

Scorecard - Westario Power Inc.

Performance Outcomes		Performance Categories	Measures	2019	2020	2021	2022	2023	Trend	Industry	Distributor	
<b>Customer Focus</b> Services are provided in a manner that responds to identified customer preferences.	<b>Service Quality</b>	New Residential/Small Business Services Connected on Time		91.83%	95.43%	96.24%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time		95.02%	97.33%	99.52%	99.89%	99.89%	↑	90.00%		
		Telephone Calls Answered On Time		85.86%	86.73%	88.45%	86.03%	87.42%	↑	65.00%		
	<b>Customer Satisfaction</b>	First Contact Resolution		97.18%	98.19	98.83%	99.01	99.01%				
		Billing Accuracy		99.77%	99.61%	99.78%	99.81%	99.54%	↓	98.00%		
		Customer Satisfaction Survey Results		95.0%	94.0	94.00%	94	93%				
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	<b>Safety</b>	Level of Public Awareness		83.00%	83.00%	84.00%	84.00%	84.00%				
		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
	<b>System Reliability</b>	Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>		1.12	1.92	1.79	1.55	1.82	↑		1.39	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>		0.38	0.50	0.73	0.67	0.56	↑		0.50	
	<b>Asset Management</b>	Distribution System Plan Implementation Progress		Completed	Completed	Completed	Completed	Completed				
	<b>Cost Control</b>	Efficiency Assessment		3	3	3	3	2				
		Total Cost per Customer <sup>3</sup>		\$601	\$588	\$610	\$691	\$717				
		Total Cost per Km of Line <sup>3</sup>		\$25,517	\$24,427	\$25,340	\$28,680	\$29,292				
<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).	<b>Connection of Renewable Generation</b>	New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	<b>Financial Ratios</b>	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.27	1.26	1.05	0.80	1.20				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.65	0.70	0.66	0.78	0.77				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		9.00%	9.00%	9.00%	9.00%	9.00%			
			Achieved		10.99%	8.77%	7.01%	5.09%	11.24%			

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>

## Scorecard MD&A - General Overview

In 2023, Westario Power Inc. (“WPI” or “Westario Power”) met or exceeded the majority of the Ontario Energy Board (OEB) performance measures set for every Performance Outcome. WPI had a good year from a performance standpoint.

As evidenced by service quality, customer satisfaction, and system reliability measures, WPI continued to provide excellent customer service to its customers with a very high level of reliability in 2023. The company's 2023 service quality remained above all industry targets. The financial measures show that WPI continues to be a stable and financially strong Ontario distribution company.

Although Westario Power saw an increase in Average Number of Power Interrupted Hours (SAIDI) in 2023, Average Number of Power Interruptions (SAIFI) decreased in 2023. The five-year rolling averages indicate a general trend of increasing reliability showing that WPI is committed to and continues to strive for exceptional system reliability performance overall.

In 2023, WPI is committed to exceeding the OEB-set performance measures and is committed to preserving the results of previous years. The performance improvements expected are due to WPI’s unwavering focus on making the necessary investments that will permit its employees to operate the distribution company with a high level of reliability and by responding to customer input with respect to the types of improvements and investments that they expect from the company.

## Service Quality

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

WPI must connect new service for the customer within five business days, 90% of the time, unless the customer agrees to a later date. This timeline depends on the customer meeting specific requirements ahead of time (such as no electrical safety concerns in the

building, customer's payment information complete, etc.).

Over the 2019 to 2023 period, WPI connected, on average, over 96.70% of new Residential and Small Business customers on time. The 2023 results of 100% was the second year that WPI attained this score. This is above the industry standard of 90% for all Local Distribution Companies ("LDCs") in Ontario. WPI was able to achieve this excellent result due to efficient connection procedures and a focus on providing excellent customer connection service.

- **Scheduled Appointments Met on Time**

For appointments during a utility's regular business hours, the utility must offer a window of time that is not more than four hours long, and must arrive within that window, 90% of the time.

For 2019 to 2023, WPI's experience with meeting the Scheduled Appointments Met on Time metric of 98.33% exceeded the industry target of 90%. This metric has continued to rise and throughout the five-year period has stayed above this industry target. 2023 metric of 99.89% was the second year that WPI attained these results. Westario continues to experience a high demand for services within a wide service territory. WPI's process for completing appointments during the utility's regular business hours and offering a window of time that is not more than four hours long is a condition that WPI strives to meet. In 2024, WPI aims to continue meeting all appointments on time.

- **Telephone Calls Answered on Time**

During regular call centre hours, the utility's call centre staff must answer phone calls within 30 seconds of receiving the call directly or having the call transferred to them, 65% of the time.

WPI believes that providing a better customer experience will help foster customer loyalty and advocacy. Customer loyalty is built through great customer experiences that exceed expectations, and WPI believes that enhancing WPI's customer experience will help to ensure that customers perceive WPI's service offerings as high-value-added items. For the Telephone Calls Answered within 30 Seconds metric, WPI maintained high percentages for qualified incoming calls during regular call centre hours at 87.42% for calls received directly or of having the call transferred. This greatly exceeds the OEB target for timely call response of 65%.

Westario Power continues to improve its accessibility by continually amending its website to provide a more user-friendly format to enhance its customers' experiences.

WPI continues to utilize self-serve web tools and portals like MyHydroEye, an electronic billing portal, a customer consumption portal, and on-line forms and applications, as well as department specific email addresses to make it easier for customers to engage with

WPI staff. In addition, WPI manages several social media platforms such as Facebook, Twitter, and LinkedIn, to educate and inform their customer base on initiatives such as safety and energy conservation.

## Customer Satisfaction

- **First Contact Resolution**

WPI aims to address their customers' needs as quickly as possible. Ideally, their concerns and issues can be resolved the first time the customer contacts Westario Power. WPI must report on its success at meeting a customer's needs the first time WPI is contacted. First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

Westario Power tracks First Contact Resolution in its Customer Information System (CIS) tracking First Contact Resolution by using contact logs within the CIS.

Westario has measured First Contact Resolution based on the outcome of the initial contact via telephone. No further action was required on 99.01% of initial contacts made by customers, staying consistent with the previous 5 years' results, which averaged 98.45%. Westario Power continues to review its processes and find ways to further enhance the customer experience.

- **Billing Accuracy**

An important part of business is ensuring that a customer's bills are accurate. Westario Power must report on its success at issuing accurate bills to its customers.

In 2014 Westario Power initiated the tracking and measuring of Billing Accuracy using contact logs and computer-generated reports.

Through the efforts of the billing staff and continuous improvements of the billing process WPI was able to support a billing accuracy metric of 99.54% for 2023.

- **Customer Satisfaction Survey Results**

WPI uses different ways to determine how satisfied their customers are with the service they receive. WPI must report the results of whatever customer satisfaction surveys it uses.

WPI retained the services of an independent third party to conduct a bi-annual Customer Engagement Survey via telephone in 2023.

The primary objective is to provide a quantitative measurement of customer perceptions and attitudes. Specifically, the study sought to determine overall satisfaction with the quality of service provided by WPI, determine overall satisfaction with the reliability of the service provided, assess customers' satisfaction with the quality of customer service, assess customers' perceptions of operating and capital expenditures; and provide customer feedback on areas of improvement.

Westario Power's 2022/2023 Customer Satisfaction Study showed overall satisfaction of 93% slightly down compared to the previous bi-annual survey . WPI's overall quality of service at 93% is greater than the provincial average. The next survey is scheduled for the fall of 2025. Westario continues to train staff in providing the highest levels of professionalism and service to translate into a more positive customer experience.

## Safety

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

The apparatus used to run an electricity system can be extremely dangerous. Because equipment such as power lines and poles can be located in public areas, the utility must take steps to prevent electrical accidents or incidents involving the public. One way is to provide information about safety risks and precautions to take when near this equipment.

The Public Awareness of Electrical Safety Survey involves a new statistical survey that gauges the public's awareness of key electrical safety concepts related to electrical distribution equipment in WPI's service area. It measures the level of effort placed by distributors on preventing electrical accidents and provides a benchmark of the levels of awareness including identifying gaps where additional education and awareness efforts may be required. This is the first year for providing province-wide standardized reporting on this measure. WPI will conduct a survey every two years that measures the effort made to raise the public's awareness about these risks.

Results are based on a telephone survey (Random Digit Dialing) among Members of the General Public, 18 years of age or older, residing within the 2023 participating LDCs' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender, and region.

The following six core measurement questions asked corresponds to the six most frequent incidents involving utility equipment in Ontario over the last decade:

- Likelihood to "call before you dig."

- Impact of touching a power line.
- Proximity of an overhead power line.
- Danger of tampering with electrical equipment.
- Proximity to downed power line.
- Actions taken in vehicle in contact with wires.

This survey and previous years' surveys of the public in your service territory about electrical safety shows that many respondents do have good knowledge or have received some information pertaining to the 6 core measurement questions. The Combined Overall Public Safety Awareness Index Score is 84%.

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

Ontario Regulation 22/04 – Electrical Distribution Safety sets out safety standards that utilities must follow in their operations – for example, making sure proper procedures are in place to prevent accidents or incidents, keeping the system in safe working condition, etc..

WPI must demonstrate how well it met the standards by providing declarations, audit results, inspection reports and other documentation. For 2023, Westario Power received a complaint with Ontario Regulation 22/04. For 2023, WPI will continue to maintain compliance with Regulation 22/04.

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

Westario Power must report on any serious electrical incidents involving its equipment and the general public. A 'serious electrical incident' is defined as:

- a. any electrical contact that caused death or critical injury to a person;
- b. any inadvertent contact with any part of a distribution system operating at 750 volts or above that caused, or had the potential to cause, death or critical injury to a person;
- c. any fire or explosion in any part of a distribution system operating at or above 750 volts that caused, or had the potential to cause, death or critical injury to a person, except a fire or explosion caused by lightning strike.

For the scorecard, WPI reports both the number of incidents and how often they happen for every 10, 100 or 1,000 kilometers of line WPI operates. This reflects the different sizes of WPI's service areas.

WPI did not have any serious electrical incidents in 2023. Westario endeavors to provide safety information and outline the dangers that all customers must know before working around power lines and equipment. This includes calling our office, obtaining locates prior to digging, and obtaining references to respective codes. All information is provided free of charge to members of the public and all other interested parties. Westario continues to strive to communicate on safety throughout our distribution system through various methods including safety orientations, on-line, and telephone.

## 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 quickly. WPI must track the average length of time, in hours, that its customers have experienced a power outage over the past year.

For 2023, WPI's average number of hours that power to a customer was interrupted was 1.82 hours which is higher than its distributor target of 1.39 hours and over the five-year rolling average of 1.64. Interruptions are largely attributed to loss of power due to severe weather.

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

Another important feature of a reliable distribution system is reducing the frequency of power outages. WPI must track the number of times its customers have experienced a power outage over the past year.

For 2023, WPI's average number of times that power to a customer was interrupted was 0.56 times. This is higher than its distributor target of 0.50 times and lower than the five-year rolling average of 0.57. Most occurrences are attributed to loss of power due to severe weather.

## Asset Management

- **Distribution System Plan Implementation Progress**

Westario Power's Distribution System Plan (DSP) is complete and was included as part of WPI's 2018 Cost of Service rate application filed in 2018. The DSP filed covered an extended five-year plan for the years 2018-2023. Subsequently, an updated DSP was included as part of WPI's 2024 Cost of Service rate application.

## Cost Control

- **Efficiency Assessment**

Westario Power must manage its costs successfully in order to help assure its customers they are receiving value for the cost of the service they receive.

WPI's total costs are evaluated to produce a single efficiency ranking. These rankings are separated into five groups which are determined by the difference between each utility's actual and predicted costs. Utilities whose actual costs are lower than predicted are considered more efficient and will be assigned to Group 1 or Group 2. Utilities whose actual and predicted costs are similar will be assigned to Group 3. Utilities whose actual costs are higher than predicted will be assigned to Group 4 or Group 5.

For 2023, WPI has been assigned to Group 2, whose actual costs are lower than those predicted. Westario Power continues to strive to achieve greater efficiency through productivity improvements and cost control, without compromising safety and reliability of the distribution system.

- **Total Cost per Customer**

Total cost is the sum of all the costs incurred by WPI to provide service to its customers. This amount is then divided by WPI's total number of customers to determine the Total Cost per Customer. The results are indicative of stable and effectively planned maintenance and replacement programs.

Westario Power achieved a Total Cost per Customer of \$717, an increase of \$26 (3.8%) from the previous year. Westario continues to monitor and manage its cost structure to balance the cost effectiveness while ensuring the reliability and safety of the distribution system. This has resulted in a stable annual total cost per customer and as reflected in other measures a dependable distribution system.

- **Total Cost per km of Line**

Total cost is a sum of all the costs incurred by WPI to provide service to its customers. This amount is then divided by the number of kilometers of line WPI operates to determine the Total Cost per km of Line.

Westario Power achieved a Total Cost per km of Line of \$29,292, resulting in an increase of 2.1% compared to the previous year. As noted above, WPI continues to monitor and manage its distribution system in a cost-effective manner while also ensuring maintenance



and capital investments are undertaken in a manner to maximize both safety and reliability for its customers.

## Connection of Renewable Generation

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

WPI must complete a connection impact assessment for a renewable generator within a certain timeline and must report to the Board on how well it met those timelines.

In 2023, no Feed-In Tariff (FIT) connection impact assessments were required.

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

WPI must connect smaller generators, producing less than 10kW of power, within five business days 90% of the time, unless the customer agrees to a later date. These generators are known as “micro-embedded generation facilities.” The timeline depends on the customer meeting specific requirements ahead of time.

In 2023, 100% of the Micro Feed-In Tariff (Microfit) connections were connected on time.

## Financial Ratios

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

A common way of measuring the financial health of a company is through financial ratios. The Current Ratio measures whether a company has enough resources (assets) to pay its debts (liabilities) over the next 12 months.

WPI's 2023 Current Ratio is 1.20. This ratio is higher than the five-year average of 1.12, and last year's ratio of 0.80. The ratio in 2024 should improve with the acquisition of additional long-term debt which aligns with Westario's strategy of aligning long-term assets with long-term liabilities.

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

Total Debt to Equity Ratio measures the degree to which a company is leveraging itself through its use of borrowed money.

WPI's 2023 Total Debt to Equity Ratio is 0.77 compared to 2022's ratio of 0.78, indicating that the slight change reflects Westario's

ability to operate and maintain a safe and reliable distribution system by funding new capital projects with revolving debt supported by positive operating results.

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

Return on Equity is the rate of return that WPI is allowed to earn through its distribution rates, as approved by the Ontario Energy Board.

The rate of return that the Ontario Energy Board had determined in WPI's 2018 Cost of Service was 9.0%.

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

The Achieved Return on Equity shows Westario Power's actual Return on Equity earned in the year.

WPI earned a Return on Equity of 11.24% in 2023, which is a significant increase from 5.09% in 2022. The achieved Return on Equity is within the +/- 3% of the deemed regulatory Return on Equity. WPI has achieved an average return on equity of 8.62% over the last five years; reflecting stable earnings and a practice of retaining equity to support the operations and the re-investment in the distribution assets, while maintaining a customer focused operation that is safe and reliable.

## 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.