Scorecard - Burlington Hydro Inc.

8/30/2023

Performance Outcomes	Performance Categories	Measures		2018	2019	2020	2021	2022	Trend	Target: Industry	Target: 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		98.31%	100.00%	100.00%	100.00%	99.52%	up	90.00%	
		Scheduled Appointments Met On Time		99.81%	100.00%	100.00%	100.00%	100.00%	up	90.00%	
		Telephone Calls Answered On Time		83.28%	81.43%	62.15%	48.88%	68.26%	down	65.00%	
	Customer Satisfaction	First Contact Resolution		91	82.4%	90.9%	69%	68.8%			
		Billing Accuracy		99.76%	99.97%	99.97%	99.97%	99.97%	up	98.00%	
		Customer Satisfaction Survey Results		94	96%	94%	96%	91%			
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%	83.00%	83.00%	82.00%	82.00%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C	flat		C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	1	0	flat		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.661	0.000	flat		0.093
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		1.44	1.05	1.00	1.26	1.41	down		1.19
		Average Number of Times that Power to a Customer is Interrupted [2]		0.85	0.75	0.70	0.87	0.90	down		0.75
	Asset Management	Distribution System Plan Implementation Progress		On Track	n/a	n/a	83%	101%			
	Cost Control	Efficiency Assessment		2	2	2	2	2			
		Total Cost per Customer [3]		$627	$661	$655	$683	$731			
		Total Cost per Km of Line [3]		$27,766	$29,293	$29,692	$30,949	$33,103			
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 [4]		100.00%	100.00%						
		New Micro-embedded Generation Facilities Connected On Time		97.37%	100.00%	100.00%	100.00%	100.00%	up	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	**Financial Ratios**	Liquidity: Current Ratio (Current Assets/Current Liabilities)		2.52	2.07	1.91	2.01	1.64			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.80	0.75	0.73	0.75	0.70			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.36%	9.36%	9.36%	8.34%	8.34%			
			Achieved	6.43%	7.16%	1.33%	6.06%	7.39%			

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

2022 Scorecard Management Discussion and Analysis ("2022 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 2022 Scorecard MD&A:

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

Scorecard MD&A - General Overview

Burlington Hydro serves approximately 69,000 residential and commercial customers in the City of Burlington. It delivers electricity through a distribution network of over 1,500 kilometers with 32 Municipal Stations and 44 Station transformers. Burlington Hydro's strategic focus is on achieving excellence and continuous improvement across all aspects of its business including:

- Employee and community safety – Burlington Hydro has a Safety Department staffed with a full-time Director and two generalists at the manager and coordinator level that have part time safety responsibilities;
- Operational efficiency and reliability – Burlington Hydro has a digitized Control Room that is staffed 24x7 and increasingly uses automated systems to manage power flows; and
- Responsive customer service – Burlington Hydro delivers superior products to customers in safe and efficient manner, consistently exceeding the provincial average for overall customer satisfaction.

Burlington Hydro exceeded all performance targets in 2022, with the exception of System Average Interruption Duration Index ("SAIDI"), and System Average Interruption Frequency Index ("SAIFI"). Burlington Hydro has a culture of continuous improvement that ensures it delivers value through the services it provides to customers and the contributions it makes to the community. In addition, Burlington Hydro is committed to maintaining a strong asset base through responsible financial management, system renewal and innovation in order to meet the diverse and changing energy needs of the customers it serves.

Service Quality

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

The Ontario Energy Board's Distribution System Code (DSC) requires electricity distributors to connect a new service for customers (those utilizing connections under 750 volts) within five business days, 90% of the time. In 2022, Burlington Hydro connected 99.52% of 415 eligible low voltage residential and small business customers to its system within the five-day timeline mandated by the OEB. This is well above the OEB-mandated threshold of 90%. Burlington Hydro field staff manage the day-to-day activities of its field crews to ensure that this service quality measure and customers' needs are met.

- **Scheduled Appointments Met On Time**

Burlington Hydro Engineering Staff strive to meet customers' meeting requests and comply with industry standards. The OEB's DSC requires that for appointments during regular business hours, the electricity distributor must offer a window of time that is no longer than four hours and must arrive within that window 90% of the time. In 2022, Burlington Hydro met 100.0% of its scheduled appointments on time and exceeded this industry target. BHI uses an electronic calendar to schedule appointments, which is readily accessible by engineering and construction staff. The calendar supports tracking of appointments and ongoing monitoring of schedules (e.g., specific sites and customers); and facilitates meeting this service quality measure.

- **Telephone Calls Answered On Time**

The OEB's DSC requires that during regular call centre hours, call centre staff must answer online calls within 30 seconds of receiving the call, 65% of the time. In 2022, Burlington Hydro Customer Service representatives received 42,598 calls from its customers – more than 170 calls per working day. A customer service representative answered 68.26% of these calls in 30 seconds or less, above the industry target. Burlington Hydro will continue to train its staff as new programs and initiatives are rolled out, or as changes to those programs are announced, in order to ensure customer enquiries are addressed in an accurate and timely fashion. BHI will also continue to provide up-to-date information and FAQs regarding customer initiatives on its website.

Burlington Hydro maintains contact with its customers in many ways. In addition to receiving over 42,000 calls from customers, Customer Service processed 12,451 inbound pieces of mail, faxes and emails in 2022. In 2022 Burlington Hydro had 565,706 visitors to its website (www.burlingtonhydro.com):

- 44% by computer
- 54% by mobile device
- 2% by tablet

Customer Satisfaction

- **First Contact Resolution**

Burlington Hydro aims to address its customers' needs as quickly as possible and strives to resolve customers' concerns and issues the first time the customer contacts Burlington Hydro. The OEB requires electricity distributors to report on its success at meeting customers' needs the first time the electricity distributor is contacted. This metric is known as First Contact Resolution. For Burlington Hydro, First Contact Resolution is measured by inbound call sampling, performed on a monthly basis. Of the customers sampled throughout 2022, 68.8% indicated that their issue was resolved on the first call to Burlington Hydro. This is above the industry target of 65%, but below 2018 and 2019 performance levels due to Burlington Hydro's migration to a new Customer Information System ("CIS") in 2021, which required call backs in some circumstances as staff needed additional time off-line to navigate the CIS and fully address customers' needs. The majority of Burlington Hydro's Customer Service calls are categorized as action and information requests. Action and information request calls are initiated and completed by Customer Service representatives while they are on the phone with the customer, eliminating the need for customer call backs. Burlington Hydro also uses a number of online electronic request forms that customers are able to complete themselves; these forms contribute to a high rate of First Contact Resolution.

- **Billing Accuracy**

The OEB prescribes a measurement of billing accuracy which must be used by all electricity distributors. The measure has been defined as the number of accurate bills issued expressed as a percentage of total bills issued. In 2022, Burlington Hydro issued 827,959 bills, of which 827,742 or 99.97% were accurate. This significantly exceeds the prescribed OEB target of 98%. Burlington Hydro's continuous attention to detail and rigorous business management processes have contributed to a billing accuracy measure of 99.7% or higher over the last five years. The utility continues to monitor its billing accuracy results to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

Burlington Hydro's yearly customer satisfaction survey provides feedback that is critical to assessing its performance and services. It allows Burlington Hydro to keep abreast of customer expectations while making adjustments and improvements that align with customer needs. It also helps to ensure customer services are keeping pace with an evolving energy environment. The survey lets Burlington Hydro know how it is performing and identifies where there is room for improvement. The Customer Satisfaction Survey is conducted by UtilityPULSE, a division of Simul Corporation. UtilityPULSE conducts surveys on behalf of numerous Ontario LDCs. In its 2022 survey, Burlington Hydro scored:

- 91% for overall customer satisfaction;
- 87% of customers agree that Burlington Hydro provides consistent, reliable energy;
- 84% of customers agree that Burlington Hydro quickly handles outages and restores power;
- 83% of customers agree that Burlington Hydro deals professionally with customers' problems;
- 77% of customers agree that Burlington Hydro is customer-focused and treats customers as if they're valued; and
- 85% of customers agree that Burlington Hydro is a trusted and trustworthy company.

Safety

- **Public Safety**
  The Public Safety metric is generated for the OEB by the Electrical Safety Authority (ESA) and includes three components: (i) Public Awareness of Electrical Safety, (ii) Compliance with Ontario Regulation 22/04, and (iii) the Serious Electrical Incident Index.

- **Component A – Public Awareness of Electrical Safety**
  Burlington Hydro conducts a public awareness survey among a representative sample of its territory population. The survey measures awareness levels of key electrical safety concepts related to distribution assets and is based on a standard survey methodology developed by the ESA. Burlington Hydro's Public Safety Awareness score for 2022 was 82.0%. The initiatives that contribute to this level of awareness include:
  - Responding, as requested, to public inquiries received through hs@burlingtonhydro.com, Burlington Hydro's Health and Safety email box, or directly to the Safety Department. Inquiries include topics such as safety concerns regarding Burlington Hydro's system (downed wires after being struck by a dump truck, a leaning pole), tree trimming requests or downed branch concerns, and concerns regarding the condition of pad mounted transformers.
  - Delivered the Elementary School Electrical Safety Program to over 3,705 elementary school children in Burlington Hydro's service area for the 22nd year, using age-appropriate presentations. The program was presented "virtually" to ensure the safety of the children and the program presenter during the COVID-19 Pandemic.
  - In partnership with several Provincial LDCs and agencies, developed public safety messaging videos to help address the public knowledge gaps as identified during the public awareness survey. These short videos are on Burlington Hydro's safety portal posted through social media.
  - Ongoing safety messaging on social media platforms including Instagram, Twitter, Facebook and YouTube.
  - Participation on the City of Burlington's COVID-19 Emergency Control Group (ECG). The ECG met regularly to address issues from the pandemic and the impact on the community.
  - Burlington Hydro publishes an activity book featuring Lucky the Safety Squirrel. It is used to help supplement the school safety program, for use at the local safety village that has a hydro display, and for line crews to hand out to kids watching them making repairs.

- **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. Burlington Hydro continues to maintain compliance with Ontario Regulation 22/04 and was successful in the 2022 ESA audit with no deficiencies identified.

- **Component C – Serious Electrical Incident Index**
  The OEB requires electricity distributors to 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; or
  (c) any fire or explosion in 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, except a fire or explosion caused by lightning strike.

  Burlington Hydro reported no serious electrical incidents in its 2022 Public Safety Scorecard.

System Reliability

When customers see crews in the field it is because Burlington Hydro is taking steps and implementing the many programs geared towards maintaining and improving reliability, and minimizing outages including:

- Ongoing maintenance (e.g., insulator washing that prevents flash overs that cause outages, switch maintenance);
- Ongoing capital investments to install new electrical infrastructure and replace end-of-life infrastructure;
- Regular inspections of the system to identify worn or defective equipment (e.g., infra-red inspection; pole inspections; monitoring transformer 'health' by, among other things, performing dissolved gas analysis for Station transformers; following up on notices and guidance from manufacturers);
- Promptly addressing issues in the field (e.g., loose guy wires, holes around transformers); and
- Tree trimming to minimize contact with the distribution system.

When outages do occur, Burlington Hydro's Outage Portal and Outage Map provide its customers with vital tips on staying safe, relevant information on how power restoration is progressing and being prioritized, and other important 'need to know' information. Burlington Hydro's Control Room and field staff work around the clock to support the portal and outage map by identifying the root cause of an outage and establishing a plan that prioritizes service restoration to the greatest number of customers in the least amount of time. Ultimately, this service restoration plan is reflected in the Estimated Time of Restoration on the Outage Portal. The Outage Portal provides customer information on being prepared for an emergency, in addition to guidance on how to stay safe.

Whether it is direct contact with customer service representatives, website and mobile access to information, or getting critical updates via social media, Burlington Hydro actively listens to customers and ensures prompt communications whenever there is a power interruption.

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

An important feature of a reliable distribution system is recovering from power outages as quickly as possible. Electricity distributors must track the average length of time, in hours, that its customers experienced a power outage over the past year. This measure is known as the System Average Interruption Duration Index ("SAIDI"). In 2022, Burlington Hydro's customers experienced an average of 1.41 hours of power interruption. This average is above Burlington Hydro's target of 1.19 hours of power interruption per customer per year. The increase in this metric is driven by a number of adverse weather events as compared to previous years. Although these types of events are outside of Burlington Hydro's control, it takes steps to proactively address these types of outages through its ongoing vegetation management program.

- **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. Electricity distributors must track the number of times its customers experienced a power outage over the past year. This measure is known as the System Average Interruption Frequency Index ("SAIFI"). In 2022, Burlington Hydro's customers experienced an average of 0.90 interruptions, which was above Burlington Hydro's target of 0.75 interruptions per customer per year, driven by a number of adverse weather events as compared to previous years.

Asset Management

- **Distribution System Plan Implementation Progress**

Consistent with industry best practices, Burlington Hydro conscientiously invests in its distribution system to ensure the safe and reliable delivery of electricity; and upgrades or replaces equipment to be able to serve customers on a continuous basis. Burlington Hydro's Distribution System Plan ("DSP") identifies the forecasted capital expenditures over a five-year period required to meet these goals. The "Distribution System Plan Implementation Progress" measure is intended to assess Burlington Hydro's effectiveness at planning and implementing its DSP, and is measured as actual annual capital expenditures as a percentage of planned annual capital expenditures. In 2022, Burlington Hydro achieved 101% of its planned capital expenditures.

Cost Control

- **Efficiency Assessment**

Electricity distributors must manage their costs successfully in order to ensure customers are receiving appropriate value for the cost of service. The total costs for Ontario electricity distributors are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. Electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs.

Burlington Hydro was assigned to Group 2 for 2022, where a Group 2 distributor is defined as having actual costs 10% to 25% ***below*** predicted costs. In other words, Burlington Hydro's costs are below the average cost range for distributors in the Province of Ontario and it is considered a "more efficient" utility.

- **Total Cost per Customer**

Total cost per customer is calculated by Pacific Economics Group LLC as the sum of Burlington Hydro's capital and operating costs divided by the total number of customers that Burlington Hydro serves. Total cost per customer for 2022 was $731/customer, which is lower than the provincial average of $761 and represents a 7.0% increase over the 2021 cost of $683/customer.

Burlington Hydro's total Cost per Customer has increased on average by 3.8% per annum over the period 2018 through 2022. Similar to most distributors in the province, Burlington Hydro has experienced increases in its total costs required to deliver quality and reliable services to customers. Growth in wage and benefits costs for employees, growth in contractor costs, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs. Burlington Hydro will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts. Burlington Hydro will continue to implement productivity and improvement initiatives to help offset some of the costs associated with system improvement and enhancements.

- **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 Burlington Hydro operates to serve its customers. Burlington Hydro's 2022 cost is $33,103 per kilometer of line, which is higher than the provincial average of $25,492, and represents a 7.0% increase over 2021. Burlington Hydro continues to seek innovative solutions to help ensure its Cost per Km of Line remains competitive and within acceptable limits to its customers.

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 receiving a customer's application. Burlington Hydro received one application for Renewable Generation Facilities > 10 kW in 2022 and the CIA was completed within 60 days.

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

The OEB requires electricity distributors to connect new micro-embedded generation facilities (Net Metering projects of less or equal than 10 kW) 90% of the time within the prescribed time frame of five business days. In 2022, Burlington Hydro connected all 20 new micro-embedded generation facilities within the prescribed time frame of five business days. Burlington Hydro engages a consulting firm to assume overall responsibility for processing its connections.

Financial Ratios

Financial Ratios are used to determine various aspects of a company's operating and financial performance.

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

The Current Ratio measures whether the company has sufficient resources to meet its short term debts/obligations (due within the next 12 months). A current ratio of one or greater means a company can settle its short term debts with existing assets. Burlington Hydro's current ratio for 2022 was 1.64, a decrease of 0.37 from 2021.

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

The Total Debt to Equity Ratio measures the extent to which the assets of a company are financed by borrowing money. A debt-to-equity ratio of 1.00 means that half of the assets of a business are financed by debts and half by shareholders' equity. The OEB uses a deemed capital structure of 60% debt and 40% equity when establishing rates for electricity distributors. This deemed capital mix is equal to a debt equity ratio of 1.5 (=60/40). Burlington Hydro's total debt to equity ratio in 2022 was 0.70.

Burlington Hydro's conservative approach to managing its capital structure has served both it and its customers well in the past. Maintaining a lower debt to equity ratio enables Burlington Hydro to fulfill government directives and policy initiatives, and support the financial consequences of contingencies (e.g., extreme weather) without impairing its ability to meet its financial obligations.

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

Burlington Hydro's current distribution rates were approved by the OEB in a Settlement Agreement EB-2020-0007 and include an expected (deemed) regulatory return on equity of 8.34%. The OEB allows electricity distributors to earn within +/- 3% of the deemed 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**

Burlington Hydro's regulatory return on equity achieved in 2022 was 7.39%, within the 5.34% - 11.34% range allowed by the OEB. The 2022 return on equity was lower than the deemed return on equity of 8.34% primarily due to lower distribution revenue and higher operations and maintenance expenditures than anticipated.

Note to Readers of 2022 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.