

Scorecard - Greater Sudbury Hydro Inc.

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	Trend	Target		
									Industry	Distributor	
<b>Customer Focus</b> Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	99.38%	99.63%	98.95%	99.49%	99.30%		90.00%		
		Scheduled Appointments Met On Time	99.78%	100.00%	100.00%	100.00%	99.81%		90.00%		
		Telephone Calls Answered On Time	71.26%	67.38%	64.22%	71.07%	71.16%		65.00%		
	Customer Satisfaction	First Contact Resolution	82.69%	87.60%	87.86%	84.86%	93				
		Billing Accuracy	99.93%	99.95%	99.97%	99.94%	99.95%		98.00%		
		Customer Satisfaction Survey Results	91%	89%	93.60%	94.60%	92.83%				
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	83.00%	83.00%	85.00%	85.00%	89.00%				
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	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 <sup>2</sup>	1.89	1.48	1.11	1.15	1.49			1.43	
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	1.03	0.99	1.16	1.62	1.49			1.18	
	Asset Management	Distribution System Plan Implementation Progress	84.72%	110%	90.44%	74.86%	79.31%				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer <sup>3</sup>	\$679	\$670	\$679	\$721	\$805				
		Total Cost per Km of Line <sup>3</sup>	\$31,938	\$31,590	\$31,877	\$13,572	\$15,170				
<b>Public Policy Responsiveness</b> 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	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.48	1.13	1.30	1.33	1.27				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.76	1.22	1.19	1.13	1.09				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.52%	8.52%	8.52%	8.52%			
			Achieved	8.62%	2.04%	9.62%	10.52%	8.24%			

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

## 2023 Scorecard Management Discussion and Analysis (“2023 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 2023 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

### Scorecard MD&A - General Overview

Greater Sudbury Hydro Inc) distributes electricity to over 47,800 customers in Northeastern Ontario Communities. The communities serviced by GSHI include: a portion of Greater Sudbury (formerly City of Sudbury, Town of Coniston, Town of Capreol, and Town of Falconbridge) and a portion of the Municipality of West Nipissing (Town of Surgeon Falls and Town of Cache Bay).

In 2023, GSHI exceeded most mandatory industry and distributor performance targets. The scorecard highlights GSHI’s commitment to providing safe and reliable electricity to improve the lives of their customers and communities. GSHI demonstrated strong performance in the areas of service quality, safety, and financial viability.

GSHI monitors their performance on a regular basis and seeks opportunities to make year over year improvements.

## Service Quality

- **New Residential/Small Business Services Connected on Time – Industry Target Exceeded**

In 2023, GSHI connected 99.30% of approximately 568 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 OEB. For the five-year period from 2019 to 2023, GSHI has consistently performed better than the industry target of 90%. Where practicable, GSHI 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 – Industry Target Exceeded**

GSHI scheduled approximately 538 appointments in 2023 to complete customer requested work (e.g., meter installs/removals, service disconnects, reconnects, and meter locates). The distributor met 99.81% of these appointments on time. For the five-year period from 2019 to 2023, GSHI has significantly exceeded the industry target of 90%.

- **Telephone Calls Answered on Time – Industry Target Exceeded**

In 2023, GSHI received more than 40,000 calls from its customers – over 160 calls per working day. Of these calls, an agent answered the call within 30 seconds or less 71.16% of the time. This result exceeds the OEB-mandated 65% target for call response times.

Over the past few years, GSHI has seen a reduction in the number of calls. Call volumes decreases are attributed to successfully promoting online self-serve features, and customers opting for the convenience of email communication. This shift in customer preference, has helped GSHI improve their answering times.

## Customer Satisfaction

- **First Contact Resolution – Industry Target Not Established**

Specific customer satisfaction measurements have not been previously defined across the industry. GSHI has used the same process as in past years.

For GSHI, First Contact Resolution was measured based on live agent transactional phone surveys conducted by a third-party service provider. For the period January 1, 2023 – December 31, 2023, GSHI provided the service provider with a weekly sample of all inbound customer telephone calls into GSHI's Customer Service department.

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., reason for calling) was resolved on their first call to GSHI. Using the results of this survey, GSHI calculated a first contact resolution of 93.00% for 2023 which was an improvement from the 2022 result of 84.86%. GSHI 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 – Industry Target Exceeded**

In 2023, GSHI issued approximately 580,786 bills and achieved a billing accuracy of 99.95%. This compares favourably to the OEB’s prescribed target of 98%.

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

- **Customer Satisfaction Survey Results – Industry Target Not Established**

In 2023, GSHI enlisted Oraclepoll Research, an independent third-party survey and analytics company, to conduct annual customer satisfaction surveys. These surveys provide crucial insights to inform discussions and strategies for enhancing customer service across all levels and departments within GSHI. Since 2013, Oraclepoll Research has conducted this annual survey for GSHI.

The survey included key questions on a variety of topics, ranging from pricing to value, reliability, communication methods, and customer service. It also sought suggestions for overall satisfaction.

Each year, the survey updates its questions by adding or removing a few that pertain to specific activities the LDC may consider for the future. To better streamline the survey, 28 questions were asked compared to 41 in previous years as some embedded questions (questions within questions) were removed. Also, some questions in the Electric Vehicle category were tweaked, one was adjusted to the new goals and guidelines set forth by the Federal Government. For example, this question was made available, “by 2035, no new internal combustion engine vehicles will be sold. When do you plan to switch over and purchase an EV?”

Data gathered from this annual survey is integrated into GSHI's planning process, serving as a part of the foundation for strategies to enhance customer satisfaction and better address the needs of both residential and business customers.

Historically, 400 residential and 100 business customers participated in the survey. However, in 2023, 500 residential customers participated, and businesses remained the same at 100.

- Residential results decreased from 94% in 2022 to 92% in 2023.
- Business results stayed the same in 2022 and 2023, both were 97%.

- When weighted, the overall satisfaction result for residential and business customers combined in 2023 was 92.83%, this was a slight decrease from 2022 (2022 - 94.60%).

The number of residents surveyed will be discussed if it should remain at 500 or revert to 400.

## Safety

- **Public Safety**

- **Component A – Public Awareness of Electrical Safety – Industry Target Not Established**

GSHI is deeply committed to public safety, consistently engaging in activities designed to maintain and enhance safety around its distribution equipment.

On a bi-annual basis, GSHI commissions an independent third-party public opinion polling firm, Oraclepoll Research to survey the community on core questions created by the ESA. The latest poll was conducted in 2024.

The survey serves as a benchmark for measuring awareness levels, highlighting areas where further education and efforts are needed. The survey employs 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.

GSHI rated 89% in 2023 when the ratings and evaluation methodology outlined by ESA were applied to the responses. This was an improvement from the previous score of 85% reported in 2022 and 2021, and 83% for 2020 and 2019.

GSHI continues to communicate safety messages to the communities we serve through a variety of channels including our GSHI and GSU websites, social media channels (Facebook, X, and Instagram), radio campaigns, media releases, and news stories.

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

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 the licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications, and inspection of construction before they are put into service.

Over the past twelve years, GSHI was found to be compliant with Ontario Regulation 22/04 - *Electrical Distribution Safety*. This was achieved by their strong commitment to safety, and adherence to company procedures and policies.

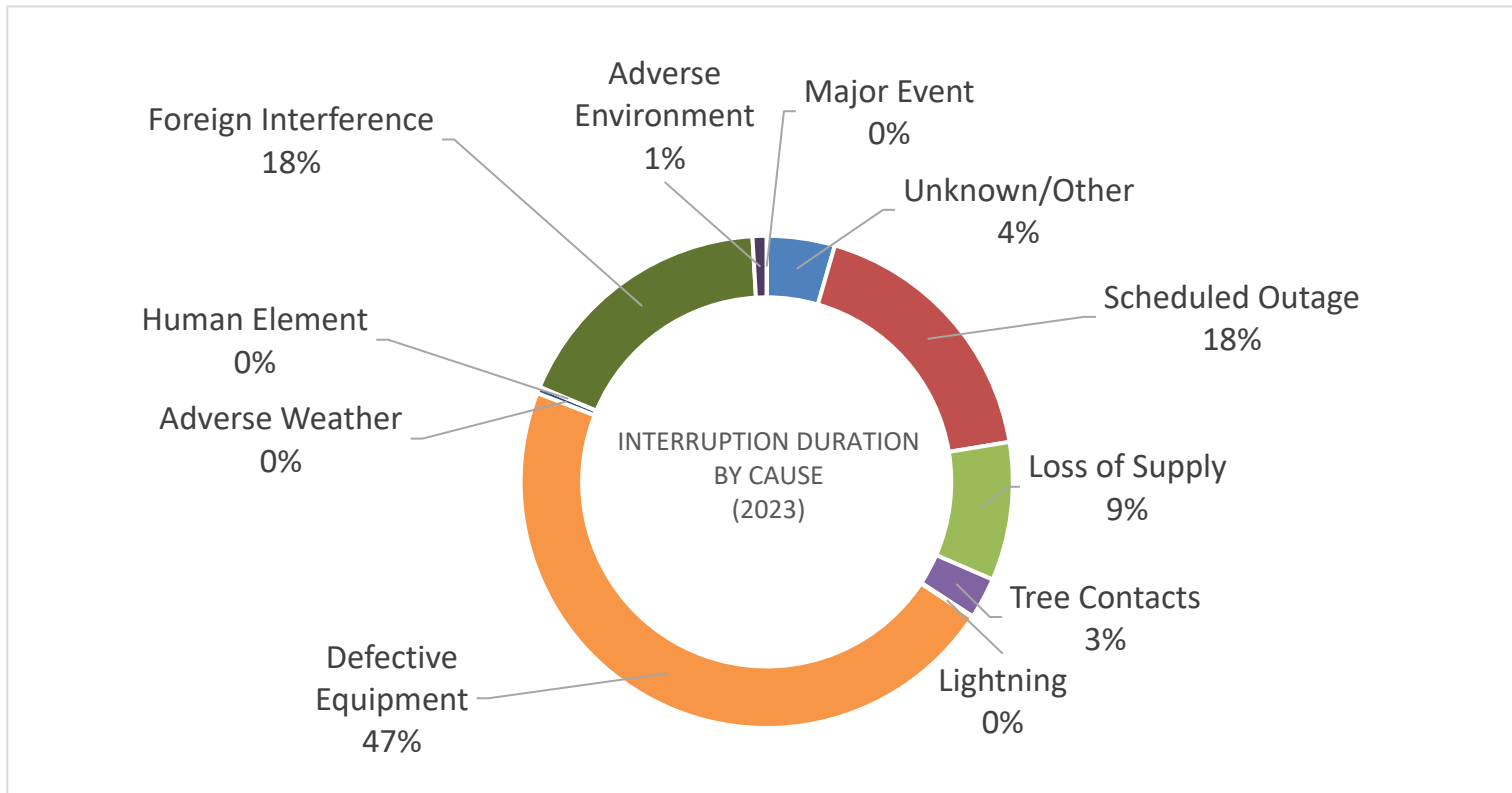
- **Component C – Serious Electrical Incident Index – Distributor Target Met**

Serious electrical incidents are defined in Ontario Regulation 22/04. The OEB measures the number and rate of serious electrical incidents occurring on a distributor’s assets and is normalized per 10, 100, or 1,000 km of line.

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

## System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted – Distributor Target Not Met**

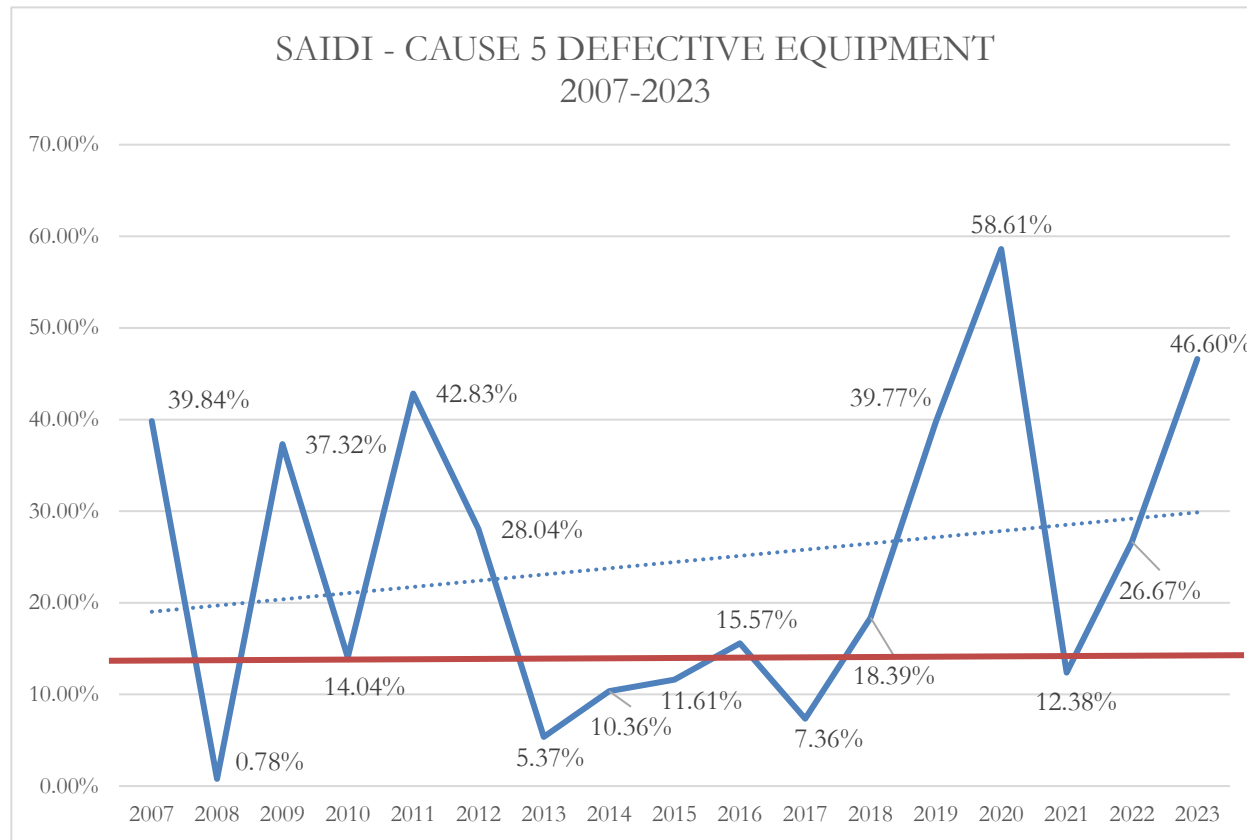


The above pie chart answers the following question: when power to a customer is interrupted, what percentage of the average hour of an outage is attributed to which cause?

**Note:** the chart above includes the cause “Loss of Supply”, however this parameter is not within GSHI’s control.

GSHI experienced an increase in the average number of hours that power to a customer was interrupted during 2023 as compared to 2022 (exclusive of “Loss of Supply” outages). In 2023, the performance of 1.49 was a decrease over 2022’s performance of 1.15. This result remains above GSHI’s Scorecard target of 1.43.

Until 2017, the duration of service interruptions due to Cause 5 (Defective Equipment) had historically been in a favourable downward trend. However, 2023 saw a continued increase in the contribution of this outage cause code to the overall reliability index. The chart below shows the historical contribution to the overall SAIDI index for this outage cause code:



GSHI 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 46.6% in 2022, GSHI did not meet this goal; however, the drop from 2020's result (58.49%) to 2023's result (46.6%) demonstrates the benefit of an increased focus on proactive asset renewal.

For all other outages (exclusive of "Loss of Supply"), "Scheduled Outages" was a leading cause contributing to outage duration at 18%. 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 has 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. GSHI has embraced both concepts over the years. This practice is fully supported by Senior Management at GSHI.

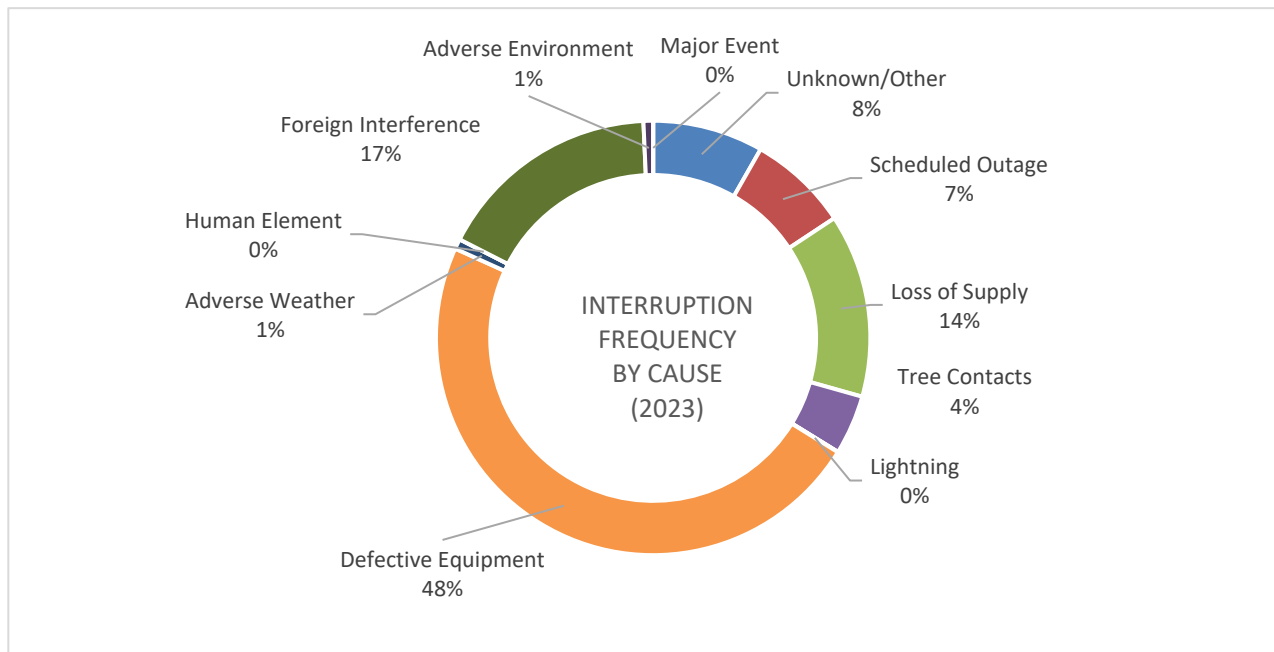
Additionally, the index saw a large contribution attributable to "Foreign Interference". This outage cause was responsible for 18% of the composite SAIDI index. On March 18, 2023, a burn-off on private plant caused a fault on the distribution system that resulted in the equivalent of 1,863 hours of customer interruption, which equates to 13% of the total outage hours for this cause for the entire year. In sum, seven (7) separate private plant failures caused a disruption to the distribution system, accounting for 26% of the total for this cause code.

Next, on December 9<sup>th</sup>, a vehicle hit a pole carrying the 44kV feed into the Town of Coniston which resulted in the equivalent of 2,787 hours of customer interruption, which equates to 20% of the total outage hours for this cause for the entire year. Altogether, there were 15 separate incidents of vehicles interfering with GSHI plant, resulting in approximately 6,520 customer-hours of interruption, which represents 46% of the total outage hours for this cause code.

Finally, 45 separate incidents of an animal contacting the distribution system resulted in an approximate 20% impact to this cause code. As part of its restoration process, GSHI applies an animal guard at locations that have experienced an outage due to wildlife contact. New transformers shipped to GSHI are also equipped with an animal guard and placed in to inventory so that each new installation is proactively deployed with this outage mitigation equipment.



- Average Number of Times that Power to a Customer is Interrupted – **Distributor Target Not Met**

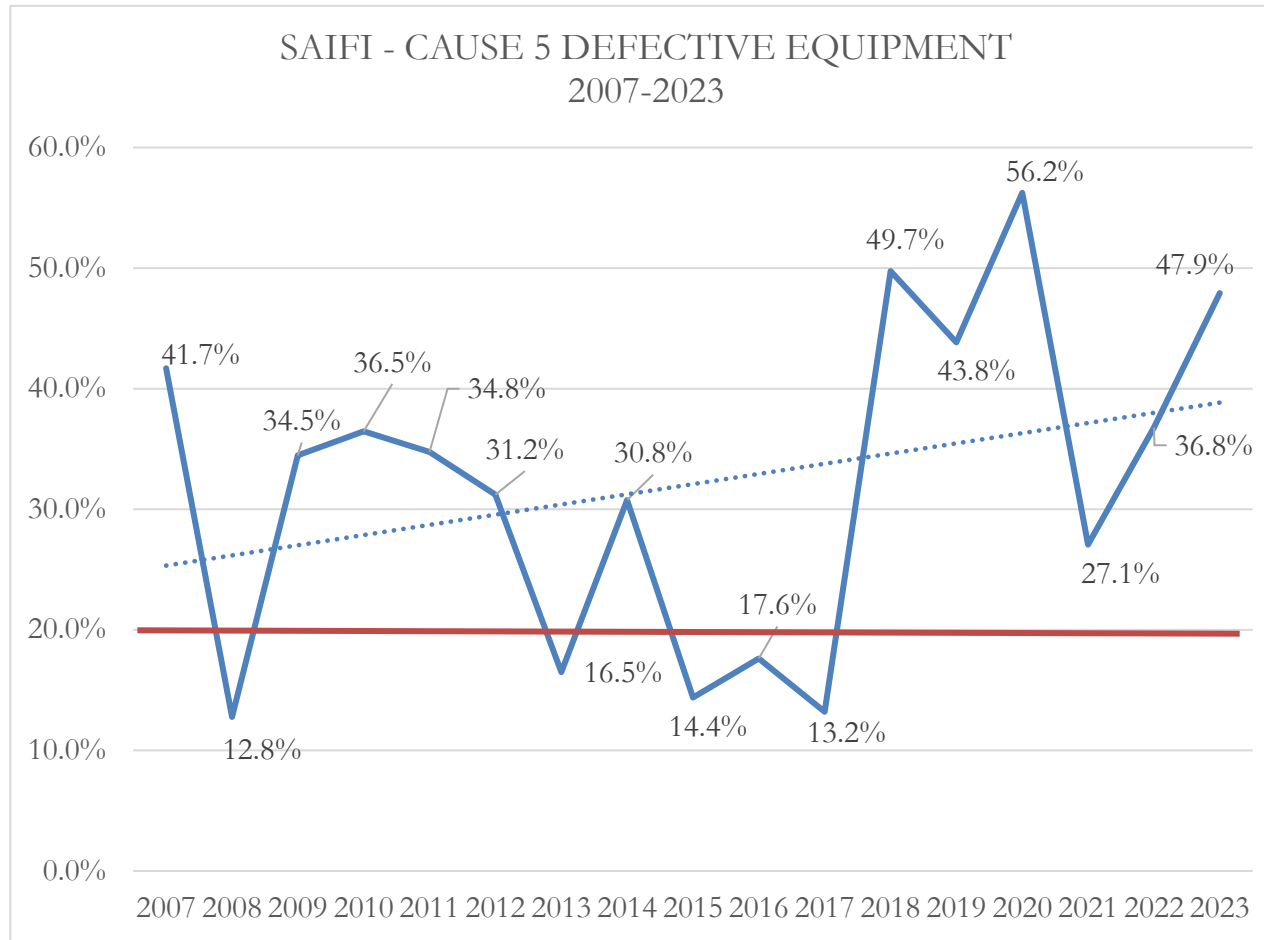


The above pie chart answers the following question: when power to a customer is interrupted, what’s the likelihood of a given cause? **Note:** the above includes the cause “Loss of Supply”, however this parameter is not within GSHI’s control.

GSHI experienced a decrease in the average number of times that power to a customer was interrupted during 2023 as compared to 2022 (exclusive of “Loss of Supply” outages). The Average Number of Times that Power to a Customer is Interrupted (i.e., frequency) of 1.49 was an improvement over 2022’s performance of 1.62. However, this result remains above GSHI’s Scorecard target of 1.18.

The frequency of service interruptions due to Cause 5 (Defective Equipment) had until 2017 been in a downward trend. However, 2023 continued to see an elevated contribution of this outage cause code to the overall reliability index.

The chart below shows the historical contribution to the overall SAIFI index for this outage cause code:



GSHI's Distribution System Plan has among its objectives the goal of reducing the contribution of Cause 5-related outage events to the overall SAIFI index to below 20%. With a result of 47.9% in 2023, GSHI did not meet this goal; however, the drop from 2020's result (53.2%) to 2023's result (47.9%) demonstrates the benefit of an increased focus on proactive asset renewal.

For all other outages (exclusive of "Loss of Supply"), "Foreign Interference" was a leading cause contributing to the outage frequency index at 17%. On November 3, 2023, a vehicle hit a pole and caused a fault on the distribution system that resulted in the equivalent of 2,131 customer interruptions, which equates to 13% of the total customer interruptions for this cause for the entire year.

Next, on December 9<sup>th</sup>, a vehicle hit a pole carrying the 44kV feed into the Town of Coniston which resulted in 2,900 customer interruptions, which equates to 20% of the total customer interruptions for this cause for the entire year. Altogether, there were 15 separate incidents of vehicles interfering with GSHI plant, resulting in 6,263 customer interruptions, which represents 45% of the total customer interruptions for this cause code.

Finally, 45 separate incidents of an animal contacting the distribution system resulted in 5,312 customer interruptions, which is a 38% impact to this cause code. As part of its restoration process, GSHI applies an animal guard at locations that have experienced an outage due to wildlife contact. New transformers shipped to GSHI are also equipped with an animal guard and placed in to inventory so that each new installation is proactively deployed with this outage mitigation equipment.

## Asset Management

- **Distribution System Plan Implementation Progress – Industry Target Not Established**

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 GSHI’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 GSHI’s effectiveness at planning and implementing the DSP. GSHI 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 \$7,900,158, the 2023 measure indicates that Greater Sudbury Hydro realized a 20.7% reduction in planned capital expenditures of \$9,961,000.

However, apart from substantially completing the projects as outlined in the DSP, the reduction of actual capital spending of \$2,060,842 as compared with the plan was driven by encumbrances valued at \$2,087,418 in various areas such as substations, meters and vehicles. With suppliers continuing to struggle with timely product delivery, the expected spending in these areas was not realized in 2023 and is now expected to be incurred in 2024 (assuming there are no further delays in supplier delivery lead times).

## Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC (PEG) 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.

In 2023, GSHI was placed in group three, consistent with the prior years. Group 3 distributors are defined as having actual costs within +/-10 percent of predicted costs. Group 3 is considered “average efficiency” - in other words are within the average cost range for distributors in the Province of Ontario.

GSHI has continued to focus on controllable costs, reviewing many of the key business processes to optimize those processes and drive efficiencies.

- **Total Cost per Customer**

Total Cost per Customer is calculated by PEG as the sum of GSHI’s capital and operating costs and dividing this cost figure by the total number of customers that GSHI serves. The cost performance result for 2023 is \$805 per customer which is a 12% increase over 2022.

Capital costs fluctuate depending on the need to replace existing capital assets and additional infrastructure to support system renewal and growth. Investments in new information system technology and the renewal and growth of the distribution system, have contributed to increased operating and capital costs. GSHI will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risk and customer rate impacts as demonstrated in our last rate application. Customer engagement initiatives will continue to ensure customers have an opportunity to share their viewpoint on GSHI’s capital spending plans.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that GSHI operates to serve its customers. GSHI’s 2023 cost performance is \$15,170 per Km of line, a 12% increase over 2022.

GSHI continues to experience a low level of growth in its total kilometers of lines due to a low annual customer growth rate. A low growth rate has reduced GSHI’s ability to fund capital renewal and increased operating costs through customer growth. GSHI continues to seek innovative solutions to help ensure cost/km of line remains competitive and within acceptable limits to our customers.

## Connection of Renewable Generation

- **New Micro-embedded Generation Facilities Connected on Time - Industry Target Exceeded**

In 2023, GSHI connected 16 new micro-embedded generation facilities (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.

GSHI 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”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

In 2023, GSHI’s current ratio was 1.27 to 1. As noted above, this implies that GSHI has resources available to pay its short-term debts and financial obligations.

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

GSHI notes that the OEB’s ‘leverage ratio’ is calculated by dividing the distributor’s ‘total debt’ by the aggregate ‘shareholder’s equity’. For this purpose, GSHI’s total debt and shareholders’ equity are determined in accordance with the requirements of the OEB’s Reporting and Record-keeping Requirements and Accounting Procedures Handbook, and not by reference to similarly termed financial ratios under International Financial Reporting Standards.

GSHI’s leverage ratio is 1.09 to 1.

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

GSHI’s current 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 cost structure by the OEB.

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

GSHI’s return achieved in 2023 was 8.24%, which is within the +/- 3% range allowed by the OEB.

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.