

Scorecard - Chapleau Public Utilities Corporation

10/7/2021

| Performance Outcomes | Performance Categories | Measures | 2016 | 2017 | 2018 | 2019 | 2020 | 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 | 100.00% | 99.68% | 96.52% | 97.90% | 97.57% | ➡ | 65.00% | | |
| | Customer Satisfaction | First Contact Resolution | 100 | 100 | 100 | 100 | 100 | | | | |
| | | Billing Accuracy | 99.99% | 99.99% | 99.99% | 100.00% | 99.98% | ➡ | 98.00% | | |
| | | Customer Satisfaction Survey Results | 95 | 95 | 95 | 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 | 76.00% | 79.00% | 79.00% | 79.00% | 79.00% | | | | |
| | | 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 | 1.82 | 0.94 | 12.51 | 6.91 | 5.87 | ⬆️ | | 4.06 | |
| | | Average Number of Times that Power to a Customer is Interrupted ² | 0.63 | 0.69 | 4.49 | 2.56 | 2.33 | ⬆️ | | 1.45 | |
| | Asset Management | Distribution System Plan Implementation Progress | 100 | 75 | Complete | Complete | Complete | | | | |
| | Cost Control | Efficiency Assessment | 4 | 4 | 4 | 4 | 4 | | | | |
| | | Total Cost per Customer ³ | \$740 | \$718 | \$807 | \$864 | \$858 | | | | |
| | | Total Cost per Km of Line ³ | \$34,163 | \$29,706 | \$32,515 | \$19,553 | \$19,432 | | | | |
| 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 | | | | | | | | | |
| | | 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) | 2.03 | 1.95 | 2.90 | 3.04 | 3.54 | | | | |
| | | 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% | 9.12% | 9.12% | 9.00% | 8.98% | | | |
| | | | Achieved | -3.82% | -1.99% | -9.19% | 8.46% | 3.57% | | | |

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

2020 Scorecard Management Discussion and Analysis (“2020 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 2020 Scorecard MD&A:

<http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf>

Scorecard MD&A General Overview

- In 2020, Chapleau Public Utilities Corporation was committed to meeting and exceeding all targets relating to service quality for customers and satisfying the customers. Chapleau Public Utilities Corporation has remained above the industry target for performance targets with the exception of system reliability. Chapleau Public Utilities Corporation’s scheduled outages and defective equipment are still above our current 5-year rolling average to our specific target, but much better than in 2019. The average number of hours that power to a customer is interrupted is half of what it was in 2019 and this is due to ongoing annual maintenance. Chapleau Public Utilities Corporation is aggressively initiating system maintenance activity with increased capital to decrease the defective equipment outages and provide a safe and reliable power source in the future.

Chapleau Public Utilities Corporation’s performance was 100% for connection on time and appointments met. Calls answered on time has increased from the previous year to 97.9% and billing accuracy 100%. All above the industry average.

Chapleau Public Utilities Corporation is continuing its work to upgrade the distribution system from 5kV to 25kV.

In 2020, Chapleau Public Utilities Corporation has improved its scorecard performance results and will continue to work hard to see improvement in 2021. The improvements are expected as a result of system improvements and enhanced system reliability due to capital investments to the distribution station and system.

The scorecard helps Chapleau Public Utilities Corporation operate effectively while continually seeking ways to improve productivity and focus on improvements.

The scorecard is designed to track and show Chapleau Public Utilities Corporation’s performance results over time and help to clearly benchmark performance/improvement against other utilities and best practices. The scorecard includes traditional metrics for assessing services, such as financial performance and costs per customer. In addition, future performance results for 2024 and onward will include several new metrics that directly reflect the customer experience, safety and Distribution System Plan implementation to showcase the progress and Chapleau Public Utilities Corporation’s commitment to its customers. All of these metrics will be explained throughout this discussion and analysis.

Service Quality

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

Chapleau Public Utilities Corporation connected 6 new services in 2020, well within the 5-day window provided in the Distribution System Plan regulations. Chapleau Public Utilities Corporation has achieved 100% for new services connected on time since the scorecard reported was implemented back to 2009, continually above the industry target.

- **Scheduled Appointments Met on Time**

Chapleau Public Utilities Corporation had 78 appointments in 2020 to complete work requested by customers, read meter, reconnects, meetings, locates, disconnects, service upgrade connections all during regular office hours. Chapleau Public Utilities Corporation has in the past and continues to meet 100% of these appointments on time exceeding the industry target of 90%.

- **Telephone Calls Answered on Time**

Chapleau Public Utilities Corporation recorded 494 incoming calls. All calls were answered within 30 seconds or less in 97.57% of the time an increase from the previous year. These results significantly exceed the OEB mandated 65%. The CPUC has purchased a new phone system so that all calls are answered, re-directed or sent to voicemail. No customers will ever hear a busy signal.

Customer Satisfaction

- **First Contact Resolution**

For CPUC, 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 2020 Scorecard, CPUC resolves 100% of customer contact the first time & does not require referral to management for resolution.

- **Billing Accuracy**

For the period of 2020, Chapleau Public Utilities Corporation issued more than 14,800 bills and achieved accuracy of 100%. This is above the OEB target of 98%. Chapleau Public Utilities Corporation continues to strive for high billing accuracy results and addressing complaints in a timely fashion while continuing its ongoing effort to recognize any issues that may arise.

- **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

- **Public Safety**

Public Safety has 3 components A. B. C. which will be explained below. Chapleau Public Utilities Corporation has performed very well in all 3 components with 79% for public awareness, compliant with regulation 22/04 and zero public incidents or public contact with any electrical infrastructure.

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

The public awareness component is expected to measure the level of awareness of key electrical safety precautions among the public within the distributor's service territory. Distributors are expected to demonstrate this impact of their public education efforts by surveying adults residing in their territory. CPUC has a result of 79% for public awareness of electrical safety. Chapleau Public Utilities Corporation 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 2020. 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 2020. 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**

The reliability of supply is primarily measured by internationally accepted indices SAIDI and SAIFI as defined in the OEB’s Electricity Reporting & Record Keeping Requirements dated May 3, 2016. SAIDI or System Average Interruption Duration Index is the length of outage customers experience in the year on average expressed as hours per customer per year. SAIFI or System Average Interruption Frequency Index is the number of interruptions per year per customer. An interruption is considered sustained if it lasts for at least one minute.

Loss of supply (LOS) outages occur due to problems associated with assets owned by another party other than Chapleau Public Utilities Corporation or the bulk electricity supply system. Chapleau Public Utilities Corporation tracks SAIDI and SAIFI including and excluding LOS. Major Event Days, MED, are calculated using IEEE STD1366-2012 methodology. MED are then confirmed by assessing whether interruption was beyond the control of Chapleau Public Utilities Corporation (i.e. force majeure or LOS) and whether the interruption was unforeseeable, unpredictable, unpreventable, or unavoidable.

CPUC had a slight increase in outages in 2020 (30) without loss of supply. CPUC also had an increase in defective equipment outages (13). This is mainly due to work on the line along Hwy 129 being rebuilt. Weather also played a role in our number of outages (5).

Chapleau Public Utilities Corporation’s average number of hours interruption in 2020 was a decrease from 2019 of 6.91. This is still above of 5 year average at 4.06. CPUC has been quick to respond to outages inside the utilities distribution system.

Scheduled outages are for system maintenance and improvements and are a yearly occurrence in order to have a safe, secure and reliable distribution system

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

Chapleau Public Utilities Corporation's average number of times power was interrupted (2.33) has decreased by almost a third of 2019 (2.56). This can again be attributed to the ongoing annual maintenance to the distribution system.

Chapleau Public Utilities Corporation will continue to monitor its assets with deficiency patrols along with infra scans of the entire Distribution System along with the substation.

CPUC has begun a program of placing animal guards on Tx bushings & switches to eliminate any animal contact outages. Also, CPUC is replacing porcelain switches with polymer to eliminate outage because of failures in the glass insulation.

Asset Management

- **Distribution System Plan Implementation Progress**

Chapleau Public Utilities Corporation's Distribution System Plan was approved in June 2019. Implementation of the Distribution Plan started in 2019 working on like-for-like system renewal at an accelerated pace to address the continuing aging distribution system. The forecast plan is the required system renewal plan appropriately asset replacements while maintaining Chapleau Public Utilities Corporation's reliable, safe, and secure service.

The planning horizon for this Distribution System Plan covers ten years with a five-year historical period of 2014 to 2018, where 2018 is the Bridge Year, and a five-year forecast period of 2019 to 2023, where 2019 is the test year.

For the 2020 scorecard, our Distribution System Plan for 2019 to 2023 has started. The Distribution System Plan outlines Chapleau Public Utilities Corporation's forecasted capital expenditures over the next 5 years, required to maintain and expand the distributor's electricity system to serve its current and future customers. The forecast plan is the required system renewal to plan appropriately asset replacements while maintaining Chapleau Public Utilities Corporation's reliable, safe, and secure service.

Cost Control

- **Efficiency Assessment**

Electricity distributors are evaluated by the Pacific Economic 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 amount spent on capital and infrastructure reinvestments and the amount spent on operations, maintenance and administration. The LDC’s are divided into five groups based on the magnitude of the difference between their respective individual, actual and predicted costs.

In 2020, Chapleau Public Utilities Corporation is again Group 4. A group 4 distributor is defined as having actual costs in excess of 10% to 25% above predicted costs. The group 4 rating was anticipated because of the investment in our distribution station and distribution system. Chapleau Public Utilities Corporation has experienced an increase in its total cost required to deliver quality and reliability services to its customers. Chapleau Public Utilities Corporation will continue working pro-actively with replacing assets and work towards improving its ranking to a more efficient group.

CPUC has been a member of the NEDBC buying group. This is a group of utilities that set contracts with suppliers in order to get the best price on pole line hardware as well as poles, Tx, wire and more. This has greatly decreased the cost of material for the small utilities like CPUC.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Chapleau Public Utilities Corporation’s capital and operating costs and dividing this cost figure by the total number of customers that we serve. Managing costs is a responsibility taken seriously at Chapleau Public Utilities Corporation. The levels of spending are measured and prudently controlled so that customer rates are minimally affected. Similar to most distributors in the province, Chapleau Public Utilities Corporation has experienced increases in its total costs required to deliver quality and reliability service to customers. Chapleau Public Utilities Corporation has managed to keep its costs reasonable despite having to deliver a provincial wide program such as Time of Use metering (Smart Meters), growth in wages and benefit costs, investment in new information system technology and the renewal of the distribution system.

- **Total Cost per Km of Line**

This measure uses the same total cost as used in the cost per customer calculation above. Total cost is divided by the kilometer of line in Chapleau Public Utilities Corporation’s service territory.

CPUC has a minimal decrease in cost per KM of line. CPUC is still reporting the KM of line the same as year 2019, therefore 2020 has little change.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Chapleau Public Utilities Corporation with the continued help of our program administrator has reached 85% of target savings.

This percentage of target would not have been achieved without the interest of all Chapleau Public Utilities Corporation's residential, small business and commercial customers taking the initiative to follow through with the programs being offered.

Connection of Renewable Generation

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

Chapleau Public Utilities Corporation is and has been constrained to accept any renewable generation on its distribution system. This is something that is beyond our control because of Hydro One transmission constraints.

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

MicroFit applicants are those customers applying to generate electricity at a level less than or equal to 10 kW of electricity. Chapleau PUC has not connected any renewable generation.

Chapleau PUC has no Micro Fit generation connections because of Hydro One's transmission constraints.

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. Chapleau Public Utilities Corporation's current ratio went from 2.90 in 2018 to 3.04 in 2019, still showing the company in a strong healthy financial position.

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

Chapleau Public Utilities Corporation has no debt.

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

Chapleau Public Utilities Corporation's profitability has remained steady during the past 4 years with 2020 at 8.98%. The OEB allows a distributor to earn +/-3% of the expected 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 by the OEB.

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

The ROE continues to be positive for the 2020-year end as a result of the net and comprehensive income realized in 2020. While the ratio is lower when compared with the prior year and the deemed ROE the 2020 results indicate an improved income from operating activities as a result of increased distribution and well controlled operating costs. Operating expenses, which include COVID related operating expenses from 2020 have only increased 3% compared with an 8% increase in distribution revenues which has resulted in the increase to operating income.

Note to Readers of 2020 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. 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.