

Scorecard - Ottawa River Power Corporation

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	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	98.15%	98.29%	97.58%	98.11%	100.00%	⬆	90.00%		
		Telephone Calls Answered On Time	99.95%	97.63%	94.33%	96.05%	97.24%	⬇	65.00%		
	Customer Satisfaction	First Contact Resolution	98.6%	99.0%	98%	98%	97%				
		Billing Accuracy	99.96%	99.97%	99.88%	99.92%	99.79%	⬇	98.00%		
		Customer Satisfaction Survey Results	80.3%	81.0%	81%	79%	79%				
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	82.00%	82.00%	83.50%	83.50%	84.20%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	➡		C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	➡		0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	➡		0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	7.53	0.56	3.36	1.77	1.49	⬇		2.59	
		Average Number of Times that Power to a Customer is Interrupted ²	1.35	0.53	1.39	1.33	1.09	⬆		0.83	
	Asset Management	Distribution System Plan Implementation Progress	Implemented	Implemented	In progress	In Progress	In Progress				
	Cost Control	Efficiency Assessment	2	2	2	1	1				
		Total Cost per Customer ³	\$530	\$520	\$521	\$592	\$668				
		Total Cost per Km of Line ³	\$11,771	\$11,673	\$11,805	\$13,519	\$15,370				
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).	Connection of Renewable Generation	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)	1.44	1.90	1.00	2.01	1.45				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.80	0.78	0.75	0.71	0.70				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.19%	9.19%	9.19%	8.66%	8.66%			
			Achieved	14.48%	9.61%	8.57%	10.59%	3.84%			

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”)

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 2023 Scorecard MD&A:

<http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf>

Scorecard MD&A - General Overview

Ottawa River Power Corporation has continued to meet or exceed most of its performance targets in 2023. Notably, it connected 100% of new residential and small business customers on time and met 100% of its scheduled appointments on time. Its Efficiency Assessment remained in Cohort 1 showing cost efficiency. The average number of hours that power to a customer was interrupted and the average number of times that power to a customer was interrupted both saw further improvements from 2021 and 2022 with decreased losses in all categories with the exception of adverse weather events. Aging distribution infrastructure continues to be the primary challenge as capital costs rise. Ottawa River Power Corporation will strive to match or improve upon these results in 2024 and beyond with continued investment in infrastructure, the implementation of various efficiencies and improvements and the implementation of its distribution system plan.

Ottawa River Power Corporation prides itself on its accessibility and quality of service to customers. It makes every effort to engage its customers on a regular basis and remains committed to provide its customers with the most reliable service at the least possible cost.

Service Quality

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

In 2023, Ottawa River Power Corporation connected all of its new low-voltage requests within five working days of all applicable service conditions being met. This result remains consistent with prior year percentages and exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Ottawa River Power considers “New Services Connected on Time” as an important form of customer engagement as it is the utilities first opportunity to meet and/or exceed its customer’s expectations, which in turn affects the level of customer satisfaction within a utility’s territory. Ottawa River Power prides itself on being a small pliable utility able to respond to its customers’ needs quickly and it expects to continue to exceed the mandated target.

- **Scheduled Appointments Met On Time**

This includes appointments to connect services, disconnect services, complete customer underground locates, attend customer premises for delivery of conservation and demand management programs or complete other work requested by its customers. Ottawa River Power Corporation kept the appointment date and time for 100% of appointments, which exceeds the mandated target of 90% for this measure. Ottawa River Power considers “Scheduled Appointments Met on Time” as an important form of customer engagement and expects to maintain this quality of service in the future.

- **Telephone Calls Answered On Time**

In 2023, Ottawa River Power Corporation received 8,442 telephone calls from its customers which represents an average of 32 calls received per business day. The call volume is attributed to customer demographics and preference to contact Ottawa River Power by telephone and as ORPC considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. A customer service representative answered 97.24% of these calls in 30 seconds or less which exceeds the Ontario Energy Board’s mandated target of 65% for this measure and shows a continued improvement over 2021 and 2022. The downward trend can be attributed to improved data quality as the company transitioned to a new phone system in 2020. Ottawa River Power expects to maintain this percentage into the foreseeable future.

Customer Satisfaction

- **First Contact Resolution**

First contact resolution is a measure introduced by the Ontario Energy Board that measures a utility’s success at meeting a customer’s needs the first time the utility is contacted. Distributors use a range of approaches to assess their effectiveness in regard to this measure. Ottawa River Power Corporation measures its effectiveness based on the number of customer enquiries that are resolved by the first contact at the utility and that do not result in escalation to an alternate contact at the utility, typically a supervisor or a manager. This includes enquiries received by telephone, mail, e-mail or in person. Ottawa River Power Corporation achieved a first contact resolution of 97% in 2023. The utility considers the ability to address customer inquiries quickly and accurately to be an essential component of customer satisfaction and will aim to match or exceed its results in the years to come.

- **Billing Accuracy**

Billing is the main form of communication with customers and Ottawa River Power Corporation strives to communicate clearly and accurately with its customers. In 2023, Ottawa River Power Corporation achieved a billing accuracy of 99.79%, which represents a percentage expressed as the total number of accurate bills issued compared to the total number issued. This percentage remains consistent with prior years and meets the mandated target of 98%.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board has not yet issued a common definition for this measure as utilities use different approaches and methodologies to assess how satisfied their customers are with the service they receive.

A satisfaction survey was completed in the winter of 2022 with Ottawa River Power Corporation receiving an overall score of 79%. The survey was completed in all four service areas: the City of Pembroke, the Village of Beachburg, the Village of Killaloe and Almonte Ward. Question scoring and index methodologies were prescribed by the Electricity Distributors Association to meet the reporting guidelines.

Safety

- **Public Safety**

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

Component A consists of a statistical survey that gauges the public's awareness of key electrical safety concepts related to electrical distribution equipment found in a utility's territory. The survey also provides a benchmark of the levels of awareness including identifying gaps where additional education and awareness efforts may be required.

Ottawa River Power Corporation completes a survey every 2 years and last completed a survey in 2023. This survey assessed customer awareness at 84.20% with regard to electrical safety concepts in its system. This remains fairly consistent with prior years as Ottawa River Power Corporation continues its effort to raise the public's awareness about the risks surrounding the equipment used to run the electricity system.

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

Component B consists of a utilities compliance with Ontario Regulation 22/04 - Electrical Distribution Safety. Ontario Regulation 22/04 establishes the safety requirements for the design, construction and maintenance of electrical distribution systems, particularly in relation to the approvals and inspections required prior to putting electrical equipment into service. Over the past five years, Ottawa River Power was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety and the adherence to company procedures and policies.

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

Component C consists of the number of serious electrical incidents, including fatalities, which occur within a utility's territory. Ottawa River Power had zero fatalities and no serious incidents within its territory.

System Reliability

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

The average number of hours that power to a customer is interrupted is a measure used to assess the reliability of a distributor's system to supply power to its customers with minimal interruptions. This measure expresses the average amount of time, per reporting period, supply to a customer is interrupted. Ottawa River Power Corporation views reliability of electrical service as a high priority for its customers and constantly monitors its system for signs of reliability degradation. Ottawa River Power Corporation also regularly maintains its distribution system to ensure its level of reliability is kept as high as possible.

In 2023, Ottawa River Power Corporation saw a decrease in the average number of hours that power is interrupted to 1.49. Ottawa River Power Corporation's outages in 2023 included 25,712 hours interrupted as a result of a loss of supply and 6,304 hours interrupted as a result of defective equipment. This is within the target of 2.59 prescribed by the Ontario Energy Board. The utility intends to continue to improve its outages related to defective equipment with the implementation of its Distribution System Plan that took effect on May 1, 2022.

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

The average number of times that power to a customer is interrupted is also a measure of system reliability and is a high priority for Ottawa River Power Corporation. This is measured based on the total customer interruptions (excluding those caused by loss of supply events) divided by the average number of customers served.

Ottawa River Power's target for 2023 was 0.83 as set by the Ontario Energy Board whereas 1.09 was achieved which is outside the target established by the Ontario Energy Board. Defective equipment outages contributed the most to the overage in this ratio as the utility's infrastructure continues to age. However, the utility, through its Distribution System Plan effective May 1, 2022, has started implementing its capital replacement program which should lead to decreased outages related to defective equipment in coming years.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan Implementation Progress measure is used to track a utility's progress in relation to their system plans. The Distribution System Plan outlines Ottawa River Power Corporation's forecasted capital expenditures over the next five years, which are essential to maintain and expand the utility's electricity system to serve its current and future customers. Distributors are given the opportunity to use a range of approaches to measure their effectiveness at implementing their distribution system plan. As a result, this measure may differ from other utilities in the province.

Ottawa River Power Corporation commenced implementation of its new Distribution System Plan on May 1, 2022 which remains in progress.

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its performance. To determine a ranking, electricity distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2023, Ottawa River Power was placed in Group 1 in terms of cost efficiency. Group 1 is considered the most efficient grouping and is defined as having actual cost savings of more than 25% as compared to predicted costs. Group 1 utilities represent the most cost-efficient distributors across the province. Ottawa River Power Corporation's future goal is to maintain the highest efficiency assessment.

- **Total Cost per Customer**

Total Cost per Customer is calculated as the sum of a distributor's capital and operating costs and dividing that sum by the total number of customers that the distributor serves. In 2023, Ottawa River Power Corporation saw its total costs required to deliver quality and reliable services to customers continue to increase with high inflation compared to previous years. Growth in wage and benefits costs for employees, investments in new information systems technology and the renewal and growth of the distribution system also contribute to the overall upward trend of total costs.

In 2023, Ottawa River Power Corporation's total cost per customer was \$668 compared to \$592 in 2022. Although there was an increase mainly attributed to inflation, Ottawa River Power will continue to strive to implement efficiencies and other improvements to help offset costs associated with the distribution system enhancements while ensuring to maintain reliability and quality of its distribution system.

- **Total Cost per Km of Line**

This measure uses the total distributor's capital and operating costs and divides it by the total kilometers of line. Based on this, Ottawa River Power Corporation's rate is \$15,370 per kilometer of line, which is above the rates of \$13,519 and \$11,805 per kilometer of line in 2022 and 2021 respectively. The cost per kilometer of line increased as capital and operating costs increased with inflation. As we progress into the future, Ottawa River Power Corporation will continue to seek innovative solutions to help ensure this cost remains competitive and within acceptable limits to our customers.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIA's) on all renewable generation connections within 60 days of receiving authorization from the Electrical Safety Authority. Ottawa River Power has developed and implemented an internal procedure to ensure compliance with this regulation. All CIAs are conducted internally by Ottawa River Power. Ottawa River Power did not conduct any CIAs in 2023.

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

Micro-embedded generation facilities consist of solar, wind or other clean energy projects of less than 10 kW that are typically installed by homeowners, farms or small businesses. In 2023, Ottawa River Power Corporation had no micro-embedded generation applications. Connection of projects are required to be connected within the prescribed timeframe of five business days. The Ontario Energy Board's mandated target is 90% for this measure. Ottawa River Power Corporation's process for these projects is well documented and the utility works closely with its customers and their contractors to ensure the customer's needs are met.

Financial Ratios

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

There are four ratios used in the scorecard to help measure the financial health of the utility. This first ratio measures whether or not the utility has enough resources to pay its short-term debts. Typically, a current ratio between 1 and 1.5 is considered good. If the current ratio is below 1, then a company may have problems meeting its current financial obligations. If the current ratio is too high (higher than 1.5) then the company may be inefficient at using its current assets or its short-term financing facilities.

Ottawa River Power Corporation's current ratio is 1.45 for 2023 which is within the healthy range and suggests efficient use of assets. Ottawa River Power Corporation will strive to remain within the healthy range in the years to come as its resources are re-invested into its distribution system.

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

This second ratio measures the degree to which the utility is leveraging itself through its use of borrowed money. The Ontario Energy Board uses a capital structure of 60% debt and 40% equity resulting in a debt to equity ratio of 1.5 when setting rates for a utility. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that may be had through increased financial debt.

Ottawa River Power Corporation attained a debt to equity ratio of 0.70 in 2023 which represents a slight continued decrease from previous years but still remains consistent overall. The decrease is a result of debt repayments over time. Although this is a lower debt-to-equity than expected by the Ontario Energy Board, Ottawa River Power Corporation is satisfied with its level of profit as it has been able to continue to keep its rates to customers lower than many distributors. Ottawa River Power Corporation expects this ratio to increase in the coming years as it settles its regulatory liabilities with long-term debt.

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

Regulatory return on equity is the rate of return that the utility is allowed to earn through its distribution rates, as approved by the Ontario Energy Board. Return on equity demonstrates an organization's profitability or how well a company uses its investments to generate earnings growth. Ottawa River Power Corporation's 2023 distribution rates were approved by the Ontario Energy Board and included an expected (deemed) regulatory return on equity of 8.66%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity. If a distributor performs outside of this range, it may trigger a regulatory review of the distributor's financial structure.

- **Profitability: Regulatory Return on Equity – Achieved**

Ottawa River Power Corporation achieved a return on equity of 3.84% in 2023. This percentage falls outside the +/-3% range allowed by the Ontario Energy Board as the utility has incurred additional unplanned costs and due to significant cost inflation of materials. Ottawa River Power Corporation last reset its rates through a Cost of Service based Rate Application for rates effective May 1, 2022 and will strive to re-establish its return on equity within the target established by the Ontario Energy Board in the coming years.

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.