

Scorecard - Hydro Hawkesbury 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	94.44%	91.30%	100.00%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	96.61%	98.86%	98.10%	100.00%	98.88%	↑	90.00%		
		Telephone Calls Answered On Time	99.99%	99.97%	99.96%	99.92%	99.95%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution	96.13%	96.13	82.22	82	82				
		Billing Accuracy	99.98%	99.98%	99.54%	99.65%	99.95%	↔	98.00%		
		Customer Satisfaction Survey Results	87.20%	87.2	83.93	84	84				
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%	76.33%	89.00%	89.00%				
		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	2.92	1.01	5.63	8.10	11.91	↓		1.41	
		Average Number of Times that Power to a Customer is Interrupted ²	1.92	0.68	2.66	2.11	4.85	↓		0.60	
	Asset Management	Distribution System Plan Implementation Progress	Complete	complete	Completed	completed	complete.				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$313	\$289	\$305	\$319	\$327				
		Total Cost per Km of Line ³	\$24,783	\$22,613	\$23,523	\$24,699	\$25,176				
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)	1.53	1.60	1.77	1.92	1.95				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.83	0.77	0.70	0.66	0.61				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	9.00%	9.00%	9.00%			
			Achieved	-4.10%	16.54%	6.57%	4.58%	10.41%			

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

Hydro Hawkesbury Inc.

2022 Scorecard Management Discussion and Analysis (“2022 Scorecard MD&A”)

Scorecard MD&A - General Overview

In 2022, Hydro Hawkesbury Inc. (“HHI”) met or exceeded all but one area of performance target. HHI fell marginally under the System Reliability measure. HHI continues to seek new control measures leading to improvements in all categories. HHI has been ranked first in the province in terms of efficiency since 2006. The utility continues to seek cost-saving solutions and encourage cost-sharing with neighbouring utilities.

Service Quality

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

In 2022 HHI connected 53 services, of which 100% were connected to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). HHI 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 2022, HHI scheduled 185 appointments with its customers to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. The utility met 100% of these appointments on time, significantly exceeding the industry target of 90%. HHI reported 88 out of 89 appointments involving meeting a customer or the customer’s representative where the appointment date and time were completed resulting in 98.88%.

- **Telephone Calls Answered on Time**

In 2022 HHI customer service received 6580 calls from its customers. Agents answered calls in 30 seconds or less in all except three calls resulting in an achievement rate of 99.95%. This result significantly exceeds the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

Using its customer satisfaction survey, HHI tracks its “First Contact Resolution” metric. 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 last conducted its biannual satisfaction survey in the spring of 2023. HHI will use the new results in next year’s MD&A

- **Billing Accuracy**

Billing accuracy represents the number of customer invoices within the utility’s control that were created without errors. For 2022, HHI issued more than 67581 bills and achieved a billing accuracy of 99.65% with only 239, 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 the Spring of 2023. The results will be used in subsequent years’ MD&A. For 2022, the same results are last year are being used. 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. 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 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 to survey its customers bi-annually 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 Electrical Safety component of the public safety measure is to measure the awareness of critical 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 to February 2022. The results of the survey indicated an 89% score on Public Awareness. In the future, the utility plans on improving its outcomes 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 must also 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 were raised from these inspections.

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

HHI did not have any severe electrical incidents to report in 2022

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 2022 compared to previous years. A total of 38 interruptions resulted in 296,471 customer hours. Factors which affected the distribution system performance involved;

- 1) January 2022: HHI's distribution system experienced issues as a result of extreme cold weather. At temperatures of -26 degrees Celsius for a period of 3 days, HHI experienced a faulty circuit switcher at the 115 kV. The inability to maintain the gas at functional pressure levels cause an outage for 2700 customers. The issue required the assistance of 3rd parties to rectify.
- 2) May 2022: HHI experience an extremely violent storm (Derecho/Tornado) which involved damages and outages for a period up to 3 days.
- 3) August 2022: Hydro One who supplies power to Hydro Hakwesbury experienced an outage on the 44KV as well as a planned maintenance on the 115KV

HHI 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**

HHI experienced a reduction in the average number of interruptions during 2022 for the above reasons. The results reported show that the interruptions increased from 2.11 in 2021 to 4.85 in 2022

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 Pacific Economics Group LLC evaluates the total costs for Ontario local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. HHI has been placed in group I, representing the most efficient group for as long as the report has existed in 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 HHI serves. The cost performance result in 2022 of \$327/customer is up from \$319/customer in 2021.

The increase in costs is due to an increase in capital costs related to maintenance of the distribution system which was needed for reliability purposes.

HHI will continue proactively replacing distribution assets along a carefully managed timeframe that balances system risks and customer rate impacts, as demonstrated in its 2018 Cost of Service application. HHI 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 HHI's capital spending plans.

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

HHI's 2022 rate per km of the line of \$25,176 represents an increase of \$477 from the 2021 figures of 24,699/km of lines. The reasons are the same as explained in the cost per customer above.

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, 2020, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2020 and 2021 will be centralized and administered by the IESO.
- As distributors are no longer working towards the former 2015-2021 CDM targets, reporting on CDM targets and results and no longer applicable.

Connection of Renewable Generation

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

HHI did not have any Fit projects in 2022 and, as such, did not need Connection Impact Assessments

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

HHI did not connect MicroFit projects in 2022.

Financial Ratios

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

HHI's current liquidity rating of 1.90 increased from 2.18 in 2021, which is close to the indicator of good financial health.

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

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

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

HHI's 2022 distribution rates were rebased and approved by the OEB in 2018, including 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 10.41% which fell inside the +/- 3% range.

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 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 judgment on the reporting date of the performance scorecard. It could be markedly different in the future.