

# Scorecard - Grimsby Power Incorporated

Performance Outcomes	Performance Categories	Measures	2017	2018	2019	2020	2021	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	98.02%	96.71%	100.00%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	100.00%	99.53%	100.00%	100.00%	100.00%	↑	90.00%		
		Telephone Calls Answered On Time	75.37%	88.54%	90.24%	89.38%	86.81%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	99.97%	99.93%	99.86%	99.89%	99.93%				
		Billing Accuracy	99.96%	99.87%	99.98%	99.99%	99.99%	↑	98.00%		
		Customer Satisfaction Survey Results	75.40	78.8%	78.8%	79%	79%				
<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	82.60%	82.60%	82.90%	82.90%	82.50%				
		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>	1.20	1.73	5.00	0.64	1.82	↑		1.82	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	0.99	1.17	3.44	0.92	1.27	↑		1.45	
	Asset Management	Distribution System Plan Implementation Progress	64.83	86.64%	86.23%	67.6%	94.02%				
	Cost Control	Efficiency Assessment	2	2	1	1	1				
		Total Cost per Customer <sup>3</sup>	\$559	\$584	\$594	\$598	\$602				
		Total Cost per Km of Line <sup>3</sup>	\$9,383	\$9,793	\$10,029	\$10,121	\$10,315				
<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	Renewable Generation Connection Impact Assessments Completed On Time <sup>4</sup>	100.00%								
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%			↻	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)	1.07	1.09	1.03	0.99	1.03				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.44	1.46	1.26	1.27	1.15				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.19%	9.19%	9.19%	9.19%	9.19%			
			Achieved	10.92%	8.45%	10.39%	8.12%	10.80%			

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.  
 4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

**Legend:**

5-year trend  
 ↑ up   ↓ down   ↻ flat

Current year  
 ● target met   ● target not met

# 2021 Scorecard Management Discussion and Analysis (“2021 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 2021 Scorecard MD&A:

<http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf>

## Scorecard MD&A - General Overview

Grimsby Power Incorporated (“Grimsby Power”) is committed to providing the residents and businesses of the Town of Grimsby with a safe and reliable supply of electricity while operating effectively and efficiently at an equitable cost. Grimsby Power continues to strive to exceed customer and Ontario Energy Board (OEB) expectations and targets in customer focus, operational effectiveness, public policy responsiveness and financial performance.

### Service Quality

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

In 2021, Grimsby Power added 168 eligible low-voltage residential or small business customers (those utilizing connections under 750 volts) to its distribution system. Low-voltage customers must be connected within a five-day timeline prescribed by the Ontario Energy Board. Grimsby Power connected 100% of customers within the prescribed period. Grimsby Power contributes the continued high rating in this category due to an emphasis on customer service.

- **Scheduled Appointments Met On Time**

In 2021 there were 148 instances where an appointment, with the customer present, was required. Grimsby Power met 100% of its scheduled appointments on time in 2021. The appointments included cut and reconnects (upgrades to customer owned equipment) and any other related work requested by customers or their representative. Grimsby Power consistently exceeds the industry target of 90%.

- **Telephone Calls Answered On Time**

The number of calls answered on time continues to be a customer service focus for Grimsby Power. In 2021, Grimsby Power measured call responsiveness between April and December. Due to software replacement, it was not possible to measure the call response time effectively from January to March. Grimsby Power maintained a high level of call response times from January to March even though effective measurement was not possible.

In 2021 customer service representatives received 6,139 phone calls from customers from April to December. A representative answered the call within 30 seconds 86.81% of the time. This result surpasses the Ontario Energy Board target of 65% for timely call response. The 2021 performance is a small decrease from 2020 where 89.38% of calls were answered within 30 seconds.

Communication by phone remains a consistent means for responding to complex enquires related to bill inquiries, energy use, e billing, conservation and low-income programs.

## Customer Satisfaction

Specific customer satisfaction measurements have not been defined across the industry. The Ontario Energy Board (OEB) had instructed all electricity distributors to review and develop measurements in these areas and begin tracking by July 1, 2014. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for these areas in the future. As a result, each electricity distributor may have different measurements of performance until the OEB provides specific direction regarding a commonly defined measure.

- **First Contact Resolution**

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.

For Grimsby Power, the First Contact Resolution measure is determined by taking the number of calls escalated to management over the total number of calls received by customer service representatives for the period April to December 2021. Grimsby Power received 6,139 phone calls and only four of those calls required the attention of management. This means that 99.93% of the time our customer service representative can answer customer inquiries and resolve customer issues. Continued focus on customer service and continued awareness of customer needs through customer satisfaction surveys empowers our human resources to have continued success in first contact resolution.

- **Billing Accuracy**

Until July 2014, a specific measurement of billing accuracy had not been previously defined across the industry. After consultation with some electricity distributors, the Ontario Energy Board (OEB) has prescribed a measurement of billing accuracy that must be used by all electricity distributors effective October 1, 2014. The measurement for bill accuracy takes the total bills issues less the number of inaccurate bills and divides that by the total number of bills issued.

For the period from January 1, 2021 – December 31, 2021 Grimsby Power issued 143,900 bills and achieved a billing accuracy of 99.99%. This compares favorably to the prescribed OEB target of 98%.

Grimsby Power continues to strive for excellence in billing accuracy results and continues its ongoing effort to recognize any issues that may arise and identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. In 2016, Grimsby Power began utilizing standard questions and methodologies developed by the Innovative Research Group.

In 2020, Grimsby Power engaged a third party to conduct a customer satisfaction survey. This customer satisfaction survey provided information that supports discussions around improving customer service within all departments and levels at Grimsby Power. The survey asks customers questions on a wide range of topics, including overall satisfaction with Grimsby Power, reliability and power quality, customer service, and billing and payment. The result of the survey was an overall customer satisfaction index of 79%.

This year's survey results showed a small improvement from the previous survey.

While customer satisfaction result remained relatively unchanged, the survey took place at the beginning of the pandemic and the cost of electricity and

keeping rates flat was an area of concern. The other areas are number of outages, communication during outages and social media presence. Grimsby Power continues to invest in capital projects that reduce the number and duration of outages. Grimsby Power renewed its website with better power outage information, added a feature to our phone system that relays power outage information and we have a presence on twitter.

## Safety

- **Public Safety**

The Ontario Energy Board (OEB) introduced this Safety measure in 2015. This measure looks at safety from a customers' 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**

In 2021, Grimsby Power engaged a third party to launch the public awareness survey among a representative sample of the Town's population. The survey gauges the awareness level of key electrical safety concepts related to distribution assets based on a template survey provided by the Electrical Safety Authority (ESA). Grimsby Power's Public Safety Awareness Score in 2021 was 82.5%. This is a slight decrease from the 2019 survey result of 82.9%.

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

Since 2010 Grimsby Power was compliant with Ontario Regulation 22/04 (Electrical Distribution Safety) with the exception of 2015 when Grimsby Power received a "Needs Improvement" rating.

In 2021, Grimsby Power again received a rating of "Compliant" (C). This achievement underlines our strong commitment to safety that includes adherence to design standards and GPI's construction verification program that ensures construction work matches design standards. 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.

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

This index measures the number of serious electrical incidents involving the general public. A serious electrical incident has the following meaning:

- 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 or with a meter, if the contact caused or had the potential to cause death or critical injury to a person, but not if the contact was caused by force majeure, or
- c) any fire or explosion in any part of a distribution system operating at 750 volts or above or in a meter, if the fire or explosion, as the case may be, caused or had the potential to cause death or critical injury to a person, but not if it was caused by force majeure.

Grimsby Power has not had any serious electrical incidents involving the general public.

## System Reliability

On average Grimsby Power customers had power interrupted 1.27 times for total of 1.82 hours in 2021. This is an increase compared to 2020 where power was interrupted 0.92 times on average for a total of 0.64 hours.

The main causes of the increase were adverse weather events, including high winds, tree contacts and foreign interference (this includes outages caused by animals, vehicles and foreign objects). The table below shows a comparison between 2021 and 2020 for those three causes.

		2021	2020
Adverse Weather	Number of Interruptions	12	4
	Average Hours of Interruption	0.76	0.36
Tree Contacts	Number of Interruptions	12	5
	Average Hours of Interruption	0.39	0.003
Foreign Interference	Number of Interruptions	20	32
	Average Hours of Interruption	0.47	0.13

Grimsby Power continues to invest in capital projects with the intention of improving reliability. Those projects include voltage conversions, installation of reclosers that help sectionalize feeders to limit outages to smaller areas, removing off road sections of primary feeders to provide faster response time to outages and rear lot conversions.

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

This measure represents the average number of hours a Grimsby Power customer had interrupted power. Grimsby Power's current five-year target for the average number of hours of power interruption is 1.82. The target is based on an average of scores from 2016 to 2020. The average number of hours that power was interrupted was 1.82 in 2021; an increase compared to 0.64 in 2020 but still on target.

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

This measure represents the average number of times that power to a customer was interrupted. Grimsby Power's current five-year target for the average number of times power was interrupted is 1.45. The target is based on an average of scores from 2016 to 2020. The average number of times power was interrupted was 1.27 in 2021; an increase compared to 0.92 in 2020 but below target.

## Asset Management

- **Distribution System Plan Implementation Progress**

Grimsby Power submitted a Distribution System Plan (DSP) with its 2016 Cost of Service Application. The consolidated five year Distribution System Plan (DSP) submitted with the application began in 2016. The DSP serves to outline how Grimsby Power will develop, manage and maintain its distribution system equipment to provide a safe, reliable, efficient and cost effective distribution system. The completion progress of Grimsby Power's distribution system plan was 94.02% in 2021. This percentage was determined using a weighted completion percentage.

The distribution plan progress was high in comparison to other years. One of the main drivers was the installation of a third feeder from the Niagara West MTS in 2021. The addition of a third feeder, which is outside of our service territory, and was a large portion of the budget.

Grimsby Power was also completed other projects including defective pole replacements, voltage conversions, a rear lot conversion, pole line relocation and primary overhead conductor reinforcement.

## Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC (PEG) evaluates the relative efficiency of LDC's annually for the OEB. This evaluation is part of the OEB's rate setting parameters and benchmarking under the renewed regulatory framework for Ontario's electricity distributors. Each LDC is ranked and placed in one of five groups that reflect its potential for incremental productivity gains.

In 2021, Grimsby Power is again in Group 1. A Group 1 distributor is defined as a distributor with actual costs more than 25 percent below predicted costs on average over three years. On average, from 2019 to 2021, Grimsby Power was 34.9% below average.

A Group 1 utility is considered the most efficient and Grimsby Power is one of thirteen LDC's currently placed in Group 1. Grimsby Power's continued focus on reasonable costs has made the LDC more cost effective year over year. In 2015, Grimsby Power's actual costs were 17% below predicted. In 2021, Grimsby Power's actual costs were 38.5% below predicted. A change of 21.5%.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Grimsby Power's capital and operating costs divided by the total number of customers that Grimsby Power serves. The total cost per customer result for 2021 is \$602/customer. This is a \$27 increase since 2015 and a \$4 increase from 2020.

Grimsby Power has remained consistent in providing an equitable cost per customer over the past five years. Grimsby Power will continue to replace distribution assets proactively and in conjunction with its Distribution System Plan in a manner that evaluates risks and impacts on customer rates.

- **Total Cost per Km of Line**

This measure uses the same total cost used in the Cost per Customer calculation above, the total cost is divided by the kilometers of line that Grimsby Power operates to serve its customers. Grimsby Power's 2021 total cost per Km of line is \$10,315/Km. An increase of \$194 compared to 2020.

Grimsby Power continues to see low growth in its total kilometers of line and slight increases in total cost. Typically developments within Grimsby "lie along" existing distribution lines and this keeps the total kilometers of line low but the density of the customers along the lines increases slightly along with costs.

## Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of the receipt of the application if there is no distribution system reinforcement or expansion required and within 90 days if there is distribution system reinforcement or expansion required. Grimsby Power did not complete any CIA's for renewable generation in 2021.

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

In 2021, Grimsby Power did not connect any micro-embedded generation facilities (microFIT projects of less than 10 kW).

## 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.

Grimsby Power's current ratio went up slightly in 2021 to 1.03 from 0.99 in 2020. The slight increase in the liquidity ratio is due to a decrease in current liabilities. A ratio of 1.03 is indicative of a financially healthy organization and Grimsby Power intends on remaining within a healthy range.

- **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 and could 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 advantage may bring.

In 2021, Grimsby Power moved away slightly from the 60/40 split with a total debt to equity ratio of 1.15 compared to 1.27 in 2020. The current 1.15 debt to equity ratio represents approximately 53% debt and 47% equity.

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

Grimsby Power's current OEB approved distribution rates include an expected or deemed regulatory return on equity of 9.19%. This deemed rate was determined through the rate application process in 2016 (EB-2015-0072). The OEB monitors the achieved regulatory return on equity and if an LDC achieves +/- 3% of their deemed regulatory return on equity the OEB may make further inquiries with distributors.

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

Grimsby Power's achieved regulated return in 2021 was 10.80%, which is within the OEB range of +/-3% of 9.19%. The achieved regulatory return is higher than the deemed ROE due to a higher net income in 2021.



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 judgment on the reporting date of the performance scorecard, and could be markedly different in the future.