

Scorecard - Cooperative Hydro Embrun Inc.

Performance Outcomes	Performance Categories	Measures	2018	2019	2020	2021	2022	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%	100.00%	100.00%	96.15%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	94.26%	96.38%	95.46%	94.22%	94.07%		65.00%		
	Customer Satisfaction	First Contact Resolution	91.36%	91.36	92.48%	92.48	97.38				
		Billing Accuracy	99.32%	99.84%	99.95%	99.97%	99.94%		98.00%		
		Customer Satisfaction Survey Results	86.24	86.24	88.00%	88.00	90.41				
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	85.00%	84.00%	84.00%	87.40%	87.40%				
		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	10.000	0.000	0.000			0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.60	0.03	0.03	0.02	0.01			0.04	
		Average Number of Times that Power to a Customer is Interrupted ²	0.06	0.09	0.01	0.01	0.01			0.08	
	Asset Management	Distribution System Plan Implementation Progress	Completed	Completed	Completed	Completed	Completed				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$521	\$511	\$511	\$493	\$482				
		Total Cost per Km of Line ³	\$33,329	\$33,552	\$33,299	\$31,739	\$32,688				
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 ⁴									
		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)	1.96	2.03	2.04	2.10	2.25				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.12	0.09	0.06	0.03	0.00				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	9.00%	9.00%	9.00%			
			Achieved	8.12%	10.03%	11.35%	13.25%	15.94%			

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. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend:

5-year trend
 up down flat

Current year
 target met target not met

Cooperative Hydro Embrun Inc.

2022 Scorecard Management Discussion and Analysis ("2022 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 2022 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

In 2022, Cooperative Hydro Embrun ("CHE") either met or exceeded all performance targets CHEI continues to seek new cost control measures leading to cost-per-customer improvements, which continued in 2022. Since 2015, CHE's ranking has been one of the most efficient LDCs in the province. The utility continued seeking a cost-saving solution and promoting cost-sharing with neighbouring utilities.

Service Quality

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

CHEI connected 125 (96.15%) of its 130 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).

Scheduled Appointments Met On Time

In 2022 CHEI scheduled five appointments with its customers to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. Consistent with the prior year, the utility met 100% of these appointments on time, significantly exceeding the industry target of 100%.

- **Telephone Calls Answered On Time**

In 2022 CHEI customer service received 1602 calls from its customers. An agent answered a call in 30 seconds or less in 94.07% of these calls. This result also significantly exceeds the OEB-mandated 65% target for timely call response. The 2022 result decreased over 2021's results down to 94.22%. The main reason for the decrease in calls answered on time was that one of CHEI's employees was on sick leave, and the utility was operating with two employees instead of three for a portion of 2022.

Customer Satisfaction

- **First Contact Resolution – Customer Satisfaction**

CHEI conducted its bi-annual survey in the spring of 2021. The below results are still in effect for this current Scorecard.

CHEI uses its customer satisfaction survey to track its "First Contact Resolution" metric. The utility used an average of the following survey questions below. The utility believes that the results reflect accurate results.

- 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 Cooperative Hydro Embrun, did the customer care representative provide you with the information you sought?
- 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 97.38%.

- **First Contact Resolution – Billing Accuracy**

Billing accuracy represents the number of customer invoices within the utility's control that were created without errors. From January 1, 2022 – December 31, 2022, CHEI issued over 39,312 bills and achieved a billing accuracy of 99.94%. This compares favorably to the prescribed OEB target of 99.97%. CHEI continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

CHEI conducted a customer satisfaction survey in the spring of 2021. 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 no more significant than (+/-) 5 percentage points at a 95% confidence level. With those parameters, the recommended sample size was determined to be 325. The margin of error measures the precision of a sample estimate of the population value. It uses probability to demonstrate the accuracy 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 475 responses. Therefore, the survey is representative of the public opinion.

The survey was conducted in the spring of 2021 and yielded a customer satisfaction ranking of 87.40%.

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

Safety

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

The Public Awareness of Electrical Safety component of the public safety measure aims to measure the awareness of key electrical safety precautions among the public within the electricity distributor's service territory. It measures the effectiveness of distributors' activities in preventing electrical accidents. The utility conducted an online survey between December 2021 and February 2022 424 respondents completed the survey, resulting in an 87.40% score on Public Awareness. As we advance, 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, CHEI must comply with Ontario Regulation 22/04 Electrical Distribution Safety, and compliance with this regulation is subject to annual Audits and Declarations of Compliance. CHEI has established practices and procedures that comply with Ontario Regulation 22/04 and has reported satisfactory Audits. CHEI must also submit an annual Declaration of Compliance for certain sections of the regulation, indicating compliance. ESA also undertakes a series of Due Diligence Inspections with all distributors. No significant items were raised from these inspections.

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

CHEI did not have any severe electrical incidents to report in 2022.

System Reliability

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

CHEI experienced a slight decrease in reliability in 2022 in comparison to 2021. The number of interruptions increased from 25 in 2021 to 26 in 2022.

CHEI's decrease in reliability is due to the scheduled maintenance of transformers. CHEI's system reliability is very stable and only varies with poor weather, which tends to fall outside the utility's control or schedule outages for maintenance reasons. If a power failure occurs inside the utility's distribution system, the utility quickly responds and rectifies the issue. CHEI continues to view the reliability of electricity service as a high priority. The utility continues to monitor its distribution assets regularly.

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

The number of interruptions stays stable, from 25 in 2021 to 26 in 2022. CHEI experienced an increase in the average number of interruptions due to scheduled outages for poles and switch's replacement

Asset Management

- **Distribution System Plan Implementation Progress**

CHEI completed and filed Distribution System Plan ("DSP") as part of its 2023 Cost of Service Application. The Distribution System Plan detailing the utility's historical and projected capital plan can be found in Exhibit 2 of the Cost-of-Service application as posted on the utility's website.

Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC evaluates the total costs for Ontario's local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. CHEI has been in Group 1, which has a stretch factor of 0.00 since 2015 and has maintained its ranking since then. CHEI

will continue monitoring its costs and strive to manage its capital and operating costs to achieve the best efficiency results possible.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of CHEI's capital and operating costs and dividing this cost figure by the total number of customers CHEI serves. The cost performance result reported for 2022 was \$482 /customer, representing a decrease from the 2021 results of \$493/customer.

CHEI will continue proactively replacing distribution assets along a carefully managed timeframe that balances system risks and customer rate impacts, as demonstrated in its 2018 and 2023 Cost of Service applications. CHEI will continue implementing productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. Customer engagement initiatives will continue to ensure customers have an opportunity to share their viewpoints on CHEI's capital spending plans.

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

In 2021, the total cost per Km was \$32,688, representing an increase over 2021. CHEI experienced growth and, therefore, increased its total kilometers of lines. CHEI 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 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, the results reported in 2018 with persisting effects up until April 2020 are still accurate.

The Connection of Renewable Generation

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

CHEI did not have any Fit projects in 2022 and did not need Connection Impact Assessments.

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

CHEI did not have any MicroFit projects in 2022.

Financial Ratios

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

CHEI's current ratio increased slightly from 2.10 in 2021 to 2.25 in 2022. The ratio exceeds the indicator of good financial health.

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

In 2022, CHEI had a total debt to Equity ratio of 0.00, indicating that CHEI did not have any debt obligation in 2022.

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

CHEI's base distribution rates in 2022 were rebased and approved by the OEB for its 2018 Cost of Service 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**

CHEI's 2022 ROE was 15.94%, 6% higher than the approved 9.00%. CHEI continues monitoring its costs to ensure that it remains within the deadband set by the OEB. Over-earnings can be attributed to the price cap adjustment from 2019 to 2021, the temporary loss of an employee due to sickness. The remainder of the increase is due to a rise in customer numbers which turns into an increase in overall return from rates.

Note to Readers of 2022 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 several 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.