

									Target	
Performance Outcomes	Performance Categories	Measures	2020	2021	2022	2023	2024	Trend	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	100.00%	100.00%	90.00%	100.00%	100.00%	➡	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	➡	90.00%	
		Telephone Calls Answered On Time	100.00%	99.88%	93.06%	97.53%	98.66%	⬇	65.00%	
	Customer Satisfaction	First Contact Resolution	94.34%	94.34%	95.22%	95.22%	95.22			
		Billing Accuracy	99.91%	99.59%	99.55%	99.74%	99.53%	⬇	98.00%	
		Customer Satisfaction Survey Results	90.51%	90.51%	94.40%	94.4%	94.4			
<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	75.25%	79.64%	79.64%	92.00%	92.00%			
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	C	C	C	C	C	➡		C
		Serious Electrical Incident Index	0	0	0	0	0	➡		0
			Rate per 10, 100, 1000 km of line	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>	0.04	0.02	0.01	0.01	0.01	⬇		0.02
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	0.09	0.02	0.09	0.23	0.06	⬆		0.39
	Asset Management	Distribution System Plan Implementation Progress	100%	100%	100%	100%	100			
	Cost Control	Efficiency Assessment	2	2	2	2	2			
		Total Cost per Customer <sup>3</sup>	\$575	\$604	\$664	\$698	\$753			
		Total Cost per Km of Line <sup>3</sup>	\$34,879	\$36,337	\$40,073	\$42,450	\$45,916			
<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%		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)	1.22	1.29	1.00	0.90	0.93			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.03	0.02	0.03	0.00	0.25			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.52%	8.52%	8.52%	8.52%	8.52%		
			Achieved	5.77%	0.10%	-5.46%	-11.09%	-27.31%		

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 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:

[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)

## Scorecard MD&A - General Overview

In 2024, Hydro 2000 Inc. ("H2000") consistently met or exceeded all performance targets, reflecting the utility's strong commitment to operational excellence. Demonstrating a proactive approach to efficiency, H2000 implemented new cost control measures that led to significant improvements in cost per customer throughout the year. Looking ahead, H2000 remains dedicated to exploring innovative cost-saving solutions, including promoting cost-sharing initiatives with neighboring utilities, to further enhance value for its customers.

## Service Quality

### New Residential/Small Business Services Connected on Time

In 2024, H2000 achieved a perfect track record by promptly connecting all 10 eligible low-voltage residential and small business customers. Each request, involving connections under 750 volts, was successfully completed within just 5 working days. This 100% success rate highlights H2000's commitment to delivering fast and reliable service, ensuring that every customer is seamlessly connected without delay.

### Scheduled Appointments Met On Time

In 2024 H2000 scheduled 48 customer appointments for essential services, including meter readings, reconnections, and other critical tasks. H2000 successfully met 100% of these appointments on time, maintaining its perfect performance record from prior years. This consistent achievement not only surpasses the Ontario Energy Board's target of 90% but also reflects H2000's strong operational discipline and customer focus. By continuing to prioritize timely and reliable service, H2000 reinforces its reputation as a dependable and customer-oriented utility.

### Telephone Calls Answered On Time

In 2024, H2000's customer service team demonstrated outstanding responsiveness, handling 1,642 customer calls with efficiency. Of these, 98.66% were answered within 30 seconds, significantly exceeding the Ontario Energy Board's (OEB) standard of 65%. At the same time, only 1.34% of calls were abandoned, well below the OEB threshold of 10%. These results reaffirm H2000's strong commitment to timely, reliable, and customer-focused service, ensuring that customers consistently receive the support they need without delay.

## Customer Satisfaction

### **First Contact Resolution**

H2000 tracks its First Contact Resolution metric using its bi-annual customer satisfaction survey. To comply with this requirement, the utility uses an average of the following survey questions:

- During the past 12 months, have you contacted the utility's customer service for any information or assistance?
- How would you rate the customer care representative's performance in handling your request for information?
- Are you aware of the different payment options?
- Overall, how would you rate Hydro 2000's overall performance in serving you?

In 2024, the utility reported results of 95.22%, consistent with its strong performance in 2022 and 2023. This result demonstrates that H2000 continues to provide reliable and effective service, resolving many customer inquiries on first contact, well above industry benchmarks.

A 2025 survey is currently ongoing, and updated results will be reported in next year's MD&A

### **Billing Accuracy**

Billing accuracy reflects the proportion of customer invoices issued without errors, and H2000 has demonstrated exceptional performance in this area. From January 1, 2024, to December 31, 2024, H2000 issued a total of 15,797 bills and achieved a billing accuracy rate of 99.53%, surpassing the Ontario Energy Board's (OEB) target of 98%.

This strong result underscores H2000's commitment to precision and reliability in its billing processes. The few inaccuracies (74 in total) were primarily due to bill cancellations linked to customers not advising the utility of their move. H2000 remains dedicated to monitoring and enhancing its billing accuracy, continuously seeking opportunities for improvement to ensure it maintains its high standards of service and accuracy.

### **Customer Satisfaction Survey Results**

H2000 last conducted a comprehensive customer satisfaction survey in March and April 2022. The survey's objectives included measuring:

- Utility's overall performance
- Reliability
- Billing and payment options
- Quality of service provided by customer care

- Quality of service provided by field employees
- Customer awareness and usage of the utility's online services
- Customer support for greater use of renewable energy
- Customer opinions regarding how aggressively sustainable practices should be pursued
- Cost of electricity
- Overall performance

The survey was published via Survey Monkey and posted on the utility's website and Facebook page. A bill message communicated the survey and prize draw on all customer bills. H2000 established a target sampling margin of error no greater than (+/-) 5 percentage points at a 95% confidence level. A total of 293 responses were received, making the survey representative of public opinion.

H2000 reported an overall Customer Satisfaction Survey Result of 94.4% in 2024, reaffirming its strong customer relationships and reliable service delivery.

A 2025 survey is currently ongoing, and updated results will be reported in next year's MD&A. The utility intends to continue surveying its customers on a bi-annual basis to monitor and assess residential and commercial customer knowledge, perceptions, and satisfaction regarding utility services.

## Safety

### Component A – Public Awareness of Electrical Safety

The intent of the Public Awareness of Electrical Safety component of the public safety measure is to measure the level of awareness of critical electrical safety precautions among the public within the electricity distributor's service territory. It measures the degree of effectiveness for distributors' activities on preventing electrical accidents. The utility conducted an online survey between January to April 2024; 484 respondents completed the survey, which resulted in a 92% score on Public Awareness. Going forward, the utility plans on improving its results by communicating safety measures to its customers.

### Component B – Compliance with Ontario Regulation 22/04

As a licensed distributor, H2000 must comply with Ontario Regulation 22/04 Electrical Distribution Safety, and compliance with this regulation is subject to annual Audits and Declarations of Compliance. H2000 is "Compliant" with Ontario Regulation 22/04 and has reported satisfactory Audits. No significant items were raised from these inspections

### Component C – Serious Electrical Incident Index

H2000 did not have any serious electrical incident to report in 2024.

A 2025 survey was conducted in the spring of 2025, and updated results will be reported in next year's MD&A

## **System Reliability**

### **Average Number of Hours/Times that Power to a Customer is Interrupted**

In 2024, Hydro 2000 recorded 11 interruptions, affecting 2,023 customers and resulting in 52 total customer hours of interruption. This translated into a SAIDI of 0.04 and a SAIFI of 1.53.

When excluding upstream Loss of Supply events, which are outside of H2000's control, the results were notably stronger: an Adjusted SAIDI of 0.01 and an Adjusted SAIFI of 0.06. These adjusted values confirm that most service interruptions originated from external causes, not H2000's distribution system.

Overall, the 2024 results demonstrate system stability, with minimal customer impact from interruptions within H2000's control. The utility continues to reinforce reliability through proactive maintenance, vegetation management, and quick response to equipment issues or storm-related events.

## **Asset Management**

### **Distribution System Plan Implementation Progress**

H2000 has completed its Distribution System Plan ("DSP") in preparation for its 2025 Cost of Service Application, which was filed in the fall of 2025.

## **Cost Control**

### **Efficiency Assessment**

The total costs for Ontario's local electricity distribution companies are assessed by the Pacific Economics Group LLC on behalf of the Ontario Energy Board (OEB), resulting in a comprehensive efficiency ranking. Since 2016, H2000 has consistently been ranked in Group 2, a category that includes a stretch factor of 0.15. Maintaining this position through 2024 highlights H2000's ongoing commitment to operational excellence and cost efficiency.

H2000's sustained Group 2 ranking demonstrates its effective management of both capital and operating expenses compared to its peers. This 2024 Scorecard MD&A

outcome underscores the utility's success in balancing reliability, customer service, and prudent cost control.

Looking ahead, H2000 remains focused on vigilant cost monitoring and proactive management practices to further optimize its operations. Importantly, H2000 notes that its 2025 rates were approved on a cost-of-service basis, with the specific purpose of realigning revenues with costs. This adjustment ensures that the utility is positioned to continue delivering safe, reliable, and cost-effective electricity distribution service while maintaining financial sustainability.

### **Total Cost per Customer and Total Cost per Km of Line**

H2000 continues to monitor its cost performance through the Ontario Energy Board's efficiency assessments and cost benchmarking measures. Since 2016, H2000 has consistently been ranked in Group 2, corresponding to a stretch factor of 0.15. Maintaining this position through 2024 highlights the utility's ongoing commitment to operational efficiency and prudent financial management.

In 2024, H2000's total cost per customer rose to \$753, up from \$698 in 2023. Similarly, the total cost per kilometer of line increased to \$45,916, compared with \$42,450 in 2023. These increases reflect inflationary pressures, ongoing regulatory compliance requirements, and rising costs associated with system operations and maintenance.

Despite these upward cost drivers, H2000's sustained Group 2 efficiency ranking demonstrates that its costs remain well managed relative to its peers. Looking forward, H2000 remains dedicated to vigilant cost monitoring, process improvements, and proactive management strategies to optimize expenditures.

H2000's 2025 rates were approved on a cost-of-service basis, aimed at realigning revenues with costs to support continued financial sustainability.

## Conservation & Demand Management

### Net Cumulative Energy Savings

As a result of the Minister of Energy, Northern Development and Mines' directive on March 20, 2019, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2019, 2020 and 2022 will be centralized and administered by the IESO.

As distributors are no longer working towards the former 2015-2020 CDM targets.

## Connection of Renewable Generation

### Renewable Generation Connection Impact Assessments Completed on Time

H2000 did not have any new Fit projects in 2024 and as such did not need Connection Impact Assessments

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

In 2024, H2000 did not connect any new micro-embedded generation facilities (MicroFit projects of less than 10 kW). Should H2000 receive a request for micro embedded generation, it will work closely with its customers and their contractors to tackle any connection issues to ensure the project is connected on time.

## Financial Ratios

### Liquidity: Current Ratio (Current Assets/Current Liabilities)

H2000's current ratio of 0.93 indicates that the utility has slightly fewer current assets than current liabilities. This ratio measures a company's ability to cover its short-term obligations with its short-term assets. A ratio below 1.0, such as H2000's 0.90, implies that the utility might struggle to meet its short-term liabilities, raising potential concerns about liquidity.

Nonetheless, the stability of this ratio suggests that H2000 has effectively managed its working capital over time. While a current ratio below 1.0 is typically seen as less favorable, consistent stability in this ratio may reflect that the utility has achieved a balance in its operations and cash flow management, allowing it to meet its obligations without needing to hold excess current assets.

H2000's 2025 Cost of Service application has been reviewed and approved, realigning revenues with costs. This adjustment is expected to help strengthen the utility's financial position moving forward, supporting improved liquidity and long-term financial stability.

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

In 2024, H2000 did not have any debts per se however, in accordance with Board policy the utility uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates.

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

H2000's 2024 distribution rates were rebased and approved by the OEB in 2020 and included an expected (deemed) regulatory return on equity of 8.52%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity.

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

H2000's achieved Return on Equity (ROE) in 2024 was -27.31%, compared to the OEB-approved level of 8.52%. This significant shortfall was primarily driven by an increase in OM&A expenses, which rose by approximately \$198,000 due to regulatory compliance, system modernization, storm-related maintenance, higher staffing costs, and unrecoverable bad debt.

Additional cost pressures included extraordinary tax expenses and financial adjustments related to deemed debt and ROE true ups. While some offsets were seen in depreciation, the overall impact of higher operating and compliance costs combined with extraordinary items placed substantial pressure on earnings.

This result highlights the challenges faced by very small utilities in managing growing regulatory and operational demands within constrained financial frameworks. H2000's 2025 rates were approved on a cost-of-service basis, aimed at realigning revenues with costs to support continued financial sustainability.



## 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.