

Carte de pointage - Welland Hydro-Electric System Corp.

9/3/2020

Résultats sur le rendement	Catégories de rendement	Mesures	2015	2016	2017	2018	2019	Tendance	Objectif		
									Industrie	Distributeur	
Approche vis-à-vis de la clientèle Les services sont fournis de manière à tenir compte des préférences des clients.	Qualité du service	Nouveaux services destinés aux consommateurs résidentiels ou aux petites entreprises branchés en temps voulu	100,00%	100,00%	100,00%	100,00%	94,82%		90,00%		
		Date et heure de rendez-vous respectées	98,50%	98,50%	98,64%	94,90%	93,16%		90,00%		
		Réponse en temps voulu aux appels téléphoniques	98,50%	98,60%	96,19%	97,29%	88,90%		65,00%		
	Satisfaction de la clientèle	Résolution dès la première communication	84%	75%	75%	80%	80%				
		Exactitude de la facturation	99,99%	99,99%	99,98%	99,99%	99,99%		98,00%		
		Résultats du sondage sur la satisfaction de la clientèle	90	92%	92%	96	96				
Efficacité opérationnelle Une amélioration continue de la productivité et de l'indice rendement-coûts est atteinte. Le distributeur respecte les objectifs du réseau en matière de fiabilité et de qualité.	Sécurité	Niveau de sensibilisation du public	84,00%	84,00%	83,00%	83,00%	83,00%				
		Niveau de conformité avec le Règlement de l'Ontario 22/04 ¹	C	C	C	C	C			C	
		Indice des incidents graves	0	0	1	0	0			0	
	Fiabilité du réseau	Nombre d'heures moyen où le client est privé d'électricité ²	1,74	0,63	1,83	1,46	1,71			0.90	
		Nombre moyen d'occurrences où le client est privé d'électricité ²	1,39	0,72	1,56	1,70	2,41			1.04	
	Gestion de l'actif	Avancement de la mise en œuvre du plan du réseau de distribution	On Track	Completed	Completed	Completed	Completed				
		Évaluation de l'efficacité	2	2	2	2	2				
	Contrôle des coûts	Coût total par client ³	493\$	510\$	497\$	501\$	512\$				
		Coût total par kilomètre de ligne de transport ³	23 293\$	24 268\$	23 937\$	24 354\$	24 714\$				
		Économies d'énergie cumulatives nettes ⁴	6,78%	21,08%	40,55%	54,00%	77,00%			25,50 GWh	
Réactivité aux politiques publiques. Le distributeur remplit ses obligations imposées par le gouvernement (p. ex. les exigences légales et réglementaires imposées à la Commission et venant s'ajouter	Gestion de la conservation et de la demande	Réalisation en temps voulu des études d'impact du branchement aux installations de production d'énergie renouvelable		100,00%	100,00%						
		Branchement en temps voulu de nouvelles installations de production de petite taille intégrées	100,00%	100,00%	100,00%	100,00%			90,00%		
Rendement financier La viabilité financière est entretenue et les économies générées par l'efficacité opérationnelle peuvent être maintenues.	Ratios financiers	Liquidités : ratio de liquidité générale (actif à court terme/passif à court terme)	1,50	1,46	1,51	1,53	1,44				
		Levier financier : montant total de la dette (incluant endettement à court terme et à long terme)/capitaux propres	0,84	0,82	0,81	0,77	0,83				
		Rentabilité : taux de rendement des capitaux propres réglementé	Présumé (inclus dans les tarifs)	8,93%	8,93%	8,78%	8,78%	8,78%			
			Atteint	8,72%	6,63%	8,51%	11,41%	10,44%			

1. Évaluation de la conformité avec le Règlement de l'Ontario 22/04 : conforme (C), besoin d'amélioration (BA) ou non conforme (NC).

2. La direction de la flèche indiquant la tendance est basée sur la comparaison de la moyenne mobile de cinq ans actuelle à la cible spécifique au distributeur située à la droite. Une flèche ascendante indique une fiabilité décroissante alors qu'une flèche descendante indique une fiabilité croissante.

3. Une analyse comparative établit le coût total à partir des renseignements fournis par le distributeur.

4. La mesure de la CEGD est basée sur le cadre de travail maintenant révolu Priorité à la Conservation de 2015-2020. Les résultats de 2019 comprennent les économies allant jusqu'à la fin de février 2020 déclarées à la SIÈRE.

Légende:

Tendance sur 5 ans
 vers le haut vers le bas stable
Année actuelle
 objectif atteint objectif non-atteint

2019 Scorecard Management Discussion and Analysis (“2019 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 2019 Scorecard MD&A:

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

Scorecard MD&A - General Overview

- The 2019 scorecard reflects another very successful year for Welland Hydro (“WHESC”). The results reflect WHESC’s commitment to a locally owned distribution company providing safe reliable power at competitive rates thru prudent planning of distribution system capital expenditures and cost management. WHESC continues to seek ways to meet the needs of its valued customers, employees, and shareholder.

Service Quality

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

In 2019, Welland Hydro-Electric System Corp. (WHESC) connected 94.82% of eligible new low-voltage and small business customers to the distribution system within the five-day timeline as prescribed by the Ontario Energy Board (OEB).

- **Scheduled Appointments Met on Time**

A total of 1,125 appointments were scheduled with customers in 2019 with 93% completed on time – exceeding the industry target of 90%

- **Telephone Calls Answered on Time**

In 2019, contact center representatives answered 89% of 12,229 calls within 30 seconds or less, above the OEB mandated 65% target for timely call response. The number of incoming telephone calls continued to decrease during 2019 as customers utilized new alternative initiatives such as live chat, email, and online software platforms which assist in processing move in and move out requests.

Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution measurements have not been previously defined across the industry. The OEB has instructed all electricity distributors to review and develop measurements in these areas.

First Contact Resolution requires front line staff to be prepared to respond to customer issues to the complete satisfaction of the customer. As part of the Customer Satisfaction Survey (telephone survey), 415 customers were asked about six aspects of their most recent experience with a representative from WHESC. The results showed 80% of responses were either very or fairly satisfied with the most recent telephone or in-person contact experience.

- **Billing Accuracy**

WHESC issued 287,631 invoices during 2019 with a billing accuracy of 99.99% exceeding the OEB Standard of 98%. WHESC continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

WHESC engaged a third party to conduct a Customer Satisfaction Survey in 2018. In the Scorecard WHESC reports the percentage of customers that were very or fairly satisfied. The 2018 results show 96% were either very or fairly satisfied, which is an increase from the 2016 results of 92%. WHESC is conducting another Customer Satisfaction Survey in 2020 as required by the OEB.

Safety

- **Public Safety**

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

WHESC completed its third Public Awareness of Electrical Safety in 2020. The results indicate that a significant number of customers/contractors (83%) have a good knowledge or have received some information pertaining to the six core measurement questions. WHESC joined a group of LDC's in 2017 to begin the development of a web based public messaging program to increase public awareness in the six core areas.

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

The metric measuring Ontario Regulation 22/04 (the ‘Regulation’) assesses an LDC’s compliance with the ESA’s standard for safety performance based on requirements for the design, construction, and maintenance of Electrical Distribution Systems. WHESC was independently audited and found to be in compliance with the Regulation. The audit consisted of a review of the Declaration of Compliance, Due Diligence inspections, Public Safety Concerns and Compliance Investigations.

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

WHESC has had no serious electrical incidents resulting in death or critical injury over the past five years.

System Reliability

System Reliability is a key component of the OEB’s Renewed Regulatory Framework. Distributors are required to measure system reliability indices with a goal towards continuous improvements. The two metrics used to track individual distributor’s system reliability performance are Customer Power Outage Duration and Customer Power Outage Frequency. The scorecard shows the distributor’s performance over a five-year period. All distributors have a potential exposure to significant year over year volatility experienced due to major weather events. As weather impacts become more prevalent, they will continue to influence year over year volatility.

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

Recovering from power outages as quickly as possible is valued by Customers. System Average Interruption Duration Index (SAIDI) is the formula used to measure the average number of hours that power to a Customer is interrupted. SAIDI is equal to the sum of all Interruption Durations / Average number of Customers served. Starting in 2017 (for the 2016 reporting period), Licensed Electricity Distributors began analyzing power outage occurrences to determine if a particular event is considered a “Major Event”. The definition of a Major Event can be found in the Ontario Energy Board document: “Electricity Reporting and Record Keeping Requirements”. For the period of 2012 to 2015, WHESC re-stated values for SAIDI with consideration of the Major Event criteria. This was necessary in order to establish a baseline of WHESC’s average performance over a five-year period, with Major Events removed. The values for SAIDI (indicated as both excluding and including Major Events) for the previous five-year period are as follows:

Year	SAIDI (excluding Major Events)	SAIDI (including Major Events)
2014	0.76	1.53
2015	1.74	1.95
2016	0.63	0.63
2017	1.83	1.83
2018	1.46	1.46
5 Year Average	1.28	1.48
2019	1.71	1.71

In 2019, WHESC did not have an outage occurrence that met both the calculated threshold (using the IEEE Standard 1366 approach) and the definition of a Major Event. The performance index in 2019 of 1.71 included two significant weather events that contributed 0.80 (47%) to the value of SAIDI.

The SAIDI value of 1.71 for 2019 continues to be below WHESC's internal target of 2.0, which is identified in WHESC's Distribution System Plan. A cyclical vegetation control program along asset renewal and grid automation investments continue in an effort to maintain SAIDI below WHESC's internal target.

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

System Average Interruption Frequency Index (SAIFI) is equal to the Total number of Customer Interruptions experienced by all Customers/Average number of Customers served.

The value for SAIFI (indicated as both excluding and including Major Events) for the historical five-year period are as follows:

Year	SAIFI (excluding Major Events)	SAIFI (including Major Events)
2014	1.25	1.76
2015	1.39	1.68
2016	0.72	0.72
2017	1.56	1.56
2018	1.70	1.70
5 Year Average	1.32	1.48
2019	2.41	2.41

The two significant events noted above contributed 1.27 (53%) to the value of SAIFI, resulting in 2019 performance above WHESC's internal target of 2.0. Indices are reviewed regularly including the 5-year rolling average reported on the scorecard to identify negative trends in feeder performance. Ratepayer and utility affordability are balanced with distribution system risk.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan ("DSP") was completed and submitted with WHESC's 2017 Cost of Service application. The DSP outlines WHESC's forecasted capital spending through 2021.

WHESC continues to monitor the progress of its DSP implementation. WHESC updates the plan as required, fundamentally based on inputs from asset condition assessment data, customer satisfaction data and periodic review of distribution system performance.

Cost Control

- **Efficiency Assessment**

Total Costs for Ontario's distribution companies ("LDCs") are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. LDCs are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. WHESC's 2019 Efficiency Assessment of 23.0% below expected cost, ranks 11th best in Ontario and reflects a commitment to finding continuous improvements in all areas.

- **Total Cost per Customer**

Cost per customer is calculated as the sum of Capital and Operating related costs divided by the Total Customers. Total Cost per Customer was \$512 in 2019. This represents a 2.2% increase over 2018. Since 2015, Total Cost per Customer has increased by 3.9% over a four-year period and reflects Welland Hydro's commitment to cost effective service to its customers.

- **Total Cost per Km of Line**

This measure divides Total Costs by the Total km of Line maintained by a distributor. Actual cost per Km of line serviced by WHESC in 2019 increased by 1.5% over 2018 levels.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

WHESC has achieved 77.0% of its 2015-2020 Energy Savings target. In March of 2019, the Conversation First Framework was taken over by the IESO. However, Welland Hydro remains committed to assist its customers to implement energy savings programs which result in cost efficiencies from reduced energy consumption.

Connection of Renewable Generation

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

WHESC did not receive any requests for Renewable Generation Connection Impact Assessments in 2019.

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

WHESC did not connect any new micro-embedded generation facilities in 2019.

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. WHESC has consistently had a current ratio greater than 1. The majority of current assets is related to receivables and unbilled revenues whereas current liabilities are for the most part related to amounts owed to the IESO for power purchased. There was no significant change with this ratio in 2019 (1.44) compared to 2018 (1.53), as WHESC continues to manage its working capital. In 2020, COVID19 has increased working capital requirements significantly resulting in increased borrowings.

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

The OEB has set a deemed capital structure of 60% debt and 40% equity for LDC's in Ontario. This deemed structure assumes 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 leveraged than the deemed capital structure. WHESC's 2019 leverage ratio of 0.83 indicates that it is currently operating with less actual debt than

deemed debt. WHESC has secured additional debt financing in 2020 to continue to make the capital expenditures contained in the Distribution System Plan to replace aging infrastructure and maintain service reliability.

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

WHESC's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return of 8.78%. The OEB allows a distributor to earn within +/- 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 by the OEB.

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

WHESC's achieved return in 2019 was 10.44% which is above its deemed rate of return of 8.78% but within +/- 3% allowed by the OEB. The increase reflects stronger than normal growth in total customers and continued emphasis on cost control.

Note to Readers of 2019 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.