

Scorecard - Entegrus Powerlines Inc.

9/24/2014

Performance Outcomes	Performance Categories	Measures	2009	2010	2011	2012	2013	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	97.80%	97.60%	93.80%	92.00%	97.00%		90.00%		
		Scheduled Appointments Met On Time	98.50%	100.00%	98.70%	99.00%	99.40%		90.00%		
		Telephone Calls Answered On Time	74.10%	67.00%	68.80%	95.90%	77.40%		65.00%		
	Customer Satisfaction	First Contact Resolution									
		Billing Accuracy									
		Customer Satisfaction Survey Results									
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Public Safety [measure to be determined]									
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.70	1.33	0.88	1.18	1.23		at least within 0.70 - 1.33		
		Average Number of Times that Power to a Customer is Interrupted	0.75	0.91	0.72	0.97	0.94		at least within 0.72 - 0.97		
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				2	2				
		Total Cost per Customer ¹	\$466	\$507	\$517	\$495	\$531				
		Total Cost per Km of Line ¹	\$19,863	\$20,075	\$21,921	\$20,765	\$22,407				
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) ²			13.00%	11.00%	11.30%		12.12MW		
		Net Cumulative Energy Savings (Percent of target achieved)			22.00%	60.00%	81.10%		46.53GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time			60.00%	60.00%					
		New Micro-embedded Generation Facilities Connected On Time					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)	1.50	1.40	1.35	1.19	1.16				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.80	1.31	1.27	1.28	1.22				
		Profitability: Regulatory Return on Equity				Deemed (included in rates)	9.85%	9.85%			
						Achieved	7.61%	7.61%			

Legend:

- up
- down
- flat
- target met
- target not met

Notes:
 1. These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information.
 2. The Conservation & Demand Management net annual peak demand savings do not include any persisting peak demand savings from the previous years.

Management Discussion and Analysis for Year 2013

Service Quality

Entegrus continues to meet and exceed all industry service quality targets. The 2013 telephone metric, although above historical averages, declined versus the prior year due to redeployment of resources for optimal benefit.

Customer Satisfaction

Customer satisfaction has always been an ongoing area of focus for Entegrus. In 2013 and 2014, Entegrus continued to pursue measures to enhance the customer experience, including: additional customer service training, a new phone system, a new website, a new customer billing information portal and the launch of social media. The 3 newly prescribed Customer Satisfaction methodologies shown on the scorecard were introduced by the regulator in 2014. Results for the latter half of 2014 will be reported in 2015.

Safety

Safety is a top priority for Entegrus. In 2013, Entegrus was awarded with the Infrastructure Health & Safety Association (“IHSA”) ZeroQuest Sustainability Level. Entegrus is now seeking to be amongst the first Ontario electrical distributors to be recognized with the new IHSA Certificate of Recognition. Entegrus is a key sponsor of the local Safety Village and provides staffing to educate school children on public electrical safety. In addition, Entegrus is audited annually by the Electrical Safety Authority (“ESA”). These audits assess the safety of our electrical distribution system in relation to the public, and Entegrus has successfully passed each audit. This overall focus on safety resulted in Entegrus achieving a Lost Time Due to Injury rate of zero in 2013. The regulator has indicated that a new public safety measure for Ontario electrical distributors will be introduced in the latter half of 2014.

System Reliability

Entegrus continues to meet all regulated system reliability targets, and continues to apply a rigorous capital and maintenance program to sustain our distribution system and minimize outages.

Asset Management

The Entegrus engineering team will complete a formalized risk-based Asset Management Plan in 2014 in the format prescribed by the regulator. This Asset Management Plan will be part of a comprehensive Consolidated Distribution System Plan, which will include asset management and replacement, as well as grid modernization. The newly prescribed Consolidated Distribution System Plan is currently approximately 50% complete.

Cost Control

For 2013, Entegrus costs were 12.3% lower than the cost level predicted by the regulator’s econometric model. Accordingly, Entegrus continues to be ranked in the second most efficient grouping of Ontario electrical distributors (there are five groups in total). Note that the Total Cost per Customer and Total Cost per Km of Line figures shown on the scorecard do not reflect Entegrus’ actual costs. Rather, these figures represent econometric values derived by the regulator in order to rank Ontario electrical distributors on a comparative “same size” basis. Please refer to the footnote to the scorecard provided by the regulator further describing the benchmarking process. Entegrus’ actual Total Operating, Maintenance & Administrative Expenses for 2013 were \$237 per customer.

Conservation & Demand Management

The current conservation target period runs from January 1, 2011 to December 31, 2014. Net cumulative energy savings results carry over and are summed each year. Entegrus is on track to meet its net cumulative energy savings target by December 31, 2014. Net annual peak demand savings are measured at a point in time and are non-cumulative. In accordance with its conservation strategy, Entegrus is aggressively marketing peak demand conservation programming in 2014 in order to meet the net annual peak demand savings target.

Connection of Renewable Generation

In 2013, Entegrus exceeded the target for New Micro-embedded Generation Facilities Connected on Time. Entegrus did not receive any Renewable Generation Connection Impact Assessment application requests in 2013.

Financial Ratios

Entegrus remains liquid and its leverage is well within the regulated guidelines and provides sufficient capital to fund future distribution system needs. This financial capacity is further supported by the recent Standard & Poor's Rating Services rating of "A/Stable/--" for Entegrus Inc., the parent company of Entegrus Powerlines Inc. Subsequent to the acquisitions of Middlesex Power, Dutton Hydro and Newbury Power, Entegrus has achieved a stable rate of return while providing customers with a period of distribution rate stability.