

Scorecard - Oakville Hydro Electricity Distribution Inc.

Performance Outcomes	Performance Categories	Measures	2013	2014	2015	2016	2017	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	95.40%	90.70%	94.60%	81.20%	97.03%	↓	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
		Telephone Calls Answered On Time	82.10%	81.50%	80.60%	72.80%	80.62%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution	98.9%	99%	98.5	96.8	96.6				
		Billing Accuracy		99.92%	99.91%	99.92%	99.99%	↑	98.00%		
		Customer Satisfaction Survey Results	93%	92%	92%	92%	90				
<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			80.00%	80.00%	83.00%				
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	C	NI	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>	0.69	0.46	0.48	0.50	0.50	↓		0.63	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	1.01	0.58	0.58	0.90	0.79	↓		0.94	
	Asset Management	Distribution System Plan Implementation Progress		On Track	On Track	On Track	On Track				
	Cost Control	Efficiency Assessment	4	4	3	3	3				
		Total Cost per Customer <sup>3</sup>	\$730	\$720	\$732	\$720	\$695				
Total Cost per Km of Line <sup>3</sup>		\$26,377	\$26,116	\$26,730	\$26,324	\$25,630					
<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).	Conservation & Demand Management	Net Cumulative Energy Savings <sup>4</sup>			23.00%	42.41%	75.87%			92.39 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	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)	1.80	1.59	1.53	1.48	1.56				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.18	1.09	1.08	1.06	1.02				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.85%	9.36%	9.36%	9.36%	9.36%			
			Achieved	6.03%	9.94%	9.35%	10.71%	9.69%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).  
 2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. 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. The CDM measure is based on the new 2015-2020 Conservation First Framework.

**Legend:**

5-year trend  
 up down flat

Current year  
 target met target not met



## 2017 SCORECARD MANAGEMENT DISCUSSION AND ANALYSIS ("2017 SCORECARD MD&A")

### 2017 SCORECARD MD&A - GENERAL OVERVIEW

Oakville Hydro is the Town of Oakville's electricity distribution company. We strive to provide the best energy and conservation solutions to our more than 70,000 customers. We are focused on delivering safe, reliable and affordable power to our residential and business customers, and provide electricity Conservation and Demand Management (CDM) programs that help customers reduce their energy use or shift their energy use to off-peak times.

We are pleased to report that we performed well in all scorecard measures in 2017, exceeding industry standards and distributor based targets set by the OEB.



### 2017 HIGHLIGHTS

**Customer Focus:** At Oakville Hydro, we strive to provide overall excellence in customer service quality and satisfaction. In 2017, we exceeded the industry targets related to service quality and customer satisfaction. This is reflected in our annual customer satisfaction survey score, where our customers ranked us higher than the average electricity distributor both in Ontario and across Canada.

**Safety:** The safety of the public and our employees is our top priority. In 2017, we continued our public safety awareness campaign, which is designed to educate the public on how to keep safe around electrical lines and equipment. Those Oakville residents that participated in the 2017 public safety survey achieved a score of 83% - a three per cent increase in just two years.

**System Reliability:** Providing the safe, reliable distribution of electricity to our customers is our top priority. On average, our customers were only without power for 0.5 hours or 30 minutes in 2017.

**Asset Management and Cost Control:** In 2017, we reduced our cost per customer by 3.5%, through continuous efficiency efforts. We achieved this performance improvement while delivering on our planned infrastructure investment and asset maintenance program.

**Conservation and Demand Management:** In 2017, our customers achieved tremendous energy reductions. We are just halfway through the Government's six-year conservation framework and we have achieved savings of 70 GWh – 75.87% of our six-year target.

For more information about the scorecard, please visit the Ontario Energy Board's website to access "Scorecard - Performance Measure Descriptions". This document provides the technical definition, plain language description and how the measure may be compared for each of the Scorecard's measures in the 2017 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)

## CUSTOMER FOCUS MEASURES



Our goal is to be the best in the eyes of our customers, employees and stakeholders. In 2015, we embarked on an ambitious multi-year program to develop and implement a long-term Customer Service – Vision and Strategy. Our ‘Journey to Customer Service Excellence’ program maps out our key strategies for achieving this outcome. Through this, we seek to gain a more profound understanding of our customers – not only their needs for ongoing delivery of services, but also their preferences on how they wish their relationship with us to evolve.

We understand that our customers expect:

- ✓ Accurate bills that are timely and easily understood
- ✓ Easy access to account information through self-serve options
- ✓ To be able to connect with our team with questions and concerns and to find quick solutions to any issues

### **Oakville Hydro’s Customer Service Vision**

***‘Leading the way in creating superior customer experiences in Ontario’***

## SERVICE QUALITY

### **NEW RESIDENTIAL/SMALL BUSINESS SERVICES CONNECTED ON TIME**

In 2017, the Town of Oakville experienced continued customer growth. Our field staff connected approximately 1,800 new services for residential and small business customer under 750 volts, an increase of more than 12.5% as compared to 2016. We are required to complete these connections within the five-day timeline prescribed by the OEB - 90% of the time. Despite the large increase in new connections, we were able exceed the target and connect over 97% of our new customers within the five-day timeframe required by the OEB.

### **SCHEDULED APPOINTMENTS MET ON TIME**

In 2017, we scheduled approximately 1,200 appointments with our customers to complete requested work, read meters or reconnect services. For the five-year period from 2013 through 2017, we have consistently met 100% of our scheduled appointments, a significant accomplishment.

## TELEPHONE CALLS ANSWERED ON TIME

In 2017, we answered over 50,000 calls from our customers – that equates to more than 200 calls per day. Our customers are important to us and we strive to provide them with personalized interaction with our customer care staff when they need us. In 2017, we answered more than 80% of the calls within 30 seconds. That is well above the OEB's requirement to answer 65% of the calls that it receives within 30 seconds. For the period 2013 through 2017, we have consistently provided a higher quality of service than the industry standard.

We were able to achieve these strong results through several initiatives that have enhanced our communications capabilities:

- ✓ Increased in-bound telecom capacity into both Oakville Hydro and after-hours Outage Call Centre
- ✓ Engaged an industry-knowledgeable/trained after-hours Power Outage Call Centre agent team with extensive ramp-up capacity
- ✓ Engaged and trained "Service Oakville's" team to enhance call capacity and communications during these significant service events

## CUSTOMER SATISFACTION MEASURES

### FIRST CONTACT RESOLUTION

We strive to resolve customer inquiries during the initial contact. If there is a need to call a customer back or to escalate the question or complaint, the event is logged. The measure for First Contact Resolution is calculated as the number of customer contacts not resolved with the first contact, divided by the total number of customer contacts. In 2017, we served 96.6% of customer contacts on the first contact.

### BILLING ACCURACY

We know that providing our customers with accurate and timely bills is imperative, and, since we started tracking our billing accuracy in 2014, we have consistently achieved a score of 99.9% accuracy.

### CUSTOMER SATISFACTION SURVEY RESULTS

Our Customer Satisfaction Survey provides us with valuable feedback to support future customer education programs and identify areas where there is room to improve our level of customer engagement, communication and service. Through the survey, our customers told us that we are highly trusted, provide an excellent quality of service and deliver on our service commitments.



In our 2017 Scorecard, we reported on the number of customers that were “very or fairly satisfied with Oakville Hydro”. Our customers gave us a score of 90% on this measure compared with an average score of 89% nationally and 84% for other electricity distributors in Ontario. Our attention to customer service has enabled us to achieve a higher score than the average of our peers in Ontario and across Canada.

In addition to the annual Customer Satisfaction Survey, and to complement that feedback, we have introduced transactional surveys to gather feedback from our customers regarding their recent interactions with us and to analyze the results to improve processes.

The transactional surveys are completed to complement our annual customer satisfaction surveys and allow us to keep a finger on the pulse of day-to-day customer interactions. To-date the results are excellent, with an overall satisfaction rating from customers of 4.93/5.

## OPERATIONAL EFFECTIVENESS MEASURES

The operational effectiveness measures show how we have achieved productivity and cost savings while delivering safe, reliable electricity to homes and businesses across Oakville.

### PUBLIC SAFETY

83%

#### PUBLIC AWARENESS OF ELECTRICAL SAFETY

We conduct a public safety awareness survey every two years to measure the level of awareness in Oakville. In 2017, approximately 400 people, over the age of 18, were asked six safety related questions that correspond to the most frequent incidents involving electrical equipment. Our residents achieved a score of 83%, a three per cent improvement since the last survey in 2015.

#### COMPLIANCE WITH ONTARIO REGULATION 22/04



Ontario Regulation 22/04 - Electrical Distribution Safety, establishes electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned that we own. The regulation requires the approval of equipment, plans and specifications as well as the inspection of electrical equipment before it is put into service. Each year, we engage an independent auditor to conduct an audit of our compliance with the regulation annually.

**Be Safety Savvy**

Oakville Hydro is conducting a Public Electrical Safety Survey via telephone in February and March.

Learn the answers to these safety questions, it may save you or your loved one's life!

<b>If you're digging to build a deck, how likely are you to get a utility locate?</b> <i>Definitely - always call Ontario One Call before you dig, it's the law</i>	<b>How dangerous is it to try to open, remove contents, or touch electrical equipment located in steel cabinets?</b> <i>Very dangerous</i>
<b>How close can you come to a downed power line?</b> <i>Maintain a distance of 10 metres (33 feet) or more</i>	<b>How close can you safely come to an overhead power line?</b> <i>3 to 6 metres</i>
<b>What do you do if an overhead power line comes down on your vehicle?</b> <i>Stay in the vehicle until power has been disconnected from the line</i>	<b>How dangerous is it to touch an overhead power line?</b> <i>Very dangerous</i>

We are committed to ensuring that our distribution system is safe and that it complies with all electrical safety requirements. In 2017, we received a “Compliant” rating for the third consecutive year.

### SERIOUS ELECTRICAL INCIDENT INDEX

The Serious Electrical Incident Index measures the number and rate of serious electrical incidents involving the public and occurring on our distribution assets. Our first priority is safety. We are proud of our record of not having any serious electrical incidents relating to our distribution assets in the five-year period measured by the scorecard.



A highlight of our 2017 public safety campaign was the release of a series of five short videos focusing on a variety of public safety topics. Production of these videos was a collaborative effort amongst several local distribution companies. The recently released safety video program is part of our award winning ‘Stayin’ Alive’ Safety Program and supports our commitment to public safety. We also have a wide-ranging social media program that places a strong emphasis on public safety.

On May 17, we cohosted a Powerline Safety Awareness seminar for overhead and underground contractors in Halton Region with Burlington Hydro, the Electrical Safety Authority and the Ontario Ministry of Labour. The event included presentations from the Infrastructure Health and Safety Association (IHSA), Electrical Safety Authority (ESA) and other organizations to promote educational awareness when working near power facilities. Over 100 contractor resources attended this important safety session.



We are also an active participant in the ESA’s Community Powerline Safety Alliance. This ESA-sponsored group meets to discuss best practices and approaches for promoting powerline safety awareness within the communities the Alliance members serve.

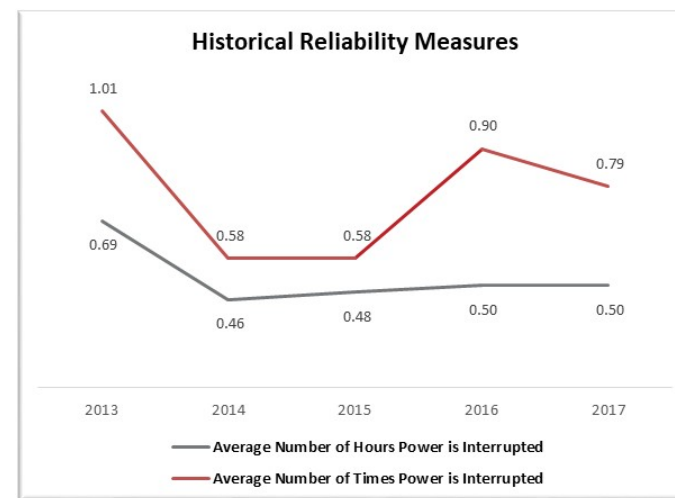
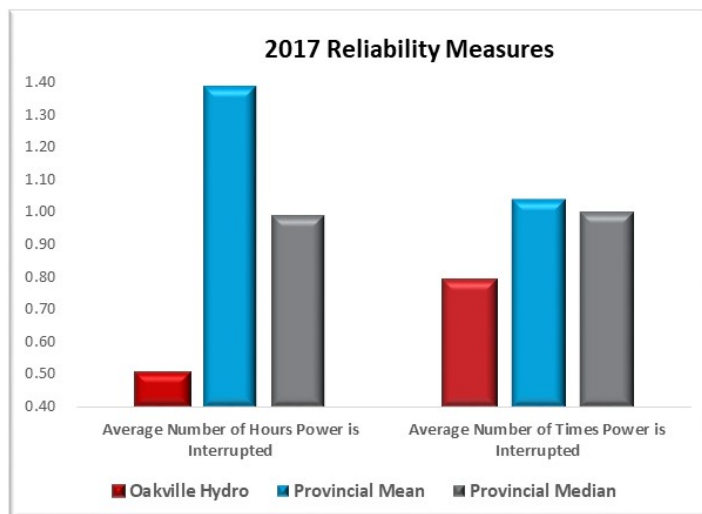
## SYSTEM RELIABILITY

### AVERAGE NUMBER OF HOURS THAT POWER IS INTERRUPTED & AVERAGE NUMBER OF TIMES THAT POWER IS INTERRUPTED

Our reliability statistics compare favourably to those of the other electricity distributors in Ontario, for both the average number of interruptions and the average number of hours of interruption. Throughout 2017, our customers experienced, on average, 0.79 power interruptions. On average, our customers were without power for 0.5 hours or 30 minutes.

Our reliability measures are a clear indicator of the effectiveness of our asset management program. In 2017, we ranked second out of the nineteen electricity distributors with over 50,000 customers in Ontario in the OEB's reliability measure of the average number of hours that power to a customer was interrupted and fourth in the number of times that power to a customer was interrupted.

We have consistently provided a high level of reliability to our customers over the five-year period 2013 to 2017 reported in our scorecard.



Our Outage Management System, system automation and vegetation management program all contributed to providing exceptional service reliability performance in 2017, with the following industry-leading results:

- ✓ Index of Reliability (IOR) – 0.999943
- ✓ System Average Interruption Frequency Index (SAIFI) – 0.79
- ✓ System Average Interruption Duration Index (SAIDI) – 0.50 hours

Our real-time outage map provides a visual representation of current power outages allowing customers to view the status of the outage and area affected. The OMS has also enhanced our own visibility of the state of the distribution system, from front line office staff to senior management.

Our distribution system is one of the most automated distribution systems in the province, with 219 automated switches across the system allowing us to restore power remotely and reduce the length of power outages.

Through our partnership with the Town of Oakville's Forestry team, we have established a 'best in class' line clearance program for our service territory minimizing downed lines in the event of a wind or ice storm.





## ASSET MANAGEMENT

### DISTRIBUTION SYSTEM PLAN IMPLEMENTATION PROGRESS

Asset management involves the process of developing, operating, maintaining, upgrading, and disposing of assets cost-effectively. In 2013, we submitted our Distribution System Plan (“DSP”) to the Ontario Energy Board as part of our 2014 cost of service rate application. Our DSP describes our plans for infrastructure investments and maintenance activities for 2014 to 2018. The Distribution System Plan Implementation Progress measure evaluates our effectiveness in implementing our plans. We are on track to implement the plans set out in the DSP by the end of 2018.

We were able to achieve this through the implementation of new systems and processes that have automated our asset management records. We can now generate a health score for each of our assets. This allows us to prioritize our asset maintenance and replacement decisions and optimize our investments throughout the lifecycle of the asset.

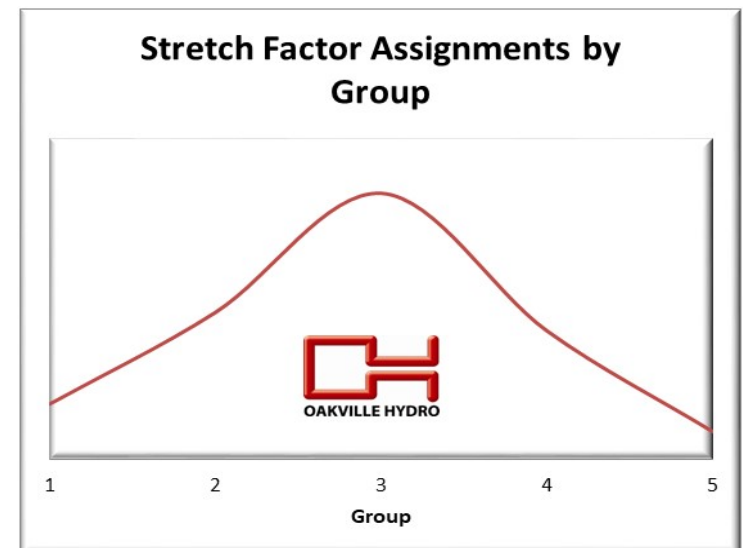
*To learn about how we are investing in our renewing and expanding our infrastructure, visit our website at [www.oakvillehydro.com](http://www.oakvillehydro.com)*

## COST CONTROL

### EFFICIENCY ASSESSMENT

Each year, the OEB engages a third party, the Pacific Economics Group, to evaluate the total costs for Ontario’s local electricity distribution companies to produce an efficiency ranking. Electricity distributors are assigned to one of five groups based on the magnitude of the difference between their individual actual and predicted costs. In Ontario, approximately 50% of LDCs are in ranked in Group three.

In 2017, we improved our efficiency factor ranking within Group three. We were able to achieve this performance improvement while delivering on our planned infrastructure investment and asset maintenance program.



## TOTAL COST PER CUSTOMER

The total cost per customer is calculated as the sum of our capital and operating costs divided by the total number of metered customers that we serve. In 2017, our Operating, Maintenance and Administration (OM&A) costs per customer of \$249 was lower than the provincial average of \$322 per customer, while our capital cost per customer of \$446 was higher than the provincial average of \$338. As a result, our total cost per customer of \$695 was 5% higher than the provincial average.

Cost Per Customer	OM&A	Capital	Total
Oakville Hydro	\$ 249	\$ 446	\$ 695
Provincial Average	\$ 322	\$ 338	\$ 660

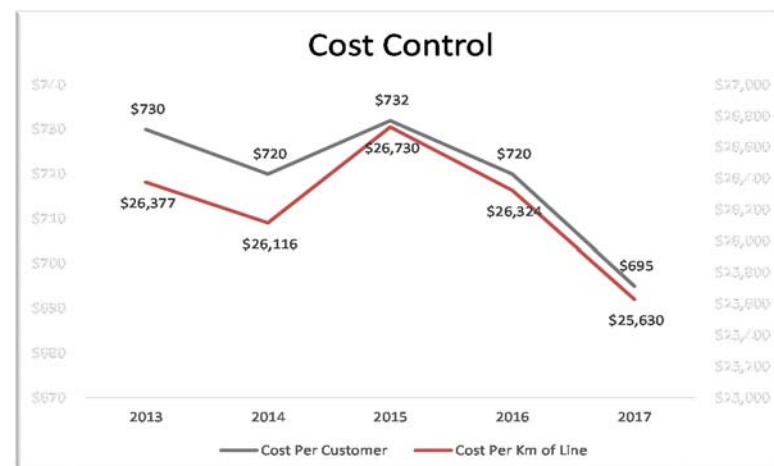
## TOTAL COST PER KM OF LINE

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometres of distribution lines that we maintain and operate to serve our customers. Our operating cost per kilometres of \$9,173 is lower than the provincial average of \$13,203 per kilometre while our capital cost per kilometre of \$16,458 is slightly higher than the provincial average of \$13,726. As a result, our total cost per kilometre of \$25,630 is 9% lower than the provincial average of 26,929.

Cost Per km of Line	OM&A	Capital	Total
Oakville Hydro	\$ 9,172	\$ 16,458	\$ 25,630
Provincial Average	\$ 13,203	\$ 13,726	\$ 26,929

## HISTORICAL RESULTS

Like other electricity distributors in the province, we have experienced cost pressures associated with the delivery of reliable services to our customers. Inflationary pressures, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased costs. Despite these pressures, we were able to decrease our total cost per customer by 3.5% in 2017, as compared to 2016, through the implementation of cost containment and efficiency initiatives.



## PUBLIC POLICY & RESPONSIVENESS

### NET CUMULATIVE ENERGY SAVINGS

We have now completed our third year of the Province's six-year conservation framework. This framework, the Conservation First Framework, is designed to reduce electricity consumption in Ontario by seven terawatt-hours (TWh) or seven million gigawatt-hours (GWh) by December 31, 2020. We have been assigned a target of 92.39 GWh over the six-year period. In 2017, we delivered new and exciting pilot programs to our customers who achieved tremendous results.

In 2017, we reached out to customers in a variety of ways including:

- ✓ Town bus displays
- ✓ Community events such as trade and home shows
- ✓ Hosting events at local Home Depot stores for "Deal Days,"
- ✓ A Spring and Fall conservation booklet which provided great ideas on how to save energy

We are committed to energy conservation and to ensuring that existing and future CDM programs are a cost-effective resource for addressing the long-term energy requirements for residences and businesses throughout Ontario. In 2017, we had an exceptional year and achieved cumulative savings of approximately 70 GWh or 75.87% of our target savings towards our six-year target of 92.39 GWh.

## CONNECTION OF RENEWABLE GENERATION

### RENEWABLE GENERATION CONNECTION IMPACT ASSESSMENTS COMPLETED ON TIME

As an electricity distributor, we are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving authorization from the Electrical Safety Authority. In 2017, we completed 315 CIAs for our customers and each one was completed within the prescribed time limit.

### NEW MICRO-EMBEDDED GENERATION FACILITIES CONNECTED ON TIME

In 2017, Oakville's customers installed 24 new micro-embedded generation facilities (projects less than 10 kW). We were able to connect all of these generation facilities within the prescribed timeframe of five business days.



# FINANCIAL PERFORMANCE

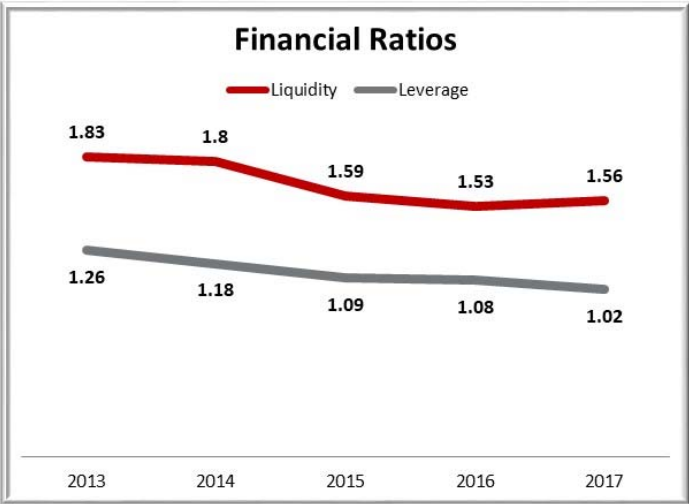
## FINANCIAL RATIOS

### LIQUIDITY: CURRENT RATIO (CURRENT ASSETS/CURRENT LIABILITIES)

As an indicator of financial health, a current ratio that is greater than one indicates that the company can pay its short-term debts and financial obligations. Companies with a ratio of greater than one 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. We continue to be in a strong financial position with a current ratio of 1.56 in 2017.

### 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 when establishing electricity distribution 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. Since 2013, we have maintained a debt to equity structure of less than 1.5.



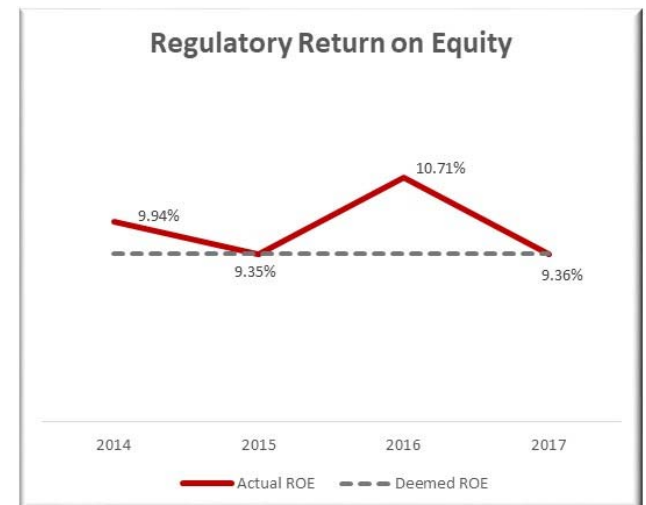
## PROFITABILITY

### REGULATORY RETURN ON EQUITY – DEEMED (INCLUDED IN RATES)

In 2014, the OEB approved the current deemed regulatory return on equity of 9.36% through a cost of service application process. The OEB permits distributors to earn within +/- 3% of the deemed return on equity. When a distributor performs outside of this range, the OEB may initiate a regulatory review of the distributor's revenue and cost structure.

### REGULATORY RETURN ON EQUITY – ACHIEVED

In 2017, we earned a regulatory return on equity of 9.69%, which is well within the OEB's range of +/- 3% of the deemed rate of 9.36%. We strive to control our costs, as a result, we were able to achieve our regulated rate of return while lowering our costs per customer. We are well positioned to meet the needs of the growing community and continue to provide the value of service that our customer expect.



## NOTE TO READERS OF 2017 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.