
Accounts receivable (note 4)	8,666,033	6,156,887
Unbilled revenue	11,845,279	12,501,681
Inventory (note 5)	2,814,752	2,857,352
Payment in lieu of taxes	263	-
Prepaid expenses	505,266	632,025
Total current assets	25,036,838	23,155,245
Non-current assets:		
Property, plant and equipment (note 6)	156,869,863	152,914,898
Total assets	181,906,701	176,070,143
Regulatory debit balances (note 8)	7,096,610	7,590,390
Total assets and regulatory balances	\$ 189,003,311	\$ 183,660,533

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

December 31, 2024, with comparative information for 2023

	2024	2023
Liabilities and Shareholder's Equity		
Current liabilities:		
Line of credit (note 18 b iii)	\$ 3,780,000	\$ 3,460,000
Accounts payable and accrued liabilities	9,620,887	13,016,694
Customer deposits (note 11)	180,575	200,638
Payment in lieu of taxes	-	95,419
Dividends payable	610,080	610,080
Due to related parties (note 17)	17,480,455	13,109,863
Current portion of long-term debt (note 10)	3,120,624	2,589,392
Total current liabilities	34,792,621	33,082,086
Non-current liabilities:		
Deferred revenue (note 9)	13,840,832	13,892,859
Deferred tax liability (note 7)	4,400,000	4,083,000
Long-term debt (note 10)	86,653,393	85,426,708
Total non-current liabilities	104,894,225	103,402,567
Total liabilities	139,686,846	136,484,653
Shareholder's equity:		
Share capital (note 12)	20,062,107	20,062,107
Retained earnings	28,647,923	24,888,624
Total shareholder's equity	48,710,030	44,950,731
Total liabilities and shareholder's equity	188,396,876	181,435,384
Regulatory credit balances (note 8)	606,435	2,225,149
Commitments and contingences (note 16)		
Total liabilities, regulatory balances and shareholder's equity	\$ 189,003,311	\$ 183,660,533

Management has extracted this financial information from the audited financial statements.

PUC DISTRIBUTION INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Electricity sales (note 13)	\$ 74,778,496	\$ 70,559,207
Distribution revenue (note 13)	25,857,072	24,062,249
	100,635,568	94,621,456
Other operating revenue (note 14)	2,871,739	2,622,508
	103,507,307	97,243,964
Expenses:		
Energy purchases	75,643,051	69,941,227
Operations and maintenance	6,972,579	7,067,135
General and administrative	4,897,118	4,429,728
Billing and collection	1,144,579	1,534,006
Depreciation and amortization	5,919,600	5,578,272
Community relations	776,119	720,112
	95,353,046	89,270,480
Income before undernoted items	8,154,261	7,973,484
Net finance costs (note 15)	4,528,190	2,855,146
Income before tax and regulatory items	3,626,071	5,118,338
Income tax expense:		
Current (note 7)	121,247	121,510
Deferred (note 7)	317,000	1,206,000
	438,247	1,327,510
Income for the year before movements in regulatory deferral account balances	3,187,824	3,790,828
Net movement in regulatory deferral account balances related to income or loss	(864,555)	617,979
Income tax	(317,000)	(1,206,000)
	(1,181,555)	(588,021)
Net income, being total comprehensive income for the year	\$ 4,369,379	\$ 4,378,849

See accompanying notes to financial statements.

PUC INC.

Balance Sheet

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Accounts receivable	\$ 2,269	\$ 2,269
Payment in lieu of taxes recoverable	5,382	5,382
Receivable from Ecobility Inc.	-	614,163
Receivable from Northern Waterworks Inc.	200,000	-
Receivable from PUC Services Inc.	929,520	2,382,439
Receivable from PUC Distribution Inc.	610,080	610,080
	1,747,251	3,614,333
Deferred tax assets	207,000	127,000
Investments in subsidiaries	52,905,641	50,801,579
Note receivable	8,310,000	8,310,000
	61,422,641	59,238,579
	\$ 63,169,892	\$ 62,852,912
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 322,940	\$ 8,861
Payable to City of Sault Ste. Marie	610,080	610,080
	933,020	618,941
Long-term debt	31,720,000	31,720,000
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited Special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
100,000 Common shares		
Issued and outstanding:		
21,632 Common shares	14,618,248	14,618,248
1,462 Special shares	14,620,000	14,620,000
	29,238,248	29,238,248
Retained earnings	1,278,624	1,275,723
	30,516,872	30,513,971
	\$ 63,169,892	\$ 62,852,912

See accompanying note to financial information.

Management has extracted this financial information from the audited financial statements.

PUC INC.

Statement of Earnings

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Interest income	\$ 2,291,446	\$ 2,286,463
Dividend income	810,080	1,704,243
	3,101,526	3,990,706
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Business development	470,024	618,687
Administrative	163,601	124,452
	2,568,545	2,678,059
Earnings before income taxes	532,981	1,312,647
Payment in lieu of taxes (recovery)	(80,000)	(102,000)
Net earnings	\$ 612,981	\$ 1,414,647

See accompanying note to financial information.

PUC SERVICES INC.

Statement of Financial Position

As at December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 6,140,701	\$ 693,011
Accounts receivable (note 5)	4,710,964	4,078,552
Due from related parties (note 19)	23,176,993	21,794,898
Inventories (note 6)	557,584	593,334
Prepaid expenses	1,434,893	1,524,040
Payment in lieu of taxes recoverable	258,292	-
Total current assets	36,279,427	28,683,835
Non-current assets:		
Property, plant and equipment (note 7)	19,291,965	18,471,573
Intangible assets (note 8)	856,820	1,045,078
Total non-current assets	20,148,785	19,516,651
Total assets	\$ 56,428,212	\$ 48,200,486
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,218,070	\$ 5,160,799
Deferred tax liabilities (note 9)	729,000	713,000
Payment in lieu of income taxes (note 9)	-	185,953
Due to related parties (note 19)	19,971,659	14,224,108
Current portion of long-term debt (note 10)	85,656	85,656
Lease liabilities - current (note 11)	159,299	28,987
Total current liabilities	28,163,684	20,398,503
Non-current liabilities:		
Long-term debt (note 10)	8,715,250	8,800,906
Lease liabilities (note 11)	191,312	18,991
Deferred revenue (note 7)	9,857,662	10,113,479
Employee future benefit obligations (note 12)	1,101,216	1,573,623
Total non-current liabilities	19,865,440	20,506,999
Total liabilities	48,029,124	40,905,502
Shareholder's equity:		
Share capital (note 15)	1,943,300	1,943,300
Accumulated other comprehensive income	1,354,250	930,064
Retained earnings	5,101,538	4,421,620
Total shareholder's equity	8,399,088	7,294,984
Commitments and contingences (note 18)		
Total liabilities and shareholder's equity	\$ 56,428,212	\$ 48,200,486

See accompanying notes to financial statements.

Management has extracted this financial information from the audited financial statements.

PUC SERVICES INC.

Statement of Income and Comprehensive Income

As at December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Management fees	\$ 14,925,026	\$ 15,658,990
Contracts	8,963,095	9,392,380
Services	415,953	340,321
Other operating revenue (note 16)	1,420,929	1,522,854
	25,725,003	26,914,545
Expenses:		
Contract service	8,032,279	9,112,208
Administrative	7,636,900	6,458,284
Facilities	2,118,073	2,204,329
Depreciation and amortization	3,113,866	2,872,302
Billing and collection	871,540	960,192
Customer service	1,249,977	1,150,505
Street lights	533,702	344,258
New business development	690,588	618,687
Other business and maintenance	80,587	73,833
	24,327,512	23,794,598
Income from operating activities	1,397,491	3,119,947
Net finance costs (note 17)	635,862	570,413
Income before provision for payment in lieu of taxes	761,629	2,549,534
Payment in lieu of taxes (note 9):		
Current (recovery) expense	218,649	331,447
Deferred expense	(136,938)	263,714
	81,711	595,161
Income for the year	679,918	1,954,373
Other comprehensive income (loss): items that will not be classified to profit or loss, net of income tax:		
Remeasurement of employee future benefit obligations (note 12)	577,124	(32,882)
Income tax recovery (expense) on other comprehensive income (note 9)	(152,938)	8,714
Other comprehensive income (loss) for the year	424,186	(24,168)
Net income and comprehensive income for the year	\$ 1,104,104	\$ 1,930,205

See accompanying notes to financial statements.



Management has extracted this financial information from the audited financial statements.

Thank You



**Thank you to the communities we serve
for putting your trust in us every single day.
We will continue to be your partner in finding
new ways to make a brighter tomorrow.**

