

Scorecard - Westario Power Inc.

Performance Outcomes	Performance Categories	Measures	2018	2019	2020	2021	2022	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	90.61%	91.83%	95.43%	96.24%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	96.40%	95.02%	97.33%	99.52%	99.89%	↑	90.00%		
		Telephone Calls Answered On Time	86.92%	85.86%	86.73%	88.45%	86.03%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	98.95	97.18%	98.19	98.83%	99.01				
		Billing Accuracy	99.93%	99.77%	99.61%	99.78%	99.81%	↓	98.00%		
		Customer Satisfaction Survey Results	92.00	95.0%	94.0	94.00%	94				
<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	82.00%	83.00%	83.00%	84.00%	84.00%				
		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>	0.58	1.12	1.92	1.79	1.55	↑		2.37	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	0.21	0.38	0.50	0.73	0.67	↓		0.62	
	Asset Management	Distribution System Plan Implementation Progress	Completed	Completed	Completed	Completed	Completed				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer <sup>3</sup>	\$575	\$601	\$588	\$610	\$691				
		Total Cost per Km of Line <sup>3</sup>	\$24,850	\$25,517	\$24,427	\$25,340	\$28,680				
<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%	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)	1.40	1.27	1.26	1.05	0.80				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.73	0.65	0.70	0.66	0.78				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	9.00%	9.00%	9.00%			
			Achieved	10.10%	10.99%	8.77%	7.01%	5.09%			

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

### Scorecard MD&A - General Overview

In 2022, Westario Power Inc. (“WPI” or “Westario Power”) exceeded most performance targets. Westario Power saw a decrease in reliability in the last several years but is happy to report that in 2022, the SAIFI and SAIDI have improved and that the five-year rolling average exceeds the distributor-specific target. The general trend has resulted in excellent system reliability performance overall.

WPI had a good year from a performance standpoint. The utility met or exceeded the Ontario Energy Board (OEB) performance measures set for every Performance Outcome. The company’s 2022 service quality remained above all industry targets.

As evidenced by service quality, customer satisfaction, and system reliability measures, WPI continued to provide excellent customer service with a very high level of reliability in 2022. The financial measures show that WPI remains a stable and financially strong Ontario distribution company.

In 2022, WPI was committed to exceeding the OEB-set performance measures and preserving previous years’ results. The performance improvements expected are due to WPI’s unwavering focus on making the necessary investments that will permit its employees to operate the distribution company with a high level of reliability and by responding to customer input concerning the types of improvements and investments they expect from the company.

## Service Quality

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

WPI must connect new service for the customer within five business days, 100% of the time, unless the customer agrees to a later date. This timeline depends on the customer meeting specific requirements ahead of time (such as no electrical safety concerns in the building, customer's payment information complete, etc.)

The 2022 result of 100% was the highest attained over the five years. This is above the industry standard of 90% for all Local Distribution Companies ("LDCs") in Ontario. WPI achieved this excellent result due to efficient connection procedures and a focus on providing excellent customer connection service.

- **Scheduled Appointments Met On Time**

For appointments during a utility's regular business hours, the utility must offer a window of time that is not more than four hours long and must arrive within that window 90% of the time.

In 2022, WPI's experience meeting the Scheduled Appointments Met on Time metric of 96.89% exceeded the industry target of 90%. This metric has continued to rise and stayed above this industry target for five years. 2022 metric results were the best over the five years at 99.5%. Westario continues to experience a high demand for services within an expansive territory. WPI's process for completing appointments during the utility's regular business hours and offering a window of time that is not more than four hours long is a condition that WPI strives to meet. WPI aims to continue meeting all appointments on time.

- **Telephone Calls Answered On Time**

During regular call centre hours, the utility's staff must answer phone calls within 30 seconds of receiving the call or having it transferred to them 65% of the time.

WPI believes providing a better customer experience will help foster customer loyalty and advocacy. Customer loyalty is built through great customer experiences that exceed expectations. WPI believes that enhancing WPI's customer experience will allow customers to perceive WPI's service offerings as high-value-added items. For the Telephone Calls Answered within 30 Seconds metric, WPI maintained high percentages for qualified incoming calls during regular call centre hours at 86.03% for calls received directly or of having the call transferred. This performance exceeds the OEB target for a timely call response of 65%.

Westario Power continues to improve its accessibility by continually amending its website to provide a more user-friendly format to enhance its customer's experience.

WPI continues to utilize self-serve web tools and portals like MyHydroEye, an electronic billing portal, a customer consumption portal, online forms and applications, and department-specific email addresses to make engaging with WPI staff easier.

In addition, WPI manages several social media platforms, such as Facebook, Twitter (now X), and LinkedIn, to educate and inform their customer base on initiatives such as safety and energy conservation.

## Customer Satisfaction

- **First Contact Resolution**

WPI aims to address its customers' needs as quickly as possible. Ideally, their concerns and issues can be resolved the first time the customer contacts Westario Power. WPI must report on its success at meeting a customer's needs the first time WPI is contacted. First Contact Resolution can be measured in various ways, and further regulatory guidance is necessary to achieve meaningful comparable information across electricity distributors.

Westario Power tracks First Contact Resolution in its Customer Information System (CIS) tracking First Contact Resolution by using contact logs within the CIS.

Westario has measured First Contact Resolution based on the outcome of the initial contact via telephone. No further action was required on 99.01% of initial customer connections, which continuously improved from the previous 5 years. Westario Power continues to review its processes and find ways to enhance the customer experience further.

- **Billing Accuracy**

An essential part of the business is ensuring the customer's bills are accurate. Westario Power must report on its success at issuing accurate customer bills.

In 2014 Westario Power initiated the tracking and measuring Billing Accuracy using contact logs and computer-generated reports.

Through the efforts of the billing staff and continuous improvements of the billing process, WPI supported a billing accuracy metric of 99.81% for 2022.

- **Customer Satisfaction Survey Results**

WPI uses different ways to determine how satisfied their customers are with the service they receive. WPI must report the results of whatever customer satisfaction surveys it uses.

WPI retained the services of an independent third party to conduct a bi-annual Customer Engagement Survey via telephone in 2021.

The primary objective is to measure customer perceptions and attitudes quantitatively. Specifically, the study sought to determine overall satisfaction with the quality of service offered by WPI, determine overall satisfaction with the reliability of the usefulness provided, assess customers' satisfaction with the quality of customer service, assess customers' perceptions of operating and capital expenditures; and provide customer feedback on areas of improvement.

Westario Power's 2020/2021 Customer Satisfaction Study is still in effect in 2022 and shows overall satisfaction of 94%, slightly down compared to the previous bi-annual survey. WPI's overall quality of service at 94% is better than the provincial average. The next survey is scheduled for the fall of 2023. Westario continues to train staff to provide the highest professionalism and service to translate into a more positive customer experience.

## Safety

- **Public Safety**

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

The apparatus used to run an electricity system can be extremely dangerous. Because equipment such as power lines and poles can be located in public areas, the utility must prevent electrical accidents or incidents involving the public. One way is to provide information about safety risks and precautions when near this equipment.

The Public Awareness of Electrical Safety Survey involves a new statistical survey gauges the public's awareness of critical electrical safety concepts related to electrical distribution equipment in WPI's service area. It measures the level of effort placed by distributors on preventing electrical accidents. It provides a benchmark of the levels of awareness, including identifying gaps where additional education and awareness efforts may be required. This is the first year for providing province-wide standardized reporting on this measure. WPI conducts a survey every two years that measures the effort made to raise public awareness about these risks.

Results are based on a telephone survey (Random Digit Dialing) among Members of the General Public, 18 years or older, residing within the 2022 participating LDCs' geographic service territories. The data has been statistically weighted according to Canadian census figures (2016) for age, gender and region.

The following six core measurement questions asked corresponds to the six most frequent incidents involving utility equipment in Ontario over the last decade:

- Likelihood to “call before you dig.”
- Impact of touching a power line
- The proximity of an overhead power line
- The danger of tampering with electrical equipment
- Proximity to downed power line
- Actions taken in the vehicle that establish contact with wires

This survey and previous surveys of the public in your service territory about electrical safety show many respondents have good knowledge or have received some information about the 6 core measurement questions. The Combined Overall Public Safety Awareness Index Score is 84%.

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

Ontario Regulation 22/04 – Electrical Distribution Safety sets out safety standards that utilities must follow in their operations – for example, ensuring proper procedures are in place to prevent accidents or incidents, keeping the system in safe working condition, etc.

WPI must demonstrate how well it met the standards by providing declarations, audit results, inspection reports and other documentation. For 2022, Westario Power did not receive a complaint with Ontario Regulation 22/04. WPI will continue to maintain compliance with Regulation 22/04.

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

Westario Power must 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 accidental 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;
- c. any fire or explosion in any part of a distribution system operating at or above 750 volts that caused, or had the potential to cause, death or critical injury to a person, except a fire or explosion caused by a lightning strike.

For the Scorecard, WPI reports the number of incidents and how often they happen for every 10, 100 or 1,000 kilometres of line WPI operates. This reflects the different sizes of WPI's service areas.

WPI did not have any serious electrical incidents in 2022. Westario strives to provide safety information and outline the dangers that all customers must know before working around power lines and equipment. This includes calling WPI's offices to obtain locates before digging and getting references to respective codes. All information is provided free of charge to members of the public and all other interested parties. Westario strives to communicate safety throughout our distribution system through various methods, including safety orientations, online, and telephone.

## System Reliability

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

An essential feature of a reliable distribution system is recovering from power outages quickly. WPI must track the average length of time, in hours, that its customers have experienced a power outage over the past year.

For 2022, WPI's average number of hours that power to a customer was interrupted was 1.55 hours which is lower than its distributor target of 2.37 hours. Interruptions are attributed mainly to loss of power/ loss of supply caused by being an embedded distributor to Hydro One, who lost power due to severe weather.

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

Another essential feature of a reliable distribution system is reducing the frequency of power outages. WPI must track the times its customers have experienced a power outage over the past year.

For 2022, WPI's average number of times that power to a customer was interrupted was 0.67 times. This is higher than its distributor target of 0.62 times. Most occurrences are attributed to loss of power/ loss of supply caused by being an embedded distributor to Hydro One, who lost power due to severe weather.

## Asset Management

- **Distribution System Plan Implementation Progress**

Westario Power's Distribution System Plan (DSP) is complete and included in WPI's 2018 Cost of Service rate application filed in 2017. The DSP filed covered a five-year plan for the years 2018-2022.

## Cost Control

- **Efficiency Assessment**

Westario Power must manage its costs successfully to help assure its customers they are receiving value for the cost of the service they receive.

WPI's total costs are evaluated to produce a single efficiency ranking. These rankings are separated into five groups determined by the difference between each utility's actual and predicted costs. Utilities whose actual costs are lower than predicted are considered more efficient and will be assigned to Group 1 or Group 2. Utilities with similar actual and predicted costs will be given to Group 3. Utilities with higher than predicted costs will be assigned to Group 4 or Group 5.

For 2022, WPI has been assigned to Group 3, an average performer whose actual costs are close to those predicted. Westario Power strives to achieve greater efficiency through productivity improvements and cost control without compromising the safety and reliability of the distribution system.

- **Total Cost per Customer**

Total cost is the sum of all the costs incurred by WPI to provide service to its customers. This amount is then divided by the WPI's total number of customers to determine the Total Cost per Customer. The results are indicative of stable and effectively planned maintenance and replacement programs.

Westario Power achieved a Total Cost per Customer of \$691, an increase of \$81 (13.2%) from the previous year. Westario continues to monitor and manage its cost structure to balance cost effectiveness while ensuring the reliability and safety of the distribution system.

WPI's increase is a one-time increase expected to normalize to pre-2020 levels in 2023.

- **Total Cost per km of line**

Total cost is the sum of all the costs incurred by WPI to provide service to its customers. This amount is then divided by the number of



kilometres of line WPI operates to determine the Total Cost per km of line.

Westario Power achieved a Total Cost per km of line of \$28,680, resulting in an increase of 13.2% compared to 2021. As noted above, WPI continues to monitor and manage its distribution system cost-effectively while ensuring maintenance and capital investments are undertaken to maximize both safety and reliability for its customers.

## Connection of Renewable Generation

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

WPI must complete a connection impact assessment for a renewable generator within a certain timeline and report to the Board on how well it met those timelines.

In 2022, no Feed-In Tariff (FIT) connection impact assessments were required.

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

WPI must connect smaller generators, producing less than 10kW of power, within five business days, 90% of the time, unless the customer agrees to a later date. These generators are known as “micro-embedded generation facilities.” The timeline depends on the customer meeting specific requirements ahead of time.

In 2022, 100% of the required Micro Feed-In Tariff (Microfit) connections were connected on time.

## Financial Ratios

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

Financial ratios are commonly used to measure a company's financial health. The Current Ratio measures whether or not a company has enough resources (assets) to pay its debts (liabilities) over the next 12 months.

WPI's 2022 Current Ratio is 0.80. This ratio is lower than 1, which generally indicates good financial health. The ratio in 2022 should improve due to acquiring additional long-term debt, which aligns with Westario's strategy of aligning long-term assets with long-term liabilities.

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

Total Debt to Equity Ratio measures the degree to which a company leverages itself through borrowing money.

Westario's 2022 Total Debt to Equity Ratio decreased to 0.78 compared to 2021's ratio of 0.66. This slight change reflects Westario's ability to operate and maintain a safe and reliable distribution system by funding new capital projects with revolving debt supported by positive operating results.

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

Return on equity is the rate of return WPI can earn through its distribution rates, as approved by the Ontario Energy Board.

The rate of return that the Ontario Energy Board had determined in the utility's 2018 Cost of Service was 9.0%.

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

The Achieved Return on Equity shows Westario Power's actual Return on Equity earned in the year.

WPI earned a Return on Equity of 5.09% in 2022, which has weakened from 7.01% in 2021. A lower achieved ROE indicates a need to rebalance rates with actual costs. WPI intends to file a Cost of Service application for 2024 rates re-establishing expenses and revenues that show a healthier return on equity.

## Note to Readers of 2021 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 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. It could be markedly different in the future.