

Scorecard - Burlington Hydro Inc.

Performance Outcomes	Performance Categories	Measures	2013	2014	2015	2016	2017	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	96.70%	91.10%	98.30%	96.70%	97.72%	↑	90.00%		
		Scheduled Appointments Met On Time	99.30%	99.30%	99.60%	100.00%	100.00%	↑	90.00%		
		Telephone Calls Answered On Time	74.80%	74.90%	75.60%	74.70%	80.13%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution		96%	94%	92	96				
		Billing Accuracy		99.96%	99.95%	99.97%	99.96%	→	98.00%		
		Customer Satisfaction Survey Results		92%	90%	86	92				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness			81.00%	81.00%	84.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	→		0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	→		0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.91	1.46	1.18	0.98	1.04	↑		1.09	
		Average Number of Times that Power to a Customer is Interrupted ²	0.68	1.06	0.71	0.60	0.64	↓		1.07	
	Asset Management	Distribution System Plan Implementation Progress		On Track	On Track	OnTrack	On Track				
	Cost Control	Efficiency Assessment	3	3	3	2	2				
		Total Cost per Customer ³	\$587	\$601	\$616	\$620	\$608				
Total Cost per Km of Line ³		\$25,773	\$26,253	\$26,730	\$27,518	\$26,606					
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).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴			12.75%	26.39%	62.56%			99.04 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	50.00%	80.00%	100.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%	97.87%	↓	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.30	2.24	2.43	2.49	2.23				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.93	0.86	0.81	0.78	0.75				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.85%	9.36%	9.36%	9.36%	9.36%			
			Achieved	8.15%	15.26%	9.71%	8.50%	7.33%			

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”)

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 2017 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

Burlington Hydro serves approximately 67,100 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 Stations 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;
- responsive customer service – Burlington Hydro delivers superior products to customers in safe and efficient manner, consistently exceeding the provincial average for overall customer satisfaction; and
- conservation programs – Burlington Hydro is passionate about creating a “culture of conservation” in its community and delivers a diverse portfolio of conservation programs to customers.

Burlington Hydro exceeded all performance targets in 2017 while maintaining one of the lowest costs per customer and km of line in Ontario. Burlington Hydro has a culture of continuous adjustment and 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 2017, Burlington Hydro connected 97.7% of 263 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 2017, Burlington Hydro met 100% of its appointments on time and exceeded this industry target. It 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 2017, Burlington Hydro Customer Service representatives received 46,951 calls from its customers – over 180 calls per working day. A customer service representative answered 80.1% of these calls in 30 seconds or less, a 5% improvement over prior year. This result significantly exceeds the OEB-mandated target of 65% for timely call response.

Burlington Hydro maintains contact with its customers in many ways. In addition to receiving over 46,000 calls from customers, Customer Service processed 9,740 inbound pieces of mail, faxes and emails in 2017.

In 2017 Burlington Hydro had 238,987 visitors to its website (www.burlingtonhydro.com):

- 141,729 by computer
- 78,072 by mobile device
- 19,186 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 2017, 96% indicated that their issue was resolved on the first call to Burlington Hydro. Knowledgeable, experienced staff with a broad range of capabilities facilitated Burlington Hydro's achievement of a First Contact Resolution rate of 96%. 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 the 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 2017, Burlington Hydro issued 786,299 bills, 786,005 or 99.96% of which 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 over 99.9% in the last four years. The utility continues to monitor its billing accuracy results to identify opportunities for improvement.

• **Customer Satisfaction Survey Results**

Engaging customers in a constantly changing energy environment is increasingly important. The OEB requires electricity distributors to measure and report customer satisfaction results at least every other year. Burlington Hydro commissions a customer satisfaction survey on an annual basis. The survey, known as the UtilityPulse survey, is conducted by Simul Corporation, a third party which also conducts the survey for other Ontario electricity distributors. These survey results are vital to understanding customers' perceptions and expectations. Customer engagement provides feedback that is critical for Burlington Hydro's long-term success and ensures customers are provided with services they value and the value they expect.

In its 2017 survey, Burlington Hydro scored:

- 92% for overall customer satisfaction, 7% higher than the provincial average
- 91% of customers agree that Burlington Hydro provides consistent, reliable energy, 2% higher than the provincial average
- 88% of customers agree that Burlington Hydro quickly handles outages and restores power, 3% higher than the provincial average
- 85% of customers agree that Burlington Hydro deals professionally with customers' problems, 4% higher than the provincial average
- 90% of customers agree that Burlington Hydro has a standard of reliability that meets expectations, 4% higher than the provincial average
- 87% of customers agree that Burlington Hydro is a trusted and trustworthy company, 11% higher than the provincial average

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. This is the third year for which electricity distributors are required to compile data for Component A. The OEB will establish a target metric after three years of data has been collected. Burlington Hydro's Level of Public Awareness for 2017 was 84%. 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 as diverse as electro-magnetic field queries, real estate transactions, the health and safety implications of a particular type of light bulb, tree trimming, and concerns regarding pad mounted equipment;
- Conducting the Powerline Safety Seminar in 2017 for the 8th year, in coordination with Electrical Safety Authority's Powerline Safety Week. The seminar targets non-electrical work groups who are most at risk for inadvertent contact with Burlington Hydro's distribution assets. Focusing on overhead and underground powerline contacts, the seminar is offered for free and incorporates presentations from the Ministry of Labour and the Electrical Safety Authority for the 100 participants typically in attendance;
- Delivered the Elementary School Electrical Safety Program to over 6,000 elementary school children in Burlington Hydro's service area for the eighteenth year, using age appropriate presentations. The goal is to reach students at least twice and potentially three times during their school career;
- On a per request basis, deliver Powerline Safety Presentations to employers within the service area; in particular in 2017 assisted the local branch of the Federal Environmental Agency with an electrical safety presentation at their officers' safety training day;
- Burlington Hydro along with other regional electricity distributors participates in the Children's Safety Village in co-operation with the Region of Halton;
- In partnership with a number of 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 were added to the safety portal;
- Participation in the City of Burlington Emergency Preparedness exercise focusing on a flood, and more specifically on the public safety issues of a flooded transformer station;
- Participated at the Seasonal Family Safety Breakfast held by the Professional Engineers Association of Hamilton/Burlington, with a focus on powerline safety.

○ **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.

○ **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 had no serious electrical incidents in 2017 or prior to 2017.

System Reliability

- When customers see Burlington Hydro crews in the field it is because we are 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);
 - regular inspections of the system to identify worn or defective gear (e.g., infra-red inspection; monitoring transformer ‘health’ by, among other things, performing dissolved gas analysis on the oil in Stations transformers, to following up on notices and guidance from manufacturers);
 - promptly addressing issues in the field (e.g., loose guy wires, holes around transformers);
 - tree trimming to minimize contact with the distribution system.

When outages do occur, Burlington Hydro’s ‘Outage Portal’ provides our 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. At the heart of the portal is a state-of-the-art Outage Map. Supporting the portal and the map are Burlington Hydro’s Control Room staff and field workers who work jointly to identify the root cause of an outage and establish a service restoration plan that prioritizes service restoration to the greatest

number of customers in the least amount of time possible. Ultimately, this service restoration plan is reflected on the 'Outage Portal'. When service has been restored throughout Burlington Hydro's service territory, 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 customer 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 2017, Burlington Hydro's customers experienced an average of 1.04 hours of power interruption. This average is below Burlington Hydro's five-year target of 1.09 hours of power interruption per year.

- **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 2017, Burlington Hydro's customers experienced an average of 0.64 interruptions. This average is significantly below Burlington Hydro's five-year target of 1.07 interruptions per year.

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. Burlington Hydro measures the progress of its DSP implementation by comparing its actual total capital expenditures made in a calendar year to the total amount of planned capital expenditures for that calendar year in its DSP. Burlington Hydro's actual capital expenditures are consistent with its planned expenditures in the DSP; and its DSP implementation progress is on track as compared to budget.

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 2017, where a Group 2 distributor is defined as having actual costs between 10% and 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 2017 is \$608/customer which is a 2.0% decrease over the 2016 cost of \$620/customer.

Burlington Hydro's total Cost per Customer has increased on average by 0.9% per annum over the period 2013 through 2017, well below the rate of inflation. 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. Province wide programs such as Time of Use pricing, growth in wage and benefits costs for our employees, 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 future 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 2017 rate is \$26,606 per kilometer of line, which is lower than the provincial average, and represents a 3.3% decrease over 2016. Burlington Hydro continues to seek innovative solutions to help ensure its Cost per Km of Line remains competitive and within acceptable limits to our customers.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

In 2014 the Minister of Energy issued a directive that assigned the province's electricity distributors a 7 TWh conservation target to be achieved under the Conservation First Framework that commenced as of January 1, 2015 and concludes on December 31, 2020. Distributors have more options available to them under this framework (e.g., they can act individually or in partnership with other distributors) than were available under the previous program.

Burlington Hydro's target of 99,040 MWh will be achieved by December 31, 2020. Burlington Hydro is offering its customers the IESO's suite of Conservation and Demand Management (CDM) programs, continuing to educate customers in their energy usage and assist customers in identifying electricity saving opportunities.

Burlington Hydro has achieved 61,955 MWh of savings, or 63% of its 6 year target and is on track to meet its target of 99,040 MWh. Burlington Hydro's success reflects strong residential participation in coupon and heating/cooling programs; and ongoing uptake of and continued participation in the Retrofit program by commercial and industrial 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. In 2017, Burlington Hydro completed ten CIAs, all within the prescribed time limit. Burlington Hydro engages a consulting firm to assume overall responsibility for processing its connections.

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

The OEB requires electricity distributors to connect new micro-embedded generation facilities (microFIT projects of less than 10 kW) 90% of the time within the prescribed time frame of five business days. In 2017, Burlington Hydro connected 47 new micro-embedded generation facilities 97.9% of the time 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 a company's ability to pay its short term debts or liabilities (due within the next 12 months) with its current assets. 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 2017 was 2.23, a decrease of 0.26 over 2016.

- **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 2017 was 0.75, below the OEB's deemed debt to equity ratio of 1.5.

Burlington Hydro's conservative approach to managing its capital structure has served both it and its customers well in the past. Maintaining a relatively low 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-2013-0015 and include an expected (deemed) regulatory return on equity of 9.36%. 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 2017 was 7.33%, within the 6.36% - 12.36% range allowed by the OEB. The 2017 return on equity was lower than the deemed return on equity of 9.36% primarily due to higher depreciation charges on capital assets.

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.