

Scorecard - Oshawa PUC Networks Inc.

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	Trend	Target		
									Industry	Distributor	
<b>Customer Focus</b> 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%	98.86%	99.77%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	94.13%	92.03%	96.70%	96.47%	95.98%		65.00%		
	Customer Satisfaction	First Contact Resolution	238	68	103	173	175				
		Billing Accuracy	99.91%	99.91%	99.90%	99.93%	99.95%		98.00%		
		Customer Satisfaction Survey Results	95	94.04%	95.5%	92.5%	89.2%				
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	83.00%	83.00%	82.00%	82.00%	82.00%				
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	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 <sup>2</sup>	0.98	1.46	0.57	1.46	0.79			1.42	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	1.09	1.50	0.70	1.04	0.80			1.38	
	Asset Management	Distribution System Plan Implementation Progress	99%	98.3%	95.6%	96.5%	118.5%				
	Cost Control	Efficiency Assessment	2	2	2	2	2				
		Total Cost per Customer <sup>3</sup>	\$598	\$578	\$591	\$638	\$724				
		Total Cost per Km of Line <sup>3</sup>	\$35,041	\$34,172	\$35,852	\$16,183	\$18,514				
<b>Public Policy Responsiveness</b> 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							90.00%		
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.25	1.33	1.56	1.18	1.21				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.15	1.32	1.41	1.33	1.37				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	8.34%	8.34%	8.34%			
			Achieved	9.14%	5.33%	7.98%	8.96%	9.50%			

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 leads to a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the results 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

Oshawa PUC Networks Inc. (Oshawa Power) provides electricity distribution to approximately 63,000 customers, covering over 145 square kilometers within the City of Oshawa.

Oshawa Power’s 2023 scorecard results continue to demonstrate performance exceeding the applicable industry specific targets for each area of the Customer Focus section. In Safety, we continue to see no electrical incidents, as we reached over 1.2 million hours without a lost-time injury by the end of 2023 and continue to work towards the next milestone through a focused effort on safety and safe work practices. We continue to focus our efforts on operations and reliability in order to improve response time for frequency and duration of outages. Lastly, our financial results show good liquidity and leverage as we continue to monitor and manage inflationary pressures in order to maintain our fiscal health.

Oshawa Power will continue to focus its efforts in 2024 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures.

We are pleased to provide the following detailed report with commentary for each specific target.

### Service Quality

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

In 2023, Oshawa Power connected 99.77% of the 1,295 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 OEB. Oshawa Power considers this service quality requirement an important customer engagement initiative as it is the utility’s first opportunity to meet and/or exceed its customer’s expectations. Oshawa Power’s five-year history shows it has been consistently above the

OEB mandated threshold, which is reflected in the level of customer satisfaction within Oshawa Power's territory.

- **Scheduled Appointments Met On Time**

In 2023, Oshawa Power scheduled 965 appointments to complete work for their customers. This included underground locates, direct requests from customers, key account and conservation requests. Oshawa Power met 100% of these appointments on time, resulting in the maximum achievable score. Over the last 5 years, Oshawa Power has consistently exceeded the OEB industry target of 90%.

- **Telephone Calls Answered On Time**

In 2023, Oshawa Power customer contact center agents received over 37,000 qualifying calls from its customers – approximately 150 calls per working day. Agents answered calls within 30 seconds 95.98% of the time. This result exceeds the OEB-mandated 65% target for timely response, which Oshawa Power has exceeded each year for the last 5 years. Oshawa Power offers customers 24/7 service through our website, interactive Chatbot, online forms and customer portal. This allows us to address the most common customer inquiries and service needs cost-effectively without compromising quality or service excellence. Emergency and outage notification calls are addressed using a live answering service after hours to ensure high-quality responsiveness from operating crews.

## Customer Satisfaction

- **First Contact Resolution**

In 2023, Oshawa Power tracked calls where customers' questions were not resolved during their initial call and required a follow-up phone call, or were escalated to a Team Leader, Supervisor or Manager. As noted above, Oshawa Power received over 37,000 qualifying calls during the year, of which 0.47% were not resolved on first contact. Oshawa Power has continued to strive for customer service excellence by making first contact resolution a priority.

- **Billing Accuracy**

For the period from January 1, 2023 to December 31, 2023, Oshawa Power issued over 746,000 bills and achieved a bill accuracy measure of 99.95%. This compares favorably to the prescribed OEB target of 98%. Additionally, over the last 5 years Oshawa Power has exceeded this target. Oshawa Power has validation points instilled at every point in the billing process to ensure bills are generated in a timely and accurate manner.

- **Customer Satisfaction Survey Results**

Customer service excellence is a critical component of Oshawa Power’s business. We believe in providing an exceptional experience for our customers and rely on customer feedback as a means of improving services. In 2023, we launched our new and improved customer portal across both desktop and mobile devices enabling our customers to makes changes to their accounts in realtime.

For 2023, we used our Customer Satisfaction (CSAT) score, a short survey offered to all customers prior to speaking with an agent. Customers who opt to take the survey receive an automated call back following their interaction. Survey responses allow us to gauge customer needs and adapt in order to exceed their expectations. In 2023, our customers provided us with a CSAT score of 89.20%. Over the last 5 years, Oshawa Power’s customers have rated their satisfaction above 89% each year. Some examples of changes that have been made as a result of customer feedback in prior years include improvements in the telephone interactive voice response (IVR) system, improved payment methods, increase in online self-serve options and growth in online social media presence.

## Safety

- **Public Safety**

In May 2015, the OEB requested the implementation of a public safety measure for all Local Distribution Companies (LDCs). The OEB stated that the public safety metric will have the following components and will be included on the LDCs’ annual scorecards:

- a) Component A - Public Awareness of Electrical Safety
- b) Component B - Compliance with Ontario Regulation 22/04
- c) Component C - Serious Electrical Incident Index

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

Component A, Public Awareness of Electrical Safety, measures the level of awareness of key electrical safety precautions among the public within the electricity distributor’s service territory, and the degree of effectiveness for distributors’ activities on preventing electrical accidents. The OEB requested that all LDCs carry out a survey using the Electrical Safety Authority’s (ESA) approved methodology and pre-formed set of questions, so that a final LDC Awareness Score (bound between 0-100%) can be calculated.

Oshawa Power, and 27 other utilities, engaged UtilityPULSE to administer the survey as well as calculate the final score. The survey is administered once every two years with the last survey conducted in January 2022. Oshawa Power’s final public

awareness index score was 82%. Based upon the survey results of the participants, Oshawa Power’s customer awareness index was on par with the average score of 82% for the utilities who engaged in the survey.

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

Ontario Regulation 22/04 - *Electrical Distribution Safety*, establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction projects before they are put into service.

The definitions of a C, NI and NC score, as categorized by the ESA, are provided below:

Score	Definition
<b>C</b>	Compliant <ul style="list-style-type: none"> <li>- Fully or substantially meeting the requirements of Regulation 22/04.</li> </ul>
<b>NI</b>	Needs Improvement <ul style="list-style-type: none"> <li>- Continuing failure to comply with a previously identified Needs Improvement item</li> <li>- Non-pervasive failure to comply with adequate, established procedures for complying with Regulation 22/04.</li> </ul>
<b>NC</b>	Non-Compliance <ul style="list-style-type: none"> <li>- A failure to comply with a substantial part of Regulation 22/04; or</li> <li>- Continuing failure to comply with a previously identified Needs Improvement item.</li> </ul>

Oshawa Power was fully compliant with Ontario Regulation 22/04 for the year 2023, achieving a score of ‘C’, for Compliant. Over the last 5 years, Oshawa Power has consistently scored a ‘C’. Oshawa Power’s continued achievement of compliance is due to our strong commitment to safety, and adherence to standards and company procedures & policies.

**Component C – Serious Electrical Incident Index**

Oshawa Power reported no fatalities or other serious incidents due to contact with its infrastructure in 2023, thereby achieving a top score of 0.000 for the Serious Electrical Incident Index per 1000 km of line.

Oshawa Power takes public safety in the vicinity of its distribution equipment very seriously, and regularly carries out activities to take prompt corrective action where potential public safety issues are identified. Some of Oshawa Power’s notable Health and

Safety achievements are as follows:

- Oshawa Power achieved the Infrastructure Health & Safety Association’s Certificate of Recognition™ (“COR”) for the seventh consecutive year. In 2023, an internal audit was conducted and passed maintaining our COR status.
- In 2023, Oshawa Power continued to educate staff on the requirements around reporting serious electrical incidents.
- In 2023, Oshawa Power nearly achieved the milestone of 1.25 million hours worked without a lost-time injury.
- Oshawa Power is a member in good standing with the Association of Electrical Utility Professionals (AEUSP).

Oshawa Power promotes public safety messages through the use of bill inserts, our website and social media in order to ensure our customers stay informed and stay safe. Additionally, Oshawa Power was a principle sponsor at “Touch a Truck”, an event in Oshawa where we further promote public safety.

## System Reliability

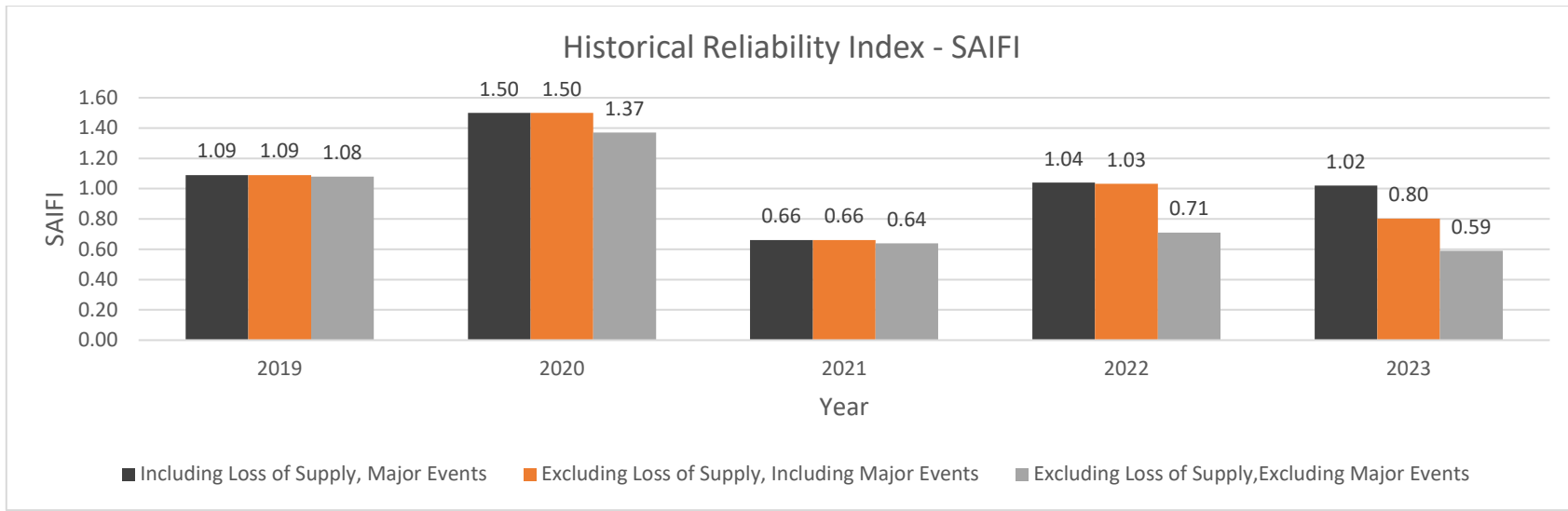
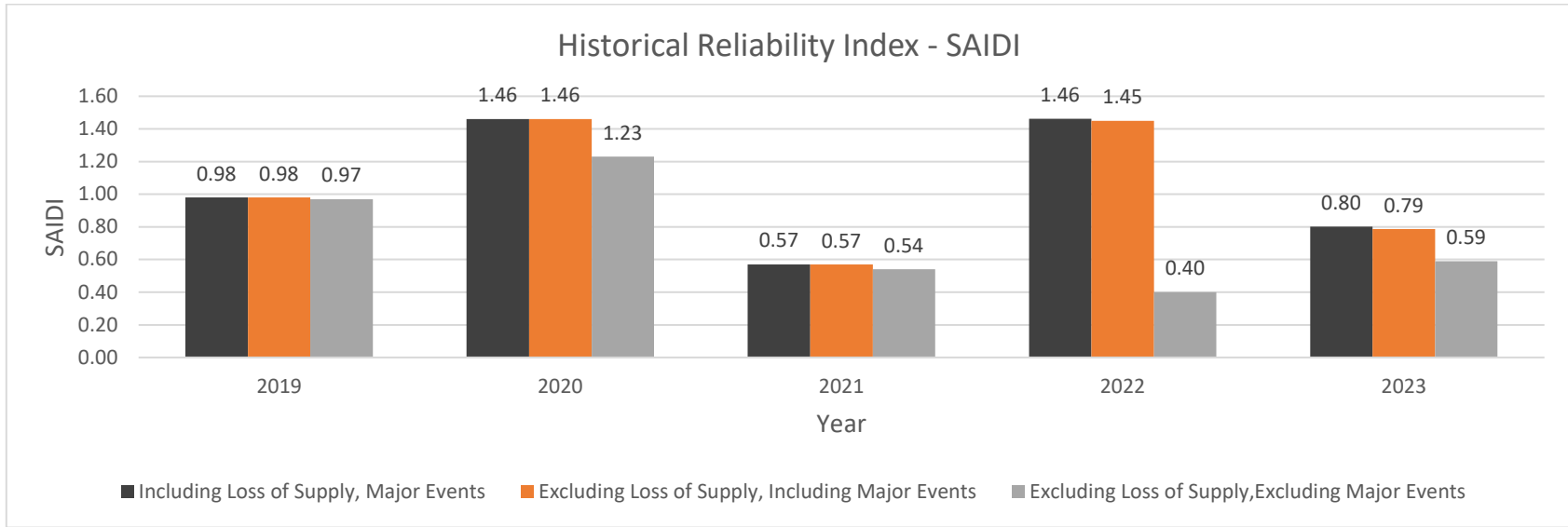
- **Average Number of Hours that Power to a Customer is Interrupted**

Oshawa Power’s reported Average Number of Hours that Power to a Customer is Interrupted (i.e., duration excluding loss of supply) decreased from 2022 to 2023 to a value of 0.79, which is exceeding the expected target of 1.42 (based on a fixed five-year average performance from 2016 to 2020). Oshawa Power has invested in the reliability of its distribution system by replacing porcelain insulators, installing animal protection devices on the system and at its substation facilities as well as the replacement of aging infrastructure. In addition, Oshawa Power has also installed SCADA operated / Automated switches to increase reliability and enhance automation in its distribution system. Oshawa Power continues to conduct InfraRed scans of its system, which has resulted in discovering hundreds of repairable anomalies prior to failure.

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

Oshawa Power’s reported Average Number of Times that Power to a Customer is Interrupted (i.e., frequency excluding loss of supply) for 2023 was 0.80 which well exceeded its expected target of 1.38 (based on a fixed five-year average performance from 2016 to 2020). Oshawa Power continues to manage its System Renewal investments and System Service investments to bring reliability indices down and in line with the expectations of both Oshawa Power’s customers and the OEB.

The graphs below summarize Oshawa Power's last 5 years of reported SAIDI and SAIFI:



## Asset Management

- **Distribution System Plan Implementation Progress**

In 2020, Oshawa Power filed an application with the OEB for a full review of its rates effective January 1, 2021. Oshawa Power submitted its Distribution System Plan (DSP) to the OEB as part of the application. Oshawa Power measures its implementation of the DSP by the ratio of actual total capital expenditures to planned total capital expenditures for a given calendar year. In 2023, Oshawa Power expended 118.5% of its planned capital budget for the year despite being faced with inflationary pressures and supply challenges.

For the next 2 years, 2024 through 2025, Oshawa Power continues to manage its system renewal and system access requirements in order to continue to mitigate distribution system risks and support growth in the City of Oshawa.

## Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group Research, LLC (PEG) on behalf of the OEB to produce a single efficiency ranking for each distributor. The performance rankings for 2023 are included in PEG's *Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update Report* to the OEB issued in July 2024.

Electricity distributors are divided into five groups or cohorts based on the magnitude of the difference between their respective individual actual and predicted costs. Utilities whose actual costs are lower than predicted are characterized as efficient and are assigned to Cohort 1 (25% or more below predicted cost) or Cohort 2 (between 10% and 25%). Utilities that are considered average performers will be assigned to Cohort 3 (actual costs are within +/-10% of predicted costs). Utilities whose actual costs are higher than predicted will be assigned to Cohort 4 (between 10% and 25% above predicted cost) or Cohort 5 (in excess of 25% above predicted cost).

Oshawa Power continues to be ranked in Cohort 2, where a Cohort 2 distributor is defined as having actual costs between 10% and 25% lower than predicted costs. Oshawa Power's goal is to sustain current efficiencies, and remain a cost-effective utility.



- **Total Cost per Customer**

Total Cost per Customer is evaluated by PEG on behalf of the OEB, and is calculated as the sum of Oshawa Power's capital and operating costs, divided by the total number of customers served. Oshawa Power's 2023 cost performance is \$724 per customer, resulting in a 13.4% increase over the prior year.

Over the reporting period 2019 through 2023, Oshawa Power's Total Cost per Customer has increased by an average annual rate of 5.1%. In addition to inflationary pressure, the renewal and growth of the distribution system, Province wide programs and costs required to address higher than normal customer growth in Oshawa have all contributed to the increase in capital expenditures and operating costs. The increase is in line with the increase in predicted costs as per the PEG Report, thereby continuing to position Oshawa Power in Cohort 2.

In accordance with the OEB's decision on our Cost of Service rate application, Oshawa Power will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer value and adds new infrastructure to address capacity constraints resulting from growth. Oshawa Power will also continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement, enhancements and growth.

Oshawa Power has been investing in infrastructure renewal at a higher than normal rate over the last several years in response to its aging distribution system. Capital investments for replacement and rehabilitation of existing lines continues to grow at a faster rate than addition of lines within Oshawa Power's service area. As reported in its Distribution System Plan, Oshawa Power has identified a need to proactively manage the replacement of assets that are at, or near, end of life and in "poor" or "very poor" condition. Replacement plans ensure that planning objectives related to reliability, customer satisfaction and operating cost control are achieved.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that Oshawa Power operates to serve its customers. In prior years, Oshawa Power reported only Primary kilometers of line for this metric. Beginning in 2022, Oshawa Power has reported both Primary and Secondary kilometers of line. Oshawa Power's 2021 rate is \$35,852 per Km of Line (Primary only) or \$14,867 per Km of Line (Primary and Secondary). Oshawa Power's 2023 rate is \$18,514 per Km of Line (Primary and Secondary) which represents an increase of 14.4% over the prior year. The average annual increase over the reporting period is 5.7%. The increase is in line with the increase in predicted costs as per the PEG Report, thereby continuing to position Oshawa Power in Cohort 2.

## Connection of Renewable Generation

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

In 2023, Oshawa Power had no new micro-embedded generation facility (microFIT projects of less than 10 kW) connection requests. The IESO announced on December 1, 2017 that the 2017 quota for microFIT contracts had been reached. This effectively ends the subsidy program implemented in 2009 to foster the growth of a domestic solar industry.

Results for 2018 and older show that Oshawa Power connected microFITs 100% of the time in accordance with the Distribution System Code; significantly exceeding the 90% target set out for microFITs.

## Financial Ratios

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

The current ratio is an indicator of a company's ability to repay its short-term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being "liquid". Generally, the higher the number, the more "liquid" and the larger the margin of safety to cover the company's short-term debts and financial obligations. Oshawa Power's current ratio for 2023 is 1.21 demonstrating that the organization has sufficient resources available to meet its short-term financial obligations. Oshawa Power monitors and manages its liquidity risk to ensure access to sufficient funds in order to meet operational and investing requirements.

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

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. Oshawa Power's debt to equity ratio for 2023 was 1.37 compared with 1.33 in 2022. Oshawa Power continues to maintain a debt to equity structure that closely approximates the OEB's deemed capital structure.

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

Oshawa Power's current distribution rates were approved by the OEB and include an expected regulatory return on equity

(ROE) of 8.34%, which is based on the OEB's deemed capital structure of 60% debt and 40% equity as noted earlier. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

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

Oshawa Power's ROE for 2023 was 9.50%, compared with a regulatory ROE of 8.34% for the same period. For 2023, Oshawa Power's achieved regulatory return on equity was 1.16% above the expected or deemed level, which falls within the expected ROE range of +/- 3% set by the OEB.

## Note to Readers of 2023 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.