

Scorecard - Bluewater Power Distribution Corporation

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 | 100.00% | 100.00% | 98.00% | 90.40% | 92.20% | | 90.00% | | |
| | | Scheduled Appointments Met On Time | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | | 90.00% | | |
| | | Telephone Calls Answered On Time | 67.40% | 57.90% | 73.10% | 79.80% | 77.00% | | 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 | 1.38 | 1.51 | 2.78 | 2.75 | 1.82 | | at least within 1.38 - 2.78 | | |
| | | Average Number of Times that Power to a Customer is Interrupted | 2.30 | 2.11 | 2.38 | 4.27 | 1.48 | | at least within 2.11 - 4.27 | | |
| | Asset Management | Distribution System Plan Implementation Progress | | | | | | | | | |
| | Cost Control | Efficiency Assessment | | | | 3 | 3 | | | | |
| | | Total Cost per Customer ¹ | \$536 | \$567 | \$609 | \$624 | \$646 | | | | |
| | | Total Cost per Km of Line ¹ | \$25,216 | \$26,921 | \$28,054 | \$28,058 | \$29,017 | | | | |
| 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 | | | 30.00% | 26.00% | 24.40% | | 10.65MW | | |
| | | Net Cumulative Energy Savings (Percent of target achieved) | | | 39.00% | 61.00% | 71.80% | | 53.73GWh | | |
| | Connection of Renewable Generation | Renewable Generation Connection Impact Assessments Completed On Time | | | 100.00% | 100.00% | 100.00% | | | | |
| | | 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) | 1.72 | 1.52 | 1.53 | 1.62 | 1.66 | | | | |
| | | Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio | 0.92 | 1.07 | 1.18 | 1.12 | 1.01 | | | | |
| | | Profitability: Regulatory Return on Equity | | | Deemed (included in rates) | 8.01% | 8.01% | 8.98% | | | |
| | | | | | Achieved | 9.20% | 9.70% | 11.40% | | | |

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.

Legend:

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

Management Discussion and Analysis for Year 2013

Service Quality

Bluewater Power has exceeded the target in all service quality categories in the year 2013. The 'Telephone calls answered on time' measure for the year 2010 was lower than the standard, and this was driven by higher than normal call volumes. The higher call volumes in 2010 were a result of three industry-wide challenges: (i) an extremely hot summer which created higher than normal bills to customers, (ii) increased attention on overall rates in the electricity sector, and (iii) HST was introduced contributing to higher bills and increased the number of customer calls. As a result of the measure being lower than the standard, Bluewater Power increased the level of call centre staff on a temporary basis until call volumes returned to normal levels.

Customer Satisfaction

Bluewater Power always strives to maintain a high level of customer satisfaction through direct customer engagement. This has included "Town Hall" meetings throughout our communities during the introduction of Smart Meters, public Annual General Meetings, and active participation in Home Shows and other community events. In the Fall of 2014 we plan to initiate a customer satisfaction survey to further engage and measure customer satisfaction.

Safety

Safety is the number one priority for Bluewater Power, both for our customers and for our employees. It is our understanding that the OEB will determine the appropriate measure for Public Safety and Bluewater Power will report on the results with its 2015 filing.

System Reliability

In 2013, both the number of power interruptions, and the duration of power interruptions decreased from prior years, which represents a positive trend in system reliability. In 2012 the 'Average Number of Times that power to a customer is interrupted' was an outlier year for Bluewater Power as a direct result of what has been termed "Superstorm Sandy" in October 2012. Excluding the impact of the storm, the value for 2012 would have been nearly half of the reported figure (2.14 instead of 4.26).

Asset Management

Bluewater Power's long term capital plan was approved by Bluewater Power's Board of Directors, as well as by the Ontario Energy Board with the utility's 2013 Cost of Service Application. We constantly assess the projects, spending associated with that plan, and the changing needs of the system through a comprehensive asset management process.

Cost Control

Bluewater Power continually strives to manage costs without unduly affecting service to our customers. The values presented in the scorecard as 'Total Cost per Customer' and 'Total Cost per Km of Line' are produced by the Ontario Energy Board's consultant following the application of an econometric model to the data (found in the "PEG Report"). Bluewater Power's Certification of the completeness and accuracy of the 'Total Cost per Customer' and 'Total Cost per Km of Line' is limited to the certification that the data used in the PEG Report completely and accurately reflects the data submitted by Bluewater Power through the Ontario Energy Board's Reporting and Record Keeping Requirements ("RRR") process. The utility data reported by Bluewater Power factors in both operations, maintenance and administration spending, as well as capital spending continuity. Both factors are adjusted through the econometric model found in the PEG Report for a number of business conditions that the Ontario Energy Board has determined facilitate comparison amongst electric utilities. The results of this analysis show that Bluewater Power's costs are within the average cost range for distributors in the Province of Ontario.

Conservation & Demand Management

Bluewater Power has a dedicated staff focused on meeting the Ministry of Energy's objective of creating a 'Culture of Conservation' in Ontario. The delay in 2011 with the Ontario Power Authority's launch of CDM programs impacted early performance, but the overall reported results demonstrate Bluewater Power's leadership in energy conservation. We have many programs available to help our customers control their energy bills, and we continue to strive to meet the Ministers' target for energy savings by the end of 2014. The values presented in the scorecard are calculated based on the Ontario Power Authority's established Evaluation, Measurement and Verification protocols.

Connection of Renewable Generation

Bluewater Power has over 100 micro-embedded facilities connected in our service territory, and have met the connection timelines 100 percent of the time. As the host to the province's largest solar farm (80MW of connected capacity), we work with industry and academics to better understand the impacts of connected renewable generation.

Financial Ratios

Bluewater Power's liquidity and financial leverage ratios are strong compared to the required covenant levels imposed by lenders. The difference between the achieved return on equity compared to the OEB deemed level is not outside of the OEB maximum deadband of 3% above or below deemed equity. Overall, the financial viability of Bluewater Power continues to be strong.