

Scorecard - Chapleau Public Utilities Corporation

9/20/2018

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%	100.00%	➡	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	➡	90.00%		
		Telephone Calls Answered On Time	100.00%	100.00%	100.00%	100.00%	99.68%	⬇	65.00%		
	Customer Satisfaction	First Contact Resolution			100	100	100				
		Billing Accuracy			100.00%	99.99%	99.99%	➡	98.00%		
		Customer Satisfaction Survey Results			95%	95	95				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness			76.00%	76.00%	79.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	NI	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	2.18	0.28	4.75	1.82	0.94	⬆		1.36	
		Average Number of Times that Power to a Customer is Interrupted ²	2.58	0.38	1.07	0.63	0.69	⬆		0.92	
	Asset Management	Distribution System Plan Implementation Progress		0%	50	100	75				
	Cost Control	Efficiency Assessment	4	4	4	4	4				
		Total Cost per Customer ³	\$653	\$729	\$735	\$740	\$718				
Total Cost per Km of Line ³		\$30,175	\$33,329	\$33,436	\$34,163	\$29,706					
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			26.22%	44.81%	66.56%			1.05 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		New Micro-embedded Generation Facilities Connected On Time								90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.75	2.04	2.05	2.03	1.95				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.00	0.00	0.00	0.00	0.00				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.12%	9.12%	9.12%	9.12%	9.12%			
			Achieved	19.84%	16.88%	0.40%	-3.82%	-1.99%			

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

- In 2017, Chapleau Public Utilities Corporation was committed to meeting and exceeding all targets relating to service quality for customers and satisfying the customers. This scorecard tracks appointments, telephone calls, first contact resolution and billing accuracy. Of these performances, Chapleau Public Utilities Corporation was 100% for connection on time and appointments met. Calls answered on time 99.68% and billing accuracy 99.99%. This enablement is due to the utility’s location in a small town which brings Chapleau Public Utilities Corporation few connection request, and manageable appointments and calls received.

The outages that occurred in 2017 were split equally between scheduled and loss of supply outages equaling the other outage causes. 11 outages from scheduled and loss of supply and 11 outages from defective equipment, adverse weather, human element and foreign interference.

Chapleau Public Utilities Corporation had been considering upgrading the 5 kV circuits to 25 kV and still is, just that it will happen after our next rate application. Chapleau Public Utilities Corporation’s staff and Board decided to hold off for now because of the rate increase it would put on our customers. Chapleau Public Utilities Corporation has decided to approach this solution on a gradual basis over the next 5 years to smooth the impact on our customers. Chapleau Public Utilities Corporation is making repairs to the existing station TX’s to extend the life till the conversion can be accomplished.

Each year Chapleau Public Utilities Corporation reports on scorecard performance results to the OEB. Chapleau Public Utilities Corporation’s current performance state is represented by Chapleau Public Utilities Corporation’s scorecard results for 2017 as published by OEB. The scorecard helps Chapleau Public Utilities Corporation operate effectively while continually seeking ways to improve productivity and focus on improvements.

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

Service Quality

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

Chapleau Public Utilities Corporation connected 10 service upgrades in 2017 and well within the 5 day window in the Distribution System Plan. Chapleau Public Utilities Corporation continues to achieve 100% which is above the OEB target of 90%.

- **Scheduled Appointments Met On Time**

Chapleau Public Utilities Corporation had 47 appointments in 2017 all completed as required. Work requested by our customers involved locates, disconnects, re-connects, service upgrade connections along with other appointments scheduled during regular office hours. Chapleau Public Utilities Corporation continues to meet 100% of these appointments on time exceeding the industry target of 90%.

- **Telephone Calls Answered On Time**

Chapleau Public Utilities Corporation recorded 622 incoming calls, an average of 5 calls per day. The low number of calls allows the office staff to answer all calls in the 30 second time period set out by the Distribution System Plan. Chapleau Public Utilities Corporation achieved 99.68% of calls answered on time exceeding the OEB 65%.

Customer Satisfaction

- **First Contact Resolution**

Chapleau Public Utilities Corporation had 6 concerns, inquiries; 3 for bill explanation and 3 for why the meter was changed on their residence. All were resolved well within 10 days for 100%.

- **Billing Accuracy**

For the period of 2017, Chapleau Public Utilities Corporation issued more than 15,000 bills and achieved accuracy of 99.99%. This is above the OEB target of 98%. Chapleau Public Utilities Corporation continues to strive for high billing accuracy results and addressing complaints in a timely fashion while continuing its ongoing effort to recognize any issues that may arise.

- **Customer Satisfaction Survey Results**

Customer feedback produce a Customer Satisfaction Score of 95% which includes responses on rating the “overall customer satisfaction”. The score is calculated as a combined rating of 7 and above on a scale from 1 to 10. The sample size of 100 surveys was selected based on the sample size from the total number of customers required to achieve a confidence level of 90% with confidence interval of 5%.

Chapleau Public Utilities Corporation survey asks customers questions on a wide range of topics including: overall satisfaction with Chapleau Public Utilities Corporation, reliability, customer service, outages, billing and corporate image.

Safety

- **Public Safety**

For each component, Chapleau Public Utilities Corporation performs very well with a score of 79% for public awareness and compliant with regulation 22/04. Chapleau Public Utilities Corporation continues to strive for a higher public awareness in electrical safety while continuing its ongoing effort to keep the public safe from any incidents as well being compliant with Ont. Reg. 22/04. The OEB introduced the ESA safety measure survey in 2015. The survey will be conducted every two years, therefore the score for 2017 is at 79%. The safety measure has 3 components.

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

The public awareness component is expected to measure the level of awareness of key electrical safety precautions among the public within the distributor's service territory. The survey is required every two years with the next scheduled for 2018. Chapleau Public Utilities Corporation uses Facebook, Twitter and our website to post safety information.

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

Ont. Reg. 22/04 establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution system owned by the distributor. The regulation is monitored through an audit of compliance. Chapleau Public Utilities Corporation takes the safety of the public and employee paramount; Chapleau Public Utilities Corporation is pleased to have received a Compliant rating for 2017.

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

Chapleau Public Utilities Corporation had no serious incidents to report for 2017. The utility has not had a serious electrical incident to report since reporting became mandatory. For 2017, the results are zero incidents with a rate of 0.0 per 100 km of line. The 5 year incident rate of "0" for the number of General Public incidents is a good illustration of the utility's commitment to safety.

System Reliability

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

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

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

Chapleau Public Utilities Corporation had a slight increase in outages in 2017 at (22) and 2016 (17). Of the outages in 2017 half were loss supply and scheduled for maintenance work. The other outages were short in duration and are:

Foreign Interference 1, Defective Equipment 6, Adverse Weather 3, Human Element 1.

Chapleau Public Utilities Corporation average # of hours that power to a customer is interrupted is down from 2016 at 1.92 and 2017 to .94.

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

Chapleau Public Utilities Corporation's average # of times power was interrupted has increased slightly from .63 in 2016 to .69 in 2017 and that can be attributed to scheduled outages for maintenance or re-build.

Chapleau Public Utilities Corporation will continue to monitor its assets with yearly infrared scans of the Distribution System and entire Distribution System as well as system patrols every 2 months.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan Implementation Progress' measure is a new metric under the RRFE program. However, no measurement standard has yet been defined. Chapleau Public Utilities Corporation began work to update the Distribution System Plan in 2018 to comply with the Filing Requirements as part of 2019 rate submission. A final version of the Distribution System Plan had not been approved and therefore no portion of the Distribution System Plan has been deployed and the Distribution System Plan Implementation Progress Measure has not yet been assessed.

Although in 2017 Chapleau Public Utilities Corporation did not have a formal Distribution System Plan, the company still engages in capital projects that serves to develop and maintain its distribution system.

Cost Control

- **Efficiency Assessment**

Electricity distributors are evaluated by the Pacific Economic Group LLC ("PEG") on behalf of the OEB to produce a single efficiency ranking. The ranking is based on a total cost approach taking into account the amount spent on capital and infrastructure reinvestments and the amount spent on operations, maintenance and administration. The LDC's are divided into five groups based on the magnitude of the difference between their respective individual, actual and predicted costs.

In 2017, for the fifth year in a row, Chapleau Public Utilities Corporation was placed in Group 4. A group 4 distributor is defined as having actual costs in excess of 10% to 25% above predicted costs. The group 4 rating was anticipated because of the investment in our distribution station and distribution system along with an increase in salaries in preparation for succession planning. Chapleau Public Utilities Corporation will continue working pro-actively with replacing assets and work towards improving our ranking to a more efficient group.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Chapleau Public Utilities Corporation's capital and operating costs and dividing this cost figure by the total number of customers that we serve. The cost performance results for 2017 is \$718.00/customer, which is a decrease from 2016 of \$22.00, a decrease of 3.02%. Similar to most distributors in the province, Chapleau Public Utilities Corporation has experienced increases in its total costs required to deliver quality and reliable services to customers. Chapleau Public Utilities Corporation has managed to keep its costs reasonable despite having to deliver on provincial wide program such as Time of Use, metering, growth in wage and benefit costs, investment in new information systems technology and the renewal and growth of the distribution system.

- **Total Cost per Km of Line**

This measure uses the same total cost as used in the cost per customer calculation above. The total cost is divided by the kilometer of line that Chapleau Public Utilities Corporation operates to serve its customers. Chapleau Public Utilities Corporation's 2017 rate is \$29,706 per km of line. This is a decrease of \$4,457 or a 13.96% decrease.

Chapleau Public Utilities Corporation generally experiences minimal growth in its total kilometer of lines due to low if any annual customer and population growth rate and as a result, cost per km of line has stayed very close year over year with capital and operating costs changes.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Chapleau Public Utilities Corporation has engaged a new company to implement our CDM program (Customer First). They are a collaboration of Ontario Electricity Utilities with geographic coverage spanning the province. By customer count, they constitute the fifth largest electricity utility in the province.

The OEB established targets for energy conservation for each utility in the province. CDM targets established for Chapleau Public Utilities Corporation were 1.21 Gwh of cumulative energy savings. Chapleau Public Utilities Corporation achieved 123% of its energy savings target by the end of 2014. In the 2015 – 2020 period, the CDM forecast established for Chapleau Public Utilities Corporation is 1.05 GWh. As of the end of June 2018, Chapleau Public Utilities Corporation has achieved 698,929 kWh of savings which represent approximately 66.56% of overall target.

Connection of Renewable Generation

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

Chapleau Public Utilities Corporation has the ability to run 2 Fit Programs, Fit and Micro Fit. Fit is 10 kW and larger renewable generation projects and Micro Fit which is 10 kW and smaller projects. The scorecard indicates that Chapleau Public Utilities Corporation has not connected a renewable generation project due to upstream capacity constraints on the Hydro One transmission circuit.

- **New Micro-embedded Generation Facilities 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. Chapleau Public Utilities Corporation's current ratio went from 2.03 in 2016 to 1.95 in 2017, still showing the company in a strong healthy financial position.

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

Chapleau Public Utilities Corporation maintains a strong financial position and has no debt at present.

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

Chapleau Public Utilities Corporation's profitability has remained steady during the last 5 years at 9.12%. The OEB allows a distributor to earn +/-3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

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

Chapleau Public Utilities Corporation achieved a ROE of -1.99% in 2017 which is below the +/-3% range allowed by the OEB. Since Chapleau Public Utilities Corporation's rates were last released in 2012, there have been charges that have impacted our ability to earn the deemed ROE. Distribution revenues have decreased due to lower consumption volumes and reduced customer base. Chapleau Public Utilities Corporation's operating expenses have also increased since 2012 rates were approved. Chapleau Public Utilities Corporation is filing a cost of service application with the OEB for a full review of its rates in August 2018. If approved, our new rates will be effective May 1st, 2019.

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.