

Scorecard - Burlington 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	98.30%	96.71%	97.72%	98.31%	100.00%		90.00%	
		Scheduled Appointments Met On Time	99.60%	100.00%	100.00%	99.81%	100.00%		90.00%	
		Telephone Calls Answered On Time	75.60%	74.68%	80.13%	83.28%	81.43%		65.00%	
	Customer Satisfaction	First Contact Resolution	94%	92%	96%	91%	82.4%			
		Billing Accuracy	99.95%	99.97%	99.96%	99.76%	99.97%		98.00%	
		Customer Satisfaction Survey Results	90%	86	92	94	96%			
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%	84.00%	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	1.18	1.25	1.04	1.44	1.05			1.09
		Average Number of Times that Power to a Customer is Interrupted ²	0.71	0.79	0.64	0.85	0.75			1.07
	Asset Management	Distribution System Plan Implementation Progress	On Track	OnTrack	On Track	On Track	n/a			
	Cost Control	Efficiency Assessment	3	2	2	2	2			
		Total Cost per Customer ³	\$616	\$620	\$608	\$627	\$661			
Total Cost per Km of Line ³		\$26,730	\$27,518	\$26,606	\$27,766	\$29,293				
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%	81.00%	96.00%			99.04 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%	100.00%	100.00%			
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	97.87%	97.37%	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)	2.46	2.51	2.25	2.52	2.07			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.81	0.78	0.75	0.80	0.75			
		Profitability: Regulatory Deemed (included in rates)	9.36%	9.36%	9.36%	9.36%	9.36%			
		Return on Equity	Achieved	9.20%	7.98%	6.69%	6.43%	7.16%		

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

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

Scorecard MD&A - General Overview

Burlington Hydro serves approximately 68,000 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; and
- Responsive customer service – Burlington Hydro delivers superior products to customers in safe and efficient manner, consistently exceeding the provincial average for overall customer satisfaction.

Burlington Hydro exceeded all performance targets in 2019. 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 2019, Burlington Hydro connected 100.0% of 400 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 2019, Burlington Hydro met 100.0% 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 2019, Burlington Hydro Customer Service representatives received 43,324 calls from its customers – over 170 calls per working day. A customer service representative answered 81.4% of these calls in 30 seconds or less. 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 43,000 calls from customers, Customer Service processed 10,033 inbound pieces of mail, faxes and emails in 2019.

In 2019 Burlington Hydro had 847,140 visitors to its website (www.burlingtonhydro.com):

- 384,676 by computer
- 399,166 by mobile device
- 53,298 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 2019, 82.4% 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 82.4%. 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 2019, Burlington Hydro issued 817,803 bills, 817,597 or 99.97% 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 99.7% in the last five 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 2019 survey, Burlington Hydro scored:

- 96% for overall customer satisfaction, 4% higher than the provincial average
- 93% of customers agree that Burlington Hydro provides consistent, reliable energy, 2% higher than the provincial average
- 89% of customers agree that Burlington Hydro quickly handles outages and restores power, 1% higher than the provincial average
- 88% of customers agree that Burlington Hydro deals professionally with customers' problems, 4% higher than the provincial average

- 93% of customers agree that Burlington Hydro has a standard of reliability that meets expectations, 3% higher than the provincial average
- 91% of customers agree that Burlington Hydro is a trusted and trustworthy company, 6% 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. Burlington Hydro's Level of Public Awareness for 2019 was 83.0%. 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;
- Delivered the Elementary School Electrical Safety Program to over 6,000 elementary school children in Burlington Hydro's service area for the 19th year, using age appropriate presentations. The goal is to reach students at least twice and potentially three times during their school career;
- 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;
- In partnership with the Canadian Standards Association, a Burlington Hydro staff member served as a Technical Committee Member on the Workplace Electrical Safety Standard CSA Z462; and
- Collaborating with the Electrical Safety Authority, industry partners, utility services and safety associations to review and revise the safety guidelines for excavation on underground electrical utilities.

- **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. Burlington Hydro was successful in the 2019 ESA audit with no deficiencies identified.

○ **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 2019 or prior to 2019.

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);
- Ongoing capital investments to install new electrical infrastructure and replace end-of-life infrastructure;
- 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); and
- 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 2019, Burlington Hydro's customers experienced an average of 1.05 hours of power interruption. This average is below Burlington Hydro's five-year target of 1.09 hours of power interruption per year. The decrease in this metric is driven by less tree-related outages as a result of a lower incidence of extreme weather as compared to 2018. Although these types of events are outside of Burlington Hydro's control, it takes steps to proactively address these types of outages through its ongoing vegetation management program.

- **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 2019, Burlington Hydro's customers experienced an average of 0.75 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. Since Burlington Hydro's last DSP covered a period from 2014 to 2018, no result is reported in its 2019 scorecard results. Burlington Hydro intends to file a new DSP covering the 2021 to 2025 period as part of its 2021 Cost of Service application.

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 2019, where a Group 2 distributor is defined as having actual costs 10% to 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 2019 is \$661/customer, which is lower than the provincial average of \$705, and represents a 5.4% increase over the 2018 cost of \$627/customer.

Burlington Hydro's total Cost per Customer has increased on average by 1.8% per annum over the period 2015 through 2019, 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 2019 cost is \$29,293 per kilometer of line, which is higher than the provincial average of \$25,638, and represents a 5.4% increase over 2018. 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**

Up until March 21, 2019, LDCs had been delivering conservation programs under the Conservation First Framework (CFF). The CFF

required the IESO to coordinate, support and fund the delivery of Conservation and Demand Management (CDM) programs through LDCs to achieve a total of 7 TWh of reductions in electricity consumption between January 1, 2015 and December 31, 2020. LDCs could deliver their CDM obligations through use of IESO province-wide programs and/or their own (or regional) programs (both of which are IESO funded); and were permitted to do so individually or in a joint plan with one or more LDCs. BHI entered into a Joint CDM Plan with Milton Hydro and Halton Hills Hydro and contracted to deliver 99.04 net GWh in total energy savings over the CFF.

On March 21, 2019, the Minister of Energy, Northern Development and Mines introduced Bill 87 – Fixing the Hydro Mess Act, which, among other regulatory initiatives, refocused and uploaded electricity conservation programs to the IESO. The Minister issued a Ministerial Directive terminating the CFF and the Energy Conservation Agreements (ECAs) with LDCs.

Upon termination of the CFF, the IESO was directed to provide centralized delivery of a reduced scope of programs under an Interim Framework. The following programs were cancelled outright, generally as of April 1, 2019:

- Heating and Cooling Program Deal Days (Instant Discount)
- Residential New Construction Program
- Business Refrigeration Incentive Program
- High Performance New Construction Program
- Existing Building Commissioning Program
- Audit Funding Program
- Monitoring & Targeting Program

The following programs continued, and were delivered centrally by the IESO, from April 1, 2019 to December 31, 2020 with the potential for delivery up to June 30, 2021 due to delays as a result of the COVID-19 pandemic; and as determined by the IESO:

- Retrofit
- Small Business Lighting
- Process and Systems Upgrade Program
- Home Assistance Program (already run by IESO)
- Local Indigenous Programs
- Energy Performance Program
- Energy Manager Program

Burlington Hydro continued its PoolSaver Program locally until December 31, 2020.

Cancellation of the ECA relieved BHI of its obligation to deliver its 99.04 GWh savings target, although it was on track to exceed its target.

To the end of 2019, Burlington Hydro had achieved 95.08 GWh of savings, or 96% of its 6 year target. Burlington Hydro's success reflects strong residential participation in coupon and heating/cooling programs; and uptake of and 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 2019, Burlington Hydro completed 3 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 (Net Metering projects of less or equal than 10 kW) 90% of the time within the prescribed time frame of five business days. In 2019, Burlington Hydro connected 4 new micro-embedded generation facilities 100.0% 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 whether the company has sufficient resources to meet its short term debts/obligations (due within the next 12 months). 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 2019 was 2.07, a decrease of 0.45 over 2018.

- **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 2019 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 lower 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 2019 was 7.16%, within the 6.36% - 12.36% range allowed by the OEB. The 2019 return on equity was lower than the deemed return on equity of 9.36% primarily due to higher depreciation on capital assets.

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.