

Scorecard - Chapleau Public Utilities Corporation

10/23/2023

Performance Outcomes	Performance Categories	Measures	2018	2019	2020	2021	2022	Trend	Target		
									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	100.00%	100.00%	100.00%	100.00%	100.00%	➡	90.00%		
		Telephone Calls Answered On Time	96.52%	97.90%	97.57%	99.16%	100.00%	⬆	65.00%		
	Customer Satisfaction	First Contact Resolution	100	100	100	100	100				
		Billing Accuracy	99.99%	100.00%	99.98%	99.99%	100.00%	➡	98.00%		
		Customer Satisfaction Survey Results	95	93	93	93	93				
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	79.00%	79.00%	79.00%	78.00%	78.00%				
		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	➡		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	12.51	6.91	5.87	2.68	9.78	⬇		4.06	
		Average Number of Times that Power to a Customer is Interrupted ²	4.49	2.56	2.33	1.14	1.31	⬇		1.45	
	Asset Management	Distribution System Plan Implementation Progress	Complete	Complete	Complete	On target	On Target				
	Cost Control	Efficiency Assessment	4	4	4	4	3				
		Total Cost per Customer ³	\$807	\$864	\$858	\$781	\$862				
		Total Cost per Km of Line ³	\$32,515	\$19,553	\$19,432	\$17,697	\$19,535				
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	Renewable Generation Connection Impact Assessments Completed On Time ⁴									
		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)	2.90	3.04	3.54	3.11	3.91				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.00	0.00	0.00	0.00	0.00				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.12%	9.00%	8.98%	8.98%	8.98%			
			Achieved	-9.19%	8.46%	3.57%	24.43%	12.99%			

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.
 4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend:

5-year trend
 ⬆ up ⬇ down ➡ flat

Current year
 ● target met ● target not met

Chapleau Hydro Inc.

2022 Scorecard Management Discussion and Analysis (“2022 Scorecard MD&A”)

Scorecard MD&A - General Overview

In 2022, Chapleau Hydro Inc. (“CPUC”) met or exceeded all but one area of performance target. CPUC fell marginally under the System Reliability measure. CPUC continues to seek new control measures leading to improvements in all categories. CPUC’s efficiency has improved every year since it converted from a virtual to an actual utility. CPUC is now ranked in the third most efficient group. The utility continues to seek cost-saving solutions and encourage cost-sharing with neighbouring utilities.

Service Quality

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

In 2022 CPUC connected 9 new low voltage services, of which 100% were connected to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). CPUC coordinates connection activities with local municipalities and other agencies to further enhance the coordination between municipal and electrical distribution construction activities.

- **Scheduled Appointments Met on Time**

In 2022, CPUC scheduled 69 appointments with its customers to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. The utility met 100% of these appointments on time, significantly exceeding the industry target of 90%. CPUC reported 9 appointments involving meeting a customer or the customer’s representative where the appointment date and time were completed resulting in 100%.

- **Telephone Calls Answered on Time**

In 2022 CPUC customer service received 611 calls from its customers. Agents answered calls in 30 seconds or less in all calls resulting in an achievement rate of 100%. This result significantly exceeds the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

For Chapleau Public Utilities Corporation, First Contact Resolution was measured based on calls taken and emails received by customers. It is a measure to see how effective at satisfactorily addressing customer's complaints. The OEB has permitted distributors' discretion on how this measure is reported. Based on the 2022 Scorecard, CPUC resolves 100% of customer contact the first time & does not require referral to management for resolution.

- **Billing Accuracy**

Billing accuracy represents the number of customer invoices within the utility's control that were created without errors. For 2022, CPUC issued more than 14,862 bills and achieved a billing accuracy of 100%. This compares favourably to the prescribed OEB target of 98%.

CPUC continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

Chapleau Public Utilities Corporation's last customer satisfaction survey was conducted in 2020 with a result of 93%. The utility used selected relevant questions from its survey to determine its overall results. Responses to the questions are assigned a range of numerical values which could range from 1-5. This range gives the weight of the responses. The weighted results are compared to the total response to arrive at an overall percentage therefore determining the total customer satisfaction result. Customers indicated that they expect their utility to provide consistent and reliable service. To address customer preference, Chapleau Public Utilities Corporation will continue to effectively maintain its infrastructure and invest in reducing time losses and sustaining system reliability. Chapleau Public Utilities Corporation's strategy must be cost-effective and at the same time be sufficient to continue to balance distribution system reliability, efficiency and return on investment.

Safety

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

The intent of the Public Awareness Electrical Safety component of the public safety measure is to measure the awareness of critical electrical safety precautions among the public within the electricity distributor's service territory. It measures the effectiveness of distributors' activities in preventing electrical accidents. CPUC has a result of 78% for public awareness of electrical safety. CPUC uses Facebook, social media and our website to post safety information.

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

Ont. Reg. 22/04 establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution system owned by the distributor. The regulation is monitored through an audit of compliance. Chapleau Public Utilities Corporation takes the safety of the public and employees paramount; Chapleau Public Utilities Corporation is pleased to have received a Compliant rating for 2021. Chapleau Public Utilities Corporation has been compliant since 2015.

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

Chapleau Public Utilities Corporation had no serious incidents to report for 2021. The utility has not had a serious electrical incident to report since reporting became mandatory. In 2015, the results are zero incidents per 10 km of line. The 5-year incident rate of "0" for the number of General Public incidents is a good illustration of the utility's commitment to safety.

System Reliability

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

CPUC experienced an increase in the average number of hours that power to a customer was interrupted during 2022 compared to previous years. A total of 15 interruptions resulted in 14,763 customer hours. Factors which affected the distribution system performance involved;

- 1) September 2022: Majority of customer hours interruptions (11726) was as a result of a scheduled outage for planned maintenance.
- 2) October 2022: Majority of customer hours interruptions (2641) was caused as a result of loss of supply on 2 occasions.

CPUC continues to view the reliability of electricity service as a high priority. The utility continues to monitor its distribution assets regularly.

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

CPUC experienced a reduction in the average number of interruptions during 2022 for the above reasons. The results reported show that the interruptions increased from to 2.68 (SAIDI) and 1.14 (SAIFI) in 2021 to 9.78 (SAIDI) and 1.31 (SAIFI) in 2022. The reasons for the decrease in performance are explained in the section above.

Asset Management

- **Distribution System Plan Implementation Progress**

CPUC filed a Distribution System Plan (“DSP”) in its 2019 Cost of Service application.

Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC evaluates the total costs for Ontario local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. CPUC has been placed in group 3.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of CPUC's capital and operating costs and dividing this cost figure by the total number of customers CPUC serves. The cost performance result in 2022 of \$862/customer is up from \$781/customer in 2021. CPUC notes that its cost per customer is in line with 2018 to 2020. The 2021 cost per customer showed a one-time reduction in costs which is being normalized in 2022.

CPUC will continue proactively replacing distribution assets along a carefully managed timeframe that balances system risks and customer rate impacts, as demonstrated in its 2019 Cost of Service application. CPUC will continue implementing productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. Customer engagement initiatives will continue to ensure customers have an opportunity to share their viewpoints on CPUC's capital spending plans.

- **Total Cost per Km of Line RRR (2.1.5 utility characteristics)**

CPUC's 2022 rate per km of the line of \$19,535 represents an increase of \$1838 from 2021 which was lower than a typical year. The reasons are the same as explained in the cost per customer above.

CPUC continues to seek innovative solutions to help ensure the cost/km of line remains competitive and within acceptable limits to its customers.

Conservation & Demand Management

- **Net Annual Peak Demand Savings (Percent of target achieved) & Net Cumulative Energy Savings (Percent of target achieved)**
- As a result of the Minister of Energy, Northern Development and Mines' directive on March 20, 2020, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2020 and 2021 will be centralized and administered by the IESO.
- As distributors are no longer working towards the former 2015-2021 CDM targets, reporting on CDM targets and results and no longer applicable.

Connection of Renewable Generation

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

CPUC did not have any Fit projects in 2022 and, as such, did not need Connection Impact Assessments

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

CPUC did not connect MicroFit projects in 2022.

Financial Ratios

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

CPUC's current liquidity rating of 3.84 increased from 3.11 in 2021, which is close to the indicator of good financial health.

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

Following Board policy, the utility uses a deemed capital structure of 60% debt and 40% equity for electricity distributors when establishing rates.

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

CPUC's 2022 distribution rates were rebased and approved by the OEB in 2019, including an expected (deemed) regulatory return on equity of 9.00%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity.

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

CPUC's 2022 achieved ROE stands at 12.99%, 4.01% above the permitted limit of +/- 300 basis points. CPUC notes that even little fluctuations in revenues and expenses have the potential to cause significant variations in its actual ROE, given its revenue need of about one million dollars. CPUC further notes that the excess in earnings for 2022 amounts to a mere \$31K.

The primary factors contributing to CPUC's over-earning in 2022 are as follows.

(1) the substantial growth in revenues, amounting to 43.6K, which is attributed to the cumulative rise of the Price Cap index throughout the preceding three-year period.

(2) The underspending in operational, maintenance, and administration (OM&A) which can be attributed to two factors: the departure of a full-time employee and a higher allocation of resources towards capital projects compared to operating and maintenance activities.

(3) Finally, CPUC's recovers approximately 43k in its rates to satisfy a debt expenditure that is not currently incurred by the utility.

CPUC intends on monitoring of the attained ROE in the future, with the aim of aligning it as closely as possible with the permitted ROE of 8.98%.

Note to Readers of 2022 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 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. It could be markedly different in the future.