

									Target	
Performance Outcomes	Performance Categories	Measures	2020	2021	2022	2023	2024	Trend	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%	99.26%	100.00%	100.00%	➡	90.00%	
		Telephone Calls Answered On Time	95.91%	96.73%	96.29%	97.10%	95.89%	⬆	65.00%	
	Customer Satisfaction	First Contact Resolution	100%	99.96%	99.96%	99.98%	99.99%			
		Billing Accuracy	99.90%	99.92%	99.88%	99.92%	99.95%	⬆	98.00%	
		Customer Satisfaction Survey Results	96%	96%	90%	90%	94%			
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	83.00%	79.00%	79.00%	81.15%	81.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	➡		C
		Serious Electrical Incident Index	2	0	1	2	0	➡		1
			0.000	0.000	0.591	1.176	0.000	➡		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	1.36	0.97	1.83	0.58	0.58	⬇		1.49
		Average Number of Times that Power to a Customer is Interrupted ²	1.73	1.85	2.23	0.96	0.64	⬇		1.56
	Asset Management	Distribution System Plan Implementation Progress	104.55%	113.4%	108.10%	97.91%	94.67%			
	Cost Control	Efficiency Assessment	1	1	1	1	1			
		Total Cost per Customer ³	\$804	\$813	\$874	\$994	\$1,042			
		Total Cost per Km of Line ³	\$10,856	\$10,928	\$11,770	\$13,485	\$14,265			
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	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)	1.08	0.73	0.70	0.94	0.95			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.75	2.14	1.49	1.56	1.48			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.34%	8.34%	8.34%	8.34%			
			Achieved	10.50%	8.19%	8.71%	7.79%			

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

2024 Scorecard Management Discussion and Analysis (2024 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 2024 Scorecard MD&A:

https://www.oeb.ca/oeb/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

Halton Hills Hydro Inc. (HHHI) is a forward-thinking electric distribution utility with a focus on innovation and advancement to better serve its customers’ electrification needs. HHHI owns and operates the electricity distribution system within its licensed service area (281 square kilometers extending mainly to the municipal boundaries of the Town of Halton Hills, of which 255 square kilometers, or 91%, is a rural distribution system).

HHHI’s Mission Statement, “*provide Halton Hills with Electricity Distribution Excellence safely and reliably*”, is supported by eight (8) strategic objectives:

- Safety
- Reliability
- Competitive Rates
- Financial Metrics
- Conservation
- Environment
- Community Focus
- Smart Grid Implementation

HHHI management undertakes an annual review of its business strategy and objectives. HHHI places a strong focus on providing customers with distribution excellence. HHHI has continuously exceeded the OEB’s minimum standards. In most areas measured, HHHI met or exceeded its controllable internal and OEB targets in 2024.

Service Quality

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

In 2024, HHHI connected 100% of 413 (2023 – 533) eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five (5) day timeline prescribed by the Ontario Energy Board (OEB). 2024 is the fifteenth (15th) straight year that HHHI has maintained 100% and is consistently above the OEB-mandated threshold of 90%. HHHI retains its dedication to distribution system excellence through efficient crew scheduling, thereby allowing HHHI to connect customers within the five (5) day window and, in fact, usually within one (1) day of all requirements being completed.

- **Scheduled Appointments Met on Time**

HHHI scheduled 511 appointments with its customers in 2024 (2023 – 782) to complete work requested by customers, including disconnections for upgrades, customer service meetings, reconnections, and trench inspections. HHHI met the scheduled-on-time appointment metric 511 times for a 100% success rate. HHHI significantly exceeded the industry target of 90%. HHHI continues to maintain its commitment to customer service by maintaining its high target for scheduled appointments.

- **Telephone Calls Answered on Time**

In 2024, HHHI Customer Care Representatives (CCRs) received 18,372 (2023: 16,241) calls from its customers. The year 2024 saw an increase in the number of calls compared to 2023. The increase was seen in November and December during the Canada post-strike. Enabling the customer through online services and proactive collection contacts has helped reduce the number of customer calls. A CCR answered a call in thirty (30) seconds or less 95.89% of the time. A comparison of the past five (5) years shows HHHI performance has remained above 95%. These results significantly exceed the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

HHHI defines First Contact Resolution as a measure of customer calls satisfied without escalation. Starting in 2015, all escalated calls and emails from Customer Care were directed to the Customer Care Manager (CCM). The CCM determines whether the escalation is due to the absence of a possible resolution to the issue or if the customer is not willing to accept the resolution (i.e., the customer has a high bill, confirms consumption, but still wants to discuss with the CCM). If the CCM determines that the call was not resolved, then a specific call type is entered into HHHI's Customer Information System and summarized for reporting. All OEB complaints are included as unresolved first contacts.

The process used by HHHI for reporting first contact resolution resulted in two (2) unresolved first contacts in 2024, which is equivalent to 99.99% (2023 – 99.98%).

- The first incident involved a customer calling engineering for a disconnect update, and the customer called multiple times during the day. The engineering team was dealing with a separate and urgent matter, which resulted in the call being returned later. The customers' disconnect project was completed

within the prescribed timelines, and no subsequent feedback was received from the customer.

- The second incident was an email inadvertently missed by a Customer Care rep. The customer emailed a March move, and the request was not acted upon. HHHI correctly billed the account and made all necessary changes without impacting the customer.

- **Billing Accuracy**

In 2024, HHHI issued 285,427 bills (2023 – 279,340) and achieved a billing accuracy of 99.95% (2023 – 99.92%). This compares favorably to the prescribed OEB target of 98%.

HHHI continues to monitor its billing accuracy results and processes to identify opportunities for improvement each year.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report customer satisfaction results at least every other year. At this time, the OEB is allowing electricity distributors’ discretion as to how they implement this measure.

Customer satisfaction is an essential measure of customer loyalty and trust. Maintaining customer satisfaction is a priority for HHHI, and delivering an excellent customer experience is integral to our culture. HHHI engages our customers throughout the year at community events, online through social media, and through bill inserts and website messaging. HHHI strives to maintain customer satisfaction through ongoing efforts to communicate relevant and timely customer information.

HHHI has engaged a third party to conduct a customer satisfaction survey every two (2) years beginning in 2012. These customer satisfaction surveys provide information that supports discussions surrounding improving customer service at all levels and departments within HHHI. The survey asks customers questions on a wide range of topics, including overall satisfaction with HHHI, reliability, customer service, outages, billing, and corporate image. In addition, HHHI provides input to this third party to enable them to develop questions that will aid in gathering data about customer expectations and needs. This data is then incorporated into HHHI’s planning process and forms the basis of plans to improve customer satisfaction and meet customer needs. The final report on these customer satisfaction surveys evaluates the level of customer satisfaction and identifies areas of improvement. It also helps identify the most effective means of communication.

The overall results of the 2024 Customer Service Survey reported 94% of customers were “very or fairly” satisfied, which is above the Ontario average (88%). With a 94% Customer Service satisfaction score, HHHI is considered in the “elite” category amongst Ontario LDCs.

Safety

- **Public Safety**

The Ontario Energy Board (OEB) introduced Safety measures in 2015. This measure looks at safety from a customer’s perspective, given that the safety of the distribution system is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three (3) components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.

Safety for HHHI employees and the community is HHHI’s number one priority, always. HHHI actively promotes the ESA’s safety messaging through our website and social media, including annual participation in Powerline Safety Week. Also, HHHI has an ongoing education program in local public schools to educate children on the importance of electrical safety and energy conservation.

Our Contractor Compliance program ensures that subcontractors adhere to the same levels of safety as HHHI. HHHI’s Empower safety program ensures ongoing staff understanding and compliance with safety policies, training, and procedures.

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

A public survey determines public awareness of electrical safety measures. The purpose of the survey is to monitor the effort and impact LDCs are having on improving public electrical safety awareness for the distribution network. This public safety survey is intended to be conducted every two (2) years. This survey differs from HHHI’s customer satisfaction survey in that it targets the general public regardless of whether they are an LDC customer. The questions on the survey are standardized across the province.

HHHI’s Public Awareness of Electrical Safety survey result was 81.00% and was conducted in early 2023, which was higher than the industry average. HHHI continues to promote safety through an elementary school program and social media.

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

The past fourteen (14) annual Ontario Regulation 22/04 Audits have concluded that HHHI is compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). Our firm commitment to safety and adherence to company procedures and policies achieved this. 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**

The utility must report on any serious electrical incidents involving its equipment and the general public. HHHI had zero (0) Serious Electrical incidents in 2023 (the most recent reporting year):

HHHI continues to work diligently with staff and the public to maintain the highest degree of safety and education and keep the Serious Incident Index at Zero (0)

System Reliability

HHHI experienced zero (0) Major Event outages in 2024.

In recent years, HHHI implemented a series of system hardening tactics that included reduced pole spacing, additional guying, and the implementation of lightning arresters in proximity to critical system components. The result was zero (0) outages related to lightning strikes in 2023 and 2024.

HHHI is an embedded distributor to Hydro One and, as such, will experience a loss of supply. Loss of Supply is not a variable that HHHI can alter to improve reliability.

For the Scorecard reporting, Major Events and Loss of Supply are excluded from the reported numbers.

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

HHHI experienced a total of 13,599 customer hours of outages in 2024. HHHI experienced Zero (0) Major Events in 2024. The average number of hours that power to a customer was interrupted was higher than in 2023. Most extended outages were a result of foreign interference (Customer Equipment) and tree contacts (broken branches). These two (2) causes accounted for 48% of total outage time (excluding Major Events and Loss of Supply).

Foreign Interference – HHHI experienced Foreign Interference failures resulting in 3,375.08 customer outage hours. All of these incidents occurred in February. The interference occurred when the customer-owned equipment came into contact with a primary line.

Tree Contact – HHHI experienced 3,163.73 customer outage hours related to tree contacts. Of particular note is that most outages occurred in September 2024. The outage that affected 588 customers and contributed 1,396.35 outage hours happened when a tree came into contact with the 44kV line. The outage itself was relatively short; however, due to the higher number of customers affected, this particular outage accounted for 44% of all tree contact outage hours.

To decrease the duration of outages, HHHI continues to work towards a more automated and integrated distribution system. Substation re-closers, SCADA remote-operated switches, and SCADA wireless faulted circuit indicators enable the Control Room to locate faulted portions of the system quickly, dispatch crews more efficiently and effectively, and remotely sectionalize faulted sections, allowing crews to focus their time on repairing the fault, instead of manually sectionalizing before beginning repairs.

In addition to the automation, HHHI continues to optimize its Control Room operation. HHHI has provided line crews with updated computer tablets that enable operational crews to access real-time mapping data to ensure information provided to the Control Room and crews is consistent.

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

In 2024, HHHI had a total of 14,961 power interruptions to customers. The greatest frequency of Outages in 2024 was due to equipment failure, which occurred 3,702 times, accounting for 25% of the total, and foreign interference, which occurred 3,212 times, accounting for 21% of the total.

Equipment Failure – HHHI experienced 3,702 customer outages related to equipment failure. HHHI proactively conducts Asset Condition Assessment to identify equipment that may fail in the future, so we can replace it with new equipment and ensure customers are not affected by equipment failure.

Foreign Interference - HHHI experienced Foreign Interference due to a Customer, resulting in 3,212 customer outages. All of these incidents occurred in February. The interference occurred when the customer-owned equipment came into contact with a primary line, which caused the interruption. This incident caused 90% of the outages.

Asset Management

- **Distribution System Plan Implementation Progress**

HHHI's estimated total capital expenditures for 2024, as presented in HHHI's 2021 Cost of Service Distribution System Plan (DSP), total \$21,021,108. HHHI's actual capital additions for 2024 totalled \$4,399,651 (net of contributed capital). HHHI is currently at 94.67% of its DSP.

Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC evaluates the total costs for Ontario local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five (5) groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2024, for the thirteenth (13th) year in a row, HHHI was placed in Group 1, where a Group 1 distributor is defined as having actual costs (opposite of excess but not shortage) of predicted costs. Group 1 is considered the "Most Efficient". Before 2012, the OEB benchmarked LDCs by comparing similar distributors and using the OM&A unit cost per customer.

Since the benchmarking has changed to a solely econometric approach, HHHI has consistently placed in the top seven (7) in the province. The updated methodology includes weighting factors for costs associated with overhead versus underground infrastructure and consists of both capital and OM&A costs.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of HHHI's capital and operating costs and is divided by the total number of customers that HHHI serves. The total cost performance result for 2024 is \$1,042 per customer (2023 - \$994). In 2024, HHHI saw an increase of 4.8% in the total cost per customer, primarily due to the Switch from Capital expenditure to maintenance expenditure. In 2024, HHHI spent more on Maintenance, which caused an increase in the Total cost per Customer.

HHHI continues to build a culture of innovation by engaging staff through the Creative and Critical Thinking initiative to find additional cost efficiencies throughout the LDC. A new program that HHHI began in 2017 focused on "**Relentless Incrementalism**". Relentless incrementalism – small steps that make a difference and help pave the way for more significant change – involves all staff members examining processes and procedures and implementing changes that would create cost savings, efficiencies, or benefit customers.

- **Total Cost per km of Line**

Total cost per km of line is calculated as the sum of HHHI's capital and operating costs and is divided by the total kilometers of line. The 2024 total km of lines in HHHI's distribution system was 1,690 km (2023: 1,700 km). The cost performance result for 2024 is \$14,265/km of line (2023 - \$13,485). In 2024, HHHI saw an increase in the total cost per km of line due to the significant rise in the cost of materials used in capital and maintenance, which dramatically increased because in 2023, the inventory purchased by HHHI was priced lower. In 2024, there has been a change in inventory due to changes in needs, and the new inventory cost is higher than the previous one, which has caused an increase in the Total Cost per km of Line.

HHHI continues to build a culture of innovation by engaging staff through the Creative and Critical Thinking initiative to find additional cost efficiencies throughout the LDC. A new program that HHHI began in 2017 focused on “**Relentless Incrementalism**”. Relentless incrementalism – small steps that make a difference and help pave the way for more significant change – involves all staff members examining processes and procedures and implementing changes that would create cost savings, efficiencies, or benefit customers.

Connection of Renewable Generation

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

With the end of the Feed-in-Tariff program, requests for Connection Impact Assessments (CIAs) for renewable generation are few. HHHI consistently achieves 100% of renewable generation connection impact assessments completed on time.

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

With the end of the Feed-in-Tariff program, micro-embedded generation connection request reporting is no longer required after 2018.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than one is considered good, as it indicates that the company can meet its short-term debts and financial obligations. Companies with a ratio of greater than one are often referred to as being “liquid.” The higher the number, the more “liquid” the company and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

HHHI’s Liquidity for 2024 is 0.95 (2023 – 0.94). The main driver of the increased Current Ratio is due to an increase in inventory balance by \$1.04, which is partially offset by a drop in current liabilities by \$0.5M

- **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 levered than the deemed capital structure. A high debt-to-equity ratio may suggest that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt-to-equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may suggest that an electricity distributor is not taking advantage of the increased profits that financial leverage may provide.

HHHI’s 2024 debt-to-equity ratio is 1.48 as compared to the 2023 value of 1.56. The main driver of the decreased debt-to-equity position is due to HHHI's increase in equity by \$1.5M (2024: \$45.7M vs 2023: \$44.1 M), which was due to a change in net income. Additionally, long-term debt on a year-over-year basis has decreased.

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

HHHI's distribution rates were approved by the OEB in the 2021 Cost of Service Application (EB-2020-0026), effective May 1, 2021, and included an expected (deemed) regulatory return on equity of 8.34%. 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**

In 2024, HHHI achieved a regulatory return on equity was 7.79% (2023 – 8.71%), which is within the +/- 3% of the OEB deemed percentage of 8.34%. The leading cause of the decrease in ROE in 2024 compared to 2023 was the increased debt paid off by HHHI to maintain the 60% debt, 40% equity ratio.

Note to Readers of 2024 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 several 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 judgment on the reporting date of the performance scorecard. It could be markedly different in the future.