

Scorecard - Innpower Corporation

10/22/2021

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	94.80%	93.28%	91.84%	99.56%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	95.60%	93.50%	87.21%	98.40%	99.51%	↑	90.00%		
		Telephone Calls Answered On Time	80.10%	80.23%	83.85%	90.40%	92.53%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	99.4	99.4%	99.79%	99.93	99.95				
		Billing Accuracy	97.97%	99.79%	99.73%	99.88%	99.90%	↑	98.00%		
		Customer Satisfaction Survey Results	B	B	B	A	A				
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	86.00%	85.00%	85.00%	84.00%	84.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	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	1.12	1.54	2.66	1.52	1.81	↑		2.15	
		Average Number of Times that Power to a Customer is Interrupted ²	1.35	1.05	0.88	0.61	1.10	↓		1.37	
	Asset Management	Distribution System Plan Implementation Progress	In Progress	In Progress	98%	110%	93%				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$904	\$857	\$834	\$847	\$852				
		Total Cost per Km of Line ³	\$17,640	\$17,136	\$17,231	\$10,844	\$11,219				
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					100.00%				
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%			↔	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.80	0.88	0.94	1.06	0.84				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.78	1.78	1.61	1.60	1.42				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.78%	8.78%	8.78%	8.78%			
			Achieved	3.90%	0.94%	11.47%	10.09%	9.69%			

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

Scorecard - Innpower Corporation

9/2/2021

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									Industry	Distributor	
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		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
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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.

4. The CDM measure is based on the now discontinued 2015-2020 Conservation First Framework. 2019 results include savings reported to the IESO up until the end of February 2020.

Legend:

5-year trend
 up down flat

Current year
 target met target not met

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

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2020 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

The year 2020 continued to be a period of growth for InnPower, from both a customer base and operational perspective. InnPower achieved total customer growth of 4.1% (of which 3.6% was residential customers), and increased total annual capital spend to \$14.3M (2019 - \$11.6M). Beginning in 2019 and continuing into 2020, InnPower expanded its strategy to reorganize and refocus on customer’s needs while continuing to meet the challenges placed on a fast-growing utility.

InnPower continues to experience extensive growth throughout its service territory, with significant capital additions each year. Future expansion is expected to persist as InnPower energizes previously unserved areas, primarily in the South Barrie section of the service territory.

InnPower continues to spend time and resources to identify and remediate areas in its distribution system, which over the years were contributing to customer outages. Beginning in 2018, InnPower’s capital program has included new tools and process implementations that reduce the amount of time required to identify and rectify issues. As a result, issues involving faulty equipment and tree encroachments have been addressed more effectively, which has improved system reliability and reduced restoration times.

InnPower continues to look for operating efficiencies in all departments to reduce OM&A and controllable costs per customer, with the objective of improving its value and reliability to its customers.

Service Quality

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

In 2020, InnPower connected 100% of its 419 eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB), which exceeds the OEB-mandated threshold of 90%.

- **Scheduled Appointments Met On Time**

In 2020, InnPower scheduled and met 99.51% of its appointments to complete work requested by customers to connect services, disconnect services, or otherwise discuss service options in which the customer was met on site. This number is about 1.5% higher than the previous year and exceeds the OEB-mandated threshold of 90%.

Additionally, in 2020, InnPower scheduled 5,288 appointments for work in which the customer was not required on site. Of the 5,288 scheduled appointments, 99.96% (5,286 appointments) were completed in five business days. This represents an increase of about 5% from the previous year and continues to exceed the OEB-mandated threshold of 90%.

- **Telephone Calls Answered On Time**

In 2020, InnPower's customer contact center received 23,670 calls, which represents an increase of approximately 3.4% compared to 2019. This is an average of approximately 94 calls per working day. InnPower's customer service representatives answered 92.53% of calls within 30 seconds, which exceeds InnPower's 2019 scorecard, as well as the OEB prescribed target levels of 65%.

Total qualifying call volumes remain similar to 2019 (despite customer growth) due to continued communication and engagement strategies with customers through social media, newsletters, website updates, self-serve options and proactive calls to customers. However, call lengths have increased over 2019. Over 50% of qualifying calls continue to be directly related to payments, payment arrangements and moving inquiries.

Customer Satisfaction

- **First Contact Resolution**

InnPower defines “*First Contact Resolution*” as the number of customer enquiries that are resolved the first time they contact the utility without escalation to a supervisor or manager. InnPower measures this through the Customer Service agent logged transactions. In 2020, InnPower staff logged 33,002 inquiries of which 17 were not resolved on first contact. InnPower is proud of staff accomplishments to achieve these results and strives to further enhance the customer experience.

In cases where first contact resolution is not met, the calls are used as examples in training opportunities with staff. On a regular basis, scripting and procedures are updated to ensure InnPower staff deliver consistent and high quality messaging.

- **Billing Accuracy**

For the period of January 1, 2020 through December 31, 2020, InnPower issued 228,116 bills and achieved a billing accuracy of 99.90%, which exceeds the prescribed OEB target of 98%. InnPower maintains a high billing accuracy percentage as a result of thorough analysis and regular internal bill audits.

- **Customer Satisfaction Survey Results**

Customer Satisfaction is measured via a recurring two-year cycle of surveys for InnPower customers. The OEB has not yet issued a common definition for this measure, but is expected to do so within the next few years. As a result, this measure may differ from other utilities in the Province.

In 2019, InnPower Corporation partnered with UtilityPULSE to conduct a Customer Satisfaction Survey. The survey was completed between August 19th and September 7th, 2019. UtilityPULSE agents contacted 2,607 households and small businesses within InnPower’s service territory. They completed 409 interviews, resulting in a response rate of 16%. The customers were chosen based on a random sample approach, with 85% being residential customers and 15% being commercial customers.

Overall, InnPower received a majority of positive scores across the board and have seen a positive change since 2017, moving from a score of “B” to an “A” as seen in the chart below. In the survey, 86% of respondents strongly or somewhat agree that InnPower is trustworthy, with 85% finding that InnPower is credible. InnPower was favoured by respondents for many reasons including being respected within the community, keeping promises to customers, being customer focused, delivering on service commitments, providing consistent/reliable electricity, handling unplanned outages quickly, providing accurate billing, and more.

	InnPower 2019	InnPower 2017	Ontario 2019
Customer Satisfaction: Initial	89%	80%	92%
Customer Satisfaction: Post	88%	74%	92%
Communication Score	76%	--	79%
Overall Satisfaction with most recent experience	76%	62%	79%
Convenience of Services Score	77%	--	79%
Customer Experience Performance Rating (CEPr)	85%	78%	86%
Customer Centric Engagement Index (CCEI)	85%	75%	83%
Credibility & Trust Index	85%	76%	84%
UtilityPulse Report Card®	A	B	A

At InnPower, we believe that there is always room to learn and improve as we strive to offer the best service to our customers. Respondents from this survey were asked to provide suggestions on how InnPower could improve. Based on the customer feedback, the top suggestions include “*Better Prices/Lower Rates*”, “*Better information on outages*”, “*Better reliability/less outages*” and “*Better communications*”. Given these results, InnPower continues to actively look into ways to improve efficiencies to maintain lower costs, improve infrastructure as needed to increase reliability, provide more timely information during outages and increase communication overall.

InnPower is currently conducting a 2021 Customer Satisfaction survey.

Safety

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

InnPower undertook the survey in the first quarter of 2020 and achieved an 84% in Public Awareness of Electrical Safety. The results continue to show that most customers have sound knowledge of electrical safety or have received information pertaining to

the six core measurement questions. At this time, there is no set performance target by the OEB for the public awareness of electrical safety. InnPower's next Public Awareness of Electrical Safety survey will take place in the 2022 reporting year.

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

Component B consists of a utility's compliance with Ontario Regulation 22/04 - Electrical Distribution Safety. Ontario Regulation 22/04 establishes the safety requirements for the design, construction, and maintenance of electrical distribution systems, particularly in relation to the approvals and inspections required prior to putting electrical equipment into service.

InnPower continues to be fully compliant with this regulation through its strong commitment to safety and adherence to company procedures and policies.

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

InnPower continues to report zero (0) fatalities and zero (0) serious incidents within its service territory. InnPower continues to perform regular site visits and rigorous safety training to identify potential hazards and communicate findings and recommendations to all staff and the public.

System Reliability

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

The *“Average Number of Hours that Power to a Customer is Interrupted”* is a measure of system reliability or the ability of a system to perform its required function. InnPower views reliability of electrical service as a high priority for its customers and regularly monitors its system for signs of reliability degradation. Outside factors such as severe weather, defective equipment or even regularly scheduled maintenance can greatly influence this measure.

For 2020, on average, InnPower customers were out of power, excluding major events and loss of supply, for 1.81 hours (SAIDI excluding MED and LOS). This metric continues to be lower than the distributor's target of 2.15. Top causes for these outages were defective equipment, tree encroachment and adverse weather. InnPower continues to make investments in system reliability through vegetation management, smart devices such as fault indicators, switches, control systems and outage response software, which will continue to help improve overall system reliability over the long-term.

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

The *“Average Number of Times that Power to a Customer is Interrupted”* is also a measure of system reliability and is a high priority for

InnPower. As outlined above, outside factors can also greatly influence this measure.

For 2020, on average, InnPower customers experienced approximately 1.10 sustained interruptions over the year, excluding major events and loss of supply (SAIFI-excluding MED and LOS). This metric continues to be lower than the distributor's target of 1.37. InnPower continues to strive to provide reliable service to its customers, while carefully managing its investment strategies for renewing its aging assets.

Asset Management

- **Distribution System Plan Implementation Progress**

The "*Distribution System Plan Implementation Progress*" measure is intended to assess InnPower's effectiveness at planning and implementing its capital expenditures. Consistent with other new measures, utilities are given an opportunity to define this measure in the manner that best fits their organization. As a result, this measure may differ from other utilities in the Province.

InnPower manages its capital planning and asset management process by means of planned versus actual costs. In 2020, InnPower's gross capital expenditures were \$14.3M with contributions of \$8.9M. There were a number of significant, and fully developer contributed, multi-year 2019 capital projects that were carried over into 2020 for completion. InnPower continues to monitor and manage its Distribution System Plan (DSP), which is currently being driven by significant anticipated growth in its service territory.

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its performance by an independent organization. To determine a ranking, electricity distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2020, InnPower has maintained its ranking in Group 3 in terms of efficiency. Group 3 is considered average and is defined as having actual costs within +/- 10% of predicted costs.

- **Total Cost per Customer**

The "*Total Cost per Customer*" is calculated as the sum of InnPower's capital and operating costs divided by its total customers. The total cost per customer in 2020 is \$852 (2019 - \$847) or an increase of 0.5%. While there is a slight increase, it is important to note that InnPower has reduced its total costs per customer from \$904 to its current \$852 over the last five years.

InnPower has experienced increases in total costs primarily due to its significant capital requirements to service growth while continuing to deliver quality, reliable services to its customers and implementing public policy.

- **Total Cost per km of Line**

The “*Total Cost per km of Line*” is calculated as the sum of InnPower’s capital and operating costs divided by its total length of primary and secondary lines. InnPower’s 2020 total cost per km of line is \$11,219. This represents an increase of \$375 per km of line from 2019.

InnPower continues to increase both its primary and secondary lines to service areas of its service territory, which were previously unserved. As this intensification occurs, InnPower will continue to seek solutions to optimize resources and ensure the cost per km of line is competitive within the market.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

No longer being tracked by the OEB

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) on all renewable generation connections within 60 days of the Generator meeting the requirements outlined in InnPower’s Conditions of Service. InnPower has developed and implemented an internal procedure to ensure compliance with this regulation.

In 2020, InnPower completed two CIAs in the prescribed time. All CIA’s presented for design from customers, however, the projects did not proceed.

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

Micro-embedded generation facilities consist of solar, wind, or other clean energy projects of less than 10 kW that are typically installed by homeowners, farms or small businesses. The MicroFIT program, which ended in 2018, was replaced with net metering. During 2020, InnPower had one connection of a micro-embedded generation facility within its territory, on time, to accommodate net metering.

Financial Ratios

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

InnPower's current ratio decreased slightly to 0.84 (2019 - 1.06). There was a significant decrease to accounts receivable, increases in accounts payable and a cash deficiency at year-end. InnPower is currently in a period of significant capital growth and a large portion of the capital program is recoverable from the development community. There are timing differences between the payment of invoices for capital work and the collection of recoverable works. This accounts for the increase in accounts payable and cash deficiency. The reduction in accounts receivable was due to a recoverable capital project, which was completed in 2019 and the associated capital contributions received in 2020.

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

The OEB has developed a deemed utility capital structure of 60% debt and 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.50 (60/40). InnPower's debt to equity ratio decreased in 2020 to 1.42 (2019 – 1.60). As part of its long-term plan, InnPower has identified its leverage as an ongoing area for improvement to bring it within the deemed capital structure parameters.

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

InnPower's current distribution rates are approved by the OEB and include a deemed regulated return on equity of 8.78%. The OEB allows a distributor to earn within +/-3% of the deemed return on equity.

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

InnPower's return on equity achieved in 2020 was 9.69%, down slightly from 10.09% in 2019, but still within the OEB +/- 3% of the deemed rate of return of 8.78%. InnPower has been able to reduce its costs per customer from \$904 to its current \$852 over the last five years. InnPower continues to work towards increased efficiencies to manage and maintain the OM&A as the customer base increases.

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 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 judgement on the reporting date of the performance scorecard, and could be markedly different in the future.