

Scorecard - Bluewater Power Distribution Corporation

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	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	99.77%	100.00%	93.92%	90.27%	99.22%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	99.41%	99.03%	100.00%		90.00%		
		Telephone Calls Answered On Time	87.40%	82.67%	86.26%	88.21%	90.69%		65.00%		
	Customer Satisfaction	First Contact Resolution	99.99	99.99%	99.93	99.94%	99.99%				
		Billing Accuracy	99.99%	99.98%	99.99%	99.96%	99.98%		98.00%		
		Customer Satisfaction Survey Results	74.4	77.8%	77.8	80.2%	80.2%				
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	87.00%	87.00%	88.00%	88.00%	91.00%				
		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		1.88	1.95	1.86	1.46	1.03			1.75
		Average Number of Times that Power to a Customer is Interrupted ²		1.87	2.02	1.59	1.45	0.95			1.72
	Asset Management	Distribution System Plan Implementation Progress		At Budget	Near Budget	Near Budget	Near Budget	Completed			
	Cost Control	Efficiency Assessment		3	3	3	3	3			
		Total Cost per Customer ³		\$734	\$710	\$714	\$779	\$861			
		Total Cost per Km of Line ³		\$34,871	\$21,695	\$21,932	\$24,402	\$26,424			
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	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)		1.13	1.09	0.94	0.77	1.02			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.69	0.72	0.60	0.67	0.71			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.98%	8.98%	8.98%	9.36%			
			Achieved	10.93%	10.80%	9.39%	7.69%	10.29%			

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

2023 Scorecard Management Discussion and Analysis (“2023 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 2023 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

Bluewater Power is pleased to report on its Scorecard results for 2023. Bluewater Power serves approximately 37,500 customers throughout six Municipalities in Lambton County, and we strive to serve our customers in the most efficient and reliable way every day. The Ontario Energy Board (“OEB”) has determined that the measures below are important for distributors to report on, and the measures touch on all aspects of our service requirements.

Service Quality

New Residential/Small Business Services Connected on Time

Distributors must connect new services for customers within five business days, 90% of the time, unless the customer agrees to a later date. In 2023, Bluewater Power connected 99.22% of new services within the required five-day time frame.

Scheduled Appointments Met On Time

For appointments during regular business hours, Bluewater Power must offer a window of time that is not more than four hours long and must arrive within that window 90% of the time. Bluewater Power met that requirement 100% of the time in 2023.

Telephone Calls Answered On Time

During Bluewater Power’s regular call center hours, phone calls must be answered within 30 seconds, 65% of the time. Bluewater Power received over 24,000 phone calls in 2023, and answered those calls 90.69% of the time within the required 30 seconds. Bluewater Power strives to manage the phone calls in an efficient manner and to be able to handle unforeseen events such as extreme weather, legislative changes, and new business practices within existing staffing levels.

Customer Satisfaction

First Contact Resolution

First Contact Resolution is a measure of how effective a distributor is at meeting customers' needs the first time they contact the utility. The OEB has not mandated how this measure is to be calculated; therefore, there will be different calculation methods and results determined by different utilities. In Bluewater Power's case, an indicator is included on a customer record to track any instances where the customer seeks a higher level of management to address their concern. The end result is that Bluewater Power successfully addressed 99.99% of customer's questions and concerns at the point of first contact in 2023.

Billing Accuracy

The Ontario Energy Board prescribes a measurement of billing accuracy which must be used by all distributors. Bluewater Power issued approximately 490,000 bills during 2023, and 99.98% of them were delivered without issue, which exceeds the minimum requirement of 98%.

Customer Satisfaction Survey Results

Distributors are required to report on customer satisfaction results at least every other year. In March 2023, Bluewater Power hired a third-party consultant to perform a telephone-based Customer Satisfaction poll. In total, 360 residential customers and 40 commercial customers were surveyed during a two-week period. The poll surveyed customers on subjects such as reliability of service, accuracy of bills, bill payment options, customer service experience, communications, and overall satisfaction. The resulting overall satisfaction was 80.2%. This is an increase from the 77.8% reported from the survey two years prior, and the fourth consecutive survey with increasing customer satisfaction.

Public Safety

Level of Public Awareness

The level of public awareness component indicates the level of awareness of key electrical safety precautions among the public, within the distributors service territory. A standard survey across the province was first implemented in 2016, and Bluewater Power completed its fifth bi-annual public safety awareness survey in 2024. Bluewater Power customers have increased their safety awareness to 91% compared to 88% achieved in 2022. This is a positive trend as Bluewater Power continues to provide safety awareness information to customers through various channels.

Level of Compliance with Ontario Regulation 22/04

Ontario Regulation 22/04 establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution systems owned by distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before the assets are put into service. The regulation is monitored through an audit of compliance. There are 3 levels assessed: Non-compliance (NC), Needs Improvement (NI), and Compliant (C). At Bluewater Power, safety of both the public and employees is paramount; Bluewater Power is pleased to have received a 'Compliant' rating again in 2023.

Serious Electrical Incident Index

This index measures the number and rate of serious electrical incidents occurring on a distributor's assets affecting the public, and is normalized per km of line. Bluewater Power has had zero serious electrical incidents involving the public over the last five years.

System Reliability

Average Number of Hours that Power to a Customer is Interrupted

An important feature of a reliable distribution system is recovering from power outages as quickly as possible. Bluewater Power must track the average length of time, in hours, that its customers experience power outages throughout the year. This is calculated as the number of total hours of power interruptions divided by the average number of customers served within a year. The 2023 result of 1.03 hours per customer, was a decrease from 2022 and previous years, meaning customers experienced fewer hours of outages in 2023. The results also surpassed Bluewater Power's mandated target of no more than 1.75 hours per customer.

Average Number of Times that Power to a Customer is Interrupted

Bluewater Power also tracks the frequency, or number of times customers experience power outages throughout the year. This is calculated as the number of interruptions divided by the average number of customers served within a year. The 2023 result of 0.95 indicates on average customers experienced just less than one outage during the year. This is also an improvement compared to the year before when customers experienced on average 1.45 outages. The target of having less than 1.72 outages per customer was also met. Bluewater Power continually strives to improve the resiliency of the electrical system to withstand the impact of environmental issues such as storms through vegetation management and capital projects to modernize the system.

Asset Management

Distribution System Plan Implementation Progress

Bluewater Power undergoes a rigorous planning process each year to establish the amount of asset replacement that is necessary in order to have a safe, reliable distribution system. Each utility uses a different way to assess whether their work is 'on track' with their plans. Bluewater Power categorizes each capital project based on high priority, medium priority or 'other', primarily based on the specific project's impact on system reliability. Actual work during the year may differ due to changing priorities resulting from storm activity, unexpected equipment failure or other unplanned events throughout the year. In 2023, Bluewater Power experienced significant storm activity that required increased spending. However, Bluewater Power was able to reprioritize and safely defer spending in other areas to help offset the increased expense. As a result, all major high priority projects were completed, or safely deferred, resulting in the 'Completed' rating.

Cost Control

Efficiency Assessment

Bluewater Power must manage its costs successfully in order to ensure its customers are receiving value for the service received. The 'total costs' are calculated as the sum of operating expenses and capital costs, including certain adjustments to make the costs more comparable between distributors. These total costs are evaluated to produce a single 'efficiency' ranking for each utility. The ranking is based on the difference between each utility's actual and predicted cost, as determined by a Total Cost Benchmarking study undertaken at the direction of the Ontario Energy Board. Utilities whose actual costs are lower than predicted costs are considered more efficient and are assigned to Group 1 or Group 2. Utilities whose costs are equal or close (+/- 10%) to those predicted are assigned to Group 3, and utilities whose actual costs are higher than predicted costs will be assigned to Group 4 or 5. Bluewater Power is in the middle ranking (Efficiency Assessment = 3) of five groups which means actual costs are close to what was predicted by the benchmarking study. In 2023, Bluewater Power's 2021-23 three-year average cost performance was -8.7% or 8.7% better than predicted costs. This was an improvement from the previous 2020-22 three-year average of -6.7% or 6.7% better than predicted costs.

Total Cost per Customer

A measure that can be used to compare utilities is the Total cost per customer. Bluewater Power's cost per customer in 2023 was \$861. Bluewater Power's cost per customer has fluctuated in recent years. In 2020 and 2021 Bluewater Power's costs were lower than usual due to reduced business activities, such as vegetation management, due to Covid and other pressures. The increase in costs in 2022 and 2023 is due to the resumption of Bluewater Power's full work plan as well as higher levels of inflation and capital expense compared to expense levels previously experienced. Bluewater Power's cost per customer was 0.5% higher than the average cost per customer of distributors in Ontario of \$857 due mostly to the greater km of lines as outlined below.

Total Cost per Km of Line

Similar to the Total Cost per Customer noted above, another measure is the utilities Total Cost per km of line. Bluewater Power's cost per km of line has fluctuated in recent years for the reasons described under the Total Cost per Customer section. Bluewater Power's costs of \$26,424 per km of line was 8.0% lower than the Ontario average of \$28,719.

Connection of Renewable Generation

New Micro-embedded Generation Facilities Connected On Time

All distributors must connect smaller generators (< 10 kW) such as rooftop solar panels, within 5 business days, 90% of the time, unless the customer agrees to a later date. In 2023, Bluewater Power connected 2 requested micro-embedded generation facilities within the time requirement, resulting in 100% achievement.

Financial Ratios

Liquidity: Current Ratio (Current Assets/Current Liabilities)

The current ratio measures Bluewater Power's financial liquidity. A ratio of more than 1.0 means a company has more current assets, than current liabilities, and a ratio of less than 1.0 means current liabilities exceed current assets. Bluewater Power's current ratio increased to 1.02 in 2023. This improvement from 0.77 the year before was due to strong cash from operations and the replacement of short term borrowing with long term debt.

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

This ratio measures the degree to which the utility is leveraging itself through its use of borrowed money. Bluewater Power's debt to equity ratio for 2023 is 0.71, which is favourable.

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

Return on Equity is the rate of return that the utility is allowed to earn through its distribution rates, as approved by the Ontario Energy Board. The deemed rate allowed for Bluewater Power in 2023 increased to 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity.

Profitability: Regulatory Return on Equity – Achieved

The achieved rate indicates the utilities actual Return on Equity earned each year. In 2023, Bluewater Power earned a return on equity of 10.29%, which is within the allowed range of +/-3 % of the deemed return on equity. Overall Bluewater Power is proud of its financial results and the ROE is a result of continually managing costs with productivity savings.

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.