

Scorecard - Brantford Power Inc.

10/22/2021

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	99.70%	99.59%	99.52%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	99.80%	100.00%	100.00%	99.82%	99.88%	↓	90.00%		
		Telephone Calls Answered On Time	67.10%	73.18%	85.24%	71.54%	81.10%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	84.20%	86.5	86.84	79.5%	79				
		Billing Accuracy	99.89%	99.89%	99.84%	99.92%	99.88%	→	98.00%		
		Customer Satisfaction Survey Results	94%	95	95%	97%	97				
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	81.00%	84.00%	84.00%	85.00%	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	0.000	0.000	0.000	0.000	→		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.45	0.29	0.68	0.62	0.26	↓		0.40	
		Average Number of Times that Power to a Customer is Interrupted ²	1.24	1.07	0.89	1.10	1.12	↓		0.86	
	Asset Management	Distribution System Plan Implementation Progress	85.1%	100.2	101.9%	115.9%	119.6				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$528	\$504	\$527	\$543	\$576				
		Total Cost per Km of Line ³	\$41,385	\$39,369	\$41,221	\$42,273	\$43,868				
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	100.00%	85.71%	100.00%	66.67%					
		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)	2.16	2.14	2.17	1.60	1.62				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.96	0.89	0.83	1.07	1.38				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.78%	8.78%		8.78%			
			Achieved	6.53%	11.38%	7.90%		3.76%			

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 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 2020 Scorecard MD&A:

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

Scorecard MD&A - General Overview

In 2020, Brantford Power Inc. (“Brantford Power”) exceeded all performance targets with the exception of the measure for “Average Number of Times that Power to a customer is interrupted”. Despite missing this specific measure, Brantford Power’s performance compared favorably to the industry average for 2020 outage statistics.

Brantford Power strives to maintain or improve its overall scorecard performance by monitoring key performance measures throughout the year and addressing issues as they arise. Brantford Power plans to undertake initiatives which will mitigate risks, allowing continued delivery of the current performance levels.

Customers are encouraged to review the specific commentary on each of the reported performance categories outlined on the Scorecard in order to obtain further information on the particular measures. Brantford Power welcomes any customer feedback regarding its 2020 Scorecard.

Service Quality

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

In 2020, Brantford Power connected 515 or 100% of eligible low-voltage customers, those utilizing connections under 750 volts, to its local distribution system within the five-day timeline prescribed by the Ontario Energy Board (OEB). The result exceeds the industry target of 90% and this is the eighth year that Brantford Power has achieved over 99%. Brantford Power continues to focus on maintaining and coordinating the appropriate engineering, construction, and operations resources in order to meet the expectations of its customers.

- **Scheduled Appointments Met On Time**

Brantford Power scheduled 804 appointments in 2020 to complete work requested by its customers including the connection and reconnection of services, inspections, and collection of meter data. The vast majority of those commitments 803 or 99.88% were completed within the required timelines and in keeping with customer expectations. Brantford Power exceeded the industry target of 90% and has been above 99% for eight consecutive years.

- **Telephone Calls Answered On Time**

Brantford Power's Customer Care team handled 34,404 calls in 2020 with 27,903 of those calls, or 81.10%, answered within 30 seconds. The outcome exceeds the prescribed target of 65%. The 2019 results represent an increase of 9.56% from the previous year, despite the Government-mandated introduction of the Customer Choice Initiative, the COVID-19 emergency Time-of-Use rate changes and the COVID-19 Emergency Assistance Program, all of which contributed to spikes in call volumes.

Customer Satisfaction

- **First Contact Resolution**

At Brantford Power, First Contact Resolution is normally captured through the Customer Service Transactional Survey, which surveys a random sample of 600 customers who had contact with Brantford Power between January and December each year. Due to the changes and impacts of the global pandemic on our customers during 2020, Brantford Power ceased this outbound calling activity in May 2020. The result of 79% for 2020 is based on 200 calls and indicates that the majority of customers responded favorably when asked whether their specific question or issue was resolved during their initial contact with Brantford Power's customer care team. The result aligns with the previous year, with only a 0.5% decrease over the 2019 outcome of the equivalent survey. The full Customer Service Transactional survey has been reintroduced in 2021.

- **Billing Accuracy**

The OEB prescribed a measurement and target for billing accuracy which has applied to all electricity distributors since October 1, 2014. For the period of January 1 to December 31, 2020, Brantford Power issued 488,010 bills and achieved a billing accuracy result of 99.88%. This result is consistent with previous years' outcomes and exceeds the OEB's target of 98%.

- **Customer Satisfaction Survey Results**

In 2019, and in keeping with the OEB's requirement to measure and report customer satisfaction results every other year, Brantford Power used a leading market research organization to conduct a survey, which included questions focused on the key areas of: power quality and reliability; price; billing and payment; communications; customer service experience; and brand image.

Brantford Power's "Top 3-Box" overall satisfaction result of 97% was derived from the input of 500 residential and 100 business customers who were asked to provide a rating ranging from 1 (not at all satisfied) to a rating of 5 (very satisfied) for each key area. The same methodology has been used consistently since 2015, and has proven valuable in identifying both customer preferences and opportunities for improvement, many of which have been incorporated into determining Brantford Power's operational priorities. For the purpose of meeting the OEB deliverable, Brantford Power will complete its next survey in 2021. Brantford Power will also maintain its regular practice of annually surveying 600 customers who have made contact with the distributor to monitor satisfaction on an ongoing basis.

Safety

Public Safety

The Ontario Energy Board (OEB) introduced the Safety measure in 2015. This measure looks at safety from a customer's point of view as safety of the distribution system is a high priority. The safety measure is generated by the Electrical Safety Authority (ESA) and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.

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

The Public Awareness of Electrical Safety component of this measure was introduced in 2015, with an OEB requirement to measure and report the result every two years. In early 2020, Brantford Power completed the prescribed and standardized survey of randomly selected residents in its service territory. These individuals scored 85% on their awareness of electrical safety, an improvement over the last reported result of 84%. Brantford Power remains committed to improving the public's awareness of electrical safety through a number of channels, including sponsoring electrical safety sessions for all elementary schools in our service territory, the continued sponsorship of events at the Children's Safety Village of Brant, and the promotion of electrical safety practices through our website, social media and as host of an annual powerline safety seminar for local contractors, businesses and first responders. BPI notes that in 2020, any of the related in-person safety outreach programs were paused, consistent with the public health measures resulting from the COVID-19 pandemic.

- **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 before they are put into service. Brantford Power was found to be fully compliant with Ontario Regulation 22/04 (Electrical Distribution Safety) over the past seven (7) years. This was achieved through a strong commitment to safety, and adherence to company procedures and policies.

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

For the past seven years, Brantford Power has recorded zero serious electrical incidents. Brantford Power owns and maintains over 534 km of distribution lines in the City of Brantford. Brantford Power actively promotes public safety through a number of channels including the company's website, its social media account, the sponsorship of electrical safety sessions for all elementary schools in our service territory, an ongoing partnership with the Children's Safety Village of Brant and at community safety events. Brantford Power also hosts an annual powerline safety seminar for local contractors, businesses and first responders.

System Reliability

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

Brantford Power customers experienced on average an outage duration of 0.26 hours or 15.6 minutes during 2020. This represents a 58% decrease in outage

minutes compared to 2019. In 2020, system reliability became an increased customer priority as a result of several COVID-19 stay-home orders which resulted unprecedented proportions of the population working from home, learning from home, or otherwise remaining in their homes for long periods of time.

Brantford Power continues to view reliability of electricity service as a high priority for its customers and, as such, has identified a number of initiatives and programs targeted at reducing the number of interruption hours in the coming years. Specifically, Brantford Power will continue to deploy smart fault indicators remotely reporting to our SCADA system to reduce the time required to locate faults. Brantford Power also plans to install additional automated reclosers switches to enable automatic isolation of faulted sections of feeders and inter-tie its feeders. Lastly, Brantford Power is proactively utilizing its inspection data and continuously executing its maintenance activities (including vegetation management).

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

Compared to 2019, the average number of times that power was interrupted increased slightly from 1.10 to an average of 1.12 outages per customer in 2020.

The scorecard target for outage interruptions is based on Brantford Power's own average performance from 2012 to 2016. The average number of interruptions to a customer during this time period was 0.86. Brantford Power's 2020 results represent an increase over that target average of 0.26 outages per customer.

Brantford Power has identified initiatives that are expected to reduce the frequency of outages experienced by its customers. Specifically, Brantford Power will continue to install equipment on its longer feeders to improve voltage characteristics and outage restoration. BPI will, deploy additional automated recloser switches to reduce the frequency of sustained power interruptions, reduces the number of customers impacted by faults on a feeder and enable automatic fault isolation and restoration. This technology will support the development of outage management system and help improve internal and external communications during outages.

Asset Management

- **Distribution System Plan Implementation Progress**

Brantford Power filed an application with the OEB for a full review of its rates effective January 1, 2017. As part of this application, Brantford Power filed a Distribution System Plan (DSP) covering the five-year forecast period of 2017 to 2021.

For 2020 BPI spent 119.6% of its cumulative planned DSP spending (\$19,577,232 actual spending in to date/\$16,374,394 DSP spending projected to date from 2017 to 2020). The basis for this statistic is the cost of in-service capital additions, net of capital contributions.

As a note, BPI has excluded \$12.7M from the spending from 2020 in order to allow comparability with BPI's Distribution System Plan, which excluded the building spending. The Facility was addressed in a separate regulatory proceeding (an Incremental Capital Module "ICM" application).

This is the fourth year that Brantford Power is reporting against its DSP as 2017 was the first year available to measure the Distribution System Plan Implementation Progress. The annual targets for DSP implementation represent the cumulative spending for each year in the DSP. Brantford Power compares the actual cumulative spending during our DSP period against these annual targets.

Brantford Power is also aware of the OEB's intent to create a uniform methodology for distributors to measure their Distribution System Plan Implementation, and will apply this methodology when it is available.

Cost Control

- **Efficiency Assessment**

Electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2020, consistent with past years, Brantford Power was placed in Group 3. A Group 3 distributor is defined as having actual costs within +/- 10 percent of predicted costs. Group 3 is considered “average efficiency” – in other words, Brantford Power’s costs are within the average cost range for distributors in the Province of Ontario. In the 2020 report (based on 2020 efficiency levels), 46% (27 distributors) of Ontario distributors were ranked as “average efficiency”; 44 % (26 distributors) were ranked as “more efficient”; and 10 % (2 distributors) were ranked as “least efficient”.

Over the last three years Brantford Power has been trending towards the more efficient group by realizing favourable variances of 9.4%, 10.2%, and 4.8% **lower** than predicted cost for 2018, 2019 and 2020, respectively.

- **Total Cost per Customer**

Total cost per customer is calculated by dividing Brantford Power’s total cost by the total number of customers that Brantford Power serves. The total cost is the sum of Brantford Power’s capital and operating costs.

The per-customer cost result for 2020 is \$576, which is a 6.1% or \$33 per customer increase over 2019. The total cost of \$23,425,667 in 2020 was higher by \$1,875,164 or 8.7% than the level reported in 2019. When comparing the 2020 level to the per customer costs reported five years ago (\$528 – 2016), the 2020 level reflects the accumulated impact of average annual cost increase of approximately 1.8% per year during this period. The increase in 2020 is partly related to an increase in capital expenditures including the purchase and construction of Brantford Power’s new Operations and Administration facility at 150 Savannah Oaks Drive. Additionally Brantford Power saw increases to its operating costs, associated with costs to prepare a regulatory application, General and Administrative increased costs (including filling vacant positions and costs to respond to the COVID-19 Pandemic), and increased Billing costs.

Brantford Power is continually looking for ways to improve its business processes to enable it to comply with increasing responsibilities for local distribution companies without negatively impacting overall costs to the customers where possible. In the coming years, changing demographics introduce a risk in the area of resources to perform core operational functions. Brantford Power’s planning indicates that staffing levels required to maintain performance levels and meet future demands, along with the business systems necessary to support them, will mark a departure from the trend in headcount and compensation costs seen in previous years

- **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 Brantford Power operates to serve its customers. The result of \$43,868 represents a 3.77% or \$1,595 increase compared to 2019. A discussion of the cost drivers can be found in the section above.

Connection of Renewable Generation

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

Brantford Power did not receive any Connection Impact Assessments (CIAs) in 2020.

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

Brantford Power did not connect any micro-embedded generation facilities in 2020.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. 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. Brantford Power’s current ratio increased from 1.60 to 1.62 in 2020. Brantford Power continues to report a strong liquidity position.

- **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. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

Brantford Power’s leverage position has increased to 1.38 indicating that the current outstanding debt is more than the equity level. During 2019 and 2020, Brantford Power secured a total of \$25,000,000 in additional long-term borrowings to finance the capital program necessary to acquire its new facility and refurbish it, as well as constructing a new addition.

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

Brantford Power's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.78%. 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**

Brantford Power's return achieved in 2020 was 3.76% which is outside the +/-3% range considered by the OEB to reflect a healthy level of financial performance. Consistent with the results reporting in Total Cost, BPI experienced cost increases in 2020 which contributed to the reduced ROE performance, these include the costs to purchase, construct, and relocate to BPI's new facility at 150 Savannah Oaks Drive. Brantford Power's 2020 profitability reflects a decrease from the previous years' trend. The decrease is attributable to increases in total costs including capital projects such as those discussed in the *Total Cost per Customer* section above.

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.