Scorecard - GrandBridge Energy Inc.

8/4/2023

Performance Outcomes	Performance Categories	Measures		2018	2019	2020	2021	2022	Trend	Target: Industry	Target: 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		99.19%	97.94%	97.64%	96.78%	95.62%	↓	90.00%	
		Scheduled Appointments Met On Time		99.96%	99.91%	99.92%	99.96%	99.87%	↓	90.00%	
		Telephone Calls Answered On Time		87.43%	79.07%	84.54%	84.65%	75.57%	↓	65.00%	
	Customer Satisfaction	First Contact Resolution		94.59%	90.80%	90.77%	92.62%	87.8%			
		Billing Accuracy		99.93%	99.97%	99.95%	99.98%	99.98%	↑	98.00%	
		Customer Satisfaction Survey Results		A	A	A	A	A			
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%	83.50%	83.50%	84.00%	84.00%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C	→		C
		Serious Electrical Incident Index	Number of General Public Incidents	1	0	3	0	1	→		1
			Rate per 10, 100, 1000 km of line	0.502	0.000	1.472	0.000	0.473	→		0.276
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		0.54	0.81	0.54	0.72	0.92	↑		0.74
		Average Number of Times that Power to a Customer is Interrupted [2]		1.08	1.37	1.29	1.27	1.43	↑		1.25
	Asset Management	Distribution System Plan Implementation Progress		92.19%	96.23%	86.42%	83.99%	75.1%			
	Cost Control	Efficiency Assessment		2	2	2	2	2			
		Total Cost per Customer [3]		$611	$626	$626	$640	$676			
		Total Cost per Km of Line [3]		$31,853	$32,779	$32,769	$33,097	$35,302			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	**Connection of Renewable Generation**	Renewable Generation Connection Impact Assessments Completed On Time [4]		100.00%	80.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%		100.00%	100.00%	→	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	**Financial Ratios**	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.71	0.83	1.58	1.42	1.21			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.95	1.02	1.22	1.14	0.61			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.15%	8.92%	8.92%	8.92%	8.86%			
			Achieved	8.40%	8.57%	6.97%	8.37%	9.60%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor 's reported information.
4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend:

5-year trend
↑ up ↓ down → flat

Current year
target met target not met

2022 Scorecard Management Discussion and Analysis ("2022 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 2022 Scorecard MD&A:
http://www.oeb.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

GrandBridge Energy Inc. ("GrandBridge Energy") was formed on May 2, 2022 as the result of the merger of the former Brantford Power Inc. and Energy+ Inc. ("the predecessor corporations"). GrandBridge Energy is the eighth largest municipally owned electricity distributor in Ontario. GrandBridge Energy delivers safe and reliable electricity to approximately 111,000 customers in the City of Brantford, the City of Cambridge, the Township of North Dumfries and the County of Brant. GrandBridge Energy's service territory spans approximately 636 square kilometres.

GrandBridge Energy is guided by its vision to be a leader in energy transformation and driven by a mission to bridge communities to the energy future. Our values are the principles and beliefs that guide our operations. GrandBridge Energy's vision, mission and values are supported by a Five-Year Strategic Plan, which focuses on six strategic pillars: (1) Ensuring a safe work environment; (2) Building the target culture; (3) Evolving through innovation; (4) Maximizing shareholder value; (5) Enabling community ambitions; and (6) Growing the company.

We are pleased to provide the 2022 Performance Scorecard ("2022 Scorecard") for GrandBridge Energy. The 2022 Scorecard represents the consolidated performance measures for GrandBridge Energy for the full year ending December 31, 2022. The performance measures for 2018 to 2021 have been combined and presented on a pro-forma basis to provide for comparison to historical performance.

GrandBridge Energy is proud of its performance and achievements in 2022, which includes:

- Meeting or exceeding the performance targets as set out by the Ontario Energy Board ("OEB") for Service Quality and Customer Satisfaction.
- Achieving a cost performance rating of Cohort 2 (above average performance) in the OEB's benchmark analysis. GrandBridge Energy's cost performance was 13.6% lower than predicted.

- Achieving pro-forma net income of $13.9MM, representing a regulated rate of return of 9.60%. The pro-forma net income represents the results of the predecessor corporations for the period of January 1, 2022 to May 1, 2022, combined with the net income for GrandBridge Energy from May 2, 2022 to December 31, 2022.
- Executing on merger integration activities, focused on harmonizing business processes, information systems, and policies and procedures to better serve our customers and to enable future cost savings and synergies anticipated from the merger.
- Attaining an 'A' corporate credit rating from Standard & Poor's ("S&P") Rating Services, demonstrating GrandBridge Energy's strong financial position and performance.

Customers are encouraged to review the specific commentary on each of the reported performance categories outlined on the 2022 Scorecard in order to obtain further information on the particular measures.

GrandBridge Energy welcomes feedback from our customers regarding the 2022 Scorecard and performance.

Service Quality

GrandBridge Energy is proud to provide safe and reliable energy solutions that are strengthened by an unwavering commitment to service excellence. GrandBridge Energy demonstrated its commitment to customer service by exceeding the industry standards in all three of the service quality measures.

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

In 2022, GrandBridge Energy connected 1,758 new services for our customers, with 95.62% of the connections completed within 5 working days. This compares to 1,306 new services and 96.78% of connections completed within 5 working days in 2021. GrandBridge Energy has consistently exceeded the OEB's guideline of 90% completion within 5 working days of the request being made.

- **Scheduled Appointments Met On Time**

In 2022, GrandBridge Energy scheduled 3,019 appointments that involved meeting a customer or the customer's representative to complete work requested by customers. GrandBridge Energy met 99.87% of these appointments on time, which was comparable to the percentage of scheduled appointments met on time in 2021 of 99.96%. GrandBridge Energy has consistently exceeded the industry target of 90%.

- **Telephone Calls Answered On Time**

GrandBridge Energy received 84,243 telephone calls in 2022, an average of 337 calls per business day. This compares to 78,788 telephone calls received in 2021. In 2022, 75.57% of telephone calls were answered within 30 seconds, which is a decrease from the 84.65% achieved in 2021. GrandBridge Energy has consistently exceeded the industry standard of 65%. GrandBridge Energy is committed to providing continuous excellent customer service and this is one indication of achievement.

Telephone response times fluctuate based on the number and duration of calls, as well as the customer care resources available for response. A number of factors can impact the number and length of calls, including high electricity bills due to extreme temperatures, major outages caused by weather events, news events that drive an increase in calls, regulatory and rate changes, and payment arrangements.

Customer Satisfaction

- **First Contact Resolution**

GrandBridge Energy measures First Contact Resolution as the percentage of customer calls answered whereby the customer's initial request has been satisfied by a Customer Service Representative, as the first point of contact. Customer telephone calls that are not satisfied with the first contact are elevated to a second point of contact for resolution.

The OEB does not currently provide for a specific measure for First Contact Resolution and as a result, each electricity distributor may have different measurements of performance.

In 2022, 87.80% of calls received by our Customer Services department were resolved by a Customer Service Representative as the first telephone contact.

For purposes of the 2022 performance measurement, GrandBridge Energy used a weighted average of the First Contact Resolution methodologies used by the predecessor corporations to arrive at a single consolidated metric.

- In the rate zone of the former Energy+ ("GBE (E+) rate zone"), all customer calls were logged through telephone software, which enabled the tracking of the percentage of calls that were satisfied at the first point of contact.
- In the rate zone of the former Brantford Power ("GBE (BPI) rate zone"), a Customer Service Transactional Survey was utilized to determine the percentage of calls that were satisfied at the first point of contact. The survey included a random sample of 600 customers who had contact between January and December.
- The final consolidated metric was determined by weighting the percentages by rate zone by the total number of calls by rate zone.

In 2023, the First Contact Resolution measure will be determined using the integrated telephone software to log and track the percentage of calls that were satisfied at the first point of contact for both of GrandBridge Energy's rate zones.

- **Billing Accuracy**

Billing accuracy is defined by the OEB as the number of accurate bills issued expressed as a percentage of total bills issued. The OEB's prescribed target is 98%.

In 2022, GrandBridge Energy issued 1,336,274 bills and achieved billing accuracy of 99.98%, compared to 1,321,768 bills and billing accuracy of 99.98% in 2021.

- **Customer Satisfaction Survey Results**

Electricity distributors are required to measure and report customer satisfaction results every other year at a minimum. While a standard survey has not yet been implemented for the industry, the OEB has defined certain principles to be considered as part of a customer satisfaction survey, namely, Power Quality and Reliability, Price, Billing and Payment, Customer Service Experience and Communications.

GrandBridge Energy is committed to customer engagement and satisfaction and will continue to communicate and solicit feedback from our customers to ensure we are achieving our mission to bridge communities to the energy future. GrandBridge Energy has a formal policy and procedure in place that outlines the processes for seeking feedback from customers, methods used to gather customer feedback, and guidelines for how GrandBridge Energy responds to the information obtained from customers.

GrandBridge Energy obtains customer feedback using various methods, including: (i) engaging the services of an external third-party research organization; (ii) using internal survey tools; (iii) collecting and evaluating suggestions made by customers when they interact with employees; (iv) participating in community events; (v) meeting with customers directly; and (vi) obtaining feedback through various media channels including social media.

Customer Satisfaction Surveys were conducted by both the predecessor corporations for the 2021-2022 reporting period using one-on-one telephone interviews based on a sample of residential and small commercial customers. In 2023, GrandBridge Energy plans to conduct a biennial survey with its residential and small commercial customers that includes representation from its entire service territory.

For the GBE (E+) rate zone, a satisfaction score of “A” was achieved, with approximately 92% of customers responding that they were very satisfied or somewhat satisfied with the services provided. The results were an improvement over the score of 88% from the survey for the 2019-2020 reporting period for the GBE (E+) rate zone.

For the GBE (BPI) rate zone, a satisfaction score of “A” was achieved, with approximately 97% of customers responding that they were very satisfied or somewhat satisfied with the services provided. The survey results were consistent with the 97% customer satisfaction results from the survey conducted for the 2019-2020 reporting period for the GBE (BPI) rate zone.

Safety

GrandBridge Energy continually invests in a culture of safety. We are dedicated to pursuing excellence in safety and wellness and we take responsibility for our personal safety, the safety of each other and the safety of our customers and communities. We continuously work to strengthen our safety culture. Our employees and contractors are trained and equipped for the hazards that they may encounter while performing their duties. We encourage and promote safety and wellness at work, at home, and in the communities we serve.

Public Safety

The public safety measures were implemented by the OEB, based upon recommendations provided by the Electrical Safety Association ("ESA"), the agency overseeing electrical safety and inspections in Ontario. The public safety measure includes three components: (i) Public Awareness of Electrical Safety; (ii) Compliance with Ontario Regulation 22/04; and (iii) Serious Electrical Incident Index.

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

The public safety measure is intended to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. It measures the degree of effectiveness of distributor's activities on preventing electrical accidents and is based upon a biennial survey (i.e., every second year) developed by the ESA in consultation with electricity distributors and the Electricity Distributors Association. Included in the survey are six core measurement questions which correspond to the six most frequent accidents involving utility equipment in Ontario over the last decade: (1) Likelihood to "call before your dig"; (2) Impact of touching a powerline; (3) Proximity to overhead powerline; (4) Danger of tampering with electrical equipment; (5) Proximity to downed powerline; and (6) Actions taken when a vehicle comes in contact with wires.

Surveys were conducted by the predecessor corporations in 2021 to determine the Public Safety Awareness Index Score for the 2021-2022 reporting period. The GrandBridge Energy consolidated Public Safety Awareness Index Score of 83.50% was derived by averaging the scores from the GBE (E+) rate zone (83%) and GBE (BPI) rate zone (84%). The results compare to the consolidated score of 84.00% for the 2019-2020 reporting period.

The overall results of the survey indicate that the majority of the public continue to have a good knowledge or have received information pertaining to the six core measurement questions within the survey. GrandBridge Energy will continue to focus its public safety awareness messages on improving awareness related to: (i) minimum distance requirements for overhead powerlines; (ii) minimum distance requirements for downed powerlines; and (iii) the legal requirement to "call before you dig".

GrandBridge Energy will continue to enhance the public's awareness of electrical safety through a number of channels, including sponsoring electrical safety sessions for elementary schools in our service territory, sponsorship and participation in safety-related community events, and the promotion of electrical safety practices through our website, social media and hosting powerline safety seminars for local contractors, businesses and first responders.

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

GrandBridge Energy is fully compliant with Ontario Regulation 22/04 ("OR 22/04"), the regulation that dictates the safe design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications, and inspections of construction before the electrical distribution system components are placed into service. GrandBridge Energy is committed to ensuring a safe workplace and compliance with all applicable regulations. GrandBridge Energy has appropriate systems, processes, and procedures in place to ensure that work is carried out in accordance and in compliance with OR 22/04.

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

The Serious Electrical Incident Index measures the number and rate of serious electrical incidents occurring across a distributor's assets per 1,000 kms of line. The performance targets are established by the ESA for all distributors and are based on a distributor's historical performance. The target for 2022 was 1 incident per year, or 0.276 incidents per 1,000 km of line.

Section 12 of Ontario Regulation 22/04 defines a serious electrical incident as:

a. any electrical contact that caused death or critical injury to a person;
b. any inadvertent contact with any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person; or
c. any fire or explosion in any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person, except a fire or explosion caused by lightning strike.

GrandBridge Energy experienced one serious electrical incident in the 2022 reporting period which translated to a rate of 0.473 per 1,000 km of line. The incident resulted from a private contractor making contact with a high-voltage primary underground cable during an excavation. Fortunately, there were no injuries as a result of this incident.

System Reliability

Yearly fluctuations in system reliability performance measures can result from variations in weather, such as lightning, excessive snowfalls, and ice storms, as well as defective equipment, foreign interference such as animal contacts, and motor vehicle accidents.

The computation of the system reliability measures excludes Major Events for purposes of the Scorecard. A Major Event is defined by the OEB ("Report of the Board: Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures") as an event that is beyond the control of the distributor and is: (a) unforeseeable; (b) unpredictable; (c) unpreventable; or (d) unavoidable.

Such events disrupt normal business operations and occur so infrequently that it would be uneconomical to take them into account when designing and operating the distribution system. Such events cause exceptional and/or extensive damage to assets, they take significantly longer than usual to repair, and they affect a substantial number of customers.

GrandBridge Energy experienced two Major Events in 2022:

- May 21, 2022 - the Canadian Derecho storm, which involved severe thunderstorms and high winds and caused significant damage to trees and powerlines across various parts of Ontario, including the City of Cambridge, the Township of North Dumfries and the City of Brantford. This storm resulted in 173,380 hours of customer interruption.

- December 23, 2022 - a significant winter storm caused galloping powerlines and a loss of supply from Hydro One, which affected the Ayr and North Dumfries service areas. This storm resulted in 15,930 hours of customer interruption.

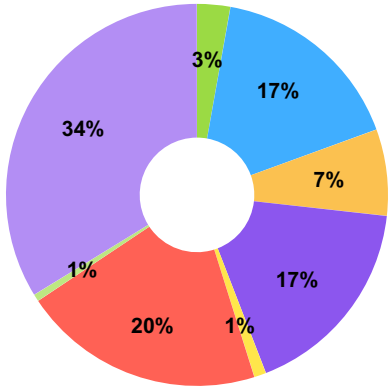
- **Average Number of Hours that Power to a Customer is Interrupted**

This metric represents the average amount of time that electricity supply to a customer is interrupted per year, determined by dividing the total customer hours of all interruptions (excluding interruptions caused by upstream loss of supply events to the distributor and major events) divided by the average number of customers served.

In 2022, the Average Number of Hours that Power to a Customer is Interrupted performance measure was 0.92, compared to the target of 0.74, and the measure of 0.72 reported in 2021.

Performance declined in 2022 compared to the target and to the prior year. Approximately 34% of the lost customer hours were due to foreign interference. Foreign interference includes interruptions caused by customer equipment, distributed energy resources ("DERs") that are not owned by distributors, animals, vehicles, dig-ins, vandalism, sabotage, and foreign objects. Although the interruptions in this category are generally considered to be beyond the control of the utility and difficult to mitigate with preventative maintenance, GrandBridge Energy will continue to evaluate the installation of additional SCADA controlled devices to enable more timely restoration.

Duration by Cause Code



Cause Code No. & Description		SAIDI (Customer Hours Interrupted) Non-Major Events	Major Events
0	Unknown/Other	3,100	0
1	Scheduled Outage	18,285	0
2	Loss of Supply	8,050	24,302
3	Tree Contacts	19,077	155
4	Lightning	1,133	0
5	Defective Equipment	22,526	236
6	Adverse Weather	671	164,617
7	Adverse Environment	0	0
8	Human Element	3	0
9	Foreign Interference	37,097	0
Sub-Totals		**109,942**	**189,310**

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

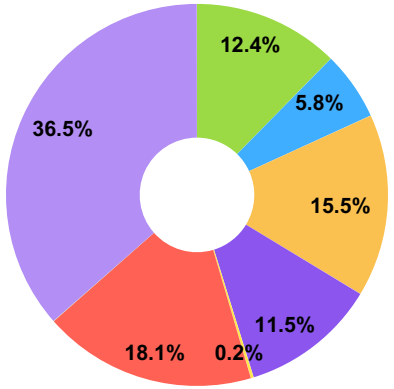
This metric represents the average number of times that electricity supply to a customer is interrupted per year, determined by dividing the total number of interruptions (excluding interruptions caused by upstream loss of supply events to the distributor and major events) divided by the average number of customers served.

In 2022, the Average Number of Times that Power to a Customer is Interrupted performance measure was 1.43, compared to the target of 1.25 and 1.27 reported in 2021.

Approximately 18.1% of the customer interruptions in 2022 were caused by defective equipment. The causal factors attributing to the defective equipment interruptions include transformer failures, cable faults, and broken porcelain insulators. GrandBridge Energy will continue to evaluate mitigation measures for defective equipment as part of its System Renewal program including replacing submersible transformers with pad mounted transformers and porcelain insulator replacements. Approximately $31.2MM, or 31%, of the gross distribution capital expenditures between 2018 to 2022 were investments in the renewal of the distribution system. It will take some time to realize and fully evaluate improvements in reliability as a result of renewing the distribution system and replacing end of life assets.

Approximately 11.5% of the customer interruptions in 2022 were caused by tree contact, which reflects a reduction compared to 2021 of 30%. GrandBridge Energy has taken proactive measures as part of its tree trimming program to target specific areas of concern.

Frequency by Cause Code



Cause Code No. & Description		SAIFI (Customers Interrupted) Non-Major Events	SAIFI (Customers Interrupted) Major Events
0	Unknown/Other	23,252	0
1	Scheduled Outage	10,948	0
2	Loss of Supply	29,152	8,204
3	Tree Contacts	21,707	1,431
4	Lightning	428	0
5	Defective Equipment	34,005	289
6	Adverse Weather	20	77,146
7	Adverse Environment	0	0
8	Human Element	3	0
9	Foreign Interference	68,596	0
Sub-Totals		**188,111**	**87,070**

Asset Management

- **Distribution System Plan Implementation Progress**

A Distribution System Plan ("DSP") provides an overview of the Asset Management Planning process, including detailed analysis of historical and long-term capital expenditure plans. The objective of the DSP is to ensure that the future distribution system is designed to deliver power at the quality and reliability levels required by customers and to minimize the lifetime cost by balancing preventative maintenance, life-extending refurbishment, and end of life replacement. The capital plan in a DSP includes expenditures that are required to maintain and expand the electricity system to serve its current and future customers.

The Distribution System Plan Implementation Progress measure is not defined by the OEB. Consistent with certain other measures, electricity distributors may define the measure in a manner that best fits their organization. The OEB may develop a standard in the future.

A DSP was filed for the GBE (E+) rate zone as part of its 2019 Cost of Service Application and included a capital plan for 2018 to 2023.

A DSP was filed for the GBE (BPI) rate zone as part of its 2022 Cost of Service Application and included a capital plan for 2022 to 2026.

The Distribution System Plan Implementation Progress measure is intended to assess the effectiveness of the planning and implementation of the DSP. In its 2019 Cost of Service Application, GBE (E+) introduced a more detailed set of DSP implementation metrics that have been utilized since 2020. These metrics highlight the results of key capital programs in addition to financial performance versus plan.

For the 2022 reporting year, the detailed set of metrics for the GBE (E+) rate zone have been merged with the financial metric utilized for the GBE (BPI) rate zone. The weightings between rate zones are proportional to the total net distribution capital expenditures planned over five years in the current DSPs.

In 2022, GrandBridge Energy achieved an index score of 75.1%. The following table summarizes the results across each metric:

DSP Implementation Metrics	Target	Result	Weight	Total
Overall DSP Financial Progress vs. Plan for GBE (E+) Rate Zone	90% to 100%	87%	35%	31%
Overall DSP Financial Progress vs. Plan for GBE (BPI) Rate Zone	90% to 100%	67%	30%	20%
Flag For Action Plan Progress for GBE (E+) Rate Zone	90% to 100%	50%	11%	6%
Overhead Rebuild Progress for GBE (E+) Rate Zone	Cost: +/-10% km of line: 90% to 100%	73%	8%	6%
Underground Rebuild Progress for GBE (E+) Rate Zone	Cost: +/-10% km of cable: 90% to 100%	45%	3%	0.015
Residential Lots Connections for GBE (E+) Rate Zone	Number: 465 per year Cost: +/- 10%	94%	3%	3%
Large Service Connections for GBE (E+) Rate Zone	Cost: +/-25%	100%	8%	8%
SCADA Switch Installations for GBE (E+) Rate Zone	Number:100% Cost:$80,000 per switch	51%	2%	1%
Total				**75.1%**

Net distribution capital expenditures in the GBE (BPI) rate zone were $5.5MM in 2022, compared to $8.1MM in the DSP, resulting in overall DSP financial progress for the GBE (BPI) rate zone of 67%. The lower than planned capital was primarily attributable to the deferral of a feeder egress project based on an assessment of capacity requirements, prudence and opportunity for crew optimization in 2023.

The flag for action plan progress and underground rebuild progress in the GBE (E+) rate zone trail the plan targets due to the deferral of System Renewal projects in support of managing overall capital expenditures. The GBE (E+) rate zone has seen strong customer growth and customer requested projects from 2019 to 2022 resulting in higher net System Access expenditures. Underground rebuilds were deferred based on cable testing that indicated that the scheduled to be replaced assets were still in fair/good condition. GrandBridge Energy also deferred approximately $2MM in System Renewal projects in 2020 to 2021 due to uncertainties related to COVID-19.

SCADA switch installations were also deferred in support of managing overall capital expenditures. Investment priorities in the areas of System Access required reductions in System Service investments.

Cost Control

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs.

For 2022, GrandBridge Energy was evaluated on a merged basis and assigned to Group 2 (above average efficiency), which is consistent with historical assignments. As part of the benchmarking process, stretch factors were also calculated retroactively for GrandBridge Energy for 2018 to 2021 based on merged results. Group 2 represents distributors with actual costs that are 10% to 25% below predicted costs. Distributors in Group 2 are considered to have above average efficiency, meaning that GrandBridge Energy 's costs are below the average expected costs for distributors in the Province of Ontario.

In 2022, 55% (30 distributors) were ranked as "more efficient", including GrandBridge Energy; 35% (19 distributors) of the Ontario distributors were ranked as "average efficiency"; and 9.2% (5 distributors) were ranked as "least efficient".

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of GrandBridge Energy's capital and operating costs and dividing this cost figure by the total number of customers. The cost performance result for 2022 is $676 per customer, compared to $640 in 2021. This represents a 5.6% increase from 2021 to 2022 and reflects an annual growth rate of 2.6% since 2018. Based on the Pacific Economic Groups benchmarking analysis, GrandBridge Energy's Total Cost per Customer in 2022 was 13.9% lower than predicted costs, compared to 11.6% in 2021.

- **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 kilometres of line that GrandBridge Energy operates to serve its customers. The result of $35,302 represents an increase of 6.7% or $2,205 compared to 2021. The year over year increase was attributable to increases in gross capital expenditures driven by higher System Renewal activity and investments in General Plant to support integration of systems and processes.

Connection of Renewable Generation

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

GrandBridge Energy was no longer required to report on Connection Impact Assessments (CIAs) in 2022.

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

GrandBridge Energy connected 15 new micro-embedded generation facilities in 2022, all of which were connected within the required timelines.

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. GrandBridge Energy's current ratio of 1.21 at the end of 2022 continues to reflect a strong liquidity position.

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

The OEB uses a deemed capital structure of 60% debt and 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt-to-equity ratio of 1.5 (60/40). A debt-to-equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate 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 indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

GrandBridge Energy's debt to equity ratio was 0.61 in 2022. GrandBridge Energy's strong financial position is further supported by Standard & Poor's Rating Services rating of "A".

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

GrandBridge Energy's 2022 distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.86%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

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

GrandBridge Energy's return achieved in 2022 was 9.60% which is within the +/-3% range considered by the OEB to reflect a healthy level of financial performance. GrandBridge Energy's 2022 profitability reflects an increase from the previous year's return on equity of 8.37%. The year over year increase in return achieved was attributable to higher distribution revenues resulting from rate rebasing in the GBE (BPI) rate zone and inflationary increases in the GBE (E+) rate zone, and merger cost savings resulting in lower operating expenditures.

Note to Readers of 2022 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.