

Scorecard - Greater Sudbury Hydro Inc.

Performance Outcomes	Performance Categories	Measures	2017	2018	2019	2020	2021	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	98.78%	99.20%	99.38%	99.63%	98.95%		90.00%		
		Scheduled Appointments Met On Time	100.00%	99.89%	99.78%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	67.16%	71.25%	71.26%	67.38%	64.22%		65.00%		
	Customer Satisfaction	First Contact Resolution	83.52%	84.19	82.69	87.60	87.86				
		Billing Accuracy	99.92%	99.92%	99.93%	99.95%	99.97%		98.00%		
		Customer Satisfaction Survey Results	94%	90%	91%	89%	93.60%				
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%	80.00%	83.00%	83.00%	85.00%				
		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	1.65	1.39	1.89	1.48	1.11			1.43	
		Average Number of Times that Power to a Customer is Interrupted ²	1.34	1.41	1.03	0.99	1.16			1.18	
	Asset Management	Distribution System Plan Implementation Progress	93.28%	97.47%	84.72%	110%	90.44%				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$629	\$671	\$679	\$670	\$679				
		Total Cost per Km of Line ³	\$29,706	\$31,690	\$31,938	\$31,590	\$31,877				
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	100.00%				100.00%				
		New Micro-embedded Generation Facilities Connected On Time	100.00%	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)	1.53	1.45	1.48	1.13	1.30				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.90	1.86	1.76	1.22	1.19				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.98%	8.98%	8.52%	8.52%			
			Achieved	9.30%	7.72%	8.62%	2.04%	9.62%			

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.
 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

2021 Scorecard Management Discussion and Analysis (“2021 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 2021 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf)

Scorecard MD&A - General Overview

2021 proved to be a solid performance year for Greater Sudbury Hydro Inc. (GSH). Measures in all areas indicated GSH met industry expectations with high level of customer satisfaction.

GSH continued to demonstrate strong financial performance in 2021. While maintaining the budgeted levels of capital spend, GSH managed cash and remained liquid throughout the year.

GSH is continuing to review business processes in efforts to further enhance efficiencies and continuously improve.

Service Quality

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

In 2021, GSH connected 98.95% of eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its’ system within the five-day timeline prescribed by the Ontario Energy Board (OEB). This is a 0.68% reduction of our previous year’s performance; however, performance remains firmly above the OEB-mandated threshold of 90%. Where practicable, GSH coordinates connection activities with other planned construction activities undertaken by the utility, other utilities, or municipal and provincial government agencies.

- **Scheduled Appointments Met On Time**

There were 563 appointments involving meeting a customer, or the customer’s representative, where the appointment date and time is set. The utility met 100% of these appointments on time, which significantly exceeds the industry target of 90%.

- **Telephone Calls Answered On Time**

In 2021, GSH's customer contact center agents received over 43,630 calls from its customers – on average over 165 calls per working day. An agent answered a call in 30 seconds or less 64% of the time. This result is just below the OEB-mandated 65% target for timely call response. Year over year, there is a 3% decrease in this metric in 2021. The pandemic forced our work force to shift from the office to working from home in 2020 and this continued through 2021. Moreover, there were challenges with training new staff remotely versus in person. More than half the call centre staff had less than 1 year of experience.

Customer Satisfaction

- **First Contact Resolution**

As a specific First Contact Resolution target and methodology has not been outlined, GSH has used the same process as in past years.

First Contact Resolution was measured based on live agent transactional phone surveys conducted by a third-party service provider. For the period January 1 to December 31, 2021, GSH provided the third-party service provider with a weekly sample of all inbound customer telephone calls into GSH's Customer Service.

Third party telephone agents, in turn, contacted and surveyed customers - typically within a week of their initial inbound contact. Customers were asked to rate various facets of their customer experience, and were also asked if their issue (i.e. their reason for calling) was resolved on their first call to GSH. Using the results of this survey, GSH calculated a first contact resolution of 87.86% for 2021 which is slightly higher than the 2020 results of 87.60%.

GSH endeavors to use the transactional customer survey results to identify customer service improvements with the intention of increasing first contact resolution in the future.

- **Billing Accuracy**

For the 2021 calendar year GSH issued approximately 576,900 bills and has reported a billing accuracy of 99.97%. GSH notes, however, that in March, 2021 it discovered an issue with respect to the way fixed charges were being charged for all customers' bills. By way of illustration, for a typical residential customer consuming 750 kWh's per month, this issue resulted in an overcharge of 0.30% or \$0.34 on a bill totaling \$115.44. The issue was self-reported to the Ontario Energy Board (OEB) in March 2021 and corrected with the introduction of GSH's May 1st, 2021 rates; accordingly it only affected billing for the January to April period in 2021. GSH filed a proposal with the OEB that was accepted in March 2022. This proposal resulted in GSH issuing credits to affected customers. GSH, along with Board Staff, ensured that this resolution was in line with GSH's obligation to correct billing issues. Given the immaterial nature and scope of the discrepancy, it has been excluded from the calculation of this metric.

- **Customer Satisfaction Survey Results**

Since 2013, GSH has engaged an independent third-party survey firm, Oraclepoll Research, to conduct annual customer satisfaction surveys to provide valuable information in support of discussions and plans around improving customer service at all levels and in all departments within GSH.

The survey asks core questions on a wide range of topics from overall satisfaction to pricing, value, reliability, methods of communication, asks for suggestions on improving customer service, and more. Each year, the survey also adds a few questions surrounding specific activities the LDC may consider for the future; this year, questions on Energy Self-Generation and Energy Storage were added.

Data obtained over the course of this annual survey is incorporated into GSH's planning process and forms the basis of plans to improve customer satisfaction and better meet the needs of both residential and business customers.

Each year, 400 Residential and 100 Business customers participate in the survey; both categories of customer showed significant improvement.

- Residential results improved from 89% in 2020 to 93% in 2021.
- Business results improved from 93% in 202 to 96% in 2021.
- When weighted, the overall satisfaction result for residential and business customer combined was 93.6%. (This is the first time we have supplied that weighted number.)

Older customers (45+) and those with income between \$50k-100k tended to score higher levels of satisfaction.

Safety

- **Public Safety**

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

This information is collected biennially. GSH commissioned independent third-party survey firm Oraclepoll Research to survey the community with the six proscribed questions created by the ESA. That survey was conducted in mid-January 2022 using computer-assisted techniques of telephone interviewing (CATI) and random number selection. Numbers were randomly selected from a dual sample database that included both landline and cellular telephone numbers.

GSH rated 85% when the ratings and evaluation methodology outlined by ESA were applied to the responses. This was a significant improvement from the previous score of 83% reported for 2020 & 2021. The next survey will be conducted early in 2024 and new results reported in the 2023 Scorecard.

GSH continues to communicate safety messages to the communities we serve through a variety of channels.

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

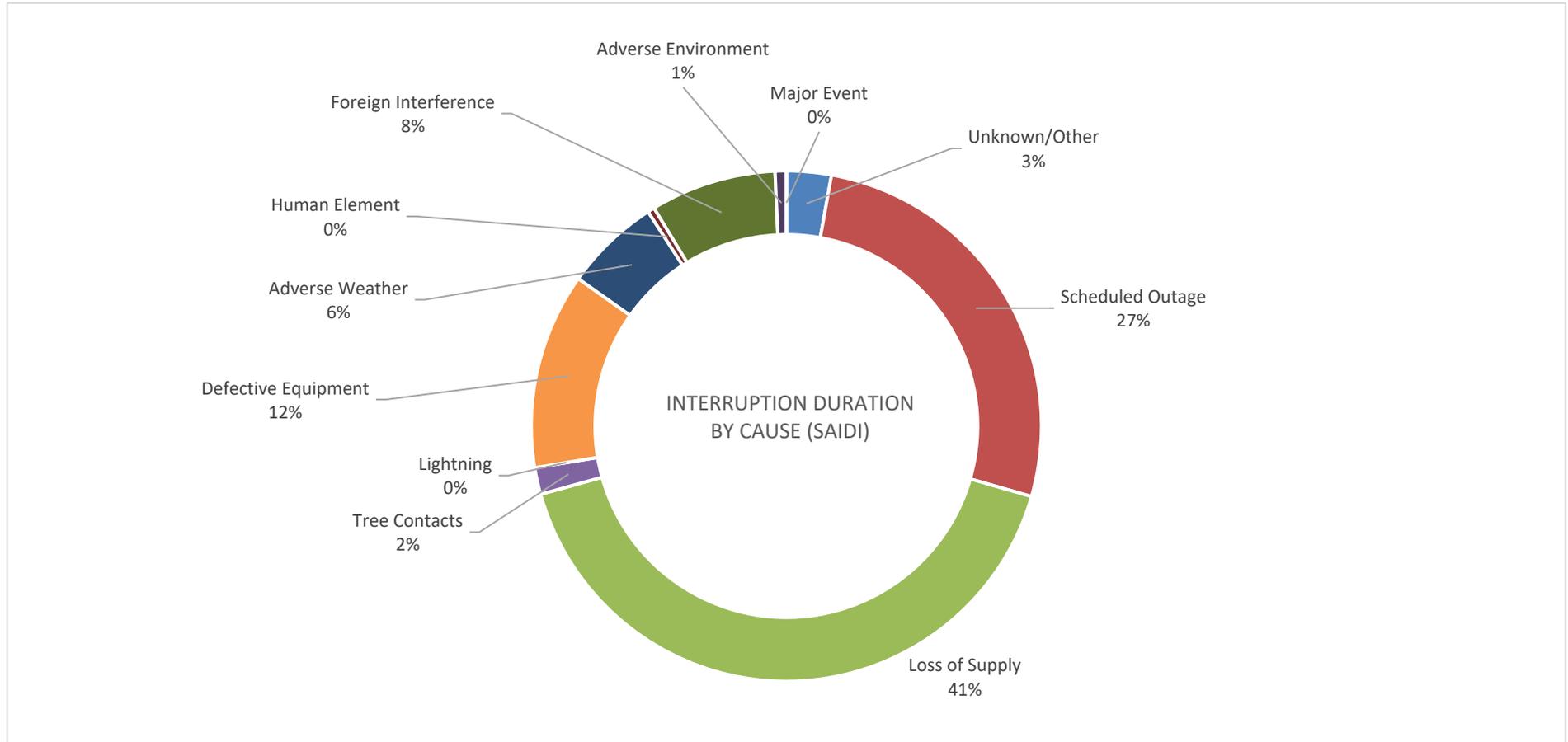
Over the past ten years, GSH was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety, and adherence to company procedures & policies. Ontario Regulation 22/04 – Electrical Distribution Safety establishes objective 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**

GSH has maintained a “Serious Electrical Incident Index” value of 0 for the past ten years.

System Reliability

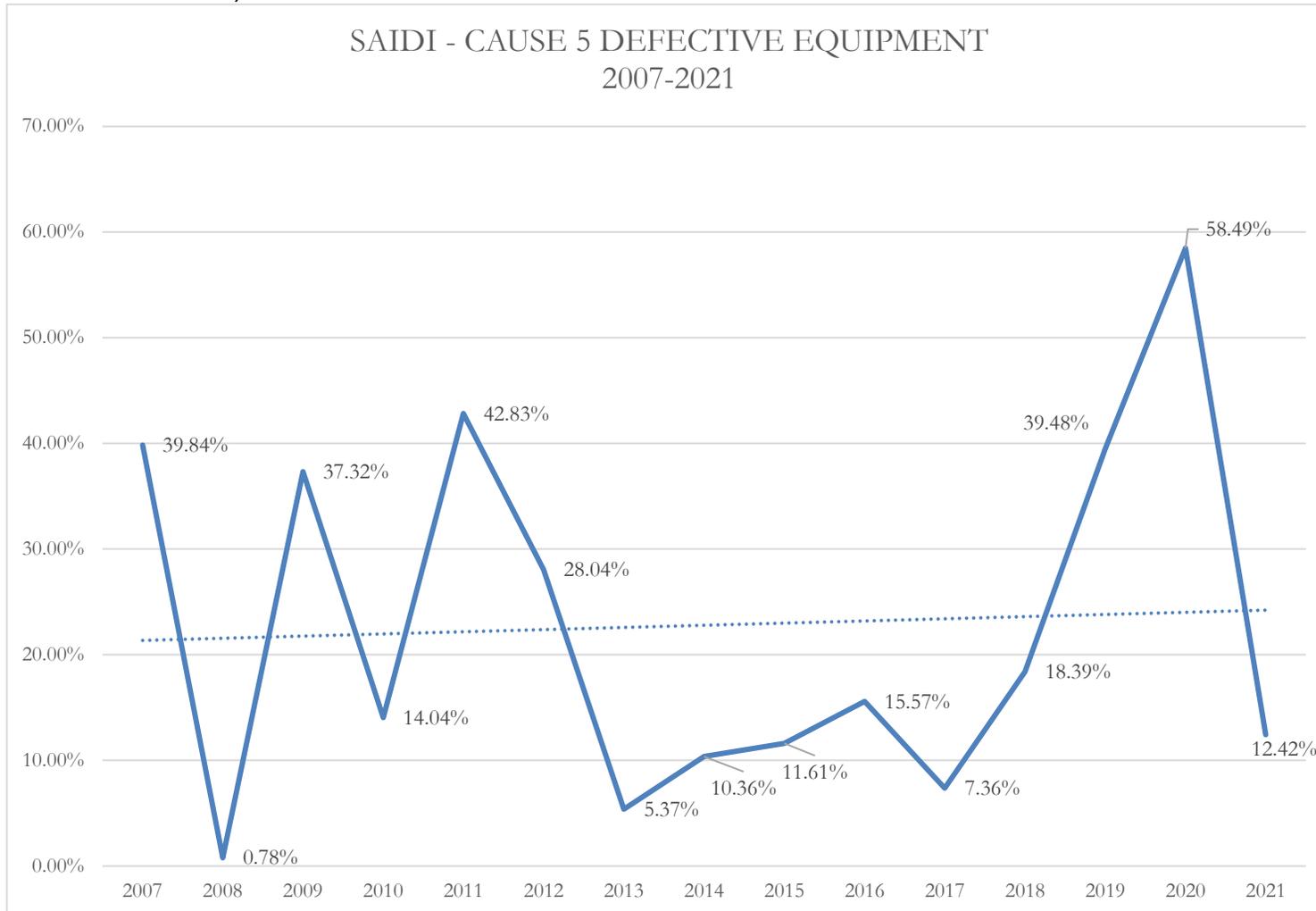
- Average Number of Hours that Power to a Customer is Interrupted



The above pie chart answers the following question: when power to a customer is interrupted, what percentage of the average hour of an outage is attributed to which cause? **Note:** the above includes the cause “Loss of Supply”, however this parameter is not within GSH’s control.

GSH experienced a decrease in the average number of hours that power to a customer was interrupted during 2021 as compared to 2020 (exclusive of “Loss of Supply” outages). The Average Number of Hours that Power to a Customer is Interrupted (i.e., duration) of 1.11 was an improvement over 2020’s performance of 1.48. This result exceeded GSH’s Scorecard target of 1.43.

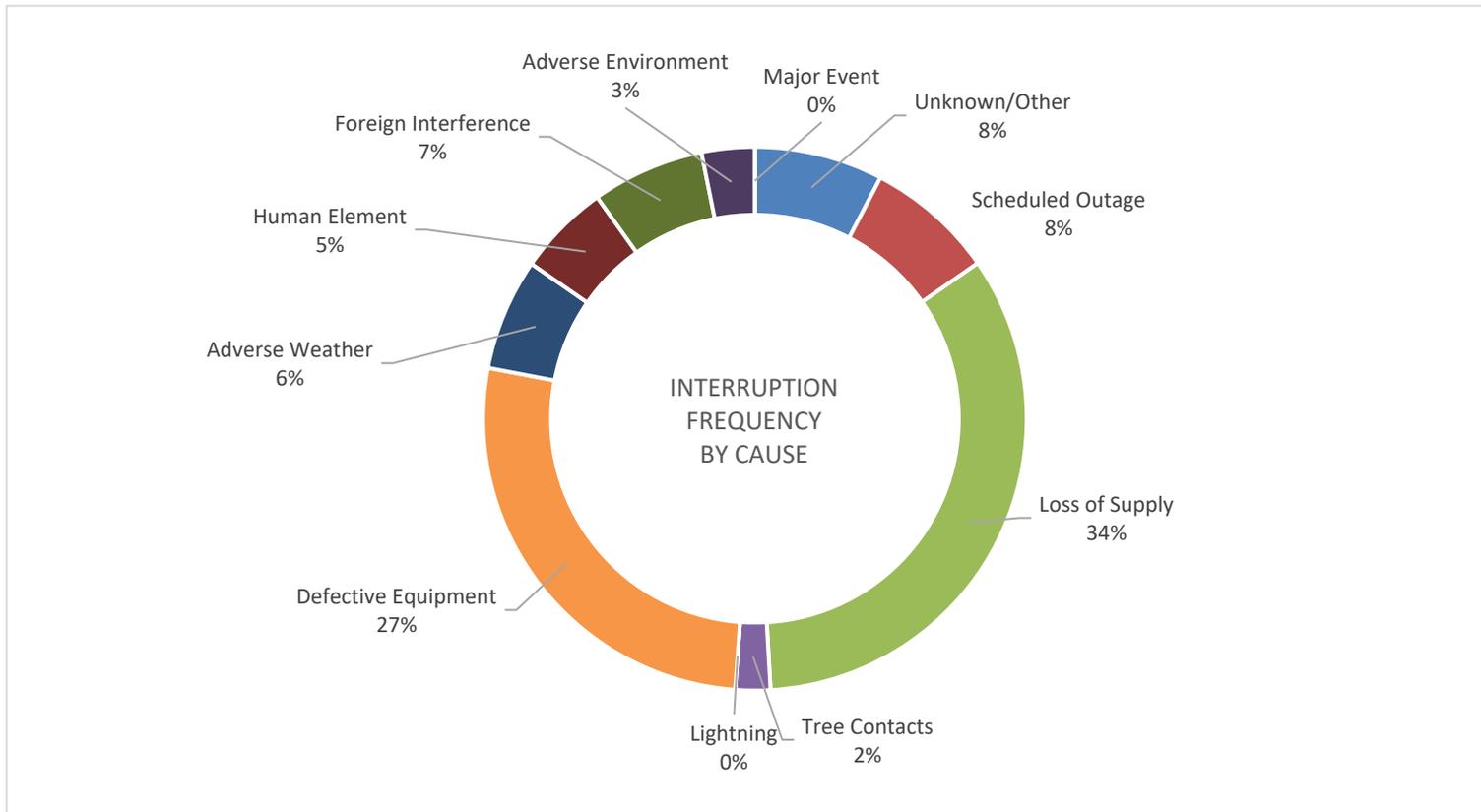
Until 2017, the duration of service interruptions due to Cause 5 (Defective Equipment) had historically been in a downward trend. Encouragingly, 2021 saw a substantially reduced contribution of this outage cause code to the overall reliability index as compared with the prior two years (i.e. 2019 and 2020). The chart below shows the historical contribution to the overall SAIDI index for this outage cause code:



GSH has conducted a detailed review of its distribution assets in its Distribution System Plan, which provides for the renewal of its distribution system over the next five years. By focusing strategically on specific assets and/or asset populations, the plan includes, among its objectives, the goal of reducing the contribution of Cause 5-related outage events to the overall SAIDI index to below 15%. With a result of 12.42% in 2021, GSH achieved this goal. For all other outages (exclusive of “Loss of Supply”), “Scheduled Outages” was the leading cause contributing to outage duration at 27%. These types of outages have a substantial impact because of more rigorous safety procedures regarding worker safety and the type of work being undertaken. The performance of hazard analysis and job planning have

resulted in frequent (and longer) planned outages. The Occupational Health & Safety Act requires that an Employer do “Everything reasonable in the circumstances for the safety of the worker” and the Infrastructure Health & Safety Association has embarked on “ZeroQuest”, a path to zero Lost-Time Injuries (LTI) in the sector. GSH has embraced both of these concepts over the years. This practice is fully supported by Senior Management at GSH.

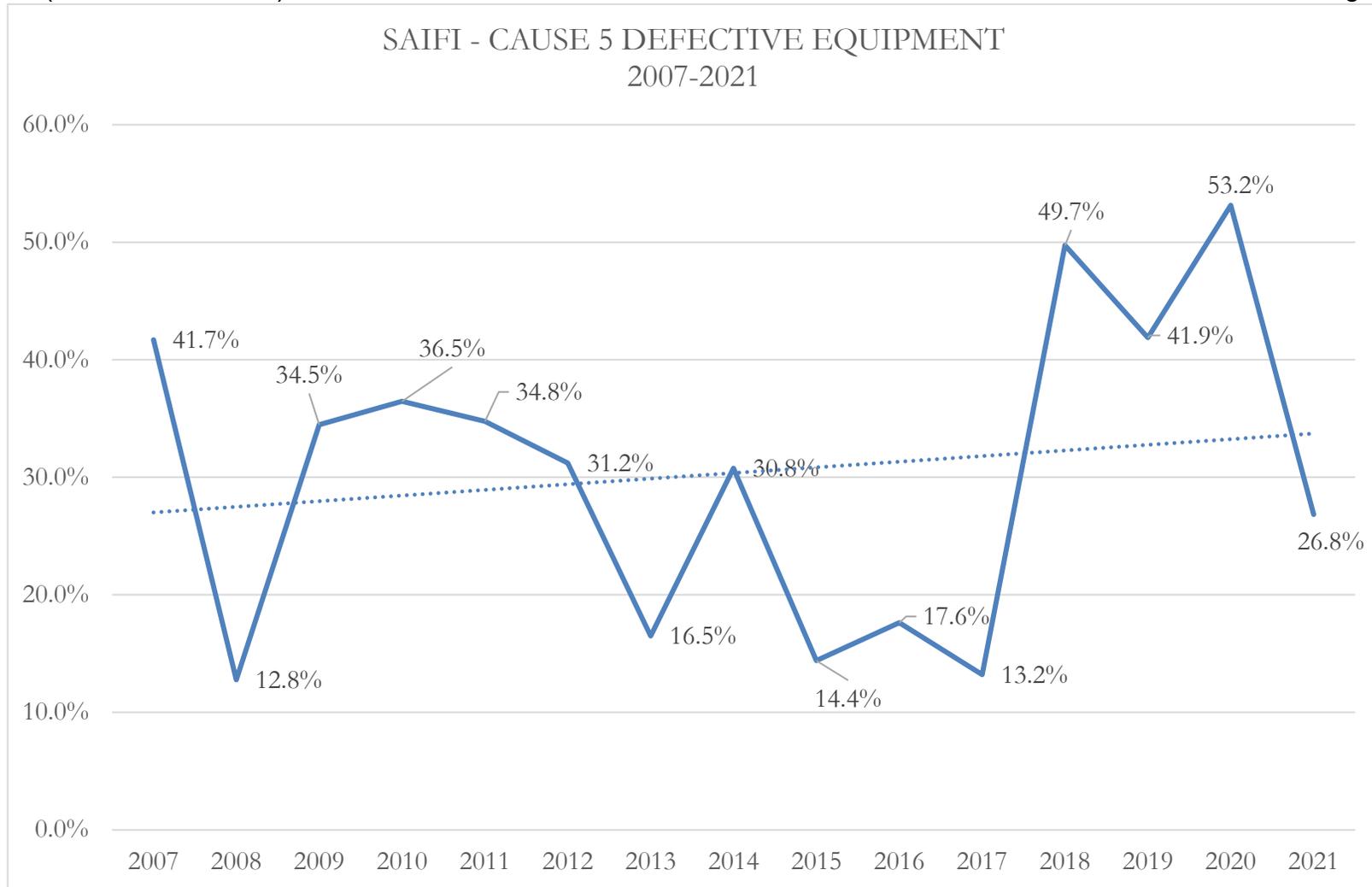
- **Average Number of Times that Power to a Customer is Interrupted**



The above pie chart answers the following question: when power to a customer is interrupted, what’s the likelihood of a given cause? **Note:** the above includes the cause “Loss of Supply”, however this parameter is not within GSH’s control.

GSH experienced an increase in the average number of times that power to a customer was interrupted during 2021 as compared to 2020 (exclusive of “Loss of Supply” outages). The Average Number of Times that Power to a Customer is Interrupted (i.e., frequency) of 1.16 was a reduction over 2020’s performance of 0.99. However, this result still exceeded GSH’s Scorecard target of 1.18.

Meanwhile, the frequency of service interruptions due to Cause 5 (Defective Equipment) had until 2017 been in a downward trend. Encouragingly, 2021 saw a substantially reduced contribution of this outage cause code to the overall reliability index as compared with the prior two years (i.e. 2019 and 2020). The chart below shows the historical contribution to the overall SAIFI index for this outage cause code:



GSH's Distribution System Plan has among its objectives the goal of reducing the contribution of Cause 5-related outage events to the overall SAIDI index to below 20%. With a result of 26.8% in 2021, GSH did not meet this goal; however, the drop from 2020's result (53.2%) to 2021's result (26.8%) demonstrates the benefit of an increased focus on proactive asset renewal.

As an outage cause, which is directly controlled by GSH, "Scheduled Outages" is the second-leading cause (8%) contributing to outage frequency. These types of outages have a substantial impact because of more rigorous safety procedures regarding worker safety and

the type of work being undertaken. As previously mentioned, this practice is fully supported by Senior Management at GSH.

Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a new performance measure instituted by the OEB starting in 2013. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. The Distribution System Plan (“DSP”) outlines GSH’s forecasted capital expenditures, over the next five (5) years, required to maintain and expand the distributor’s electricity system to serve its current and future customers. The “Distribution System Plan Implementation Progress” measure is intended to assess GSH’s effectiveness at planning and implementing the DSP. GSH measures the progress of its DSP implementation as a ratio of actual total capital expenditures made in a calendar year over the total amount of planned capital expenditures for that calendar year per the DSP.

With actual capital spending of \$10,526,752, the 2021 measure indicates that Greater Sudbury Hydro realized reduced planned capital expenditures of \$11,639,450 by 9.56%.

Apart from substantially completing the projects as outlined in the DSP, the reduction of actual capital spending of \$1,112,698 was driven by less than expected spending in the areas of “Failed Transformers” and “Major Substation Repairs” by \$365,657. Additionally, expected expenditures in relation to GSH’s head office building at 500 Regent St (Sudbury) were \$212,326 less than originally forecast, with most staff established as work-from-home (WFM) due to the ongoing COVID-19 pandemic. Further, strain within the supply chain caused GSH to reluctantly accept late delivery on a range of items. These delayed shipments, in areas such as “Tools and Equipment”, “Vehicles” and “Meter Installations”, which collectively had a total value of \$410,181. Finally, the last remaining capital job for the year, a project with an estimated cost of \$345,557 to rebuild a portion of the three-phase feeder section along Peter St, Copper Cliff was cancelled as other priorities and workforce challenges throughout the year did not leave enough time in the calendar year to start the job.

Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. For 2021 GSH is ranked in the third group based on the PEG calculation, which is consistent with the prior year.

GSH has continued to focus on controllable costs throughout 2017 - 2022, reviewing many of the key business processes in an effort to optimize those processes and drive efficiencies

- **Total Cost per Customer**

Total Cost per Customer is calculated as the sum of Greater Sudbury Hydro Inc.'s (GSH) operating costs and an inflated capital cost and dividing this cost figure by the total number of customers that GSH serves. The cost performance result for 2021 is \$679 per customer and ranges from \$629 to \$679 per customer in years 2016 through 2021.

The dollar amount used for GSH's total capital cost in this cost per customer calculation is derived by Pacific Economics Group LLC as part of its Ontario LDC benchmarking exercise. This exercise derived an inflated total capital cost of \$17.6 million for GSH in 2021, which does not approximate actual capital spend in the year. Actual capital additions were \$12 million in 2021. If this calculation used actual capital costs, the cost per customer in 2021 would be \$561 or a total reduction of 17% from the scorecard reported cost per customer

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Total Cost per Customer calculation above. The total cost is divided by the kilometers of line that GSH operates to serve its customers. Please see the relevant discussion under "total cost per customer".

If this calculation used actual capital costs, the "cost per KM of line" in 2021 would drop from \$31,877 to become \$26,361 or a total reduction of 17% from the scorecard reported figure.

Connection of Renewable Generation

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

Depending on the size of a proposed embedded generation facility, electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of the receipt of the application where no distribution system reinforcement or expansion is required. In 2021, GSH was tasked with completing two CIAs, both of which were completed within the prescribed time limit. GSH outsources the CIA work to an engineering consultant. Historically, the reason for any delays is mainly due to the consultant's workload and unexpected delays associated with getting more information from the proponent. To further improve the speed of CIA delivery, GSH sets strict guidelines on the information required by the proponent even before we begin the CIA work.

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

In 2021, GSH connected 1 new micro-embedded generation facility (distributed energy resource with nameplate capacity equal to or less than 10kW) 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. Our workflow to connect these projects is very streamlined and transparent with our customers. GSH works closely with its customers and their contractors to tackle any connection issues and ensure a micro-embedded generation facility is 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”. GSH’s current ratio increased from 1.13 to 1.27 from 2020 to 2021.

- **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. The 2021 Scorecard shows no change in the total debt to equity ratio for GSH from 1.22 in 2020 to 1.22 in 2021.

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

Greater Sudbury Hydro's 2021 distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.52%. 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's revenues and costs structure by the OEB.

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

GSH's regulatory return achieved in 2021 was 9.62%, which is within the +/- 3% range allowed by the OEB.

Note to Readers of 2021 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.