

Scorecard - GrandBridge Energy Inc.

Performance Outcomes	Performance Categories	Measures	2019	2020	2021	2022	2023	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	97.94%	97.64%	96.78%	95.62%	88.28%		90.00%		
		Scheduled Appointments Met On Time	99.91%	99.92%	99.96%	99.87%	100.00%		90.00%		
		Telephone Calls Answered On Time	79.07%	84.54%	84.65%	75.57%	69.18%		65.00%		
	Customer Satisfaction	First Contact Resolution	90.80%	90.77%	92.62%	87.8%	99.9%				
		Billing Accuracy	99.97%	99.95%	99.98%	99.98%	99.97%		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	83.50%	83.50%	84.00%	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	0	3	0	1	0			1
			Rate per 10, 100, 1000 km of line	0.000	1.472	0.000	0.473	0.000			0.343
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.81	0.54	0.72	0.92	1.11			0.74	
		Average Number of Times that Power to a Customer is Interrupted ²	1.37	1.29	1.27	1.43	1.97			1.25	
	Asset Management	Distribution System Plan Implementation Progress	96.23%	86.42%	83.99%	75.1%	83.7%				
	Cost Control	Efficiency Assessment	2	2	2	2	2				
		Total Cost per Customer ³	\$626	\$626	\$640	\$676	\$754				
		Total Cost per Km of Line ³	\$32,779	\$32,769	\$33,097	\$35,302	\$40,626				
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	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)	0.83	1.58	1.42	1.21	1.05				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.02	1.22	1.14	0.61	0.57				
	Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.92%	8.92%	8.92%	8.86%	8.86%				
		Achieved	8.57%	6.97%	8.37%	9.60%	11.20%				

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
 2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
 3. A benchmarking analysis determines the total cost figures from the distributor 's reported information.

Legend: 5-year trend up down flat
 Current year target met target not met

2023 Scorecard Management Discussion and Analysis (“2023 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2023 Scorecard MD&A:

http://www.oeb.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

GrandBridge Energy Inc. (“GrandBridge Energy”) is the eighth largest municipally owned electricity distributor in Ontario. GrandBridge Energy delivers safe and reliable electricity to approximately 113,000 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 kilometers.

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 2023 Performance Scorecard (“2023 Scorecard”) for GrandBridge Energy. The 2023 Scorecard represents performance measures for GrandBridge Energy for the year ending December 31, 2023. The performance measures for 2019 to 2022 have been combined and presented on a pro forma basis to compare to the historical performance of the predecessor corporations, Brantford Power Inc. and Energy+ Inc.

GrandBridge Energy is proud of its performance and achievements in 2023, and we extend our gratitude to our dedicated employees for their contributions. Their commitment to excellence has been instrumental in our successes, which include:

- Achieving an “A” from our customers in our 2023 Customer Satisfaction Survey, which was our first survey following the formation of GrandBridge Energy.
- Achieving a cost performance rating of Cohort 2 (above average performance) in the OEB’s benchmark analysis. GrandBridge Energy’s cost performance was 15.3% lower than predicted.

- Receiving the Electricity Distributors Association's 2023 Local Distribution Company Performance Excellence Award, recognizing GrandBridge Energy's outstanding performance in occupational health and safety, operations, finance, conservation, and community engagement.
- Completing major merger information systems integrations, including a fully integrated Enterprise Resource Planning ("ERP") system, successfully migrating and integrating records in the Geographic Information System ("GIS"), improving the organization's cybersecurity posture by consolidating all data and applications onto a single network, and developing and testing a fully integrated Customer Information System ("CIS"), which went live in January 2024.
- Building a new state-of-the-art 24/7 system control centre, allowing our system control operators to monitor the grid and make critical decisions while responding to emergencies and managing operations.
- Achieving net income of \$14.4MM and annualized merger operating savings to date of \$1.8MM, resulting in a regulated rate of return of 11.20% to our shareholders, the City of Brantford, the City of Cambridge and the Township of North Dumfries.
- Sustaining an 'A' corporate credit rating from Standard & Poor's ("S&P") Rating Services, demonstrating GrandBridge Energy's strong financial position and performance.

In 2023, customers experienced a power outage approximately 1.97 times in the year, with an average of 1.11 hours of interruption, which was higher than the prior year comparison of 0.92 times in the year, with an average of 1.43 hours. The increase in power outages was principally explained by outages from foreign interference and defective equipment. GrandBridge Energy is actively deploying SCADA controlled automated reclosers to improve restoration times, and continuing to invest in infrastructure renewals to improve the reliability of the distribution system.

Customers are encouraged to review the specific commentary on each reported performance category outlined on the 2023 Scorecard to obtain further information on the particular measures.

GrandBridge Energy welcomes feedback from our customers regarding the 2023 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 exceeded industry standards in two out of three service quality measures but failed to meet the industry standard for “New Residential/Small Business Services Connected on Time.”

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

In 2023, GrandBridge Energy connected 2,365 new services for our customers, with 88.28% of the connections completed within 5 working days. This result falls below the industry standard of 90%. The volume of new service requests represents an increase of 52% compared to the 1,758 requests in 2022 and was 97% higher than the 2018 to 2022 average of 1,357. In 2022, 95.62% of the new service requests were completed within 5 working days.

The significant increase in new service requests in 2023 exceeded GrandBridge Energy’s capacity to meet the target of 90%. Despite additional dedicated resources and the allocation of additional crews when possible in 2023, GrandBridge Energy did not anticipate the unprecedented high demand for new service connections in 2023. Resourcing was also impacted by a three week labour disruption in May 2023, which caused work to be delayed. GrandBridge Energy is committed to reviewing its internal processes, coordinating with developers, and exploring alternative support with external contractors to better accommodate future demand for new connections.

- **Scheduled Appointments Met On Time**

In 2023, GrandBridge Energy scheduled 3,447 appointments that involved meeting a customer or the customer’s representative to complete work requested by customers. GrandBridge Energy met 100% of these appointments on time, an improvement from the 99.87% of scheduled appointments met on time in 2022. GrandBridge Energy has consistently exceeded the industry target of 90%.

- **Telephone Calls Answered On Time**

GrandBridge Energy received 87,207 telephone calls in 2023, an average of 348 calls per business day, representing an increase of approximately 3.5% compared to the 84,243 telephone calls received in 2022. In 2023, 69.18% of telephone calls were answered within 30 seconds, a decrease from the 75.57% achieved in 2022. GrandBridge Energy has consistently exceeded the industry standard of 65%.

Telephone response times fluctuate based on the number and duration of calls, as well as the customer care resources available for response. Several factors can impact the number and length of calls, including high electricity bills due to extreme temperatures, significant 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 by a Customer Service Representative who satisfied the customer's initial request as the first point of contact. Customer telephone calls not satisfied with the first contact are elevated to a second point of contact for resolution.

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

GrandBridge Energy is pleased to report that in 2023, 99.90% of calls received by our Customer Services department were resolved by a Customer Service Representative as the first telephone contact. This represents a significant improvement compared to 87.80% in 2022. In 2023, GrandBridge Energy leveraged the harmonized telephone system to code and track escalated calls based on the total number of calls received by Customer Service. Of the 87,207 calls handled in 2023, only 110 required a second point of contact.

- **Billing Accuracy**

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

In 2023, GrandBridge Energy issued 1,336,654 bills and achieved billing accuracy of 99.97%, compared to 1,336,274 bills and billing accuracy of 99.98% in 2022.

- **Customer Satisfaction Survey Results**

Electricity distributors must 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 in a customer satisfaction survey: 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 achieve our mission to bridge communities to the energy future. GrandBridge Energy has a formal policy and

procedure that outlines the processes for seeking customer feedback, 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.

In 2023, GrandBridge Energy conducted its first biennial survey of its residential and small commercial customers that included representation from its entire service territory. GrandBridge Energy is pleased to report that it achieved a Customer Experience Performance rating of “A”.

GrandBridge Energy is committed to providing continuous excellent customer service.

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 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 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 OEB implemented public safety measures 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) the 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 a distributor’s activities in preventing electrical accidents. It 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.

The survey was conducted to determine the Public Safety Awareness Index Score for the 2023-2024 reporting period. The GrandBridge Energy Public Safety Awareness Index Score was 84.00%. This result represents an improvement compared to the consolidated score of 83.50% for the 2021-2022 reporting period.

The survey’s overall results indicate that most of the public continues to have good knowledge or have received information about 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, sponsoring and participating in safety-related community events, promoting electrical safety practices through our website and social media, and hosting powerline safety seminars for local contractors, businesses and first responders.

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

GrandBridge Energy fully complies 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 construction inspections 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 to ensure that work is carried out in accordance and 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 km of line. The performance targets are established by the ESA for all distributors and are based on a distributor's historical performance. The ESA established target for GrandBridge Energy in 2023 was 1 incident per year, or 0.343 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 a lightning strike.

GrandBridge Energy experienced zero serious electrical incidents in the 2023 reporting period, consistent with its internal target of zero incidents.

System Reliability

Yearly fluctuations in system reliability performance measures can result from variations in weather, such as lightning, excessive windstorms, ice storms, defective equipment, and foreign interference.

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 consider them when designing and operating the distribution system. Major Events cause exceptional and/or extensive damage to assets, take significantly longer than usual to repair, and affect a substantial number of customers.

GrandBridge Energy did not experience any Major Events in 2023.

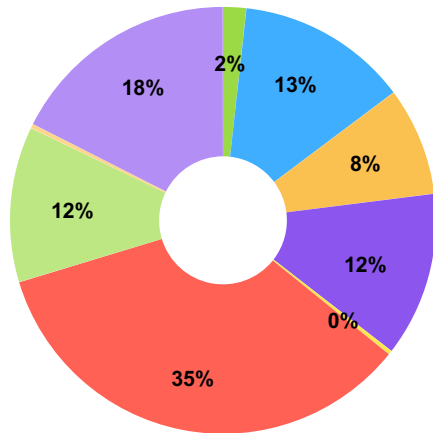
- **Average Number of Hours that Power to a Customer is Interrupted**

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) by the average number of customers served.

In 2023, the Average Number of Hours that Power to a Customer is Interrupted performance measure was 1.11, compared to the target of 0.74, and the measure of 0.92 reported in 2022.

Performance declined compared to 2022 due to an increase in the sustained power interruptions resulting from defective equipment failures. Defective equipment accounted for 35% of interruptions which were attributed to distribution transformer failures, broken porcelain devices and underground primary cable faults. The failure of porcelain devices was the leading cause of all outages, accounting for more than half (52%) of customer hours lost in the defective equipment category. GrandBridge Energy has a multiyear program specifically targeted at the proactive replacement of porcelain devices, which includes replacing switch cutouts, arrestors, and porcelain insulators with a new polymeric material. To minimize the number of customer-hours lost due to other distribution equipment failures, GrandBridge Energy continually invests in the annual System Renewal program which includes proactive replacement of transformers, underground cables, and poles.

Duration by Cause Code



Cause Code No. & Description		SAIDI (Customer Hours Interrupted)	
		Non-Major Events	Major Events
0	Unknown/Other	2,415	0
1	Scheduled Outage	17,765	0
2	Loss of Supply	11,245	0
3	Tree Contacts	17,030	0
4	Lightning	406	0
5	Defective Equipment	47,168	0
6	Adverse Weather	16,101	0
7	Adverse Environment	0	0
8	Human Element	448	0
9	Foreign Interference	23,960	0
Total		136,538	0

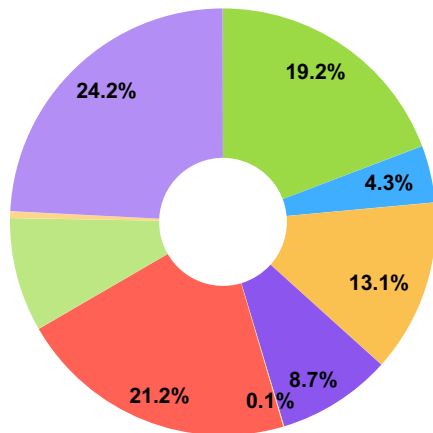
- **Average Number of Times that Power to a Customer is Interrupted**

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) by the average number of customers served.

In 2023, the Average Number of Times that Power to a Customer is Interrupted performance measure was 1.97, compared to the target of 1.25 and 1.43 reported in 2022.

Approximately 24% of the customer interruptions in 2023 were caused by foreign interference resulting from animal contact with energized distribution equipment and motor vehicle accidents (“MVAs”). The outages in this category are largely outside of a distributor’s control. MVAs accounted for 36% of interruptions in the foreign interference cause code. To mitigate the risk of motor vehicle accidents impacting electrical power infrastructure, GrandBridge Energy is evaluating the relocation of electrical plant away from high traffic areas and the installation of protective bollards. GrandBridge Energy continues to proactively install animal guard protection to prevent accidental animal contact with the energized equipment. Additionally, GrandBridge Energy is deploying smart fault indicators that help field crews quickly locate the faults on the distribution system to reduce restoration times. GrandBridge Energy has a multi-year program to deploy SCADA controlled automated reclosers that enable automatic isolation of the faulted line sections and allow our System Control Room Operators to restore power remotely, reducing the number of sustained power interruptions.

Frequency by Cause Code



Cause Code No. & Description		SAIFI (Customers Interrupted)	
		Non-Major Events	Major Events
0	Unknown/Other	49,145	0
1	Scheduled Outage	11,069	0
2	Loss of Supply	33,535	0
3	Tree Contacts	22,246	0
4	Lightning	179	0
5	Defective Equipment	54,218	0
6	Adverse Weather	22,120	0
7	Adverse Environment	0	0
8	Human Element	1,297	0
9	Foreign Interference	61,861	0
Total		255,670	0

- **Distribution System Plan Implementation Progress**

A Distribution System Plan (“DSP”) provides an overview of the Asset Management Planning process, including a 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 OEB does not define the DSP Implementation Progress measure. Consistent with certain other measures, electricity distributors may define the measure in a manner that best suits 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 DSP 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, which have been utilized since 2020. These metrics highlight the results of key capital programs in addition to financial performance versus plan.

For the 2023 reporting year, the metrics for the GBE (E+) rate zone were 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 2023, GrandBridge Energy achieved an index score of 83.7%. 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%	95%	35%	33.3%
Overall DSP Financial Progress vs. Plan for GBE (BPI) Rate Zone	90% to 100%	84%	30%	25.1%
Flag For Action Plan Progress for GBE (E+) Rate Zone	90% to 100%	52%	11%	5.9%
Overhead Rebuild Progress for GBE (E+) Rate Zone	Cost: +/-10% km of line: 90% to 100%	78%	8%	6.2%
Underground Rebuild Progress for GBE (E+) Rate Zone	Cost: +/-10% km of cable: 90% to 100%	57%	3%	1.9%
Residential Lots Connections for GBE (E+) Rate Zone	Number: 465 per year Cost: +/- 10%	88%	3%	2.4%
Large Service Connections for GBE (E+) Rate Zone	Cost: +/-25%	100%	8%	8.2%
SCADA Switch Installations for GBE (E+) Rate Zone	Number:100% Cost:\$80,000 per switch	46%	2%	0.7%
Total				83.7%

Net distribution capital expenditures in the GBE (BPI) rate zone were \$12.2 MM in 2023, compared to \$14.6 MM in the DSP, resulting in overall DSP financial progress for the GBE (BPI) rate zone of 84%. The lower than planned capital was primarily attributable to the timing of subdivision energizations and the deferral of a feeder egress project based on an assessment of capacity requirements and prudence.

The flag for action plan and underground rebuild progress in the GBE (E+) rate zone improved over the prior year due to increased System Renewal expenditures but trailed 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 2023 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 from 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 System Access required reductions in System Service investments.

Cost Control

- **Efficiency Assessment**

The total costs for Ontario's 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 2023, GrandBridge Energy was assigned to Group 2 (above average efficiency), consistent with historical assignments. 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 2023, 59% (32 distributors) were ranked as "more efficient", including GrandBridge Energy; 35% (17 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 divided by the total number of customers. The cost performance result for 2023 is \$754 per customer, compared to \$676 in 2022. This represents an 11.54% increase from 2022 to 2023 and reflects an annual growth rate of 4.8% since 2018. The increase in total cost per customer compared to 2022 was principally explained by: (i) increased System Access expenditures resulting from demand for customer connections and increased material costs due to supply chain constraints; and (ii) increased general plant expenditures related to the merger of information system technologies, including ERP and CIS.

Based on the Pacific Economic Groups benchmarking analysis, GrandBridge Energy's Total Cost per Customer in 2023 was 15.3% lower than predicted costs, compared to 13.9% in 2022.

- **Total Cost per km of Line**

This measure uses the same total cost as the Cost per Customer calculation above. The total cost is divided by the kilometers of line that GrandBridge Energy operates to serve its customers. The result of \$40,626 represents an increase of 15.08% or \$5,324 compared to 2022. The drivers of the variance over 2022 are consistent with the drivers of the increase in total cost per customer.

Connection of Renewable Generation

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

GrandBridge Energy connected 28 new micro-embedded generation facilities in 2023, 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 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 1.05 at the end of 2023 reflects 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 0.57 in 2023. 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 2023 distribution rates were approved by the OEB and included 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 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**

GrandBridge Energy's return achieved in 2023 was 11.20%, which is within the +/-3% range considered by the OEB to reflect a healthy level of financial performance. GrandBridge Energy's 2023 profitability reflects an increase from the previous year's return on equity of 9.60% . The year over year increase in return achieved was attributable to higher distribution revenues resulting from customer growth and inflationary increases in both rate zones, and annualized merger operating savings to date of \$1.8MM.

Note to Readers of 2023 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.