

Scorecard - Oshawa PUC Networks Inc.

Performance Outcomes	Performance Categories	Measures	2016	2017	2018	2019	2020	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	92.60%	99.47%	99.78%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	100.00%	98.53%	100.00%	100.00%	100.00%	↑	90.00%		
		Telephone Calls Answered On Time	73.70%	90.52%	90.10%	94.13%	92.03%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	521	277	103	238	68				
		Billing Accuracy	99.94%	99.94%	99.93%	99.91%	99.91%	↑	98.00%		
		Customer Satisfaction Survey Results	92% satisfied	92% satisfied	95% satisfied	95	94.04%				
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%	85.00%	85.00%	83.00%	83.00%				
		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	2.61	0.73	1.34	0.98	1.46	↓		1.37	
		Average Number of Times that Power to a Customer is Interrupted ²	2.06	0.98	1.29	1.09	1.50	↓		1.34	
	Asset Management	Distribution System Plan Implementation Progress	97%	101.3%	70.2%	99%	98.3%				
	Cost Control	Efficiency Assessment	2	2	2	2	2				
		Total Cost per Customer ³	\$546	\$532	\$569	\$598	\$578				
		Total Cost per Km of Line ³	\$31,962	\$31,280	\$33,915	\$35,041	\$34,172				
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		0.00%	100.00%	100.00%					
		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)	1.16	0.99	1.07	1.25	1.33				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.04	0.96	1.21	1.15	1.32				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.30%	9.19%	9.00%	9.00%	9.00%			
			Achieved	9.97%	7.62%	7.93%	9.14%	5.33%			

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

2020 Scorecard Management Discussion and Analysis (“2020 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 2020 Scorecard MD&A:

http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

- **General Overview:**

With the impacts of the COVID-19 pandemic still being felt, Oshawa PUC Networks Inc. (Oshawa Power) has been successful in balancing fiscal responsibility while also recognizing the financial hardships within our community and the challenges faced by our employees in providing the high level of service our customers expect. In 2020, Oshawa Power successfully exceeded all mandatory industry targets. We are pleased to provide the following detailed report with commentary for each specific target.

In 2020, Oshawa Power’s performance exceeded the applicable industry specific targets for each area of the Customer Focus section. We continue to excel in the areas of Service Quality and Customer Satisfaction, consistent with our exceptional performance in the prior year. In Safety we continue to see no electrical incidents, as we reached the milestone of 750,000 hours without a lost-time injury in 2020 and continue to work towards the next milestone of 1 million hours through a continued focused effort on safety and safe work practices in 2021. We are focusing our efforts on operations and reliability to better 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 the impacts of the COVID-19 pandemic in order to maintain our fiscal health.

Oshawa Power will continue to focus its efforts in 2021 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures. Key objectives in 2021 include: (i) customer engagement initiatives to educate our customers and seek their feedback about the services provided and how we can improve the customer experience; (ii) improvements in the area of asset management, including the renewal of aging infrastructure in order to deliver reliable and safe electricity; and (iii) helping customer’s access grants and assistance from provincially-run, and company-run, programs during the pandemic.

Service Quality

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

In 2020, Oshawa Power connected 100% of the 411 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. Oshawa Power continues to connect service on time, with 100% of new services connected on time as of June 2021.

- **Scheduled Appointments Met On Time**

In 2020, Oshawa Power scheduled over 981 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 been considerably above the industry target of 90%.

- **Telephone Calls Answered On Time**

In 2020, Oshawa Power customer contact center agents received over 36,000 qualifying calls from its customers – over 140 calls per working day. Agents answered calls within 30 seconds 92.03% 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 various online forms and interactive voice response tools. 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. Oshawa Power continues to improve its quick response time in 2021, as of June 2021, 96.3% of calls have been answered within 30 seconds.

Customer Satisfaction

- **First Contact Resolution**

In 2020, 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 36,000 qualifying calls during the year, of which 0.2% were not resolved on first contact. Over the last 5 years, the portion of calls that were not resolved on first contact has consistently remained well below 1%. Out of all incoming qualifying calls, Oshawa Power targets that less than 2% will not be resolved on that first contact.

- **Billing Accuracy**

For the period from January 1, 2020 to December 31, 2020, Oshawa Power issued over 700,000 bills and achieved a bill accuracy measure of 99.91%. 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 accurately.

- **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. For 2020, 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 2020, our customers provided us with a CSAT score of 94.04%.

Oshawa Power will be conducting a third party Customer Satisfaction Survey in 2021. Our goal is to provide service excellence in all that we do. This survey will allow us to benchmark our service levels and provide further enhancements for our customers.

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 2020. Oshawa Power's final public awareness index score in 2020 was 83%. Based upon the survey results of the participants, Oshawa Power's customer awareness index was higher than the average score of 82% for the utilities who engaged in the survey. Over the last few years of surveys, Oshawa Power's score was 85% in 2016 and 2018, and 83% in 2020.

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

Oshawa Power was fully compliant with Ontario Regulation 22/04 for the year 2020, 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 2020, thereby achieving a top score of 0.000 for the Serious Electrical Incident Index per 100 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 five consecutive years. The utility scored a near-perfect 98% in an audit conducted under the highest safety standard in the province.
- The Electrical Safety Authority (“ESA”) presented Oshawa Power with their 2019 Worker Safety Award. The nomination highlighted the work of Oshawa Power’s Wellness Committee and Ergonomics Team, along with our efforts to promote electrical safety in the community through our Contactor Safety Day event and Hazard Hamlet travelling safety presentation.
- In 2020, a large effort was focused on COVID-19 pandemic response and adapting the workplace to ensure a safe work environment.
- In 2020, Oshawa Power achieved the milestone of 750,000 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 bill inserts, our website and social media in order to ensure our customers stay informed and stay safe.

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) increased from 2019 to 2020 to a value of 1.46, which exceeds its target of 1.37 (based on a fixed five-year average performance from 2015 to 2019). The increase was mainly due to unforeseen weather events and continued animal contacts with equipment. Oshawa Power continues to invest in the utility's distribution system by installing animal protection and renewing aged and faulty equipment to help mitigate the duration of outages in the future.

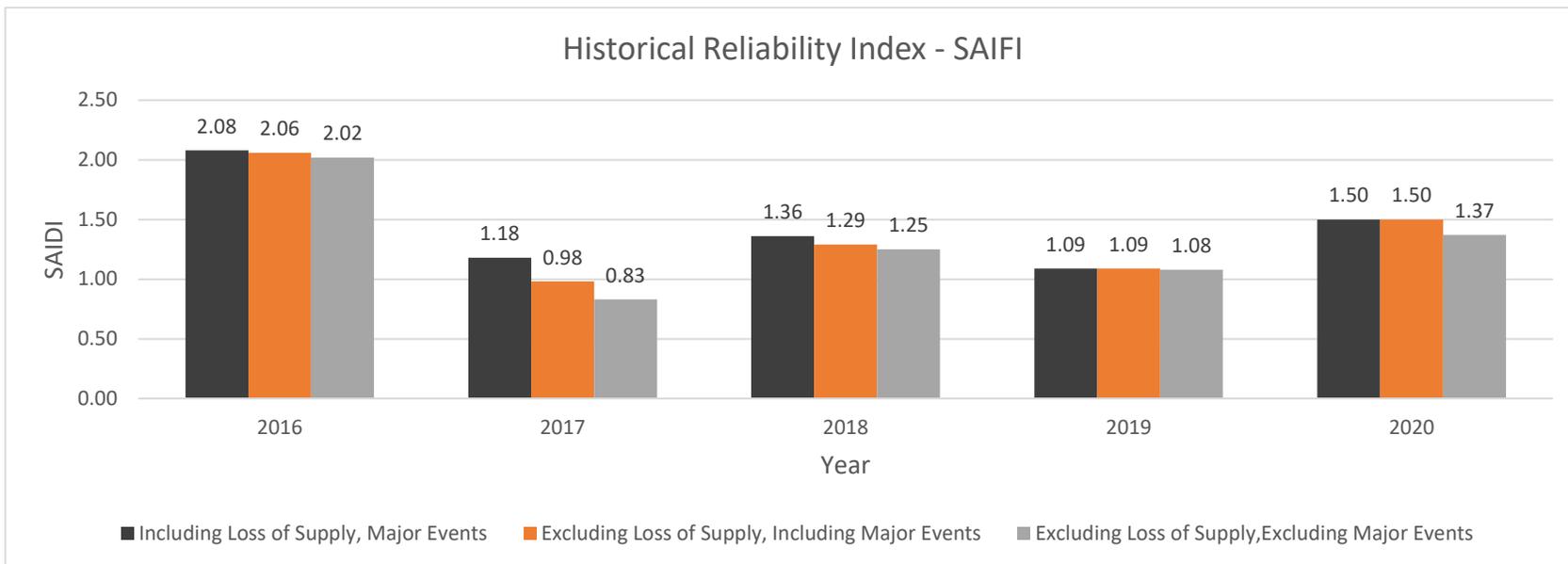
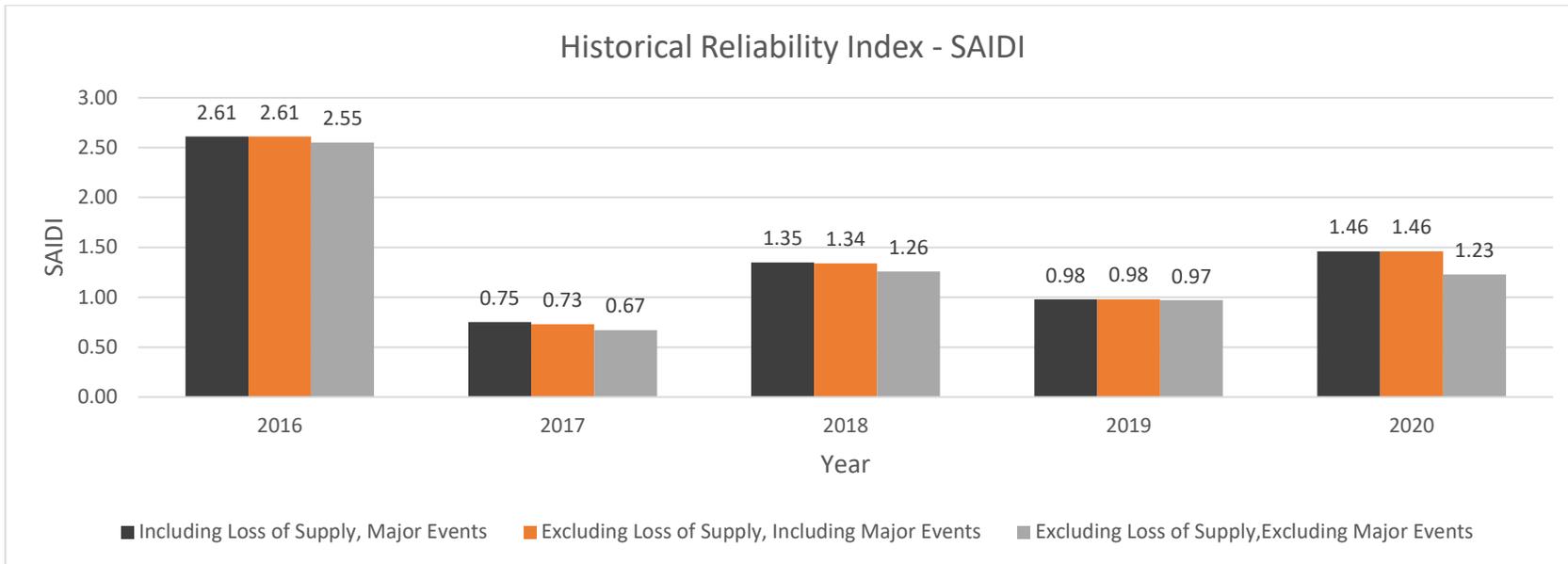
In 2021, Oshawa Power continues to improve system reliability through System Renewal investments required to replace end of life assets and System Service investments including grid modernization and operational technologies.

- **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 2020 was 1.50 which is higher compared to its target of 1.34, and higher than previous year's performance of 1.09. Oshawa Power has identified that the main contributing factors to decreased reliability was due to aging infrastructure and unforeseen weather events. Oshawa Power continues to focus on its System Renewal investments and System Service investments to bring reliability indices in line with the expectations of both Oshawa Power's customers and the OEB.

In 2021, Oshawa Power continues its planned capital investments through the installation of additional equipment that will provide rapid isolation of faults resulting in a reduced number of customers affected during an outage.

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



Asset Management

- **Distribution System Plan Implementation Progress**

In 2014, Oshawa Power filed an application with the OEB for a full review of its rates effective January 1, 2015. 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 2020, Oshawa Power expended 98.34% of its planned capital budget for the year despite being faced with the COVID-19 pandemic and resulting supply challenges. In 2019, Oshawa Power expended 98.99% of its planned capital budget for the year.

From 2015 to 2019, Oshawa Power focused its capital expenditures on System Access and System Service requirements in order to address significant customer and load growth. For the next 5 years, 2020 through 2025, Oshawa Power will shift focus to System Renewal and System Service requirements in order to improve reliability and mitigate outage impacts to customers due to aging infrastructure.

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 2020 are included in PEG's *Empirical Research in Support of Incentive Rate-Setting: 2020 Benchmarking Update Report* to the OEB issued in August 2021.

The electricity distributors are divided into five groups 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 Group 1 (25% or more below predicted cost) or Group 2 (between 10% and 25%). Utilities that are considered average performers will be assigned to Group 3 (actual costs are within +/-10% of predicted costs). Utilities whose actual costs are higher than predicted will be assigned to Group 4 (between 10% and 25% above predicted cost) or Group 5 (in excess of 25% above predicted cost).

Oshawa Power continues to be ranked in Group 2, where a Group 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 2020 cost performance is \$578 per customer, resulting in a 3.3% decrease over the prior year.

Over the reporting period 2016 through 2020, Oshawa Power's Total Cost per Customer has increased by an average annual rate of just

1.3%. 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 Group 2.

In accordance with the OEB's decision on our Custom IR (incentive regulation) 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. Oshawa Power's 2020 rate is \$34,172 per Km of Line which represents a decrease of 2.5% over the prior year. The average annual increase over the reporting period is 1.6%. The increase is in line with the increase in predicted costs as per the PEG Report, thereby continuing to position Oshawa Power in Group 2.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) for renewable generation facilities >10kW within 60 days of receiving a complete application from the Generator. In 2020, Oshawa Power did not report any new CIA connection requests for renewable generation facilities >10kW. This reporting was required by O.Reg. 326/09 (Mandatory Information RE Connections). On July 1, 2021, O. Reg. 326/09 was revoked. As a result, the OEB issued a letter dated August 11, 2021 eliminating the reporting requirements associated with the Regulation effective immediately.

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

In 2020, 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. Oshawa Power works closely with its customers to make the process simple and transparent for customers and their contractors to ensure the project is connected on time.

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 2020 is 1.33. Oshawa Power monitors and manages its liquidity risk to ensure access to sufficient funds 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 2020 was 1.32 compared with 1.15 in 2019. Oshawa Power continues to be below the OEB's deemed capital structure, as the trend from 2016 to 2020 illustrates a debt to equity ratio of less than 1.5.

- **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 9.00%, 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. The regulated return for the year 2020 is 9.00%.

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

Oshawa Power's ROE for 2020 was 5.33%, compared with a regulatory ROE of 9.00% for the same period. For 2020, Oshawa Power's achieved regulatory return on equity was 3.67% below the expected or deemed level and 0.67% below the +/- 3% range set by the OEB.

In 2020, we were presented with challenges brought on by the COVID-19 pandemic leading to a decrease in achieved ROE. This decrease is primarily due to a decrease in revenues collected from ratepayers, increased provision for uncollectible accounts, waived interest on overdue accounts, and increased costs for cleaning and security to comply with Public Health Requirements.

Note to Readers of 2020 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.