Scorecard - Algoma Power Inc.

9/22/2025

Performance Outcomes	Performance Categories	Measures		2020	2021	2022	2023	2024	Trend	Target: Industry	Target: 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%	98.64%	100.00%	100.00%	flat	90.00%	
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	100.00%	100.00%	flat	90.00%	
		Telephone Calls Answered On Time		84.84%	88.36%	85.46%	78.32%	77.96%	down	65.00%	
	Customer Satisfaction	First Contact Resolution		99.93%	99.95%	99.99%	99.91%	99.87%			
		Billing Accuracy		99.87%	99.82%	99.92%	99.95%	99.94%	up	98.00%	
		Customer Satisfaction Survey Results		94%	93%	97%	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		83.00%	83.00%	82.00%	82.00%	84.00%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C	flat		C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	flat		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000	flat		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		6.79	3.61	4.43	5.28	8.52	up		7.36
		Average Number of Times that Power to a Customer is Interrupted [2]		2.93	1.77	2.08	2.28	3.23	up		3.16
	Asset Management	Distribution System Plan Implementation Progress		Completed	Completed	Completed	Completed	Completed			
	Cost Control	Efficiency Assessment		5	5	5	5	5			
		Total Cost per Customer [3]		$2,212	$2,338	$2,479	$2,804	$2,944			
		Total Cost per Km of Line [3]		$12,203	$13,025	$14,501	$16,501	$16,966			
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				100.00%		100.00%	flat	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	**Financial Ratios**	Liquidity: Current Ratio (Current Assets/Current Liabilities)		0.77	0.43	0.26	0.20	2.02			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.30	1.32	1.44	1.39	1.63			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.52%	8.52%	8.52%	8.52%	8.52%			
			Achieved	9.25%	9.38%	10.53%	10.54%	7.95%			

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

2024 Scorecard Management Discussion and Analysis ("2024 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 2024 Scorecard MD&A:

Scorecard - Performance Measure Descriptions

Scorecard MD&A - General Overview

- In 2024, Algoma Power Inc. ("API") met or exceeded most of its performance targets, consistent with the strong performance in prior years.
- In 2025, API expects to continue to maintain and improve its overall scorecard performance results. Sustaining and improving performance are expected as a result of enhanced system reliability due to API's investment in its distribution system and continued responsiveness to customer feedback.

Service Quality

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

In 2024, API connected 100% of the 247 new eligible low-voltage residential and small business customers within the Ontario Energy Board's prescribed five-day timeline. Since 2011, API has consistently exceeded the Ontario Energy Board's target of 90%.

- **Scheduled Appointments Met On Time**

In 2024, API met 100% of its 148 appointments within the prescribed timelines set out by the Ontario Energy Board. Since 2013, API has consistently attended 100% of its schedule appointments on time.

- **Telephone Calls Answered On Time**

In 2024, customer service representatives answered 77.9% of API's 9,493 calls within 30 seconds. This exceeds the Ontario Energy Board's mandated 65% target. Longer call processing times due to the complexity of customer calls are affecting the call answering

statistics. API continues to offer and promote various communication channels including: the customer self-serve portal; webchat function within the website; and social media postings.

Customer Satisfaction

- **First Contact Resolution**

API measures First Contact Resolution by tracking the number of escalated calls as a percentage of total calls taken by the customer service center. In 2024, only 0.13% of calls were escalated, resulting in a first contact resolution of 99.87%.

- **Billing Accuracy**

In 2024, API issued 151,510 invoices and 99.94% were accurate. This is above the industry target of 98%.

- **Customer Satisfaction Survey Results**

API conducts its customer satisfaction surveys through a third-party survey provider, UtilityPULSE, consistent with many other LDCs in the province. Phone numbers were randomly selected so that 85% per cent of the interviews were conducted with residential customers and 15% with general service customers. API's 2024 satisfaction score was 91%. The Ontario benchmark assessed by UtilityPULSE is 88%.

The survey provides useful information to better meet the needs of API's customers and is incorporated into API's distribution system plan, capital planning and overall company objectives.

As a service improvement, API has introduced the outage map in late 2023. This graphic representation provides near real-time updates of outage status in the service territory and speaks directly to what customers have been requesting.

Safety

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

The Electrical Safety Authority has developed a survey on public awareness of electrical safety. The Electrical Safety Authority is responsible for developing the survey methodology and questions. The design and scoring are standardized across the province and set by the Electrical Safety Authority. In 2024, API engaged UtilityPulse to complete the survey in relation to "Public Awareness of Electrical Safety". On completion of this survey, UtilityPulse generated a "Public Safety Awareness Index Score" for API. API's score of 84% suggests that members of the public are generally well- informed about the safety hazards associated with electrical distribution systems, but also that further education and engagement would be beneficial. This survey on "Public Awareness of Electrical Safety" is completed on a two-year cycle and will be completed again by API in 2026.

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

This component includes the results of an Annual Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations. All the elements are evaluated as a whole and determine the status of compliance (Non-Compliant, Needs Improvement, or Compliant).

API's status as evaluated by the ESA is Compliant.

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

"Serious electrical incidents", as defined by Regulation 22/04, make up Component C. The metric details the number of and rate of "serious electrical incidents" occurring on a distributor's assets and is normalized per 10, 100 or 1,000 km of line (10km for total lines under 100km, 1000km for total lines over 1000km, and 100km for all the others).

API had zero incidents in 2024.

System Reliability

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

The average API customer experienced 8.5 hours of outage in 2024, excluding loss of supply and major events. API's customers experienced an increase in the average duration of electrical service disruptions in 2024 compared to 2023. The 2024 result is 15.7% above API's performance target.

The average number of hours that power to a customer is interrupted, which are adjusted for Loss of Supply and Major Event Days, from 2020 to 2024 show an increasing trend. This indicates a general decline in reliability. The main outage causes in API's service area are Scheduled Outages, Tree Contacts and Defective Equipment.

API continues to invest in grid modernization to gain visibility on the state of the distribution system and improve overall response and restoration times. Grid modernization initiatives include the deployment of automated devices, implementation of a SCADA system and further development of API's outage management system. Outages in Northern Ontario can have a significant impact on our customers, which is why API has continued to invest in asset contingency planning, ensuring redundancy in critical supplies and equipment. Furthermore, API continues to prioritize the management of its rights-of-way through its integrated vegetation management program.

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

The average API customer experienced between 3-4 outages in 2024, excluding loss of supply and major events. API's customers experienced a slight increase in the average number of electrical service disruptions in 2024 as compared to 2023, the result is 3% above API's performance target of 3.16, and shows an increasing (worsening) trend during the most recent five-year period. The main drivers of the number of outages are Defective Equipment and Tree Contacts.

API reviews outage statistics monthly to identify areas of poor distribution system performance. This process indicates any trends in performance and identifies opportunities to improve reliability. API also completes asset condition assessments to identify assets that present a risk of impacting system reliability. API uses reliability indicators and asset condition assessment data as key drivers in the system planning process.

API's outage reduction strategy is based on a cyclical asset preventative maintenance program through inspections and testing and continues to prioritize management of rights-of-way through its integrated vegetation management program. API has implemented a renewal-based sustainment plan, whereby older, end-of-life assets are replaced.

Asset Management

- **Distribution System Plan Implementation Progress**

In 2024, API continued to see elevated levels of non-discretionary projects as a result of customer and third-party requests. API continues to invest in this area as needed in order to provide customers with access to electricity services and to ensure ongoing collaboration with third-party entities completing work in our service territory. In particular, API responded to several third-party request for line relocations along highway-controlled corridors as well as permit requests associated with the Ontario Government's accelerated broadband initiative.

API's system renewal investments continue to be focused on sustaining asset replacements through our line and express feeder rebuild programs. In 2024, API achieved its planned rebuild plans, and completed the construction of the Bruce Mines greenfield station project, which began in 2023, but was delayed to 2024 in order to avoid costlier winter construction.

API's system service investment continued to be focused on improving system reliability through contingency planning improvements, protection and control upgrades and system configuration upgrades. In 2024, API's focus continued to be the improving distribution station asset contingencies, through the installation of redundant transformation and feeder tie-connections. API has also been working with the Transmitter on supply point upgrades at the Goulais TS and Batchawana TS (both led by Hydro One Sault Ste. Marie), ensuring that the refurbishment plans will support long-term projected system capacity needs and improve supply contingency in their respective areas. The refurbishment project at the Batchawana TS was completed in September 2024.

In 2024, API's general plant investments continued to be focused on facility-related enhancements, sustaining fleet replacements, continued enhancement of its business systems (IT/OT, SCADA, Engineering software, Cybersecurity) and acquisition of long-term land right tenure. API's planned projects were mostly completed with the exceptions of right-of-way access trail improvements, and Sault Facility land reconveyance.

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 Ontario Energy Board 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. In reviewing the Pacific Economics Group benchmarking and report, API management does not believe that the model accurately predicts API's costs. API's unique attributes as a rural and remote distributor, particularly its low customer density, result in API being an extreme outlier in the data set used to develop the model.

Some of API's largest cost drivers, including customer density and the degree of forestation along its distribution line rights of way, are not appropriately reflected in the benchmarking model. As a result of the extremely rural and low-density nature of API's system in relation to other Ontario distributors, API management believes that the total cost per km of line section below provides a more appropriate measure of API's efficiency and cost control.

- **Total Cost per Customer**

The statistical model developed by Pacific Economics Group (PEG) produces total capital and operating costs for each distributor that can be used for the purpose of comparing distributors. This amount is then divided by the total number of customers that API serves to determine Total Cost per Customer. The cost performance result for 2024 is $2,944 per customer which is a 5% increase over 2023.

Total cost in 2024, as assessed by PEG, increased 5.7% over 2023, while API's customer growth in this period was 1%. API's operating expense component of total cost grew by 5%,as a result of increased maintenance expense due to higher storm related outage repair

costs, and increased staffing costs.

API's Gross Capital Additions in 2024 were -14% *lower* than 2023, driven by a significant project related to the connection of large industrial customers in 2023 (causing a reduction when no such project occurred in 2024). 2024 Capital Investments, as mentioned above, included sustaining asset replacements, sub-transmission reliability improvements, and the commissioning of the Bruce Mines Distribution Station, as well as meeting customer-driven requests for connections and expansions, etc. Despite the decrease in Gross Capital Additions, the Capital component of Total Cost, as assessed by PEG, represented an *increase* of 6%, driven by sector-wide inflationary assumptions.

Over the 2020 to 2024 period covered by the scorecard, API faced both inflationary cost increases, as well as cost increases associated with investments in programs for asset replacement, system improvement, and vegetation management that are sustainable in the long term. From 2020 to 2024, API's total customer count has not grown substantially (3% growth in total in the 2020-2024 five year period), with a result that cost increases are not offset by customer growth.

- **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 API operates to serve its customers. API's 2024 result is $16,966 per km of line, a 3% increase over the result for 2024. The change in 2024 is driven by the increase in total cost, of 5.7%. The change in km of line from 2023 to 2024 is 3%.

The 5.7% increase in total costs is explained in the section above (Total Cost per Customer)

Many of API's significant cost drivers are directly related to its total kilometers of line. These cost drivers include most lines and vegetation management related activities, as well as support functions such as engineering and design.

Connection of Renewable Generation

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

API had 6 new micro-embedded generation facilities that were connected to the distribution system within 5 business days. API met 100% of this target.

Financial Ratios

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

The 2024 liquidity current ratio for API per the scorecard is 2.02 (2023 - 0.20). The 2024 liquidity current ratio based on API's audited financial statements, adjusted to exclude due from related parties, is 1.15 (2023 - 0.27). API secured $55.0 million long-term debt in 2024 which in turn allowed for the repayment of short-term loan payables. As a result, the liquidity ratio has moved back to achieving a liquidity ratio of greater than 1.00 which indicates API has an increased ability to cover short-term liabilities with its short-term assets.

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

The Ontario Energy Board 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. The combined 2024 debt to equity ratio for API has increased to 1.63 (2023 - 1.39), which is slightly above the deemed rate of 1.5. The leverage ratio is expected to be maintained at a level near the 1.5 deemed capital mix noted above.

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

API's 2024 distribution rates were approved by the Ontario Energy Board as part of its 4th Generation Incentive Rate-Setting application. API's last Cost of Service application was for rates effective January 1, 2020 and this included an expected (deemed) regulatory return on equity of 8.52%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity. Outside of this range, the OEB may require a review of the distributor's over-/under- earning.

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

API's return achieved in 2024 is 7.95% (2023 – 10.54%), which is within the +/- 3% range allowed by the Ontario Energy Board. API's achieved returns reduced from 2023 due to a $0.9 million (16.83%) decrease in adjusted regulated net income and a $10.7 million (8.20%) increase in rate base. The primary driver of the decrease in adjusted regulated net income was due to an increase in operating costs, increased interest and current income tax expense calculated for regulated Return on Equity purposes, offset partially by an increase in distribution revenue. The increase in rate base resulted from system access and system service capital work, on-going line rebuild projects, substation project work, and vehicle purchases, which was offset by amortization expenses.

Note to Readers of 2024 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.