

Scorecard - Chapleau Public Utilities Corporation

9/29/2019

Performance Outcomes	Performance Categories	Measures	2014	2015	2016	2017	2018	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	100.00%	100.00%	100.00%	100.00%	100.00%	➡	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	➡	90.00%		
		Telephone Calls Answered On Time	100.00%	100.00%	100.00%	99.68%	96.52%	⬇️	65.00%		
	Customer Satisfaction	First Contact Resolution	100%	100	100	100	100				
		Billing Accuracy	100.00%	99.99%	99.99%	99.99%	99.99%	➡	98.00%		
		Customer Satisfaction Survey Results	95%	95	95	95	95				
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		76.00%	76.00%	79.00%	79.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	NI	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	0.28	4.75	1.82	0.94	12.51	⬆️		1.36	
		Average Number of Times that Power to a Customer is Interrupted ²	0.38	1.07	0.63	0.69	4.49	⬆️		0.92	
	Asset Management	Distribution System Plan Implementation Progress	0%	50	100	75	Complete				
	Cost Control	Efficiency Assessment	4	4	4	4	4				
		Total Cost per Customer ³	\$729	\$735	\$740	\$718	\$807				
		Total Cost per Km of Line ³	\$33,329	\$33,436	\$34,163	\$29,706	\$32,515				
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		26.22%	44.81%	66.56%	79.00%			1.05 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		New Micro-embedded Generation Facilities Connected On Time								90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.04	2.05	2.03	1.95	2.90				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.00	0.00	0.00	0.00	0.00				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.12%	9.12%	9.12%	9.12%	9.12%			
			Achieved	16.88%	0.40%	-3.82%	-1.99%	-9.19%			

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 2015-2020 Conservation First Framework. 2018 results are based on the IESO's unverified savings values contained in the March 2019 Participation and Cost Report.

Legend:

5-year trend
 ⬆️ up ⬇️ down ➡ flat

Current year
 ● target met ● target not met

2018 Scorecard Management Discussion and Analysis (“2018 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 2018 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

- In 2018, Chapleau Public Utilities Corporation was committed to meeting and exceeding all targets relating to service quality for customers and satisfying the customers. Chapleau Public Utilities Corporation has remained above the industry target for performance targets with the exception of system reliability. Scheduled outages and defective equipment resulted in the increase of the average number of hours that power to a customer is interrupted along with the number of times power to a customer is interrupted. Chapleau Public Utilities Corporation is aggressively initiating system maintenance activity with increased capital to decrease the defective equipment outages and provide a safe and reliable power source in the future.

Chapleau Public Utilities Corporation’s performance was 100% for connection on time and appointments met. Calls answered on time 96.52% and billing accuracy 99.99%. All above the industry average.

Chapleau Public Utilities Corporation is still looking to upgrade the distribution system from 5kV to 25kV. Chapleau Public Utilities Corporation has decided to approach this project on a gradual basis over the next 5 years to ease the impact to our customers. Chapleau Public Utilities Corporation made necessary repairs to the Distribution Station to extend the it’s life till the conversion can be accomplished.

In 2019, the company expects to improve its scorecard performance results. The improvements are expected as a result of system improvements and enhanced system reliability due to capital investments to the distribution station and system.

The scorecard helps Chapleau Public Utilities Corporation operate effectively while continually seeking ways to improve productivity and focus on improvements.

The scorecard is designed to track and show Chapleau Public Utilities Corporation's performance results over time and help to clearly benchmark performance/improvement against other utilities and best practices. The scorecard includes traditional metrics for assessing services, such as financial performance and costs per customer. In addition, future performance results for 2024 and onward will include several new metrics that directly reflect the customer experience, safety and Distribution System Plan implementation to showcase the progress and Chapleau Public Utilities Corporation's commitment to its customers. All of these metrics will be explained throughout this discussion and analysis.

Service Quality

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

Chapleau Public Utilities Corporation connected 8 new services in 2018, well within the 5-day window provided in the Distribution System Plan regulations. Chapleau Public Utilities Corporation has achieved 100% for new services connected on time since the scorecard reported was implemented back to 2009, continually above the industry target.

- **Scheduled Appointments Met On Time**

Chapleau Public Utilities Corporation had 51 appointments in 2018 to complete work requested by customers, read meter, reconnects, meetings, locates, disconnects, service upgrade connections all during regular office hours. Chapleau Public Utilities Corporation has in the past and continues to meet 100% of these appointments on time exceeding the industry target of 90%.

- **Telephone Calls Answered On Time**

Chapleau Public Utilities Corporation recorded 335 incoming calls. All calls were answered within 30 seconds or less in 96.52% of the time. These results significantly exceed the OEB mandated 65%.

Customer Satisfaction

- **First Contact Resolution**

Chapleau Public Utilities Corporation had 2 concerns, inquiries; 1 for high bill and 1 for installing a used meter on a residential home. All were resolved well within 10 days for 100%.

- **Billing Accuracy**

For the period of 2018, Chapleau Public Utilities Corporation issued more than 14,000 bills and achieved accuracy of 99.99%. This is above the OEB target of 98%. Chapleau Public Utilities Corporation continues to strive for high billing accuracy results and addressing complaints in a timely fashion while continuing its ongoing effort to recognize any issues that may arise.

- **Customer Satisfaction Survey Results**

Chapleau Public Utilities Corporation's last customer satisfaction survey produced a Customer Satisfaction Score of 95% which includes responses on rating the "overall customer satisfaction". The score is calculated as a combined rating of 7 or more on a scale from 1 to 10. The sample size of 100 surveys was selected based on the sample size from the total number of customers required to achieve a confidence level of 90% with confidence of 5%.

Chapleau Public Utilities Corporation survey asks customers questions on a wide range of topics including: overall satisfaction with Chapleau Public Utilities Corporation, reliability, customer service, outages, billing and corporate image. Chapleau Public Utilities Corporation has had 95% satisfaction for the past 4 years. The next survey is scheduled for the fall of 2019.

Safety

- **Public Safety**

Public Safety has 3 components A. B. C. which will be explained below. Chapleau Public Utilities Corporation has performed very well in all 3 components with 79% for public awareness, compliant with regulation 22/04 and zero public incidents or public contact with any electrical infrastructure.

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

The public awareness component is expected to measure the level of awareness of key electrical safety precautions among the public within the distributor's service territory. The survey is required every two years with the next scheduled for 2020. Chapleau Public Utilities Corporation uses Facebook, social media and our website to post safety information.

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

Ont. Reg. 22/04 establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution system owned by the distributor. The regulation is monitored through an audit of compliance. Chapleau Public Utilities Corporation takes the safety of the public and employees paramount; Chapleau Public Utilities Corporation is pleased to have received a Compliant rating for 2018. Chapleau Public Utilities Corporation has been compliant since 2015.

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

Chapleau Public Utilities Corporation had no serious incidents to report for 2018. The utility has not had a serious electrical incident to report since reporting became mandatory. In 2015, the results are zero incidents per 10 km of line. The 5-year incident rate of “0” for the number of General Public incidents is a good illustration of the utility’s commitment to safety.

System Reliability

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

The reliability of supply is primarily measured by internationally accepted indices SAIDI and SAIFI as defined in the OEB’s Electricity Reporting & Record Keeping Requirements dated May 3, 2016. SAIDI or System Average Interruption Duration Index is the length of outage customers experience in the year on average expressed as hours per customer per year. SAIFI or System Average Interruption Frequency Index is the number of interruptions per year per customer. An interruption is considered sustained if it lasts for at least one minute.

Loss of supply, LOS, outages occur due to problems associated with assets owned by another party other than Chapleau Public Utilities Corporation or the bulk electricity supply system. Chapleau Public Utilities Corporation tracks SAIDI and SAIFI including and excluding LOS. Major Event Days, MED, are calculated using IEEE STD1366-2012 methodology. MED are then confirmed by assessing whether interruption was beyond the control of Chapleau Public Utilities Corporation (i.e. force majeure or LOS) and whether the interruption was unforeseeable, unpredictable, unpreventable or unavoidable.

Chapleau Public Utilities Corporation had a significant increase in outages in 2018 at (36) and 2017 (22). Of the outages in 2018 half were loss supply and scheduled maintenance work. Chapleau Public Utilities Corporation had 14 defective equipment outages up from 2017 of 6.

Chapleau Public Utilities Corporation has an average # of hours that power to a customer is interrupted in 2018 of 12.51 an increase for 2017 at .94. The reason for the increase is an increase in capital work requiring scheduled outage to complete as we work towards getting the distribution system ready for the start of the voltage conversion 5 years from now, with OEB approval. This capital work is also to eliminate any equipment failures that cause outages along with upgrades to distribution system equipment which is also up from 2017 numbers.

Scheduled outages are for system maintenance and are a yearly occurrence that is a must in order to have a safe, secure and reliable distribution system.

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

Chapleau Public Utilities Corporation's average # of times power was interrupted has increased significantly from .69 in 2017 to 4.49 in 2018 and that can be attributed to scheduled outages for maintenance, rebuild and defective equipment.

Chapleau Public Utilities Corporation will continue to monitor its assets with deficiency patrols along with infra scans of the entire Distribution System along with the substation.

Asset Management

- **Distribution System Plan Implementation Progress**

Chapleau Public Utilities Corporation's Distribution System Plan was approved in June, 2019. Implementation of the Distribution Plan started in 2019 working on like-for-like system renewal at an accelerated pace to address the continuing aging distribution system. The forecast plan is the required system renewal plan appropriately asset replacements while maintaining Chapleau Public Utilities Corporation's reliable, safe and secure service.

The planning horizon for this Distribution System Plan covers ten years with a five-year historical period of 2014 to 2018, where 2018 is the Bridge Year, and a five-year forecast period of 2019 to 2023, where 2019 is the test year.

For the 2018 scorecard, our Distribution System Plan for the period 2014 to 2018 is complete and now starting a new Distribution System Plan for 2019 to 2023.

Cost Control

- **Efficiency Assessment**

Electricity distributors are evaluated by the Pacific Economic Group LLC (“PEG”) on behalf of the OEB to produce a single efficiency ranking. The ranking is based on a total cost approach taking into account the amount spent on capital and infrastructure reinvestments and the amount spent on operations, maintenance and administration. The LDC’s are divided into five groups based on the magnitude of the difference between their respective individual, actual and predicted costs.

In 2018, Chapleau Public Utilities Corporation is again Group 4. A group 4 distributor is defined as having actual costs in excess of 10% to 25% above predicted costs. The group 4 rating was anticipated because of the investment in our distribution station and distribution system. Chapleau Public Utilities Corporation has experienced an increase in its total cost required to deliver quality and reliability services to its customers. Chapleau Public Utilities Corporation will continue working pro-actively with replacing assets and work towards improving its ranking to a more efficient group.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Chapleau Public Utilities Corporation’s capital and operating costs and dividing this cost figure by the total number of customers that we serve. Managing costs is a responsibility taken seriously at Chapleau Public Utilities Corporation. The levels of spending are measured and prudently controlled so that customer rates are minimally affected. Similar to most distributors in the province, Chapleau Public Utilities Corporation has experienced increases in its total costs required to deliver quality and reliability service to customers. Chapleau Public Utilities Corporation has managed to keep its costs reasonable despite having to deliver a provincial wide program such as Time of Use metering (Smart Meters), growth in wages and benefit costs, investment in new information system technology and the renewal of the distribution system.

- **Total Cost per Km of Line**

This measure uses the same total cost as used in the cost per customer calculation above. Total cost is divided by the kilometer of line in Chapleau Public Utilities Corporation’s service territory.

Chapleau Public Utilities Corporation's cost metrics have historically fallen within a narrow range for the previous 5 years with the latest year being an exception. Chapleau Public Utilities Corporation's total cost per customer in 2018 was \$807.00. This is an increase of approximately 11% from any previous year. There is an increasing trend in cost with the increase of asset replacements needed to maintain the system health. The total cost per kilometer of line matched the trend of cost per customer for Chapleau Public Utilities Corporation. The town of Chapleau is experiencing a slight decrease in residents therefore the capital cost will be higher for a customer in a shrinking town population. The kilometer of line has not changed significantly but the reported capital cost had increased.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Chapleau Public Utilities Corporation with the help of our new program administrators has reached 79% of target savings. In the 2015-2020 period, the CDM forecast established for Chapleau Public Utilities Corporation is 1.05 Gwh.

Connection of Renewable Generation

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

Chapleau Public Utilities Corporation has the ability to run 2 Fit Programs, Fit and Micro Fit. Fit is 10 kW and larger renewable generation projects and Micro Fit which is 10 kW and smaller projects. The scorecard indicates that Chapleau Public Utilities Corporation has not connected a renewable generation project due to upstream capacity constraints on the Hydro One transmission circuit.

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

MicroFit applicants are those customers applying to generate electricity at a level less than or equal to 10 kW of electricity. Chapleau PUC has not connected any renewable generation.

Chapleau PUC has no Micro Fit generation connections because of Hydro One's transmission constraints.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short-term debts and financial obligations. Chapeau Public Utilities Corporation's current ratio went from 1.95 in 2017 to 2.90 in 2018, still showing the company in a strong healthy financial position.

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

Chapeau Public Utilities Corporation has no debt at present.

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

Chapeau Public Utilities Corporation's profitability has remained steady during the last 5 years at 9.12%. The OEB allows a distributor to earn +/-3% of the expected 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**

The ROE is negative for the 2018 year end as a result of the net and comprehensive loss realized in 2018. On a year over year basis, the loss from operations was consistent (approximately \$31,000). Operational expenses increased however there was a corresponding increase in revenue to offset the increased operating expenses. The main change on a year over year basis is the prior year included gains in disposition of investments which did not occur within the 2018 year end.

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.