

Scorecard - Cooperative Hydro Embrun Inc.

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	100.00%	100.00%	100.00%	96.15%	100.00%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	96.38%	95.46%	94.22%	94.07%	96.35%		65.00%		
	Customer Satisfaction	First Contact Resolution	91.36	92.48%	92.48	97.38	97.38				
		Billing Accuracy	99.84%	99.95%	99.97%	99.94%	99.87%		98.00%		
		Customer Satisfaction Survey Results	86.24	88.00%	88.00	90.41	90.41				
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	84.00%	84.00%	87.40%	87.40%	85.00%				
		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	10.000	0.000	0.000	0.000			0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.03	0.03	0.02	0.01	0.01			0.14	
		Average Number of Times that Power to a Customer is Interrupted ²	0.09	0.01	0.01	0.01	0.00			0.03	
	Asset Management	Distribution System Plan Implementation Progress	Completed	Completed	Completed	Completed	Completed				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$511	\$511	\$493	\$482	\$554				
		Total Cost per Km of Line ³	\$33,552	\$33,299	\$31,739	\$32,688	\$37,166				
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							90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.03	2.04	2.10	2.25	2.23				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.09	0.06	0.03	0.00	0.00				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	9.00%	9.00%	8.66%			
			Achieved	10.03%	11.35%	13.25%	15.94%	10.68%			

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

Cooperative Hydro Embrun Inc.

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

In 2023, Cooperative Hydro Embrun ("CHE") met or exceeded all its performance targets. CHE continues to actively pursue new cost control measures, resulting in improved cost-per-customer metrics throughout the year. Since 2019, CHE has consistently ranked among the most efficient local distribution companies (LDCs) in the province. The utility remains focused on identifying cost-saving solutions and fostering cost-sharing initiatives with neighboring utilities to enhance efficiency and deliver value to its customers.

Service Quality

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

CHEI connected 45 (100%) of its 45 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 Ontario Energy Board (OEB).

Scheduled Appointments Met On Time

In 2023 CHEI scheduled 6 appointments with its customers to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. Consistent with the prior year, the utility met 100% of these appointments on time, significantly exceeding the industry target of 100%.

- **Telephone Calls Answered On Time**

In 2023, CHEI's customer service team responded to 1,480 out of 1,536 customer calls. 96.35% of these calls were answered by an agent within 30 seconds, surpassing the OEB's target of 65% for timely responses. This reflects a notable improvement from 2022's performance, where the response rate was already high at 94.07%.

Customer Satisfaction

- **First Contact Resolution – Customer Satisfaction**

CHEI conducted its bi-annual survey in the spring of 2023. The below results are still in effect for this current Scorecard.

CHEI uses its customer satisfaction survey to track its "First Contact Resolution" metric. The utility used an average of the following survey questions below. The utility believes that the results reflect accurate results.

- 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 Cooperative Hydro Embrun, did the customer care representative provide you with the information you sought?
- 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 97.38%.

- **First Contact Resolution – Billing Accuracy**

Billing accuracy reflects how consistently CHEI create customer invoices without errors. From January 1, 2023, to December 31, 2023, CHEI issued over 31,343 bills with a 99.87% accuracy. While this slightly differs from the OEB's target of 98.00%, CHEI remains committed to monitoring and refining its billing processes to enhance accuracy and ensure its customers receive the highest level of service.

- **Customer Satisfaction Survey Results**

CHEI conducted a customer satisfaction survey in the spring of 2023. 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 survey was conducted in the spring of 2023 and yielded a customer satisfaction ranking of 90.41%.

The utility intends on continuing surveying its customers on a bi-annual basis to monitor and assess customer knowledge, perceptions and satisfaction regarding utility services.

Safety

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

The Public Awareness of Electrical Safety component of the public safety measure aims to measure the awareness of key 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 January 2024 and March 2024, 299 respondents completed the survey, resulting in an 85.00% score on Public Awareness. As we advance, the utility plans on improving its results by communicating safety measures to its customers.

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

As a licensed distributor, CHEI must comply with Ontario Regulation 22/04 Electrical Distribution Safety, and compliance with this regulation is subject to annual Audits and Declarations of Compliance. CHEI has established practices and procedures that comply with Ontario Regulation 22/04 and has reported satisfactory Audits. CHEI must also submit an annual Declaration of Compliance for certain sections of the regulation, indicating 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**

CHEI did not have any severe electrical incidents to report in 2023.

System Reliability

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

In 2023, CHEI achieved a significant increase in reliability, with the number of interruptions decreasing from 26 in 2022 to just 11 in 2023. This improvement is largely due to the proactive maintenance of transformers and ongoing efforts to enhance system reliability. CHEI's reliability remains strong, with variations typically linked to poor weather conditions or scheduled maintenance—factors often outside the utility's control.

When a power outage does occur within the distribution system, CHEI responds promptly to address and resolve the issue. CHEI prioritizes the reliability of its electricity service and continues to monitor its distribution assets regularly to ensure that our customers experience consistent and dependable service.

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

In 2023, CHEI achieved a significant increase in reliability, with the number of interruptions decreasing from 49 in 2022 to just 21 in 2023. Similarly, as explained above, the improvement in reliability is largely due to CHEI's proactive transformer maintenance and ongoing efforts to strengthen the system. While occasional variations are typically linked to weather or scheduled maintenance, CHEI remains committed to quickly resolving any power outages and ensuring consistent, dependable service for its customers.

Asset Management

- **Distribution System Plan Implementation Progress**

CHEI completed and filed Distribution System Plan ("DSP") as part of its 2023 Cost of Service Application. The Distribution System Plan detailing the utility's historical and projected capital plan can be found in Exhibit 2 of the Cost-of-Service application.

Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC, commissioned by the Ontario Energy Board (OEB), evaluates the total costs of local electricity distribution

companies across Ontario to produce a comprehensive efficiency ranking. Since 2015, CHEI has proudly maintained its position in Group 1, the highest efficiency category, which is associated with a stretch factor of 0.00—indicating the most efficient operations in the province.

Being in Group 1 reflects CHEI's dedication to providing customers with reliable and cost-effective service. This ranking is a testament to CHEI's rigorous cost management and strategic approach to both capital investments and operational expenses.

Moving forward, CHEI is committed to upholding this standard of excellence. It will continue to monitor its costs closely and implement best practices to ensure that we remain at the forefront of efficiency in the industry. CHEI's goal is to manage resources in a way that consistently delivers value to the customers, ensuring that they benefit from the highest levels of service efficiency and reliability.

- **Total Cost per Customer**

The total cost per customer is calculated by combining CHEI's capital and operating expenses, then dividing by the total number of customers served. In 2023, this cost was \$554 per customer, reflecting an increase from \$483 per customer in 2022, primarily due to the rebasing of rates in the 2023 Cost of Service.

CHEI is committed to proactively replacing distribution assets on a carefully managed timeline that balances system reliability with customer rate impacts, as highlighted in our 2023 Cost of Service applications. CHEI will continue to implement productivity and improvement initiatives to mitigate future costs associated with system enhancements. Additionally, CHEI's ongoing customer engagement efforts will ensure that customers have a voice in shaping CHEI's capital spending plans, aligning our investments with their needs and expectations.

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

In 2023, the total cost per Km was \$37,166, representing an increase over 2022 at 32,668. As explained above, CHEI rebased its rates in a 2023 Cost of Service. CHEI remains committed to carefully managing system improvements and customer rate impacts, with costs expected to remain steady until the next rate rebasing in 2028. Ongoing initiatives will continue to enhance system reliability and engage customers in capital spending decisions.

Conservation & Demand Management

- **Net Cumulative Energy Savings (Percent of target achieved)**

As a result of the Minister of Energy, Northern Development and Mines' directive on March 20, 2019, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2019 and 2020 will be centralized and administered by the IESO.

As distributors are no longer working towards the former 2015-2020 CDM targets, the results reported in 2018 with persisting effects up until April 2020 are still accurate.

The Connection of Renewable Generation

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

CHEI did not have any Fit projects in 2023 and did not need Connection Impact Assessments.

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

CHEI did not have any MicroFit projects in 2023.

Financial Ratios

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

CHEI's current ratio, a key indicator of financial stability, experienced a slight change from 2.25 in 2022 to 2.23 in 2023. Despite this minor decrease, the current ratio remains well above the threshold typically associated with good financial health.

The current ratio measures the company's ability to meet its short-term obligations with its short-term assets. A ratio above 1.0 generally indicates that a company has more than enough assets to cover its liabilities, and CHEI's ratio of 2.23 demonstrates a strong liquidity position, meaning the utility is well-equipped to handle its financial commitments.

Maintaining a current ratio in this range reflects CHEI's prudent financial management and its commitment to sustaining a healthy balance sheet. This financial strength ensures that CHEI can continue to invest in system reliability and service improvements while providing stability and reassurance to its customers and stakeholders.

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

In 2023, CHEI had a total debt to Equity ratio of 0.00, indicating that CHEI did not have any debt obligation in 2023.

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

CHEI's base distribution rates were rebased and approved by the OEB for its 2023 Cost of Service and included an expected (deemed) regulatory return on equity of 8.66%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity.

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

In 2023, CHEI's Return on Equity (ROE) reached 10.68%, slightly surpassing the approved benchmark of 8.66%. This higher-than-expected ROE underscores CHEI's strong financial performance, but it also requires careful monitoring to ensure compliance with regulatory standards.

The OEB sets a "deadband," or acceptable range, around the approved ROE to account for normal fluctuations in utility earnings. By remaining vigilant, CHEI aims to stay within this range, maintaining a balance between profitability and regulatory expectations.

The over-earnings in 2023 can be attributed to a combination of factors. Firstly, external cost pressures beyond CHEI's control—such as inflation, rising material costs, and other economic conditions—contributed to an increase in the overall revenue requirement. Additionally, a rise in the number of customers served by CHEI has led to higher overall returns from rates. As the customer base grows, so does the revenue generated, which in turn boosts the ROE.

CHEI is committed to ensuring that any over-earnings are managed responsibly. By closely monitoring costs and operational efficiency, the utility seeks to align its financial outcomes with the expectations set by the OEB, while continuing to deliver reliable service to its customers. This approach not only supports the utility's financial health but also ensures that ratepayers benefit from a well-managed and sustainable utility.

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 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 of the factors that could cause such differences to 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 and could be markedly different in the future.