

Scorecard - Ottawa River Power Corporation

Performance Outcomes	Performance Categories	Measures	2013	2014	2015	2016	2017	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%	98.57%		90.00%			
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	99.14%		90.00%			
		Telephone Calls Answered On Time	99.90%	99.90%	99.90%	99.90%	99.87%		65.00%			
	Customer Satisfaction	First Contact Resolution			97%	97.5%	98.2	98.8%				
		Billing Accuracy			99.95%	100.00%	99.99%	99.98%		98.00%		
		Customer Satisfaction Survey Results			Satisfied	Satisfied	78.8%	78.8%				
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				82.20%	82.20%	80.40%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	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			0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.33	1.24	3.95	1.55	0.95	0.95			1.92	
		Average Number of Times that Power to a Customer is Interrupted ²	0.23	0.79	2.56	0.84	0.62	0.62			1.22	
	Asset Management	Distribution System Plan Implementation Progress		In Progress	OEB Approved	Implemented	Implemented					
	Cost Control	Efficiency Assessment	3	3	3	3	3					
Total Cost per Customer ³		\$505	\$471	\$478	\$487	\$501						
Total Cost per Km of Line ³		\$32,410	\$30,544	\$29,277	\$30,052	\$11,368						
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).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴				31.88%	54.46%	82.01%			8.72 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time				100.00%						
		New Micro-embedded Generation Facilities Connected On Time	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)	1.54	1.77	2.35	1.53	1.49					
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.73	0.72	0.70	0.72	0.70					
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.85%	9.85%	9.85%	9.19%	9.19%				
			Achieved	5.90%	6.31%	4.27%	6.32%	11.82%				

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
 2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. 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. The CDM measure is based on the new 2015-2020 Conservation First Framework.

Legend:

5-year trend up down flat

Current year target met target not met

2017 Scorecard Management Discussion and Analysis (“2017 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 2017 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

- Ottawa River Power Corporation has continued to meet or exceed all of its performance targets in 2017. Notably, the average number of hours power to a customer was interrupted and the average number of times that power to a customer was interrupted has decreased from 2016. However, aging distribution infrastructure continues to be the primary challenge as capital costs rise. The utility is well on its way to achieving its 2020 target in energy savings and is also showing strong financial health. Ottawa River Power Corporation will strive to match or improve upon these results in 2018 with continued investment in infrastructure and the implementation of various efficiencies and improvements.

Ottawa River Power Corporation prides itself on its accessibility and quality of service to customers. It makes every effort to engage its customers on a regular basis and remains committed to provide its customers with the most reliable service at the least possible cost.

Service Quality

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

In 2017, Ottawa River Power Corporation connected 69 new low-voltage requests within five working days of all applicable service conditions being met. As a result, Ottawa River Power Corporation connected 98.57% of its connections on time. This percentage remains consistent with prior year percentages and exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Ottawa River Power Corporation considers “New Services Connected on Time” as an important form of customer engagement as it is the first opportunity to meet and/or exceed its customer’s expectations; which, in turn, affects the level of customer satisfaction within an LDC’s service area. Ottawa River Power Corporation prides itself on being a small, pliable utility able to respond to its customers’ needs quickly and it expects to continue to exceed the mandated target.

- **Scheduled Appointments Met On Time**

Ottawa River Power Corporation scheduled 584 appointments that required the presence of the customer in 2017. This includes appointments to connect services, disconnect services, complete customer underground locates, attend customer premises for delivery of conservation and demand management programs or complete other work requested by its customers. Ottawa River Power Corporation kept the appointment date and time for 99.14% of appointments, which is consistent with prior years and exceeds the mandated target of 90% for this measure. Ottawa River Power Corporation considers “Scheduled Appointments Met on Time” as an important form of customer engagement and expects to maintain this quality of service in the future.

- **Telephone Calls Answered On Time**

In 2017, Ottawa River Power Corporation received 17,660 telephone calls from its customers which represents an average of 70 calls received per day. The call volume is attributed to customer preference to contact Ottawa River Power Corporation by telephone and it considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. Consistent with prior years, a customer service representative answered 99.87% of these calls in 30 seconds or less which far exceeds the Ontario Energy Board’s mandated target of 65% for this measure. Ottawa River Power Corporation expects this trend to continue into the foreseeable future.

Customer Satisfaction

- **First Contact Resolution**

First contact resolution is a measure introduced by the Ontario Energy Board that measures a utility’s success at meeting a customer’s needs the first time the utility is contacted. Distributors use a range of approaches to assess their effectiveness in regard to this measure. Ottawa River Power Corporation measures its effectiveness based on the number of customer enquires that are resolved by the first contact at the utility, not resulting in the enquiry being escalated to an alternate contact at the utility, typically a supervisor or a manager. This includes enquiries received by telephone, mail, e-mail or in person. Ottawa River Power Corporation achieved a first contact resolution of 98.8% in 2017, which shows an upward trend over prior years as more enquiries are resolved at the first point of contact. The utility considers the ability to address customer enquiries quickly and accurately to be an essential component of customer satisfaction and will aim to match or exceed its 2017 results in the years to come.

- **Billing Accuracy**

Billing is the main form of communication with customers and Ottawa River Power Corporation strives to communicate clearly and accurately with its customers. In 2017, Ottawa River Power Corporation achieved a billing accuracy of 99.98%, which represents a percentage expressed as the total number of accurate bills issued compared to the total number issued. This percentage remains consistent with prior years and meets the mandated target of 98%. Ottawa River Power Corporation expects this level of accuracy to continue in the years to come.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board has not yet issued a common definition for this measure as utilities use different approaches and methodologies to assess how satisfied their customers are with the service they receive.

A satisfaction survey was completed in the winter of 2017 with Ottawa River Power Corporation receiving an overall score of 78.8%. The survey was completed in all four service areas: the City of Pembroke, the Village of Beachburg, the Village of Killaloe and Almonte Ward. A total of 371 residential customers and 29 general service customers completed the survey. Question scoring and index methodologies were prescribed by the Electricity Distributors Association to meet the reporting guidelines.

Safety

- **Public Safety**

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

Component A consists of a statistical survey that gauges the public's awareness of key electrical safety concepts related to electrical distribution equipment found in a utility's territory. The survey also provides a benchmark of the levels of awareness including identifying gaps where additional education and awareness efforts may be required.

Ottawa River Power Corporation has a survey completed every 2 years and had a survey completed in 2017. This survey assessed customer awareness at 80.4% with regard to electrical safety concepts in its system. This remains fairly consistent with prior years as Ottawa River Power Corporation continues its effort to raise the public's awareness about the risks surrounding the equipment involved in the electricity system.

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

Component B consists of a utilities compliance with Ontario Regulation 22/04 - Electrical Distribution Safety. Ontario Regulation 22/04 establishes the safety requirements for the design, construction and maintenance of electrical distribution systems, particularly in relation to the approvals and inspections required prior to electrical equipment put in service. Over the past five years, Ottawa River Power Corporation was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety and the adherence to company procedures and policies.

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

Component C consists of the number of serious electrical incidents, including fatalities, which occur within a utility's territory. Ottawa River Power Corporation had zero fatalities and no serious incidents within its territory in 2017.

System Reliability

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

The average number of hours that power to a customer is interrupted is a measure used to assess the reliability of a distributor's system to supply power to its customers with minimal interruptions. This measure expresses the average amount of time, per reporting period, that supply to a customer is interrupted. Ottawa River Power Corporation views reliability of electrical service as a high priority for its customers and constantly monitors its system for signs of reliability degradation. Ottawa River Power Corporation also regularly maintains its distribution system to ensure its level of reliability is kept as high as possible.

In 2017, Ottawa River Power Corporation continued its downward trend reducing the average number of hours that power is interrupted achieving a four-year low of 0.95. This is below the range of its historical performance (1.92) as prescribed by the Ontario Energy Board. The utility hopes to further improve this average with the implementation of its Distribution System Plan in the years to come.

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

The average number of times that power to a customer is interrupted is also a measure of system reliability and is also a high priority for Ottawa River Power Corporation. This is measured based on the total customer interruptions (excluding those caused by loss of supply events) divided by the average number of customers served.

Ottawa River Power Corporation's historical range for 2017 was calculated by the Ontario Energy Board at 1.22; whereas 0.62 was achieved, well within the target. This measure has also seen a downward trend over the past four years and the utility hopes to further improve this average with the implementation of its Distribution System Plan in the years to come.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan Implementation Progress measure is used to track a utility's progress in relation to their system plans. The Distribution System Plan outlines Ottawa River Power Corporation's forecasted capital expenditures over the next five years. These expenditures are essential to maintain and expand the utility's electricity system to serve its current and future customers. Distributors are given the opportunity to use a range of approaches to measure their effectiveness at implementing their distribution system plan. As a result, this measure may differ from other utilities in the province.

Ottawa River Power Corporation implemented its Distribution System Plan on July 1, 2016. For the purpose of this measure, Ottawa River Power Corporation compares the year over year percentage of actual capital project costs to planned capital project costs. Ottawa River Power Corporation planned for \$1.2M in capital project costs in 2017 whereas \$1.4M in actual capital costs were incurred indicating that all capital projects occurred as planned. The actual costs incurred are fairly consistent with the Ontario Energy Board approved capital budget of \$1.5M for 2017 for Ottawa River Power Corporation.

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its performance. To determine a ranking, electricity distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2017, Ottawa River Power Corporation was placed in Group 3 in terms of efficiency. Group 3 is considered average and is defined as having actual costs within 10% of predicted costs. This result is consistent with Ottawa River Power Corporation's efficiency assessment for the past several years. Group 3 contains the largest group of distributors with over 30 Ontario distributors. Although Ottawa River Power Corporation's future goal is to attain a higher efficiency assessment, it is management's expectation that its efficiency performance will remain stable in the foreseeable future.

- **Total Cost per Customer**

Total Cost per Customer is calculated as the sum of a distributor's capital and operating costs; divided by the total number of customers that the distributor serves. Similar to most distributors in the province, Ottawa River Power Corporation has experienced increases in its total costs required to deliver quality and reliable service to customers. Growth in wage and benefits costs for employees, investments in new information systems technology and the renewal and growth of the distribution system have all contributed to increased operating and capital costs.

In 2017, Ottawa River Power Corporation's total cost per customer was \$501, compared to \$487 in 2016 which represents an increase of 2.9%. This is consistent with the slight increases seen over prior years. While ensuring to maintain reliability and quality of its distribution system, Ottawa River Power Corporation will strive to implement efficiencies and other improvements to help offset costs associated with the distribution system enhancements.

- **Total Cost per Km of Line**

This measure uses the total distributor's capital and operating costs and divides it by the total kilometers of line. Based on this, Ottawa River Power Corporation's rate is \$11,368 per kilometer of line, which represents a decrease from 2016. The cost per kilometer of line is expected to increase as capital and operating costs also increase. As we progress into the future, Ottawa River Power Corporation will continue to seek innovative solutions to help ensure this cost remains competitive and within acceptable limits to our customers.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Resulting from the Long Term Energy Plan, the Ontario Energy Board received a directive on March 31, 2014 from the Minister of Energy pursuant to sections 27.1 and 27.2 of the Act (altogether, the "Conservation Directive") requiring the Board to take steps to promote Conservation and Demand Management (CDM) including amendment to the licenses of electricity distributors and establishment of CDM Requirement guidelines. The Conservation First Framework 2015 - 2020 for CDM in Ontario has been developed by the Independent Electricity Systems Operator with a provincial target of 7 terawatt-hours. The Independent Electricity Systems Operator supported this initiative through a number of OEB approved CDM programs designed to conserve electricity across all classes of electricity customers.

By the end of 2017, Ottawa River Power Corporation achieved 82.01% of its Net Cumulative Energy Savings target of 8.72 GWh for 2020. This was primarily achieved by the Conservation and Demand Manager who identified and pursued opportunities with the large commercial, institutional, industrial and residential customers. Ottawa River Power Corporation has a five year budget to deliver these programs of \$2.8M.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) on all renewable generation connections within 60 days of receiving authorization from the Electrical Safety Authority. Ottawa River Power Corporation has developed and implemented an internal procedure to ensure compliance with this regulation. All CIAs are conducted internally by Ottawa River Power Corporation.

Ottawa River Power Corporation did not conduct any CIAs in 2017.

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

Micro-embedded generation facilities consist of solar, wind or other clean energy projects of less than 10 kW that are typically installed by homeowners, farms or small businesses. In 2017, Ottawa River Power Corporation had no micro-embedded generation applications. Connection of projects are required to be connected within the prescribed timeframe of five business days. The Ontario Energy Board's mandated target is 90% for this measure. Ottawa River Power Corporation's process for these projects is well documented working closely with its customers and their contractors to ensure customer needs are met.

Financial Ratios

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

There are four ratios used in the scorecard to help measure the financial health of the utility. This first ratio measures whether or not the utility has enough resources to pay its short-term debts. Typically, a current ratio between 1 and 1.5 is considered good. If the current ratio is below 1, a company may then have problems meeting its current financial obligations. If the current ratio is too high (higher than 1.5) the company may then be inefficient at using its current assets or its short-term financing facilities.

Ottawa River Power Corporation's current ratio is 1.49 for 2017 which is within a healthy range. This current ratio is expected to remain stable in the years to come.

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

This second ratio measures the degree to which the utility is leveraging itself through its use of borrowed money. The Ontario Energy Board uses a capital structure of 60% debt and 40% equity resulting in a debt to equity ratio of 1.5 when setting rates for a utility. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that may be had through increased financial debt.

Consistent with previous years, Ottawa River Power Corporation attained a debt to equity ratio of 0.70 in 2017. Although this is a lower debt-to-equity than expected by the Ontario Energy Board, Ottawa River Power Corporation is satisfied with its level of profit as it has continually maintained low rates to its customers, in comparison to many other LDCs.

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

Regulatory return on equity is the rate of return that the utility is allowed to earn through its distribution rates, as approved by the Ontario Energy Board. Return on equity demonstrates an organization's profitability or how well a company uses its investments to generate earnings growth. Ottawa River Power Corporation's 2017 distribution rates were approved by the Ontario Energy Board and included an expected (deemed) regulatory return on equity of 9.19%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity. If a distributor performs outside of this range, it may trigger a regulatory review of the distributor's financial structure.

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

Ottawa River Power Corporation achieved a return on equity of 11.82% in 2017, which is within the +/-3% range allowed of 9.19% by the Ontario Energy Board. The average return on equity from 2013 to 2017 was 6.92, which is within the deemed regulatory return specified in Ottawa River Power Corporation's approved rates.

Note to Readers of 2017 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.