

# Scorecard - Oakville Hydro Electricity Distribution Inc.

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	Trend	Target		
									Industry	Distributor	
<b>Customer Focus</b> Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	94.72%	83.10%	89.80%	89.92%	96.00%	↑	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	99.62%	↓	90.00%		
		Telephone Calls Answered On Time	85.90%	79.34%	79.15%	82.60%	79.21%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution	96.3%	95.6%	94.2%	91.2%	94.5%				
		Billing Accuracy	99.96%	99.54%	99.89%	99.96%	99.67%	↑	98.00%		
		Customer Satisfaction Survey Results	94%	95%	94%	93%	91%				
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	82.00%	82.00%	84.00%	84.00%	84.00%				
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	C	C	C	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	1	0	0	0	0	→		0
	Rate per 10, 100, 1000 km of line		0.522	0.000	0.000	0.000	0.000	→		0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>	0.74	0.61	0.84	0.36	0.23	↓		0.57	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	1.19	0.85	1.20	0.74	0.63	↓		0.85	
	Asset Management	Distribution System Plan Implementation Progress	Above target	On Track	On Track	On Track	On Track				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer <sup>3</sup>	\$736	\$712	\$710	\$775	\$871				
		Total Cost per Km of Line <sup>3</sup>	\$28,134	\$26,342	\$26,506	\$29,104	\$32,686				
<b>Public Policy Responsiveness</b> Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	100.00%	→	90.00%		
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.25	1.23	1.22	1.06	1.10				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.92	0.88	0.84	0.80	0.71				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.36%	9.36%	9.36%	9.36%	9.36%			
			Achieved	9.31%	8.42%	9.22%	9.17%	9.90%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).  
 2. 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.

**Legend:**  
 5-year trend: ↑ up, ↓ down, → flat  
 Current year: ● target met, ● target not met



# 2023 SCORECARD MANAGEMENT DISCUSSION AND ANALYSIS (2023 SCORECARD MD&A)

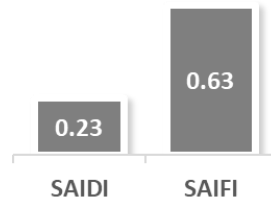
## 2023 HIGHLIGHTS

Oakville Hydro (OH) distributes electricity to the residents and businesses in the Town of Oakville. OH employees work to provide the best energy and conservation solutions to over 76,000 customers. This important work involves delivering safe, reliable, and affordable electricity to all the residential and business customers. In 2023, strong results were achieved in all four scorecard performance categories.



### Customer Focus

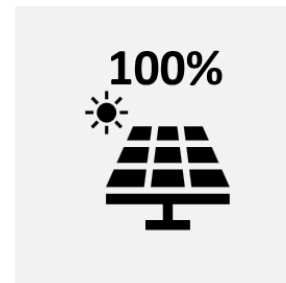
Oakville Hydro focused on ensuring specific service levels and enhancement of the overall customer experience. 91% of our customers are satisfied with our service



### Operational Efficiency

Delivering reliable electricity at a reasonable cost

On average, customers were without power for 0.23 hours or 14 minutes in 2023

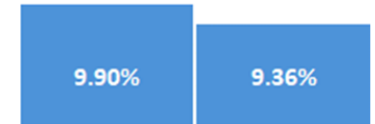


### Public Policy

The OEB's requirements for connection of generation facilities were met 100% of the time



### Regulated Rate of Return



Achieved Approved

### Financial Performance

Providing service excellence at a reasonable cost

The regulated rate of return was slightly above OH's approved regulated rate of return.



For more information about the scorecard, please visit the Ontario Energy Board's website to access "Scorecard - Performance Measure Descriptions". This document provides the technical definition, plain language description and how the measure may be compared for each of the Scorecard's measures in the 2023 Scorecard MD&A: [https://www.oeb.ca/sites/default/files/uploads/Scorecard\\_Performance\\_Measure\\_Descriptions.pdf](https://www.oeb.ca/sites/default/files/uploads/Scorecard_Performance_Measure_Descriptions.pdf)

## 1. CUSTOMER FOCUS

In 2023, OH focused on enhancing the Customer Experience by improving the way in which the organization interacts with customers across various touchpoints, including employees, operations, system channels and programs. OH aims to continuously strengthen customer trust and deliver sustainable solutions through developing and enhancing tools, services, and programs.

OH customer focus highlights in 2023 include:

- Introducing a new and improved online customer portal with enhanced features and access to the Green Button Connect my Data and Green Button Download my Data
- Implementing a web chat option for customers
- Customers can also CHAT or TEXT with the team during an outage, making it easier for customers to connect with an agent
- Enhanced Customer Choice with the rollout of the Ultra-low Overnight (ULO) price plan
- Integrating the MyOakvilleHydro (MOH) customer portal with the Billing System for automated customer price plan changes
- A Key Customer account forum, focusing on Conservation and Demand Management for large commercial customers
- Post interaction surveys were deployed on Webchat and a customer feedback mechanism was added to address issues/concerns via the transactional survey form on the website
- Meter data quality tracker implemented to identify meter communication issues prior to billing, resulting in improved timeliness and accuracy
- Continued presence and engagement at community events

OH is committed to supporting community electrification initiatives. In 2023, OH facilitated the connection of an electric vehicle fast-charging station to the grid and collaborated with Plug'n Drive to host an EV Discovery Centre. Through this initiative, community members had the opportunity to test drive and learn about electric vehicles, promoting sustainable transportation and enhancing local knowledge.

**Our Purpose Statement**  
*'Connecting Communities Through Sustainable Solutions'*

## 1.1 SERVICE QUALITY MEASURES

The Ontario Energy Board (OEB) has set industry targets in the areas of Service Quality and Customer Satisfaction to ensure services are provided in a manner that responds to customer identified preferences. OH's performance against each of these targets is discussed in this section.

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

In 2023, the Town of Oakville experienced continued customer growth. Field staff connected approximately 1,100 new services for residential and small business customers under 750 volts. OEB requirements mandate these connections are completed within a five-day timeline, 90% of the time. OH successfully connected 96% of new customers within the five-day timeframe.

### 1.1.2 SCHEDULED APPOINTMENTS MET ON TIME

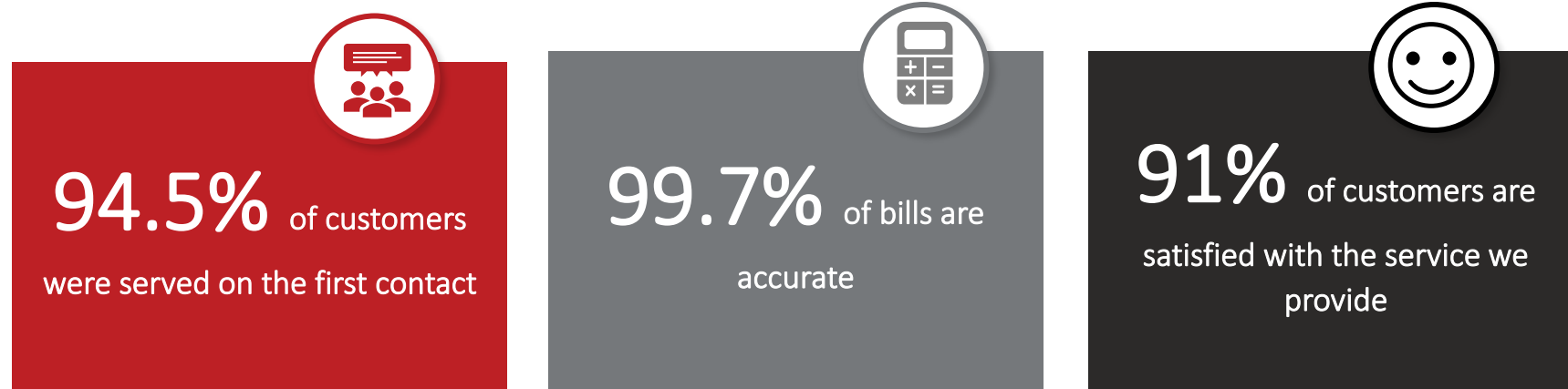
In 2023, 262 customer appointments were scheduled to complete requested work, read meters or reconnect services, with 261 met on time. For the five-year period from 2019 through 2023, 100%, or marginally below, of scheduled appointments have consistently been met, a significant accomplishment. Customers are a top priority, and OH is committed to being on time, every time.

### 1.1.3 TELEPHONE CALLS ANSWERED ON TIME

In 2023, 39,000 customer calls were answered – equivalent to about 160 calls per day. A great customer experience is important, and the goal is to provide each customer with personalized interaction. In 2023, more than 79% of the calls were answered within 30 seconds. These results exceed the OEB's requirement to answer 65% of the calls received within 30 seconds. For the period 2019 through 2023, OH has consistently provided a higher quality of service than the industry target.



## 1.2 CUSTOMER SATISFACTION MEASURES



### 1.2.1 FIRST CONTACT RESOLUTION

The aim is to resolve customer inquiries during the initial contact. If there is a need to call a customer back or to escalate the issue, the event is logged. The measure for First Contact Resolution is calculated as the number of customer contacts not resolved with the first contact, divided by the total number of customer contacts. In 2023, 94.5% of customers were served on the first contact.

### 1.2.2 BILLING ACCURACY

Providing customers with accurate and timely bills is essential. Since tracking of billing accuracy commenced in 2014, scores of over 99% have consistently been achieved.

### 1.2.3 CUSTOMER SATISFACTION SURVEY RESULTS

The Customer Satisfaction Survey provides valuable feedback to support future customer education programs and identify areas where there is room to improve the customer experience, communication, and service. Through the survey, customers said that OH is trusted, provides an excellent quality of service, and delivers on its service commitments.

The 2023 Scorecard includes reporting on the number of customers that were “very or fairly satisfied with Oakville Hydro”. Customers gave OH a score of 91% on this measure compared with an average score of 90% nationally and 91% provincially. Attention to customer service has enabled OH to achieve an equal or higher score than the industry average in Ontario and across Canada.

## 2. OPERATIONAL EFFECTIVENESS MEASURES

Electricity is an essential service – customers expect the electricity supply will be there when they need it 24 hours a day, 365 days per year. OH is committed to leveraging new technologies and demonstrating a commitment to a brighter future for everyone that depends on a *safe, reliable* and *efficient* electricity supply. The operational effectiveness measure demonstrates success in delivering safe and reliable electricity to residences and businesses across Oakville at a reasonable price.

OH undertook a multi-year initiative to enhance system and customer reliability by building and launching a fully operational backup control room and storm room in 2022/2023. This backup control room provides full redundancy and is a mirror image of the main control room in Oakville. The storm room provides additional space to accommodate staff during large-scale outages.

A significant leap forward in automation was realized through the multi-year implementation of a centralized system wide Fault Location, Isolation, and Service Restoration (FLISR) technology. This installation is the first step towards a fully automated self-healing power grid. In 2023, 940,367 customer outage minutes were avoided due to automation. This metric was created to quantify OH’s investment in automation as it relates to an improved customer experience. An increased emphasis has also been put on reducing wildlife contact with OH’s equipment, implementing humane mitigation strategies as problem areas are identified.



The OEB has established distributor-specific targets that measure the ability to achieve continuous improvement in productivity and cost performance while delivering on system reliability and service quality objectives. These measures include public safety, system reliability, asset management and cost control, each of which is discussed in the following section.

## 2.1 PUBLIC SAFETY

### 2.1.1 PUBLIC AWARENESS OF ELECTRICAL SAFETY

OH is active in raising awareness of powerline safety hazards in the Town of Oakville. Through various media platforms, a variety of important public electrical safety messages are communicated to residents.

A public safety awareness survey is conducted every two years to measure the level of awareness in Oakville. In early 2024, approximately 1,600 people, over the age of 18, were asked six safety-related questions that correspond to the most frequent incidents involving electrical equipment. Oakville residents achieved a score of 84%, in line with the 2022 result and up from 82% achieved in 2019.

Visit OH's YouTube channel for more information about how you can protect you and your loved ones from injury.

<https://www.youtube.com/channel/UCLV60O4HmueHAXBRFDTRO9g/videos>



### 2.1.2 COMPLIANCE WITH ONTARIO REGULATION 22/04

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

OH is committed to ensuring that the distribution system is safe and that it complies with all electrical safety requirements. In 2023, a "Compliant" rating was received for the sixth consecutive year.



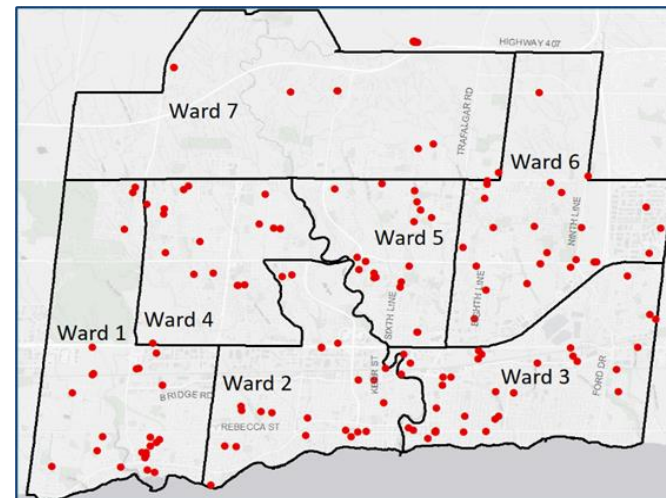
### 2.1.3 SERIOUS ELECTRICAL INCIDENT INDEX

The Serious Electrical Incident Index measures the number and rate of serious electrical incidents involving the public and occurring on OH’s distribution assets. Safety is the priority. In 2023, there were no serious electrical incidents involving Oakville Hydro.

## 2.2 SYSTEM RELIABILITY

In 2023, OH’s Reliability Committee, a multi-department internal collaboration, continued its focus on developing existing and new initiatives that can help improve customer reliability. The Reliability Committee relies on subject matter experts, business intelligence, and spatial data to guide improvements to the distribution system and internal processes. Reliability data has been integrated into Asset Management Analytical Software to provide additional insight into areas that are likely to require future asset renewal.

OH utilizes a geospatial data solution that combines spatial and asset data together to produce condition-based health indices. The asset health indices are layered with spatial and reliability data, risk analyses and probability of failure forecasts to optimize Oakville Hydro’s infrastructure renewal program.



### 2.2.1 SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)

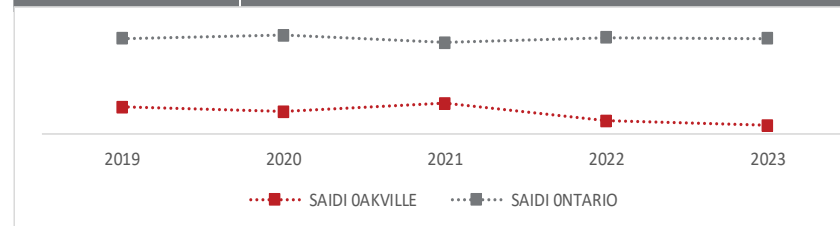
Average Number of Hours That Power Is Interrupted

In 2023, Oakville customers were without power for an average of 0.23 hours or 14 minutes. The number of hours that an average customer was without power in Oakville was lower than that of the average customer in Ontario who was, on average, without power for more than two hours.

OH has consistently performed better than the provincial average throughout the five-year period covered by the scorecard. Much of this success can be attributed to the ability to restore power remotely and quickly through its grid automation platform.

System Reliability Indicators | SAIDI

Year	2019	2020	2021	2022	2023
<b>SAIDI OAKVILLE</b>	0.74	0.61	0.84	0.36	<b>0.23</b>
<b>SAIDI ONTARIO</b>	2.64	2.72	2.52	2.66	2.63 <sup>①</sup>



① 2023 Ontario value is estimated based on 2019-2022 average



## 2.2.2 SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)

Average Number of Times that Power to a Customer is Interrupted

In 2023, customers experienced, on average, 0.63 power interruptions, 50% fewer interruptions than the average Ontario customer.

OH has consistently performed better than the provincial average throughout the five-year period covered by the scorecard. These high levels of reliability are a result of the emphasis and priority OH places on asset management and agile dispatching and restoration.

## 2.3 ASSET MANAGEMENT

### DISTRIBUTION SYSTEM PLAN (DSP) IMPLEMENTATION PROGRESS

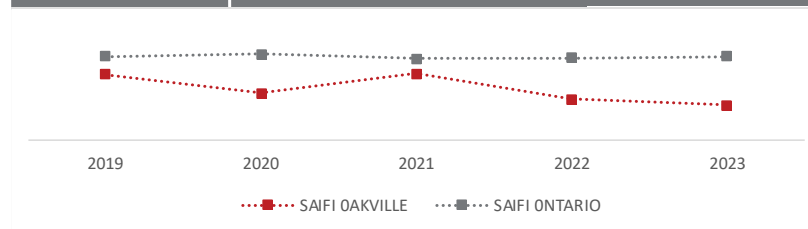
Maintaining and building an electricity distribution system is capital-intensive; it is an ever-changing and evolving process. It is critical that OH make prudent capital investments and have effective maintenance plans to ensure a sustainable and reliable distribution system. OH’s DSP reflects an integrated approach to planning, selecting, prioritizing, and managing assets. It includes regional planning, renewable generation connections, impacts of climate change, grid modernization, conservation and demand management, and smart grid considerations.

In 2023, OH continued to upgrade the distribution system with new gas-insulated switchgear that can be controlled automatically from the control room. Unlike the air-insulated switchgear being replaced, the gas-insulated switchgear better protects against adverse weather conditions and has a longer useful life. More automated switches were also added at key locations in the overhead system that are remotely controlled from the control room centre. System automation is now implemented at 51% of all major switching points within the system, further enhancing OH’s grid resilience.

New building developments were facilitated within the Town of Oakville and electrification of the transportation sector through Metrolinx projects along the South of Oakville was supported. In addition to these external projects, sections of the distribution grid were proactively prioritized for

System Reliability Indicators | SAIFI

Year	2019	2020	2021	2022	2023
SAIFI <sub>OAKVILLE</sub>	1.19	0.85	1.20	0.74	0.63
SAIFI <sub>ONTARIO</sub>	1.52	1.56	1.47	1.49	1.51 <sup>①</sup>



① 2023 Ontario value is estimated based on 2019-2022 average

To learn about how Oakville Hydro is investing in renewing and expanding infrastructure, visit <https://www.oakvillehydro.com/accounts-customer-services/grid-advancement>

replacement. A total of five overhead areas and eight underground areas were prioritized, selected, designed and rebuilt, to improve the overall reliability of the distribution grid and experience for customers.

## 2.4 COST CONTROL

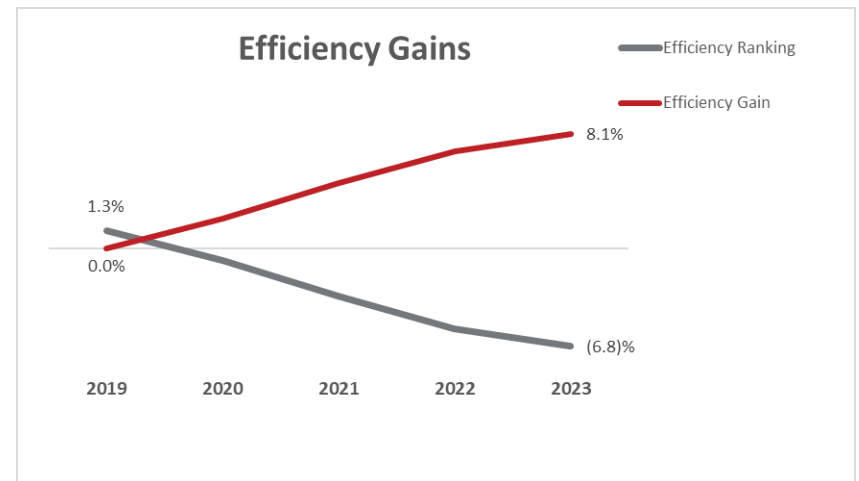
A total cost benchmarking evaluation is used to assess the efficiency of Ontario’s electricity distributors. The model is used to calculate an electricity distributor’s total operating and capital costs and compare those costs to the costs predicted by the model, based on business conditions in each electricity distributor’s service area. These business conditions include the number of customers, kilometres of line, peak demand and the price of inputs such as labour and capital.

Actual costs are then compared to those predicted by the model to assess an electricity distributor’s efficiency. The total cost per customer and per kilometre of line allows for further benchmarking between electricity distributors. Performance under each of these measures is discussed in the following section.

### 2.4.1 EFFICIENCY ASSESSMENT

Electricity distributors are assigned to one of five efficiency groups (Groups 1 to 5) based on the comparison of their actual costs to their predicted costs. Electricity distributors whose actual costs are close to or lower than their predicted costs are considered more efficient. OH is in Group 3, the largest group, whose actual costs are within 10% of their predicted costs.

Since 2018, OH has improved its performance within Group 3 and, in 2023, actual costs were 6.8% **lower** than predicted costs.



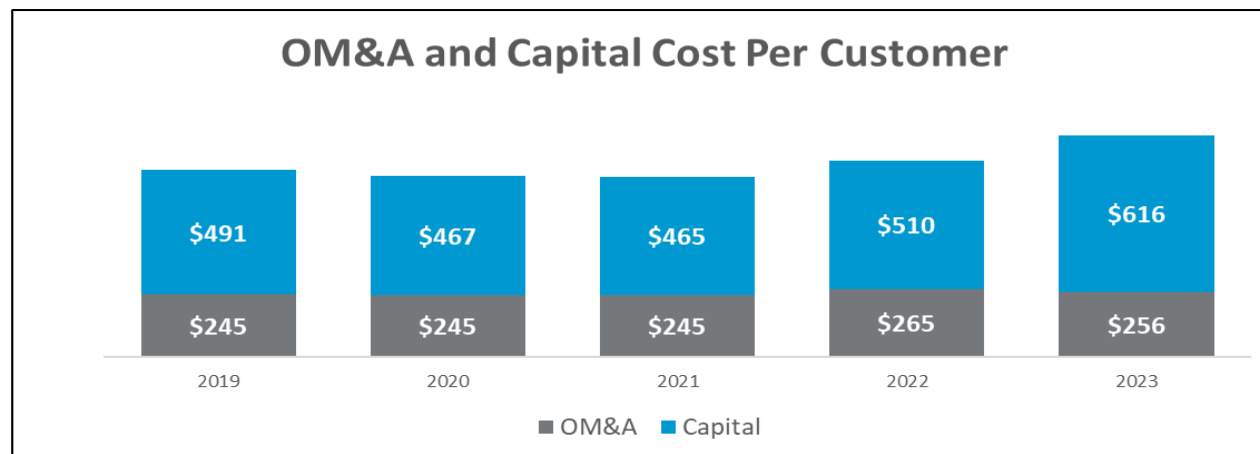
## 2.4.2 TOTAL COST PER CUSTOMER

The total cost per customer is calculated as the sum of capital and operating costs divided by the total number of metered customers. In 2023, OH's Operating, Maintenance and Administration (OM&A) cost per customer was \$256 and capital cost per customer was \$616 for a total cost of \$871 per customer, an increase of 12.4% as compared to 2022. This increase is driven by the required higher capital investments in the grid, with OM&A costs marginally lower than in 2022.

Like other electricity distributors in the province, OH has experienced cost pressures associated with the delivery of reliable services to customers. Inflationary pressures, supply chain challenges, investments in new information systems technology, and the renewal and growth of the distribution system, have all contributed to increased costs. In comparison, the total cost per customer for Ontario was \$1,083, an increase of 15.4% as compared to 2022, which exceeds OH's increase.

Despite these pressures, OH's OM&A and capital cost per customer have remained relatively stable with average annual cost growth of 3.9% over the five-year period of the scorecard, compared with 5.6% for the province. This stable cost profile is a result of the successful implementation of innovative solutions and efficiency initiatives.

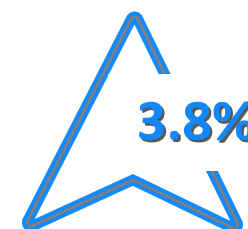
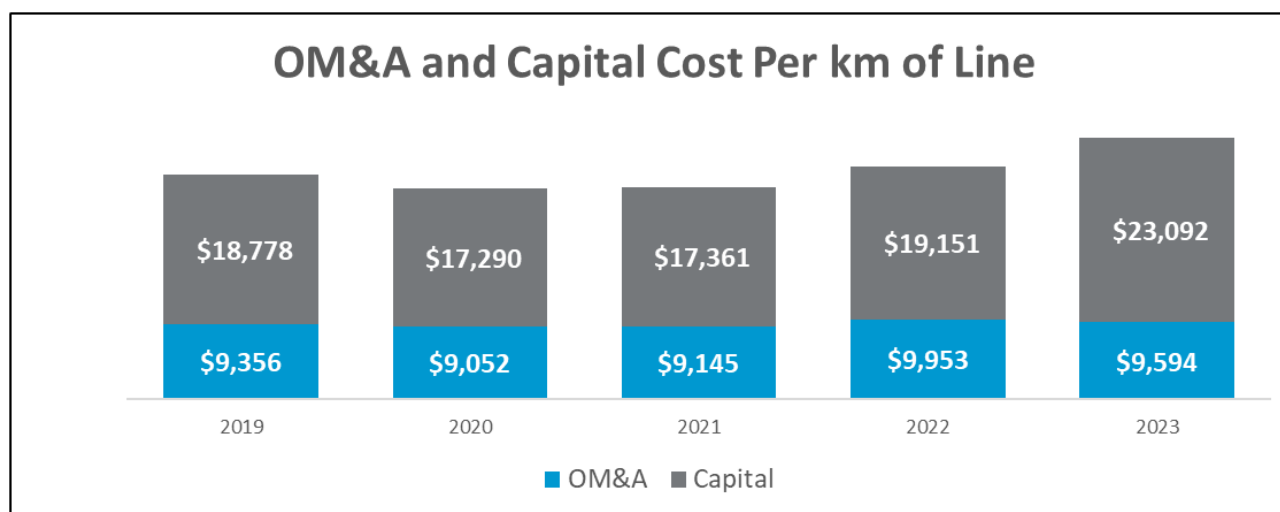
Our total cost per customer increased by an average of 3.9% over the five-year period covered by the scorecard, lower than the provincial average.



### 2.4.3 TOTAL COST PER KM OF LINE

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometres of distribution lines of the service area. In 2023, OH's OM&A and capital costs per kilometre of line were \$9,594 and \$23,092 respectively, for a total cost per kilometre of line of \$32,686. This represents an increase of 12.3% as compared to 2022 or an average annual cost growth of 3.8% over the five-year period covered by the scorecard. This increase is driven by higher capital costs, with OM&A costs lower than in 2022.

**Our total cost per kilometre of line increased by 3.8% over the five-year period covered by the scorecard.**



### 3. PUBLIC POLICY & RESPONSIVENESS

The Ontario Energy Board (OEB) regulates OH. The OEB's objectives include requirements to promote electricity conservation and demand management and to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario.

The Public Policy and Responsiveness measures assess success in responding to requests for the connection of renewable energy to the distribution system. Since 2016, the OEB has required that electricity distributors report their performance in providing connection impact assessments for large generation facilities and connection standards for smaller generation facilities.

#### 3.1 CONNECTION OF RENEWABLE GENERATION

Renewable energy, also referred to as clean or alternative energy, is electricity produced from renewable sources with a lower impact on the environment and health. These renewable sources include power generated by wind, geothermal, solar, biomass and low-impact hydroelectric sources that produce little or no noxious emissions. Alternative energy is used to replace non-renewable sources of energy production such as coal, nuclear and natural gas.

As of December 31, 2023, there were 176 solar energy installations in the Town of Oakville.

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

In 2023, OH connected 17 micro-embedded generation facilities. All 17 were connected on time.

## 4. FINANCIAL PERFORMANCE

OH has consistently performed within the OEB's range of +/- 3% of the deemed regulated rate of return on equity of 9.36% that was established in the cost-of-service application. This result means financial objectives have been achieved within the OEB's framework of annual inflationary adjustments to rates. The goal is to balance the needs of Oakville's growing community and the commitment to provide the value of service that customers require and expect.

Among the OEB's objectives is the requirement to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale, and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry. This section of the scorecard includes measures of financial health and performance including liquidity, leverage, and profitability. OH's performance in these categories is discussed in the following section.

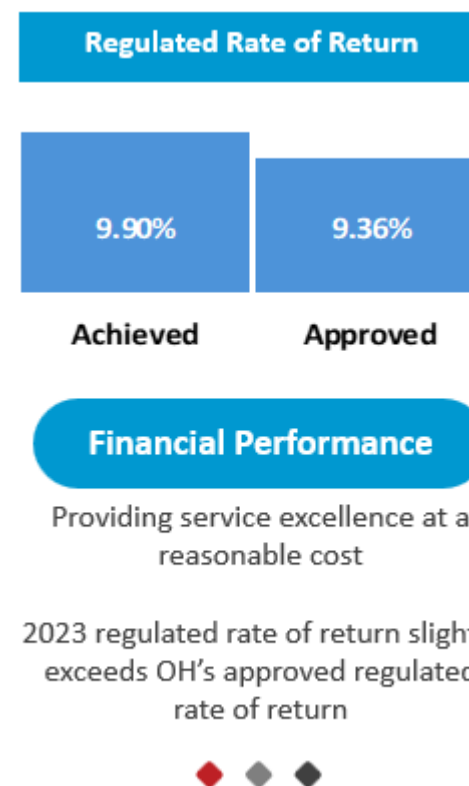
### 4.1 FINANCIAL RATIOS

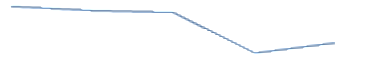

#### 4.1.1 LIQUIDITY: CURRENT RATIO (CURRENT ASSETS/CURRENT LIABILITIES)

As an indicator of financial health, a current ratio that is greater than one indicates that the company can pay its short-term debts and financial obligations. Companies with a ratio of greater than one are often referred to as being "liquid". The higher the number, the larger the level of assurance that the company can meet its short-term financial obligations. OH continues to be in a strong financial position with a current ratio of 1.1 in 2023.

#### 4.1.2 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 when establishing electricity distribution rates. This deemed capital mix is equal to a debt-to-equity ratio of 1.5 (60/40). A debt-to-equity ratio of more than 1.5 indicates that a distributor is more highly leveraged than the deemed capital structure. Since 2019, OH has maintained a debt-to-equity structure of less than 1.5.



Financial Ratios	2019	2020	2021	2022	2023	Trend
Current Ratio	1.25	1.23	1.22	1.06	1.10	
Leverage	0.92	0.88	0.84	0.80	0.71	


### 4.1.3 PROFITABILITY

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

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

#### REGULATORY RETURN ON EQUITY – ACHIEVED

In 2023, OH earned a regulatory return on equity of 9.90%, which is within the OEB's range of +/- 3% of the deemed rate of 9.36%. OH continues to control costs, maximize efficiencies and, as a result, is well-positioned to meet the needs of Oakville's growing community and continue to provide the quality service that customers expect.

Regulated Rate of Return	2019	2020	2021	2022	2023	Trend
Deemed ROE	9.36%	9.36%	9.36%	9.36%	9.36%	
Actual ROE	9.31%	8.42%	9.22%	9.17%	9.90%	



## NOTE TO READERS OF 2023 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.