

									Target		
Performance Outcomes	Performance Categories	Measures		2021	2022	2023	2024	2025	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							➡	90.00%	
		Telephone Calls Answered On Time		100.00%	100.00%	100.00%	98.29%	97.34%	➡	65.00%	
	Customer Satisfaction	First Contact Resolution		100%	100%	100%	100%	100%			
		Billing Accuracy		89.35%	94.82%	94.83%	96.90%	94.33%	⬆	98.00%	
		Customer Satisfaction Survey Results		96%	96%	95%	95%	90%			
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		73.93%	73.93%	73.70%	73.70%	71.70%			
		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	➡	0
			Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	➡	0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²		6.72	9.34	9.03	6.17	11.47	⬆		6.81
		Average Number of Times that Power to a Customer is Interrupted ²		3.33	3.94	3.16	2.95	3.89	⬇		3.29
	Asset Management	Distribution System Plan Implementation Progress		88%	98%	94%	108%	88%			
	Cost Control	Efficiency Assessment									
		Total Cost per Customer ³									
		Total Cost per Km of Line ³									
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)		0.75	0.42	0.37	0.47	0.56			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio									
		Profitability: Regulatory Return on Equity	Deemed (included in rates)								
			Achieved								

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

Fiscal 2025 Scorecard Management Discussion and Analysis (“2025 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that includes the technical definitions, plain language description, and how the measure may be compared for each of the Scorecard’s measures presented in the 2025 Scorecard MD&A:

[https://www.oeb.ca/oeb/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](https://www.oeb.ca/oeb/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

Hydro One Remote Communities Inc. (Remotes) is an integrated electricity generation and distribution utility located in northern Ontario, serving 5,721 customers across 12 off-grid communities and distributing electricity to 15 communities connected to Ontario’s electricity grid. These communities are isolated and dispersed across the far North of the province. As a result, Remotes operates with unique financial, operational, and geographical characteristics compared to other Ontario electricity distributors.

Remotes is 100% debt-financed and operates, for regulatory purposes, under a cost-recovery model designed to achieve a break-even outcome, with no return on equity. Any surplus or shortfall is recorded in the Rural or Remote Rate Protection Variance Account for future disposition by the Ontario Energy Board (OEB). Twenty-two of the communities are First Nations which are served under agreements with the federal government. In these communities, the federal government funds capital related to load growth, while replacement capital, operating, maintenance, and administrative costs are recovered through Remotes’ revenue requirement.

In the 12 off-grid communities, Remotes distributes electricity generated by diesel combustion engines, which remain the most practical and reliable small-scale generation technology for these locations. Remotes also operates two small run-of-the-river hydroelectric generating stations and, at the end of 2025, had 22 customer- or community-owned solar installations connected to its distribution systems. Diesel fuel remains Remotes’ largest direct operating cost, followed by purchased power. Fuel costs fluctuate due to changes in commodity pricing, delivery methods, and the volume of electricity required to meet customer demand. While Remotes continues to evaluate renewable technology options, diesel generation remains the most reliable and cost-effective solution for these remote communities at present.

Nineteen communities within Remotes’ service territory lack year-round road access and rely on air transport, winter roads, or, in the case of two communities, barge access. The scale and isolation of Remotes’ service territory make the transportation and accommodation of staff, fuel, and equipment significant cost drivers. The availability and reliability of winter roads represent a key cost variable, given their

short operating season and dependence on weather conditions. Construction and project execution risks are also elevated due to limited transportation infrastructure.

As an integrated electricity generation and distribution utility with unique financing and operating characteristics, certain performance metrics are not applicable to Remotes and are therefore excluded from Scorecard reporting. The OEB has acknowledged that Remotes is not directly comparable to other Ontario electricity distributors. In its 2022 Decision and Rate Order (EB-2021-0034), the OEB stated, *“Hydro One Remotes is excluded from the OEB’s benchmarking analysis because of its unique circumstances. As noted in prior OEB decisions, Hydro One Remotes is unique in terms of its operating characteristics and cost recovery due to the Rural or Remote Electricity Rate Protection.”*

Service Quality

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

In 2025, Remotes processed 258 new connection requests for residential and small business low-voltage customers (services less than 750 volts), representing a 10% decrease from the prior year. The decline reflects a shift toward more complex infrastructural expansion projects. All connection requests were completed within five business days or within mutually agreed timelines, exceeding the industry performance target of 90% and remaining consistent with prior year results.

- **Scheduled Appointments Met on Time**

Due to high transportation costs, uncertainty in flight availability, and variable landing conditions, Remotes does not schedule appointments with customers. Instead, work is typically coordinated through Band Councils or contractors, as most customers are not directly in control of, or responsible for, housing connections. Accordingly, this metric is not applicable, as no scheduled appointments were made, missed or rescheduled during the year.

- **Telephone Calls Answered on Time**

In 2025, Remotes’ billing and customer service staff received 6,927 customer telephone calls. Of the calls answered by a representative, 97% were answered within the timeline prescribed by the OEB’s Distribution System Code (DSC). Sections 7.6.2 and 7.6.3 of the DSC require that, on an annual basis, at least 65% of calls reaching a live agent – either directly or through a transfer – be answered within 30 seconds. Approximately 56% of customer calls were handled through the automated Interactive Voice Response (IVR) system.

Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution (FCR) measures a distributor's ability to resolve customer issues during the initial contact. Remotes calculates FCR based on the proportion of customer issues resolved by billing agents and customer service staff without escalation to a supervisor. In 2025, 100% of customer issues were resolved without supervisor intervention, consistent with performance in prior years.

- **Billing Accuracy**

In 2025, Remotes issued 63,321 bills, achieving a billing accuracy rate of 94%. This represents a slight decline from the prior year, primarily due to reduced availability of local meter readers in several communities. Performance remained below the industry target of 98%, reflecting the operational challenges associated with Remotes' service territory.

Remotes has not implemented a smart meter network due to limited communications infrastructure in the communities it serves and therefore continues to rely on manual meter readings. Manual meter reading increases reliance on both planned and unplanned estimated bills. In 2025, Remotes issued 3,589 unplanned estimated bills, a 12% increase from the prior year, primarily driven by decreased local meter reader availability.

- **Customer Satisfaction Survey Results**

Remotes conducts biennial surveys of its customers to inform planning activities and better understand customer priorities. For the 2025-2026 reporting cycle, Remotes engaged an independent research firm to conduct both a random telephone survey and an online survey.

In response to the question, *"Overall, are you very satisfied, satisfied, dissatisfied, or very dissatisfied with the electricity service you get from Hydro One Remotes?"*, 90% of respondents indicated they were either satisfied or very satisfied. High satisfaction levels were primarily attributed to reliable electricity service and consistent supply. The survey is utilized for a two-year period.

Safety

- **Public Safety**

In April 2015, the Electrical Safety Authority (ESA) provided recommendations to the OEB for a scorecard of public safety measure that includes three main components: A) Public Awareness of Electrical Safety, B) Compliance with Ontario Regulation 22/04 under the *Electricity Act, 1998*, and C) the Serious Electrical Incident Index. Components B and C had been reported in prior years, while results for *Component A – Public Awareness of Electrical Safety* were first introduced for fiscal 2015 performance.

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

For the 2025-2026 reporting cycle, Remotes engaged an independent research firm to administer both a random phone survey and an online survey to assess electrical safety awareness among customers in its service territory. The survey, designed by the ESA, evaluated participants' safety awareness across six core areas: the likelihood to call before digging, the impacts of touching a power line, safe distances when around power lines, safe distances when around downed power lines, danger of tampering with electrical equipment, and actions to be taken when an occupied vehicle is in contact with a power line.

For 2025, the overall index score was 71.7%, representing a slight decline from the previous result of 73.7%. The score is utilized for a two-year period. Most respondents understood the danger of touching an overhead wire (89%) and the danger of tampering with electrical equipment (85%). However, many customers were less familiar with the risks posed by underground wires, given the limited presence of underground services in Remotes' service territory.

Remotes continues to promote electrical safety through warning signage at hydroelectric and diesel generating stations, radio advertising, school and community outreach, and safety messaging provided through bill inserts, electronic newsletters, and its website.

- **Component B – Compliance with Ontario Regulation 22/04, made under the *Electricity Act, 1998***

Ontario Regulation 22/04 was introduced in 2004 following ESA recommendations to enhance electrical safety across the province. The Regulation establishes requirements for the safe operation of distribution systems in Ontario. Distributors are required to undergo an annual external audit on the design, construction, and maintenance of distribution systems in accordance with the Regulation. A final report, along with a signed declaration of compliance with the Regulation for all sections that are not covered by the audit, is provided to the ESA.

The performance target for compliance with the Regulation is for the distributor to be fully compliant, and is recorded as Compliant (C), Non-Compliant (NC), or Needs Improvement (NI). For 2025, Remotes met the performance target and received a Compliant (C) rating.

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

In 2025, the ESA identified no recordable serious public electrical incidents for Remotes, resulting in an index value of 0.0. The Serious Electrical Incident Index is designed to monitor and improve public electrical safety on the distribution systems over time. Based on the distributor's total kilometers of line, the measure normalizes serious electrical incidents per 10, 100, or 1,000 km of line, reporting both the actual number and rate of incidents per kilometer. For Remotes, the index is normalized per 260 km of line.

Distributors, including their contractors and operators, are required to report any serious electrical incident to the ESA within 48 hours. A serious electrical incident is defined as any electrical contact, fire, or explosion that caused or may have caused injury or death in any part of the distribution system operating at greater than 750 volts (excluding incidents caused by lightning strikes). Remotes maintains a policy of reporting all public safety incidents to the ESA.

System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted¹**

In 2025, Remotes reported an average outage duration of 11.47 hours, an increase of 5.30 hours from 2024 (6.17 hours) and 4.65 hours above the OEB target of 6.81 hours. The significant increase in SAIDI compared to the prior year was primarily driven by a higher volume of planned distribution work, increased tree contacts associated with more frequent severe storm activity, and increased defective equipment, including blown transformers and fuses. Additional impacts from adverse environmental events (house fires), also contributed to longer restoration times. Performance relative to the OEB target declined for the same reasons, partially offset by fewer weather- and lightning-related interruptions. This metric represents the average duration in hours of customer interruptions, calculated as total customer hours of interruption divided by the total number of customers served over the reporting period.

- **Average Number of Times that Power to a Customer is Interrupted¹**

In 2025, the frequency of customer outages was 3.89 interruptions per customer, an increase of 0.93 per customer compared to 2024 (2.95) and 0.60 above the OEB target of 3.29. While outage frequency increased, the change represents less than one additional interruption per

¹ The distributor specific target for Hydro One Remotes is located on the OEB Scorecard and is based on the currently approved Distribution System Plan.

customer and remains broadly comparable to both the prior year and the OEB target. This metric represents the average frequency of customer interruptions, calculated as the total number of customer interruptions divided by the total number of customers served, and expressed as the average number of customer interruptions over the reporting period.

For the above two metrics, the impacts arising from force majeure events and loss of supply events are excluded.

Asset Management

• Distribution System Plan Implementation Progress

The Distribution System Plan (DSP) implementation progress is a distributor-defined performance metric that assesses the execution of planned generation and distribution activities based on Operation, Maintenance and Administration (OM&A) and capital expenditures.

In 2025, Remotes incurred total spending of \$40.8 million, 13% below the plan of \$46.7 million. This variance was primarily driven by an OM&A adjustment to the legal provision following the court decision related to the Wilderness North Air claim, as well as delays in several capital projects. These deferred capital projects are expected to be carried forward into future years.

In comparison, Remotes 2024 spending totaled \$46.4 million against a planned \$43.1 million, representing 108% of the approved budget. Notwithstanding the material impact of the legal provision on OM&A in both years, overall performance for the 2024–2025 period remains close to plan, with results of 100% in 2024 and 94% in 2025 on a normalized basis, excluding the impact of the legal provision.

Cost Control

The OEB has recognized that Remotes is not directly comparable to other Ontario electricity distributors. In its Decision (EB-2014-0084), the OEB stated, *“Hydro One Remotes is excluded from the Board’s benchmarking analysis because of its unique circumstances. As noted in Hydro One Remotes’ 2014 Price Cap Incentive Rate application (EB-2013-0142), Hydro One Remotes is unique in terms of its operating characteristics and cost recovery due to the Rural or Remote Electricity Rate Protection.”*

Connection of Renewable Generation

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

This metric measures a distributor's performance in connecting micro-embedded generation facilities (10 kW or less) within five business days in at least 90% of cases, or within a later date mutually agreed upon by the generator and the distributor. The service timeline begins once the generator has informed the distributor that all applicable service conditions have been satisfied and all necessary approvals have been obtained, in accordance with sections 6.2.7 and 6.2.7A of the DSC. No new micro-embedded generation facilities were connected to Remotes' distribution systems during 2025.

Financial Ratios

Remotes is 100% debt-financed and operates on a cost-recovery basis designed to achieve a break-even outcome, with no return on equity. As a result, given its financial structure and unique operating characteristics, its financial ratios are not directly comparable to those of other Ontario electricity distributors.

Note to Readers of Fiscal 2025 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.

Words such as "expect," "anticipate," "intend," "attempt," "may," "plan," "will", "can", "believe," "seek," "estimate," and variations of such words and similar expressions are intended to identify such forward-looking statements and information. Such statements include, but are not limited to, references to evaluation of renewable technology options, educational efforts, industry targets, and expectations relating to deferred capital projects. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Some of the factors that could cause such differences include legislative or regulatory developments, government policy and program developments, availability and reliability of transportation and transportation infrastructure, 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. We do not intend, and we disclaim any obligation, to update any forward-looking statements, except as required by law.