

									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%	97.60%	100.00%	100.00%	100.00%	⬆️	90.00%	
		Scheduled Appointments Met On Time	100.00%	99.92%	100.00%	100.00%	100.00%	⬆️	90.00%	
		Telephone Calls Answered On Time	68.88%	71.13%	75.63%	74.79%	65.05%	⬇️	65.00%	
	Customer Satisfaction	First Contact Resolution	99.76	99.63	99.75	99.75	99.88			
		Billing Accuracy	99.96%	99.97%	99.97%	99.96%	99.97%	➡️	98.00%	
		Customer Satisfaction Survey Results	92	88	88	85	85			
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	85.00%	85.00%	84.00%	84.00%	84.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	➡️		C
		Serious Electrical Incident Index	2	0	0	1	0	⬇️		0
			0.271	0.000	0.000	0.135	0.000	➡️		0.057
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	2.12	1.81	1.42	2.06	2.14	⬆️		1.62
		Average Number of Times that Power to a Customer is Interrupted ²	1.74	1.32	1.35	1.92	2.17	⬆️		1.45
	Asset Management	Distribution System Plan Implementation Progress	90	104	103	23	41			
	Cost Control	Efficiency Assessment	3	3	3	3	3			
		Total Cost per Customer ³	\$673	\$696	\$725	\$980	\$998			
		Total Cost per Km of Line ³	\$30,791	\$31,915	\$33,246	\$45,088	\$46,119			
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)	0.99	0.80	0.80	0.86	0.90			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.07	2.09	2.09	2.33	2.28			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.00%	9.00%	9.36%	9.36%		
			Achieved	8.75%	7.60%	9.92%	7.96%	8.33%		

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:

https://www.oeb.ca/sites/default/files/uploads/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

PUC Distribution Inc. (“PUC”) distributes electricity to residences and businesses within the boundaries of the City of Sault Ste. Marie, Batchewana First Nation (Rankin Reserve), Prince Township and parts of Dennis Township. PUC is committed to providing its customers with a safe and reliable supply of electricity while operating effectively and efficiently at an equitable cost. PUC continues to strive to meet distributor and Ontario Energy Board (“OEB”) targets in customer focus, operational effectiveness, public policy responsiveness and financial performance.

In 2024, PUC successfully exceeded most mandatory industry performance targets. PUC remains steadfast in its commitment to customer value. PUC continues to prioritize customer satisfaction by offering interactive tools such as “Customer Connect”, “Green Button”, and “MyPUC App,” which allow customers to monitor and manage their electricity consumption. Aging infrastructure continues to be a challenge facing utilities. PUC continues to replace aging infrastructure, and vegetation control continues to be a primary focus to reduce the vulnerability of the distribution system to external uncontrollable events, such as weather.

To ensure consistent performance, PUC diligently monitors key performance indicators throughout the year, promptly addressing any arising issues. The company is determined to uphold or enhance its scorecard performance, undertaking risk mitigation initiatives to sustain current levels of service delivery. Continuous improvement remains a central focus across all aspects of operations.

PUC's strategic approach for 2025 includes prioritizing the modernization of customer experience through technological advancements. Additionally, asset management improvements, including infrastructure renewal, are high on their agenda to maintain electricity reliability and safety.

Service Quality

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

The OEB's Distribution System Code ("DSC") requires electricity distributors to connect to a new service for customers (those utilizing connections under 750 volts) within five business days, 90% of the time. In 2024, PUC connected 237 eligible low-voltage residential and small business customers to its distribution system, exceeding the OEB target by connecting 100.00% of its requests on time.

- **Scheduled Appointments Met on Time**

PUC strives to meet customers' meeting requests and comply with industry standards. The OEB's DSC requires that for appointments during regular business hours, the electricity distributor must offer a window of time that is no longer than four hours and must arrive within that window 90% of the time. In 2024, PUC scheduled 1,019 appointments with customers to complete customer requested work (e.g., meter installs/removals, service disconnects, reconnects, and meter locates). PUC exceeded the OEB target by arriving at the scheduled appointments 100.00% of the time.

- **Telephone Calls Answered on Time**

The OEB's DSC requires that, during regular call centre hours, staff must answer incoming calls within 30 seconds at least 65% of the time. In 2024, PUC's call centre received 36,358 calls, of which 65.05% were answered within the required time. A significant factor affecting call volume was the Canada Post strike in November & December, which resulted in a substantial increase in calls. Prior to the strike, the call centre handled an average of 127 calls per day, compared to 241 calls per day during the strike.

Customer Satisfaction

- **First Contact Resolution**

The OEB requires electricity distributors to report on its success at meeting customers' needs the first time the electricity distributor is contacted. The OEB has not yet issued a common definition for this measure. PUC has used the same process as in past years. PUC considers the ability to address customer enquiries quickly and accurately to be an essential component of customer satisfaction.

PUC's First Contact Resolution was measured by tracking the number of electric related calls that were escalated to a Senior Customer Experience representative, Supervisor, or Manager. This was accomplished by tracking two specific call types in our Customer Information System (CIS), which are queried to provide the number of customer concerns that were escalated.

In 2024, PUC's call centre received 36,358 calls, of which only 44 were escalated to a Senior Representative or Manager. This resulted in a First Contact Resolution percentage of 99.88%. The percentage was calculated by subtracting the number of escalated calls from the total calls received to determine the proportion of inquiries resolved during the initial point of contact.

- **Billing Accuracy**

The OEB prescribes a standardized measure of billing accuracy that must be used by all electricity distributors. This measure is defined as the number of accurate bills issued expressed as a percentage of total bills issued. In 2024, PUC issued 406,274 bills and achieved a billing accuracy level of 99.97%, exceeding the OEB's target of 98%. PUC continues to monitor its billing accuracy and related processes to ensure strong performance and to identify opportunities for further improvement.

- **Customer Satisfaction Survey Results**

Engaging customers in a constantly changing energy environment is increasingly important. The OEB requires electricity distributors to measure and report customer satisfaction results at least every other year. The OEB has not yet issued a common definition for this measure.

In 2023, PUC engaged Utility PULSE (the electricity survey division of Simul Corporation) to conduct a bi-annual in-depth customer satisfaction telephone survey. Their results were based on online and telephone interviews with 413 customers (85% residential & 15% commercial). The survey asks a core set of questions for overall satisfaction with PUC, reliability of service, outages, billing issues and corporate image. The post-survey satisfaction question score result was 85% satisfaction from very or fairly satisfied customers with PUC. The overall scorecard combined results from all scorecard areas were an "A" rating which is in line with the reporting Ontario Local Distribution Company (LDC) average of "A". The next survey will be conducted in 2025.

Customer engagement provides feedback that is critical for PUC's long-term success and ensures customers are provided with services they value and the value they expect.

Safety

The Public Awareness of Electrical Safety measure (Component A) was introduced by the OEB in 2015 and focuses on the safety of the distribution system from a customer's point of view. The Electrical Safety Authority ("ESA") provides an assessment as it pertains to Component B – Compliance with Ontario Regulation 22/04 and Component C – Serious Electrical Incident Index.

- **Public Safety**

Component A – Public Awareness of Electrical Safety

This component measures the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory, and the degree of effectiveness for the distributor's activities on preventing electrical accidents. The OEB requested that all LDCs conduct a survey using the Electrical Safety Authority's ("ESA") approved methodology and pre-formed set of questions, so that a final LDC Awareness Score can be calculated.

PUC's ESA Public Safety Awareness Score for the bi-annual 2024 Survey was 84%. The next survey will be conducted in 2026.

PUC continues to look for every opportunity to communicate and engage with the public to promote electrical safety awareness in our service area. Through participation with the Association of Electrical Utility Professionals ("AEUSP"), PUC has contributed to the production of a series of electricity safety videos for television broadcast in various Ontario markets including its own service area.

Also, PUC promotes electrical safety awareness in various forms. The importance of awareness of electrical hazards is conveyed throughout the community via safety related communications in newspapers, on radio and at public events. Detailed hazard awareness presentations are made available to external contractors and joint use parties. In the broader community, public safety presentations are provided to elementary school students.

Component B – Compliance with Ontario Regulation 22/04

Ontario Regulation 22/04 establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the Regulation requires the approval of equipment, plans and specifications and the inspection of construction completed by a competent person before they are put into service. Component B is comprised of an External Audit, a Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations. ESA evaluates all these elements to determine the status of compliance.

PUC was fully compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This success was achieved by PUC's strong commitment to safety and adherence to regulatory requirements, company policies and procedures.

Component C – Serious Electrical Incident Index

Component C consists of the number of serious electrical incidents affecting the public, including fatalities, which occur within a utility's territory. As assessed by ESA, there were zero (0) reportable serious electrical incidents in the 2024 reporting period.

PUC remains strongly committed to the safety of staff, contractors, and the public. PUC regularly provides customers with electrical safety information through its website, social media, training sessions and bill inserts. In addition, PUC continues to make significant maintenance and capital infrastructure investments to enhance both system safety and reliability.

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 of system reliability or the ability of a system to perform its required function. PUC considers the reliability of electrical service as top priority and continuously monitors its distribution system for potential reliability issues. Regular maintenance is performed to maintain high reliability levels. While the OEB generally expects utilities to keep interruption hours within their historical performance range, external factors such as severe weather or defective equipment can influence these outcomes.

In 2024, PUC recorded an average of 2.14 hours of interrupted power per customer, slightly above its distributor target of 1.62 hours, based on 5-year average performance data. Compared to 2023, the total number of customer interruptions increased, but the total number of interruption hours for customers decreased by 11%. The average is expected to return to its historical range in future years.

PUC's approach to enhancing reliability includes ongoing initiatives such as the integration of the Sault Smart Grid (SSG), efficient maintenance practices, and the replacement of aging infrastructure, all aligned with the objectives of the Distribution System Plan (DSP).

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

The average number of times that power to a customer is interrupted is a key measure of system reliability and is a high priority for PUC. While the OEB expects utilities to maintain this measure within the range of historical performance, external factors can significantly influence results.

In 2024, PUC recorded an average of 2.17 interruptions per customer, exceeding the distributor target of 1.45, based on 5-year average performance data. The primary causes of outages were animal contacts, adverse weather conditions and equipment failures.

PUC's strategies to enhance reliability include ongoing efforts to mitigate major outage causes, perform effective maintenance, replace aging infrastructure, and implement new technology as outlined in the Distribution System Plan (DSP).

Asset Management

- **Distribution System Plan Implementation Progress**

Consistent with industry best practices, PUC invests in its distribution system to ensure the safe and reliable delivery of electricity and upgrades or replacement equipment to serve customers continuously. The DSP progress measure is intended to assess PUC's effectiveness at planning and implementing these capital expenditures. Utilities are given the opportunity to define this measure in the manner that best fits the organization.

PUC defines this measure by comparing the ratio of cumulative actual capital expenditures to date against cumulative planned capital expenditures to date for the period starting January 1 and ending on December 31 of each score card year. The ratio is then expressed as a percentage. The metric measures the LDCs overall performance completing capital work and includes all elements identified in the DSP inclusive of System Access, System Renewal, System Service and General Plant.

The metric includes the cumulative expenditures for all previous years within the 5-year rate application period.

The calculated value for this performance metric for 2024 is 41% completion of the 2023-2027 DSP.

PUC will maintain its focus on this plan to continue to improve reliability and mitigate outage impacts to customers due to aging infrastructure.

Cost Control

- **Efficiency Assessment**

Annually, the total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC ("PEG") 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 actual costs and predicted costs.

In 2024, PUC was placed in Group three (3), consistent with the prior years. This ranking is defined as having actual costs within +/- 10% of predicted costs. PUC continues to focus on controllable costs, consistently reviewing key business processes to optimize those processes and drive efficiencies.

- **Total Cost per Customer**

Total cost per customer is calculated by PEG as the sum of PUC's capital and operating costs, including certain adjustments to make the costs more comparable between distributors, divided by the total number of customers served. In 2024, PUC's cost per customer was \$998, representing just under a 2% increase from the previous year. This increase reflects a one-time investment in SSG. The SSG project is designed to enhance the reliability and resiliency of the distribution system, improve outage management, reduce energy consumption, and provide real-time operational awareness and control. These improvements are expected to optimize operations and asset utilization, reduce the cost of power, and lead to long-term savings for customers.

PUC will continue to proactively replace aging distribution assets, balancing system risks with customer rate impacts. Additionally, PUC implements productivity and improvement initiatives to offset future system costs. Customer engagement initiatives will remain a priority, ensuring that customers have opportunities to provide input on capital spending plans.

- **Total Cost per Km of Line**

This measure uses the same total cost as calculated in the *Total Cost per Customer* section. Total Cost is divided by the kilometres of distribution line that PUC operates to serve its customers. In 2024, PUC's cost per kilometre of line was \$46,119, representing a 2% increase over the previous year.

PUC continues to experience a low growth in total line kilometres due to a modest annual customer growth rate. This flat growth limits the ability to fund capital renewal and to offset rising operating costs through additional customer contributions.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving authorization for their project from the Electrical Safety Authority. In 2024, PUC did not complete any CIAs.

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

In 2024, there were no new micro-embedded generation facilities connected.

Financial Ratios

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

The current ratio is a key indicator of short-term financial health, measuring its ability to meet current obligations with current assets. A ratio greater than one (1) is generally considered favourable, indicating the company has sufficient liquidity to cover short-term debts and financial obligations. Ratios below one suggests that a company may need to rely on additional financing or cash flow from operations to meet obligations.

In 2024, PUC reported a current ratio of 0.90, representing a slight increase from the 2023 ratio of 0.86. While this is below the ideal threshold of 1.0, PUC maintains liquidity through careful cash management, access to financing, and predictable revenue from customer billing, ensuring that short-term obligations are met despite the lower ratio.

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

The debt-to-equity ratio measures the extent to which a company's assets are financed through debt and equity. The OEB uses a deemed capital structure of 60% debt and 40% equity for electricity distributors when establishing rates, representing a debt-to-equity ratio of 1.5 (60/40). Ratios above 1.5 indicate a distributor is more highly levered than the deemed capital structure, while a ratios below 1.5 indicates lower leverage.

In 2024, PUC reported a total debt-to-equity ratio of 2.28, slightly lower than the 2023 ratio of 2.33, reflecting a capital structure of approximately 70% debt and 30% equity. Maintaining a higher debt-to-equity ratio allows PUC to finance capital and operating programs effectively while still meeting its financial obligations. This approach provides the utility with flexibility to invest in infrastructure and system improvements without compromising financial stability, benefiting both the company and its customers.

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

PUC's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity (ROE) of 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected ROE. Earnings outside this range may trigger a regulatory review by the OEB to assess the distributor's revenue and cost structure.

PUC continuously monitors its financial performance to ensure it remains within the allowed ROE range, supporting both the company's financial sustainability and the provision of reliable, cost-effective service to its customers.

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

PUC's ROE for 2024 was 8.33%, which falls within the +/- 3% range permitted by the OEB. Productivity improvements and operational efficiencies continue to be a priority for the business. PUC continues to prioritize productivity improvements and operational efficiencies. PUC remains committed to identifying process improvements, optimizing operations, and managing costs while delivering on its operational and capital programs, ensuring reliable service for customers and financial sustainability for the utility.

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