

Scorecard - Hydro Hawkesbury Inc.

Performance Outcomes	Performance Categories	Measures	2016	2017	2018	2019	2020	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	100.00%	94.44%	91.30%	100.00%		90.00%		
		Scheduled Appointments Met On Time	95.20%	97.59%	96.61%	98.86%	98.10%		90.00%		
		Telephone Calls Answered On Time	100.00%	99.99%	99.99%	99.97%	99.96%		65.00%		
	Customer Satisfaction	First Contact Resolution	94%	84	96.13%	96.13	82.22				
		Billing Accuracy	99.99%	99.94%	99.98%	99.98%	99.54%		98.00%		
		Customer Satisfaction Survey Results	92%	92%	87.20%	87.2	83.93				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	78.00%	76.00%	78.00%	76.00%	76.33%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	NI	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000			0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	1.39	4.13	2.92	1.01	5.63			1.41	
		Average Number of Times that Power to a Customer is Interrupted ²	0.60	1.53	1.92	0.68	2.66			0.60	
	Asset Management	Distribution System Plan Implementation Progress	In progress	DONE 2017	Complete	complete	Completed				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$271	\$300	\$313	\$289	\$305				
		Total Cost per Km of Line ³	\$21,694	\$24,066	\$24,783	\$22,613	\$23,523				
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		New Micro-embedded Generation Facilities Connected On Time							90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.90	1.14	2.04	1.77	1.96				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.47	0.62	0.85	0.77	0.70				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.36%	9.36%	9.00%	9.00%	9.00%			
			Achieved	17.63%	7.45%	-4.10%	16.54%	6.57%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.

3. A benchmarking analysis determines the total cost figures from the distributor 's reported information.

Legend:

5-year trend
 up down flat
 Current year
 target met target not met

Hydro Hawkesbury Inc.

2020 Scorecard Management Discussion and Analysis (“2020 Scorecard MD&A”)

Scorecard MD&A - General Overview

In 2020, Hydro Hawkesbury Inc. (“HHI”) met or exceeded all but one performance targets. HHI fell marginally under the System Reliability measure. HHI continues to seek new control measures leading to improvements in all categories. HHI’s ranking is the most efficient group in the province – this since 2006. Going forward, the utility continued to seek cost saving solution and promoting cost sharing with neighboring utilities.

Service Quality

- **New Residential/Small Business Services Connected on Time**

In 2020 HHI connected 22 services of which 100% were connected to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). Where possible, HHI also coordinates connection activities with local municipalities and other agencies, to further enhance the coordination between municipal and electrical distribution construction activities.

- **Scheduled Appointments Met On Time**

In 2020, HHI scheduled 343 appointments with its customers to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. The utility met 98% of these appointments on time, which significantly exceeds the industry target of 90%. With respect to appointments met, HHI scheduled 105 appointments with customer service, 103 of which were met resulting in a result of 98.1% completion rate.

- **Telephone Calls Answered On Time**

In 2020 HHI customer service received 7340 calls from its customers. Agents answered calls in 30 seconds or less in all except three calls resulting in a achievement rate of 99.96%. This result significantly exceeds the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

HHI tracks its "First Contact Resolution" metric using its customer satisfaction survey. To comply with this requirement, the utility used an average of the following survey questions below.

Customer Service Representative

- 1) During the past 12 months, have you contacted the utility's customer service for any information or assistance?
- 2) Thinking about your most recent contact with Hydro Hawkesbury Inc., did the customer care representative provide you with the
- 3) If not, what information did you need that the customer care representative did not provide?
- 4) Overall, how would you rate the customer care representative's performance in handling your request for information?

The utility reported results of 88.22%.

HHI notes that it conducted its satisfaction survey in the spring of 2021

- **Billing Accuracy**

Billing accuracy represents the number of customer invoices within the utility's control that were created without errors. For 2020 HHI issued more than 67,824 bills and achieved a billing accuracy of 99.54% with only 313 bills which was erroneous. This compares favourably to the prescribed OEB target of 98%.

HHI continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results...**

HHI conducted a customer satisfaction survey in March and April 2020. The survey's objectives included measuring:

- Utility's overall performance.
- Reliability.

- Billing and Payment Options
- Quality of service provided by customer care.
- Quality of service provided by field employees.
- Customer awareness and usage of the department's online services.
- Customer support for greater use of renewable energy.
- Customer opinions regarding how aggressively sustainable practices should be pursued.
- Cost of Electricity
- Overall Performance

The utility used Survey Monkey to publish its survey and posted it on its website. A bill insert communicating the survey and prize was included in all bills. The utility established that the desired sampling margin of error (confidence interval) was to be no greater than (+/-) 5 percentage points at a 95% confidence level. The margin of error is a measure of the precision of a sample estimate of the population value. It uses probability to demonstrate the precision of a sample estimate by providing a range of values in which a sample value would be expected to fall. In general, the margin of error provides a 95% confidence interval. The utility received 88 responses.

The survey yielded a customer satisfaction ranking of 83.93%.

HHI notes that it conducted its survey in the spring of 2021.

The utility intends on continuing surveying its customers on a bi-annual basis in an effort to monitor and assess residential and commercial customer knowledge, perceptions and satisfaction regarding utility services.

Safety

- **Component A – Public Awareness of Electrical Safety**

The intent of the Public Awareness of Electrical Safety component of the public safety measure is to measure the level of awareness of key electrical safety precautions among public within the electricity distributor's service territory. It measures the degree of effectiveness for distributors' activities on preventing electrical accidents. The utility conducted an online survey between December to January 2018. The results of the survey indicated a 76.33% score on Public Awareness. Going forward, the utility plans on improving its results by communicating safety measures to its customers

- **Component B – Compliance with Ontario Regulation 22/04**

As a licensed distributor, HHI must comply with Ontario Regulation 22/04 Electrical Distribution Safety and compliance with this regulation is subject to annual Audits and Declarations of Compliance. HHI has established practices and procedures that comply with Ontario Regulation 22/04 and has reported satisfactory Audits. HHI is also required to submit an annual Declaration of Compliance for certain sections of the regulation; these have also indicated compliance. ESA also undertakes a series of Due Diligence Inspections with all

distributors. No significant items raised from these inspections.

- **Component C – Serious Electrical Incident Index**

HHI did not have any serious electrical incident to report in 2020

System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

HHI experienced an increase in the average number of hours that power to a customer was interrupted during 2020 in comparison to previous years. In all 16077 customers were affected with a total of 32732 hours. Factors which affect the distribution system performance involved the an unexplained reduction of SF6 gases in our 115 kv circuit switcher. Some 2708 customers affected for a total of 997.85 customer hours of interruption.

On July 10th 2020 a Downdraft (mini tornado) hit Hawkesbury causing on it own 19,265.47 customer hours of interruption affecting 4659 customer.

In November 2020 HHI had a planned interruption for annual testing and maintenance as we do each year. Some 4109 customer affected for a total of 9221.25 customer hours.

HHI continues to view reliability of electricity service as a high priority the utility continues to monitor its distribution assets on a regular basis.

- **Average Number of Times that Power to a Customer is Interrupted**

HHI experienced an increase in the average number of interruptions during 2020 for the reasons listed above. The results reported show that the interruptions increase from 1.01 in 2019 to 5.63 in 2020

Asset Management

- **Distribution System Plan Implementation Progress**

HHI filed a Distribution System Plan (“DSP”) in its 2018 Cost of Service application

Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. HHI has been placed in group I which represents the most efficient group. This also represents no change from 2018. The utility has been ranked number one since 2006.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of HHI's capital and operating costs and dividing this cost figure by the total number of customers who HHI serves. The cost performance result for 2020 of \$305/customer is up from \$289/customer in 2019. The increase is due to additional spending in maintenance expenses of approximately 23K and administrative expenses of 17K.

HHI will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts as demonstrated in its 2018 Cost of Service application, HHI will continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. Customer engagement initiatives will continue in order to ensure customers have an opportunity to share their viewpoint on HHI's capital spending plans.

- **Total Cost per Km of Line RRR (2.1.5 utility characteristics)**

HHI's 2020 rate per km of the line is \$23,523 represents an increase of the 2019 costs of 22,613/km of lines. The increase is due to additional spending in maintenance expenses of approximately 23K and administrative expenses of 17K.

is HHI continues to seek innovative solutions to help ensure the cost/km of line remains competitive and within acceptable limits to its customers.

Conservation & Demand Management

- **Net Annual Peak Demand Savings (Percent of target achieved) & Net Cumulative Energy Savings (Percent of target achieved)**
- As a result of the Minister of Energy, Northern Development and Mines' directive on March 20, 2019, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2019 and 2020 will be centralized and administered by the IESO.
- As distributors are no longer working towards the former 2015-2020 CDM targets, reporting on CDM targets and results and not longer applicable.

Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

HHI does not have any Fit projects in 2020 and as such did not need Connection Impact Assessments

- **New Micro-embedded Generation Facilities Connected On Time**

HHI did not connect MicroFit projects in 2020.

Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

HHI's current liquidity rating of 1.96 which decreased slightly from 1.77 in 2019 which is close to the indicator of good financial health.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

In accordance with Board policy, the utility uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

HHI's 2020 distribution rates were rebased and approved by the OEB in 2018 and included an expected (deemed) regulatory return on equity of 9.00%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity.

- **Profitability: Regulatory Return on Equity – Achieved**

HHI's current return is 6.57% which fell inside the +/- 3% range.

The reason of the slight under earning is mostly related to an increase in maintenance related accounts. The amount of maintenance work varies from year to year depending on weather and other factors beyond the utility's control. The actual cost of power also differed from the Board Approved cost of power contributing to the variance of the return on equity.

Note to Readers of 2020 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences to include legislative or regulatory developments, financial market conditions, general economic conditions, and the weather. For these reasons, the information on future performance is intended to be management's best judgment on the reporting date of the performance scorecard and could be markedly different in the future.