

Scorecard - Greater Sudbury Hydro Inc.

Performance Outcomes	Performance Categories	Measures	2015	2016	2017	2018	2019	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	99.80%	99.40%	98.78%	99.20%	99.38%	↓	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	99.89%	99.78%	↓	90.00%	
		Telephone Calls Answered On Time	69.40%	66.90%	67.16%	71.25%	71.26%	↑	65.00%	
	Customer Satisfaction	First Contact Resolution	83%	84%	83.52%	84.19%	82.69%			
		Billing Accuracy	99.90%	99.92%	99.92%	99.92%	99.93%	↑	98.00%	
		Customer Satisfaction Survey Results	92%	91%	94%	90%	91%			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	73.68%	73.68%	80.00%	80.00%	83.00%			
		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	→	
	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	1.01	1.19	1.65	1.39	1.89	↑		1.18
		Average Number of Times that Power to a Customer is Interrupted ²	1.25	0.87	1.34	1.41	1.03	→		1.18
	Asset Management	Distribution System Plan Implementation Progress	87.40	96.40%	93.28%	97.47%	84.72%			
	Cost Control	Efficiency Assessment	3	4	3	3	3			
		Total Cost per Customer ³	\$627	\$648	\$629	\$671	\$679			
Total Cost per Km of Line ³		\$29,627	\$30,649	\$29,706	\$31,690	\$31,938				
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	20.03%	55.88%	90.20%	114.00%	128.00%			34.74 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%					
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.47	1.47	1.53	1.45	1.48			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	3.04	1.99	1.90	1.86	1.76			
		Profitability: Regulatory Deemed (included in rates)	8.98%	8.98%	8.98%	8.98%	8.98%			
		Return on Equity Achieved	8.36%	10.17%	9.30%	7.72%	8.62%			

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 now discontinued 2015-2020 Conservation First Framework. 2019 results include savings reported to the IESO up until the end of February 2020.

Legend:

5-year trend
 up down flat

Current year
 target met target not met

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2019 Scorecard Management Discussion and Analysis (“2019 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 2019 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 2019, Greater Sudbury Hydro Inc. (GSH) continued to perform strongly. Measures in all areas continued to indicate performance in line with industry expectations. GSH met its customer service obligations and this was reflected generally in high customer satisfaction.

GSH continued to demonstrate strong financial performance in 2019. While maintaining strong levels of capital spent, GSH managed cash and remained liquid throughout the year.

GSH is continuing to review business processes in efforts to further enhance efficiencies and continuously improve.

Service Quality

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

In 2019, GSH connected 99.38% of eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its’ system within the five-day timeline prescribed by the Ontario Energy Board (OEB). This is a 0.18% improvement of our previous year’s performance, and remains firmly above the OEB-mandated threshold of 90%. Where practicable, GSH coordinates connection activities with other planned construction activities undertaken by the utility, other utilities or municipal and provincial government agencies.

- **Scheduled Appointments Met on Time**

There were 897 appointments involving meeting a customer or the customer’s representative where the appointment date and time is set. The utility met 99.78% of these appointments on time, which significantly exceeds the industry target of 90%.

- **Telephone Calls Answered On Time**

In 2019, GSH's customer contact center agents received close to 48,873 calls from customers. Of these calls, 71% of the time a customer received a response within 30 seconds or less. This result exceeds the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

As a specific First Contact Resolution target and methodology have not been outlined by the OEB, GSH has used the same process as in past years to report its' performance.

First Contact Resolution was measured based on live agent transactional phone surveys conducted by a third-party service provider. For the period January to December 31, 2019, GSH provided the third-party service provider with a weekly sample of all inbound customer telephone calls into GSH's Customer Service.

Third party telephone agents, in turn, contacted and surveyed customers - typically within a week of their initial inbound contact. Customers were asked to rate various facets of their customer experience, and were also asked if their issue (i.e. their reason for calling) was resolved on their first call to GSH. Using the results of this survey, GSH calculated a first contact resolution of 82.69% for 2019 which is slightly lower than 2018 results of 84.19%.

GSH endeavors to use the transactional customer survey results to identify customer service improvements to increase first contact resolution in the future.

- **Billing Accuracy**

For the 2019 calendar year, GSH issued approximately 578,000 bills and achieved a billing accuracy of 99.93%. This compares favorably to the OEB's prescribed target of 98%.

GSH will continue to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

Over the past 7 years, 2013-2019 inclusive, GSH has engaged independent third-party survey firm Oraclepoll Research to conduct annual customer satisfaction surveys. These surveys provide valuable information to support discussions and plans around improving customer service at all levels and in all departments within GSH.

The survey asks customers questions on a wide range of topics, including:

- a) overall satisfaction with GSH,
- b) customer service,
- c) price of electricity compared to other essential services,
- d) overall value,
- e) reliability,
- f) response to outages,
- g) commitment to customers,
- h) concern about public safety and safe work practices,
- i) communication with the public in general,
- j) preferred methods of communication and quality of materials,
- k) interest in information about home energy efficiency and cost savings,
- l) ease of understanding bills,
- m) an open-ended question asking for suggestions on how to improve customer service.

Occasionally some questions are added surrounding specific activities the utility may be considering for the future. The final reports on these customer satisfaction surveys evaluate the level of customer satisfaction and identify areas for improvement. This data is then incorporated into GSH's planning process and forms the basis of plans to improve customer satisfaction and better meet the needs of customers.

GSH's 2019 Customer Satisfaction Results of 91% contain a number of measures of customer satisfaction, including Customer Service, Price Comparison and Overall Value. In the "Scorecard", Overall Customer Satisfaction is the only measurement reported. In 2019, the GSH Satisfaction score reported **91% of residential customers said they are satisfied to totally satisfied**, up slightly from the previous year's 90%. Women surveyed were more satisfied with GSH than men were, and older customers tended to be more satisfied than younger demographic groups. Income cohorts of under \$50k and \$50-75k were more satisfied than higher earners.

Safety

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

This information is collected biennially. GSH commissioned independent third-party survey firm Oraclepoll Research to survey the community with the six proscribed questions created by the ESA. That survey was conducted in early February 2020 using computer-assisted techniques of telephone interviewing (CATI) and random number selection. Numbers were randomly selected from a dual sample database that included both landline and cellular telephone numbers. GSH rated 83% when the ratings and evaluation methodology outlined by ESA were applied to the responses. This was a significant improvement from the previous score of 80% reported for 2017 & 2018. The next survey will be conducted early in 2022 and new results reported in the 2021 Scorecard. GSH continues to communicate safety messages to the communities we serve through a variety of channels.

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

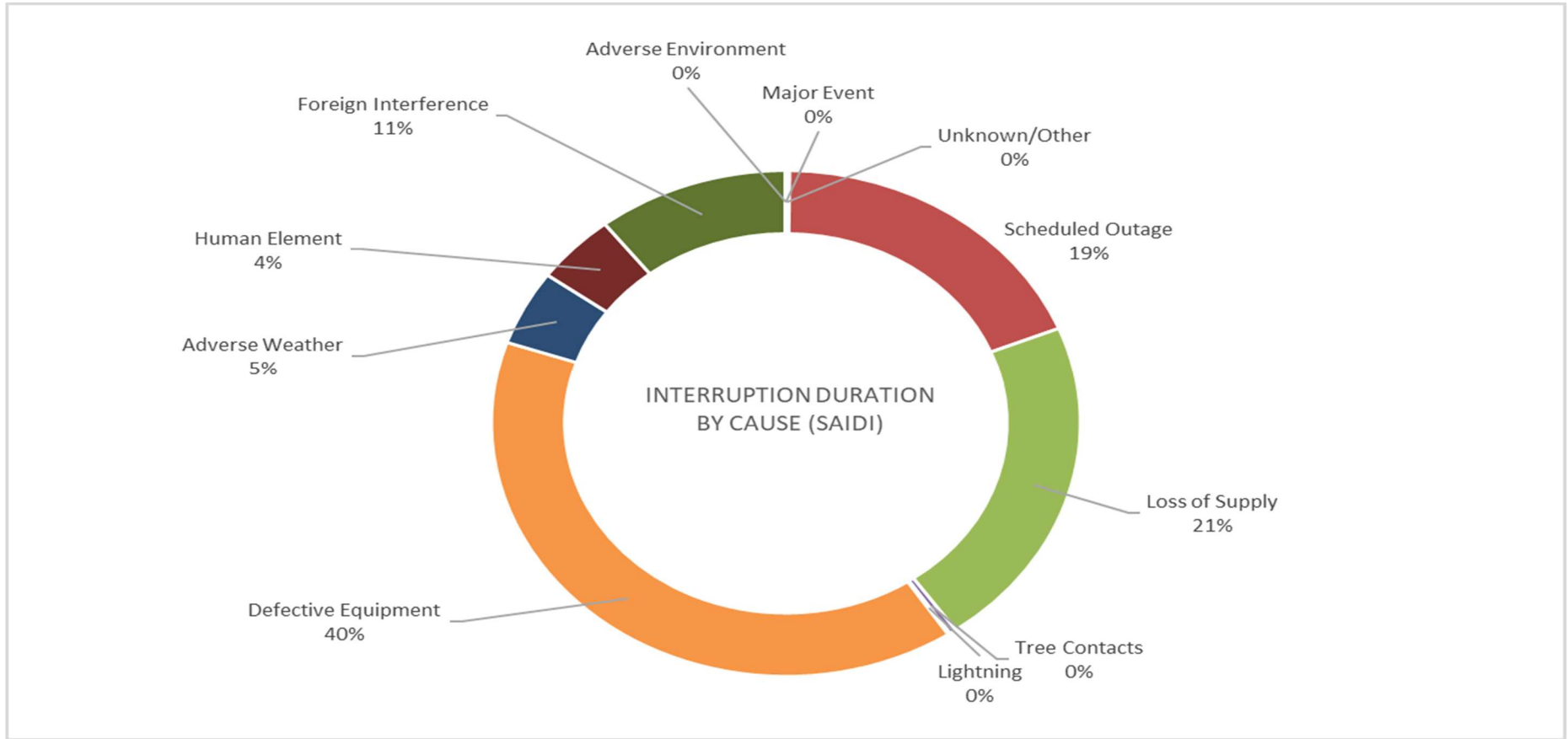
Over the past eight years, GSH was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety, and adherence to company procedures & policies. Ontario Regulation 22/04 - Electrical Distribution Safety establishes objective 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.

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

GSH has maintained a “Serious Electrical Incident Index” value of 0 for the past eight years.

System Reliability

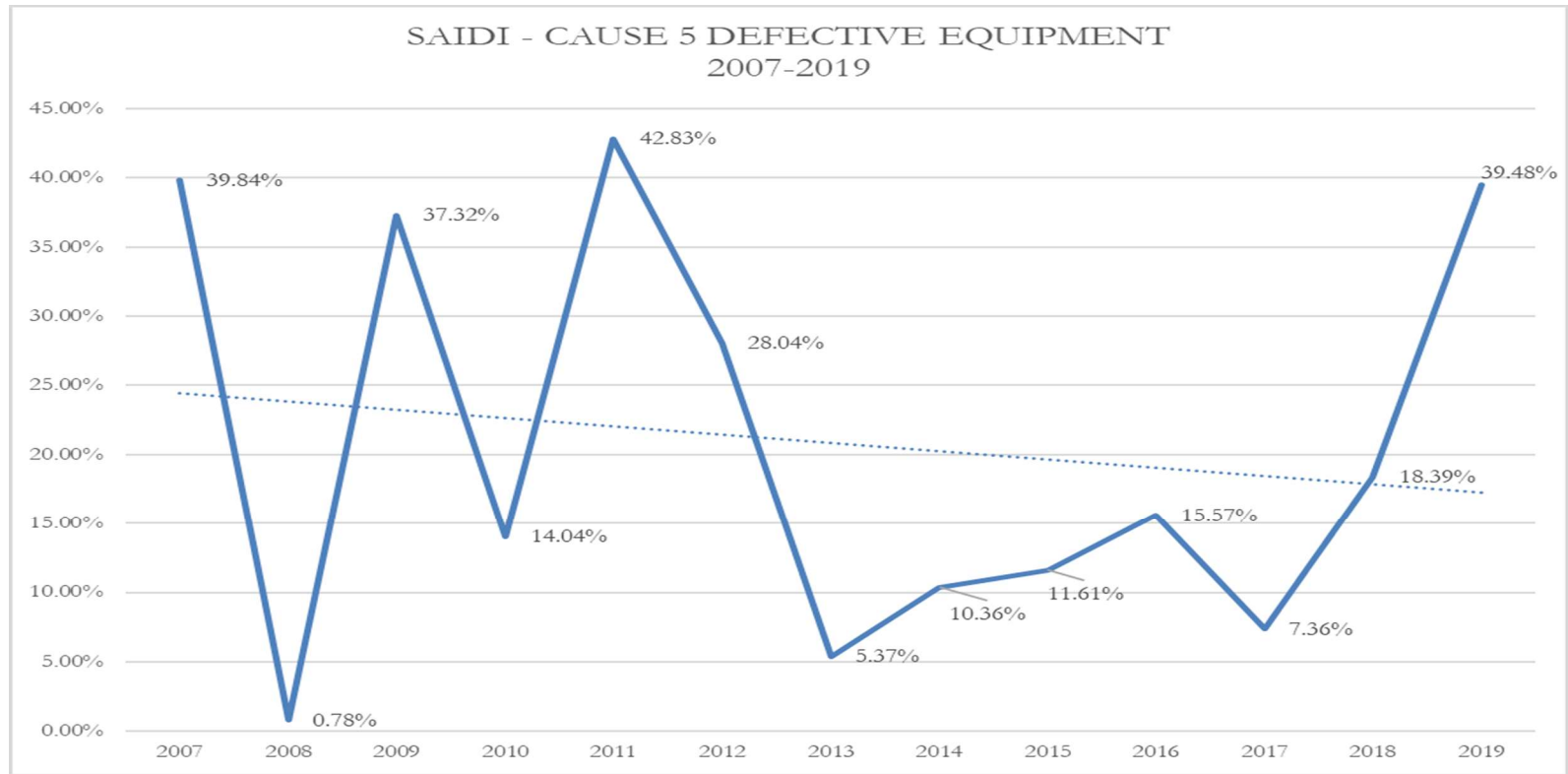
- Average Number of Hours that Power to a Customer is Interrupted



The above pie chart answers the following question: when power to a customer is interrupted, what percentage of the average hour of an outage is attributed to which cause? **Note:** the above includes the cause "Loss of Supply", however this parameter is not within GSH's control.

GSH experienced an increase in the average number of hours that power to a customer was interrupted during 2019 as compared to 2018 (exclusive of "Loss of Supply" outages). The Average Number of Hours that Power to a Customer is Interrupted (i.e., duration) of 1.89 was a decrease over 2018's performance of 1.39. Further, this result is above GSH's Scorecard target of 1.18.

The duration of service interruptions due to Cause 5 (Defective Equipment) has historically been in a downwards trend. However, 2019 saw a continued increase in the contribution of this outage cause code to the overall reliability index which broke through the trendline. The chart below shows the historical contribution to the overall SAIDI index for this outage cause code:

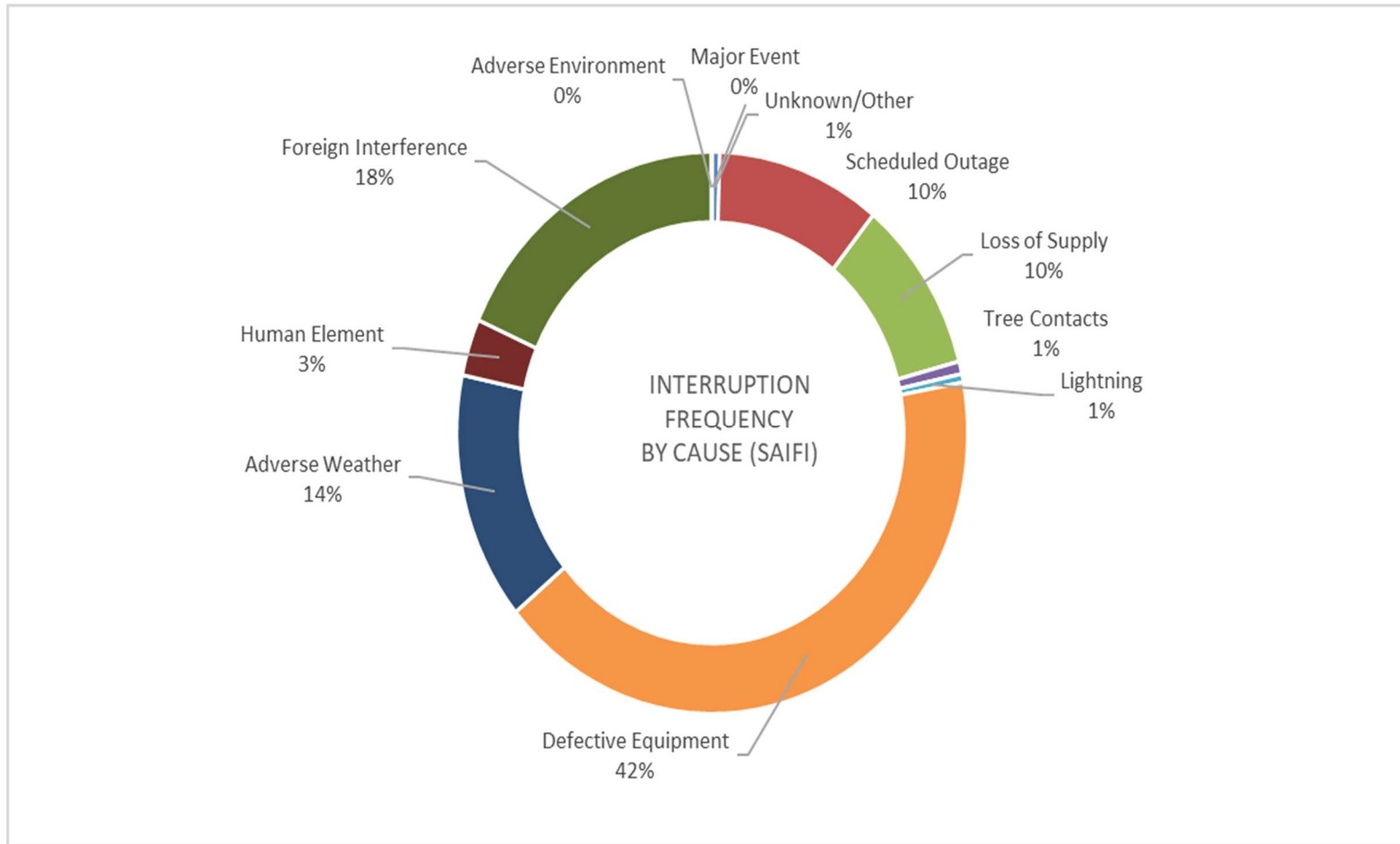


Two events in particular combined to comprise approximately 70% of the total cause 5-related outage minutes. On February 2, a failure of a cable section on the 28M4 44kV sub-transmission feeder resulted in an outage event and the equivalent of 18,092 customer hours of interruption. The contribution to SAIDI of 0.3766 as a result of this event was responsible for 40% of the total cause 5-related outage minutes experienced by GSHI customers for the year. On October 21, a failed 44kV termination on the 9M4 44kV sub-transmission feeder resulted in four outage events and the equivalent of 13,720 customer hours of interruption. The contribution to SAIDI of 0.2853 as a result of this event was responsible for approximately 30% of the total cause 5-related outage minutes experienced by GSHI customers for the year.

GSH has conducted a detailed review of its distribution assets in its Distribution System Plan, which provides for the renewal of its distribution system over the next five years. By focusing strategically on specific assets and/or asset populations, the plan includes among

its objectives the goal of reducing the contribution of Cause 5-related outage events to the overall SAIDI index to below 15%. A reversal of this trend will boost the probability of returning the overall SAIDI index to levels commensurate with expected performance.

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

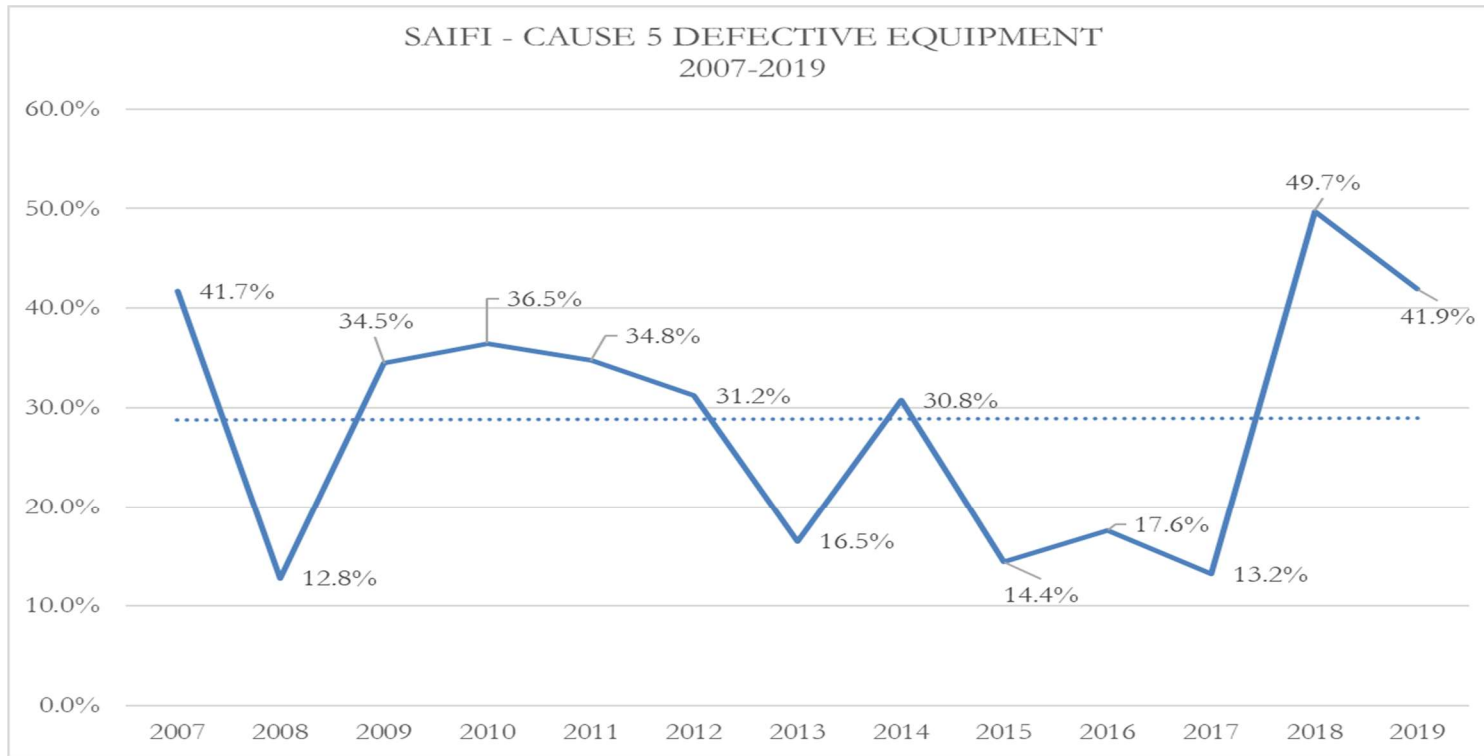


The above pie chart answers the following question: when power to a customer is interrupted, what's the likelihood of a given cause? **Note:** the above includes the cause "Loss of Supply", however this parameter is not within GSH's control.

GSH experienced a decrease in the average number of times that power to a customer was interrupted during 2019 (exclusive of "Loss of

Supply” outages). GSH’s Average Number of Times that Power to a Customer is Interrupted (i.e., frequency) of 1.03 was below the target of 1.18.

Meanwhile, the frequency of service interruptions due to Cause 5 (Defective Equipment) has historically been in a downwards trend. However, 2019 continued to see an elevated contribution of this outage cause code to the overall reliability index which broke through the trendline. The chart below shows the historical contribution to the overall SAIFI index for this outage cause code:



As with the yearly result for SAIDI described previously, two events in particular combined to account for approximately 55% of the total cause 5-related service interruptions to customers for the year. On February 2, a failure of a cable section on the 28M4 44kV sub-transmission feeder resulted in an outage event and the equivalent of 18,092 customer hours of interruption. The contribution to SAIFI of 0.1738 as a result of this event was responsible for 36% of the total cause 5-related outage minutes experienced by GSHI customers for the year. On October 21, a failed 44kV termination on the 9M4 44kV sub-transmission feeder resulted in four outage events and the equivalent of 13,720 customer hours of interruption. The contribution to SAIFI of 0.0891 as a result of this event was responsible for approximately 19% of the total cause 5-related outage minutes experienced by GSHI customers for the year.

GSH has conducted a detailed review of its distribution assets in its Distribution System plan, which provides for the renewal of its distribution system over the next five years. By focusing strategically on specific assets and/or asset populations, the plan includes among its objectives the goal of reducing the contribution of Cause 5-related outage events to the overall SAIFI index to below 20%. A reversal of this trend will boost the probability of returning the overall SAIFI index to levels commensurate with expected performance.

Asset Management

- **Distribution System Plan Implementation Progress**

As part of its 2013 Cost of Service Application GSH filed an Asset Management Plan (“AMP”) that outlined the utility’s forecasted requirements to maintain and expand its electricity system to serve its current and future customers. The AMP was the basis for GSH’s annual budget, and GSH measured the progress of this metric as a ratio of actual total capital additions made in a calendar year over the total amount of planned capital additions for that calendar year per the annual budget. The 2019 measure indicates that Greater Sudbury Hydro Inc. achieved 84.72% of planned capital additions.

GSH’s inaugural Distribution System Plan (“DSP”) was filed as part of the its 2020 Cost of Service Application and forms its capital plans for 2020-2024.

Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. For 2019 GSH is ranked in the third group based on the PEG calculation, which is consistent with the prior year.

GSH has continued to focus on controllable costs throughout 2017 - 2020, reviewing many of the key business processes in an effort to optimize those processes and drive efficiencies.

- **Total Cost per Customer**

Total Cost per Customer is calculated as the sum of Greater Sudbury Hydro Inc.'s (GSH) operating costs and an inflated capital cost and dividing this cost figure by the total number of customers that GSH serves. The cost performance result for 2019 is \$679 per customer and ranges from \$627 to \$679 per customer in years 2013 through 2019.

The dollar amount used for GSH's total capital cost in this cost per customer calculation is derived by Pacific Economics Group LLC as part of its Ontario LDC benchmarking exercise. This exercise derived an inflated total capital cost of \$17.8 million for GSH in 2019, which does not approximate actual capital spend in the year. Actual capital additions were \$10.2 million in 2019. If this calculation used actual capital costs, the cost per customer in 2019 would be \$519 or a total reduction of 24% from the scorecard reported cost per customer.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Total Cost per Customer calculation above. The total cost is divided by the kilometers of line that GSH operates to serve its customers. Please see the relevant discussion under "total cost per customer".

If this calculation used actual capital costs, the "cost per KM of line" in 2019 would drop from \$31,938 to become \$24,402 or a total reduction of 24% from the scorecard reported figure.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

GSH assisted customers with reducing their energy use through Independent Electricity System Operator (IESO) conservation programs. GSH had a target to reduce usage by 34,740,000 kWhs over a six year period starting in 2015. GSH surpassed this target in only 4 years and at the end of 2019, had achieved 128% of the target.

As announced on May 21, 2019 by the Minister of Energy, Northern Development and Mines, the IESO was directed to cancel the conservation programs running through electrical Utilities in the Province and those business programs that remained were to be delivered directly by the IESO.

Connection of Renewable Generation

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

Depending on the size of a proposed embedded generation facility, electricity distributors are required to conduct Connection Impact Assessments (CIAs) within as soon as 60 days of the receipt of the application where no distribution system reinforcement or expansion is required.

In 2019, however, GSH was not tasked with completing any CIAs. In the event it is required, GSH outsources the CIA work to an engineering consultant. To further improve the speed of CIA delivery, GSH sets strict guidelines on the information required by the proponent even before we begin the CIA work.

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

In 2019, GSH connected 2 new micro-embedded generation facilities (microFIT or net-metered projects of less than 10kW) 100% of the time within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time. Our workflow to connect these projects is very streamlined and transparent with our customers. GSH works closely with its customers and their contractors to tackle any connection issues to ensure a micro-embedded generation facility is connected on time.

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. Companies with a ratio of greater than 1 are often referred to as being “liquid”. GSH’s current ratio improved from 1.45 to 1.48 from 2018 to 2019.

- **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 electricity distributors when establishing 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.

GSH Inc. elected to have a 70% debt, 30% equity arrangement with the City of Greater Sudbury at the time of incorporation back in the year 2000. This makes the utility more leveraged than the deemed structure. The 2019 Scorecard shows a slight improvement in the total debt to equity ratio for GSH by declining from 1.86 in 2018 to 1.76.

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

Greater Sudbury Hydro's 2019 distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.98%. The OEB allows a distributor to earn within +/- 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**

GSH's regulatory return achieved in 2019 was 8.62%, which is within the +/- 3% range allowed by the OEB.

Note to Readers of 2019 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.