

									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	95.31%	97.89%	95.92%	93.26%	98.03%	⬆️	90.00%	
		Scheduled Appointments Met On Time	97.69%	98.88%	97.70%	97.70%	96.83%	⬇️	90.00%	
		Telephone Calls Answered On Time	98.86%	91.71%	90.42%	96.94%	92.88%	⬇️	65.00%	
	Customer Satisfaction	First Contact Resolution	99.93	100	99.99	100	100			
		Billing Accuracy	99.96%	99.98%	99.97%	99.97%	99.97%	➡️	98.00%	
		Customer Satisfaction Survey Results	91	91	93	93	94			
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	80.00%	77.00%	77.00%	77.00%	81.00%			
		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
			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 ²	1.27	1.95	0.81	1.09	0.66	⬇️		1.35
		Average Number of Times that Power to a Customer is Interrupted ²	1.00	1.63	0.77	0.81	0.35	⬇️		1.31
	Asset Management	Distribution System Plan Implementation Progress	92	105	95	106	104			
	Cost Control	Efficiency Assessment	3	3	3	3	3			
		Total Cost per Customer ³	\$629	\$614	\$674	\$760	\$803			
		Total Cost per Km of Line ³	\$51,767	\$50,551	\$52,180	\$58,354	\$62,957			
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%	➡️	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.54	0.51	0.46	0.53	0.52			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.04	0.99	0.97	0.99	1.03			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		9.30%	9.30%	9.30%	9.30%		
			Achieved		8.89%	9.93%	9.25%	8.62%		

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/oeb/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

Festival Hydro Inc. (“Festival”) is a locally owned distribution company (“LDC”) servicing over 22,000 customers within a 45-sq. km urban territory in the municipalities of Stratford, St. Marys, Seaforth, Hensall, Zurich, Dashwood and Brussels. Festival is committed to maintaining a safe, reliable, and efficient electricity distribution system and providing quality service to its customers.

In 2024, Festival exceeded all OEB Scorecard performance targets. Festival is pleased with its Scorecard results achieved within each of the four performance outcome measures of customer focus, operational effectiveness, public policy responsiveness and financial performance.

Festival continues to make customer experience a top priority and has made several improvements to its website, paperless processes and online forms which allowed for a quick and relatively seamless transition for its customers and staff. In 2024, Festival implemented a new Customer Information System (CIS) that ensures that Festival’s and their customer’s needs can continue to be met. Festival also began a multi-year AMI 2.0 deployment project to replace all the metering infrastructure within their service territory and continued enhancing the distribution automation capabilities of their system. Festival is committed to continuous improvement through its customer service activities, reliability, people and safety and financial performance.

Service Quality

• New Residential/Small Business Services Connected on Time

In 2024, Festival connected 98.03% of its eligible low-voltage residential, small business and net meter customer connections (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the OEB. This is up 4.77% compared to 2023.

Festival’s 2024 results are significantly above the OEB-mandated threshold of 90%. The high score reflects Festival’s continued commitment to quality and timely customer service.

- **Scheduled Appointments Met On Time**

Festival met 96.83% appointments on time, as scheduled in 2024 (97.70% of appointments were met on time in 2023) to complete work for special meter reads, reconnects, locates, or other work requiring an appointment to be performed. Festival's score continues to significantly exceed the industry target of 90%. This performance category once again reflects Festival's continued commitment to quality and timely customer service.

- **Telephone Calls Answered On Time**

In 2024, Festival's customer service representatives received 19,667 customer related calls. This compares to 17,255 customer calls received in 2023. A customer service representative answered these calls in 30 seconds or less 92.88% of the time. This is a decrease from 2023's performance measurement which measured 96.94%. However, Festival's results continue to significantly exceed the OEB mandated 65% target for timely call response and demonstrates Festival's commitment to timely customer service. The slight decrease in 2024 related to the new CIS implementation as the customer service team gained comfort and experience with the new system, as well as the increased volume of calls due to the Canada Post strike near the end of 2024.

Customer Satisfaction

- **First Contact Resolution**

Festival measures First Contact Resolution as the percentage of customer calls answered whereby the customer's initial request has been satisfied by a Customer Service Representative, as the first point of contact. Upon the completion of a call the customer service representative classifies the nature of the call and whether the reason for the call was resolved.

The OEB does not currently provide for a specific measure for First Contact Resolution and as a result, each electricity distributor may have different measurements of performance.

In 2024, 100% of the 13,859 calls received by Festival's Customer Service department were resolved by a Customer Service Representative as the first telephone contact.

- **Billing Accuracy**

During 2024, over 272,000 bills were issued for which Festival achieved a billing accuracy rate of 99.97%. This amount is in line with its 2023 99.97% result achieved. Festival's results exceeded the prescribed OEB target of 98% and are a result of the emphasis that Festival places on great value in internal processes that allow for the highest standard of billing accuracy to be achieved. In 2024, Festival implemented a new Customer Information System (CIS) and has continued to achieve this success through the transition.

- **Customer Satisfaction Survey Results**

The OEB introduced the customer satisfaction survey results measure in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year.

During 2024, Festival issued its sixth customer satisfaction survey. The overall informed satisfaction score was calculated at 94% which is 1% higher than what was reported in the 2022 survey. These results indicate a consistently high level of service for customers.

Festival was pleased with the survey results. Festival will continue to use feedback from the survey responses to drive decisions regarding initiatives that could be pursued to improve customer satisfaction. The next customer survey is scheduled for 2026.

Safety

- **Public Safety**

The Ontario Energy Board introduced these safety measures in 2015. The measures look at safety from a customer's point of view as safety of the distribution system is a high priority. The safety measures are generated by the Electrical Safety Authority (ESA) and include three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04 and the Serious Electrical Incident Index.

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

In 2015, the ESA launched a public awareness survey among a representative sample of Festival's territory population on behalf of Festival. The survey gauged awareness levels of key electrical safety concepts related to distribution assets and was based on a template survey provided by the ESA. The survey provided a benchmark of levels of awareness including identifying gaps where additional education and awareness efforts may be required. The survey is conducted every other year and in 2024 Festival scored 81% on this survey, an improvement of 4% from its last survey. Festival is active in using social media as a method of outreach to encourage public awareness and will continue to look for additional opportunities to educate the public on electrical safety.

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

Festival has been in compliance with Ontario Regulation 22/04 since it was introduced as a measure. This has been achieved as a result of Festival's strong commitment to safety and adherence to company safety procedures and practices. 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, specifications, and inspection of construction before they are put into service.

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

In 2024, Festival saw no serious electrical incidents; a target it strives to achieve. Festival is commitment to the safety of the public and employees remains its number one priority.

System Reliability

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

In 2015 the Ontario Energy Board established a measure for distributors related to the average number of hours that power to a customer is interrupted. This measure compares the annual statistic to the 5-year as the target for the utility. The result for 2024 of 0.66 is significantly lower than Festival's 5-year target of 1.35. The main reason for this was a large decrease in the number of outage minutes due to foreign interference and defective equipment. While significant weather events were seen, Festival's system proved very resilient. This comes from the continued investment in vegetation management, and capital asset replacement programs.

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

Festival's average number of times that power to a customer is interrupted (i.e. frequency) of 0.35 is significantly lower than 0.81 in 2023 and lower than its 5-year target of 1.31. The OEB introduced a measure in 2015 with expectations that distributors be within the 5-year target, similar to the measure above.

Asset Management

- **Distribution System Plan Implementation Progress**

Distribution System Plan (DSP) implementation progress is a performance measure instituted by the OEB starting in 2014. Consistent with other new measures, utilities were given an opportunity to define this measure in the manner that best fits their organization. This measure is intended to assess the effectiveness of planning and implementing the DSP. As part of Festival's 2015 Cost of Service (COS) Application, its 5-year distribution system plan was developed. The DSP outlines Festival's forecasted capital expenditures which are required to maintain and expand Festival's electricity system in order to serve its current and future customers over the period 2015 through 2019.

Festival measures the progress of its capital expenditures as a ratio of actual total capital expenditures in the year compared to the total amount of planned capital expenditure for the year included in the DSP. Festival has submitted a new COS Application for 2025, but previously prepared a five year plan for 2020-2024. In addition, Festival prepares more specific annual capital budgets that are approved by its board. In 2024, Festival was at 104% of planned capital spending, indicating Festival spent slightly more than planned on distribution capital. The majority of the increase in Capital spending can be attributed to a higher than anticipated number of projects in customer driven work and large IT multi-year projects.

Cost Control

- **Efficiency Assessment**

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 ranking is based on a total cost approach taking into account the amounts spent on

capital and infrastructure reinvestments and the amounts spent on operations, maintenance, and administration. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs.

In 2024, Festival continues to maintain its ranking from 2019 in Group 3. A Group 3 distributor is defined as having actual costs within 10% of predicted costs.

Based on the 2024 PEG results, Festival's total cost increased by 0.8% which is a result of higher than average capital additions in 2024.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Festival's capital and operating costs as per the PEG report and dividing this cost figure by the total number of customers that Festival serves. The cost performance result for 2024 is \$803 per customer, which is a 5.66% increase from 2023. Festival's 2024 increase in total cost can be partially attributed to increased capital spending, specifically in its new CIS, Enterprise Risk Management (ERP) software and completion of its administration building renovations. Additionally, inflation, interest rates, labour rates remained high compared to typical years with added negative impacts coming from supply chain increasing costs. Festival attempts to manage cost increases with efficiencies where possible.

Festival also plans to continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts.

- **Total Cost per Km of Line**

This measure uses the same total cost as used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that Festival operates to serve its customers. Festival's 2024 rate is \$62,957 per Km of line, a 7.89% increase over 2023. Festival generally experiences minimal growth in its total kilometers of lines due to low annual customer and population growth rate and, as a result, the increase in this measure is mainly driven by total costs. Festival continues to seek innovative solutions to improve value to the customer or to mitigate cost increases where possible.

Connection of Renewable Generation

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

In 2024, Festival connected six new micro-embedded renewable generation facilities (microFIT/Net-meter projects of less than 10kW). Festival was able to connect these facilities 100% of the time within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time. Festival works closely with its customers to minimize connection issues and to ensure projects are connected on time.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short-term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

Festival’s current ratio decreased to 0.52 in 2024 from 0.53 in 2023 ratio. The reason for the ratio being substantially less than 1.00 is because of the shareholder loan. The repayment term on the promissory note is “on demand” and, as such, that borrowing instrument is classified as a current liability. If the impact of the promissory note is removed, Festival then has a current ratio of 1.00 for 2024 (0.92 for 2023). Festival has increased its long-term debt to align with increased capital spending and has lowered its bank indebtedness which has improved the current ratio.

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

The OEB 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 (60/40). A debt-to-equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A debt-to-equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt-to-equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

Festival continues to maintain a debt-to-equity structure that is less than the deemed 60%/40% capital mix as set out by the OEB at 1.03 (0.99 for 2023). With the increase to long-term debt, Festival expects to move closer to the OEB deemed ratio but does not expect to exceed the ratio of 60%/40% in the near term.

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

Festival’s current deemed regulatory return on equity (ROE) of 9.30% was approved by the OEB as part of Festival’s 2015 COS Application. The deemed regulatory return on equity is traditionally only changed as part of a COS Application. The OEB expects a distributor to earn within +/- 3% of the deemed return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor’s revenues and cost structure.

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

Festival achieved a regulatory return of 7.47% in 2024. This is within the 300-basis points band noted above and demonstrates strong financial performance and cost management. This is a decrease from previous years, however Festival completed its COS Application for rates effective January 1, 2025 which should increase the regulatory return to more typical levels.

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.