

									Target	
Performance Outcomes	Performance Categories	Measures	2020	2021	2022	2023	2024	Trend	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	99.56%	98.86%	99.43%	95.32%	99.17%	⬇	90.00%	
		Telephone Calls Answered On Time	74.60%	83.14%	76.81%	86.99%	85.30%	⬆	65.00%	
	Customer Satisfaction	First Contact Resolution	89.88	89.04%	86.03%	85.65%	87.16%			
		Billing Accuracy	99.88%	99.88%	99.84%	99.88%	99.87%	➡	98.00%	
		Customer Satisfaction Survey Results	95.00	95.00%	93.00%	91.00%	92.00%			
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	72.00%	72.00%	72.00%	72.00%	72.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	➡		C
		Serious Electrical Incident Index	1	0	1	0	1	➡		0
			Rate per 10, 100, 1000 km of line	0.171	0.000	0.167	0.000	➡		0.047
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.83	0.83	1.02	1.03	0.87	⬆		0.89
		Average Number of Times that Power to a Customer is Interrupted ²	0.72	0.62	0.69	0.63	0.54	⬇		0.74
	Asset Management	Distribution System Plan Implementation Progress	89.00	92.00%	90.00%	75.00%	95%			
	Cost Control	Efficiency Assessment	4	4	4	4	4			
		Total Cost per Customer ³	\$714	\$719	\$811	\$935	\$950			
		Total Cost per Km of Line ³	\$41,819	\$42,365	\$46,747	\$54,210	\$27,343			
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%	100.00%	100.00%	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)	0.81	1.00	0.90	0.94	0.44			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.98	1.92	1.99	1.94	1.88			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.34%	8.34%	8.34%	9.21%			
			Achieved	7.24%	8.49%	6.94%	7.53%			

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:

http://www.oeb.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

Hydro Ottawa Limited (Hydro Ottawa) is a regulated local distribution company (LDC) operating in the City of Ottawa and the Village of Casselman. Hydro Ottawa is 100% owned by the City of Ottawa and is the third largest municipally-owned electric utility in Ontario. Hydro Ottawa maintains one of the safest, most reliable, and most cost-effective electricity distribution systems in the province, serving approximately 372,000 residential and commercial customers across 1,116 square kilometres.

The Ontario Energy Board (OEB) is the independent provincial regulator of the electricity and natural gas sectors in Ontario. The OEB operates under its Renewed Regulatory Framework, which sets out objectives to guide distributors and better serve the public. The objectives are for regulated utilities to provide customer-focused services, improve operational effectiveness, respond to public policy actions, and produce sustainable financial performance. The distributor’s performance in meeting these objectives is measured and published annually by the OEB via its Electricity Utility Scorecard.

This Scorecard provides Hydro Ottawa’s 2024 results of 21 performance measures. This Management Discussion and Analysis has been added to the scorecard by Hydro Ottawa to support the OEB’s Renewed Regulatory Framework and to promote meaningful dialogue with our customers.

Service Quality

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

Section 7.2 of the OEB's Distribution System Code requires that new service connection requests for low-voltage customers (less than 750 volts) must be completed within five business days after all applicable service conditions are satisfied, or at a later date as agreed upon by the customer and distributor. This requirement must be met at least 90% of the time. In 2024, Hydro Ottawa met this requirement 100% of the time, connecting 8,338 new low-voltage services within five days or on a later date as agreed to with the customer.

- **Scheduled Appointments Met On Time**

Section 7.4 of the OEB's Distribution System Code states that when a customer must be present for an appointment, the distributor must offer to schedule the appointment during regular business hours, within no more than a four-hour window, and arrive during that time frame. The utility is measured by the percentage of times it arrives for the appointment within the scheduled time frame, and is required to meet this requirement at least 90% of the time. In 2024, Hydro Ottawa scheduled 11,886 appointments and completed 99.17% of these appointments on time.

The majority of missed appointments are due to emergencies or severe weather events that required resources to be diverted to restoration efforts.

- **Telephone Calls Answered On Time**

The OEB's Distribution System Code, Section 7.6, requires that qualified incoming calls to the distributor's customer care number must be answered within 30 seconds. This requirement must be met at least 65% of the time. In 2024, Hydro Ottawa's customer contact centre received 204,542 calls from its customers, of which 85.3% were answered within 30 seconds. The 2024 result was slightly lower than the 2023 level due to a surge in billing inquiries towards the end of the year following the Canada Post labour interruption.

Customer Satisfaction

- **First Contact Resolution**

First contact resolution is when a customer's issue is resolved during their initial contact, eliminating the need for further calls. The OEB does not prescribe a specific manner to determine this metric, allowing distributors flexibility.

Hydro Ottawa measures its first call resolution via a telephone survey by randomly selecting customers who recently contacted the utility. In 2024, Hydro Ottawa achieved a first call resolution of 87.16%. Of the 2,804 customers who responded to the survey, 2,444 reported that their issue was resolved on first contact.

- **Billing Accuracy**

The OEB's Distribution System Code, Section 7.1, defines an accurate bill as containing correct customer information, meter readings, and rate information. In 2024, Hydro Ottawa's billing accuracy was 99.87%, which surpassed the 98% industry standard.

- **Customer Satisfaction Survey Results**

The OEB requires distributors to measure and report customer satisfaction every two years. The OEB allows distributors discretion in producing the metric.

Hydro Ottawa contracts a third party to conduct its customer satisfaction survey. The survey measures overall customer satisfaction with Hydro Ottawa in areas of reliability, customer service, power outages, billing, cost of electricity, and corporate image. Hydro Ottawa uses this information to gain insight into customer expectations and needs and to develop customer engagement activities.

In 2024, Hydro Ottawa's overall customer satisfaction score remained strong at 92%.

Safety

- **Public Safety**

The Electrical Safety Authority (ESA), Ontario's electrical safety regulator, developed three safety measures using feedback from industry stakeholders. The OEB adopted these measures to assess safety performance and incorporated them into the scorecard.

Hydro Ottawa prioritizes safety by promoting electrical safety awareness and abiding by stringent safety standards. The utility has consistently met the scorecard targets for safety and compliance, and endeavours to maintain its safety performance going forward.

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

The OEB requires distributors to conduct a safety survey every two years. The ESA, in collaboration with distributors, developed a standardized survey to measure public awareness of electrical safety. Hydro Ottawa commissions a third party to conduct its biannual public awareness and electrical safety survey.

Hydro Ottawa completed its most recent survey in March 2024 and scored 72% for public safety awareness. The survey included 917 respondents. This score is consistent with Hydro Ottawa's 2022 survey results.

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

The Electrical Distribution Safety Regulation, Ontario Regulation 22/04, establishes objective-based electrical safety requirements of distributors for the design, construction, and maintenance of their networks. Hydro Ottawa has a distributor-specific target of being compliant with 100% of this regulation, which it strives to achieve each year.

In 2024, Hydro Ottawa was fully compliant with the regulation. Hydro Ottawa responded to and resolved all due diligence inspections, public safety concerns, compliance investigations, and its annual ESA audits. This result demonstrates Hydro Ottawa's strong commitment to employee and public safety.

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

The Electrical Distribution Safety Regulation, Ontario Regulation 22/04, requires that distributors report all serious electrical incidents to the ESA. The ESA defines a serious electrical incident 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 fire or explosion caused by lightning strike.

Hydro Ottawa reported 17 electrical incidents to the ESA during the 2024 reporting year (January 1, 2023, to December 31, 2023). The 17 incidents resulted primarily from equipment or material contact with Hydro Ottawa lines. Of the 17 incidents, one was deemed to be a General Public Serious Electrical Incident. Hydro Ottawa exceeded its General Public Incident Industry target of 0 (zero) by experiencing 1 (one) General Public Serious Electrical Incident; and exceeded its Serious Electrical Incident Index rate industry target of 0.047 per 1,000 km of line by achieving a rate of 0.159. Historically, the number of serious electrical incidents involving the general public in the City of Ottawa has been very low due in part to Hydro Ottawa’s public education initiatives.

System Reliability

Hydro Ottawa's reliability performance in 2024 met the OEB's performance standards for reliability requirements for both SAIDI and SAIFI. Hydro Ottawa continually assesses the distribution system’s service reliability. Where issues are found, the appropriate analysis and action are undertaken to address weaknesses and improve performance. System reliability is integral to all work undertaken as part of system planning and asset management processes.

The number of customer interruptions (SAIFI) has continued to decline, largely due to prioritizing asset renewals in deteriorating conditions that affect system reliability. This improvement is also attributed to ongoing enhancements in protection coordination, feeder reconfigurations, and increased redundancy. To further reduce outage restoration times (SAIDI), Hydro Ottawa has invested in distribution enhancements such as automated switches, additional feeder ties, and system reconfigurations.

Hydro Ottawa aims to consistently maintain or improve its system reliability performance indicators. To achieve this, Hydro Ottawa's asset management practices are crucial for managing the reliability impact of its assets by ensuring infrastructure renewal keeps pace with demand. Additionally, Hydro Ottawa is continuously seeking improvements by evaluating and implementing new operational methods to enhance system resilience and investing in grid technology to reduce restoration times during outages.

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

In 2024, Hydro Ottawa customers experienced an average of 0.87 interrupted hours (excluding loss of supply due to the transmission system and major event days). This result met the OEB's target of 0.89 for Hydro Ottawa and improved on the 2023 result of 1.03 interrupted hours.

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

In 2024, Hydro Ottawa customers experienced an average of 0.54 interruptions (excluding loss of supply due to the transmission system and major event days). This result met the OEB's target of 0.74 interruptions and improved on the 2023 result of 0.63 interruptions.

Hydro Ottawa improved its performance by implementing strategic changes to its electrical system. These changes included better coordination of protective devices, sectioning longer power lines into smaller segments, and implementing a more comprehensive vegetation management program. These changes helped to limit the number of customers impacted by outages.

Asset Management

- **Distribution System Plan Implementation Progress**

Hydro Ottawa's Distribution System Plan (DSP) outlines the necessary capital investments to maintain and expand its system to meet current and future Hydro Ottawa customer needs. This five-year plan was approved by the OEB in 2021. Hydro Ottawa measures the progress of its DSP implementation as a ratio of actual total capital expenditures made in a year over the total forecasted capital expenditures for that year (excluding unplanned asset failures, system access, and general plant investments).

In 2024, Hydro Ottawa achieved 95% of its planned project spending. The planned capital budget was \$80.3 million, with actual expenditures totaling \$76.3 million. The underspend was primarily due to increased emergency work, which required the reallocation of funds from planned programs. Hydro Ottawa had budgeted \$9.2 million for emergency work but spent \$12.2 million, including \$2.0 million for emergency transformers and \$0.9 million for emergency poles.

Cost Control

- **Efficiency Assessment**

The total costs for Ontario LDCs are evaluated by the Pacific Economics Group (“PEG”) LLC on behalf of the OEB 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. Each group is given an efficiency assessment rating of one to five. In 2024, Hydro Ottawa’s results placed the company in Group 4, which is considered “fair” and is defined as having actual costs between 10% and 25% above predicted costs, according to PEG’s econometric model. Hydro Ottawa remains committed to achieving productivity savings and embraces continuous improvement in its operations. As part of its filed 2026 to 2030 Custom Incentive Rate-setting application, Hydro Ottawa filed evidence to demonstrate its achievements and plans with respect to productivity and continuous improvement.

- **Total Cost per Customer**

The total cost per customer metric is produced by PEG on behalf of the OEB and is calculated as the sum of Hydro Ottawa’s capital and operating costs, divided by the total number of customers that Hydro Ottawa serves.

The cost performance result for 2024 is \$950 per customer, which represents a 1.7% increase from \$935 per customer in 2023. The year-over-year increase in PEG’s unit cost can be attributed to Hydro Ottawa’s larger gross capital additions when compared to 2023, and capital price inflation as calculated by PEG. Hydro Ottawa’s operations expenses were relatively flat between 2024 and 2023.

Hydro Ottawa remains focused on productivity and cost reduction initiatives and the overall strategic direction to deliver reliable service while operating efficiently and effectively to keep rates competitive.

- **Total Cost per Km of Line**

The total cost per kilometre (km) of line metric is produced by PEG on behalf of the OEB and is calculated as the sum of Hydro Ottawa’s capital and operating costs, divided by the km of line that Hydro Ottawa operates within its service territory.

Hydro Ottawa’s total cost per km of line in 2024 was \$27,343, a \$26,867 decrease from the year before. The improvement in the metric is due to Hydro Ottawa reporting its previously omitted secondary circuit kilometres in 2024, resulting in a larger denominator, which lowered the unit cost.

Connection of Renewable Generation

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

Section 6.2.7 of the OEB's Distribution System Code mandates distributors to connect micro-embedded generation facilities (up to 10 kW) to their distribution system within five business days, or at a later date as agreed upon by both parties. The Distribution System Code requires that distributors meet this requirement 90% of the time.

Hydro Ottawa connected 220 new micro-embedded generation facilities in 2024, with 100% completed within the five-business-day timeframe or within a mutually agreed timeline with the customer, surpassing the industry target of 90%.

Financial Ratios

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

Hydro Ottawa's liquidity ratio decreased from 0.94 in 2023 to 0.44 in 2024. This result indicates that for every dollar of current liabilities within the year, Hydro Ottawa had \$0.44 in current assets to cover its obligations. The reclassification of notes payable, due within one year, to current liabilities primarily caused this reduction in liquidity. However, this situation is temporary, as the notes payable maturing in 2025 have since been refinanced with long-term promissory notes.

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

The OEB uses a deemed capital structure of 60% debt and 40% equity for electricity distributors it regulates when establishing rates. The deemed structure produces a debt-to-equity ratio of 1.5 ($60/40=1.5$). A debt-to-equity ratio of more than 1.5 indicates that a distributor is more leveraged than the generic capital structure. In 2024, Hydro Ottawa's debt-to-equity ratio was 1.88.

Hydro Ottawa has maintained a higher debt-to-equity ratio than the generic capital structure for several years, due to its significant capital expenditures required to replace aging infrastructure. Although Hydro Ottawa is more leveraged than the generic capital structure, it has been able to manage its cost of borrowing through the issuance of long-term debt and the introduction of a commercial paper program.

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

Hydro Ottawa's current distribution rates were approved by the OEB under the expectation that it will earn a 9.21% regulatory return on equity (deemed return). Should the achieved return fall outside of this expectation by plus or minus 3%, a regulatory review of Hydro Ottawa's revenues and cost structure may be conducted by the OEB.

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

Hydro Ottawa achieved a 7.53% regulatory return on equity in 2024, which is 1.68% below the deemed return on equity and within the plus or minus 3% range allowed by the OEB.

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 several 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 judgment on the reporting date of the performance scorecard and could be markedly different in the future.