

# Scorecard - EnWin Utilities Ltd.

9/24/2014

Performance Outcomes	Performance Categories	Measures	2009	2010	2011	2012	2013	Trend	Target		
									Industry	Distributor	
<b>Customer Focus</b> Services are provided in a manner that responds to identified customer preferences.	<b>Service Quality</b>	New Residential/Small Business Services Connected on Time	99.00%	99.30%	100.00%	100.00%	99.70%		90.00%		
		Scheduled Appointments Met On Time	97.20%	99.60%	99.60%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	75.70%	76.70%	76.30%	80.30%	82.20%		65.00%		
	<b>Customer Satisfaction</b>	First Contact Resolution									
		Billing Accuracy									
		Customer Satisfaction Survey Results									
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	<b>Safety</b>	Public Safety [measure to be determined]									
	<b>System Reliability</b>	Average Number of Hours that Power to a Customer is Interrupted	0.55	0.99	2.45	1.03	0.94			at least within 0.55 - 2.45	
		Average Number of Times that Power to a Customer is Interrupted	1.18	1.81	2.69	1.88	2.29			at least within 1.18 - 2.69	
	<b>Asset Management</b>	Distribution System Plan Implementation Progress									
	<b>Cost Control</b>	Efficiency Assessment				4	4				
		Total Cost per Customer <sup>1</sup>	\$626	\$681	\$690	\$705	\$652				
		Total Cost per Km of Line <sup>1</sup>	\$47,028	\$49,027	\$49,900	\$52,058	\$48,500				
<b>Public Policy Responsiveness</b> Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	<b>Conservation &amp; Demand Management</b>	Net Annual Peak Demand Savings (Percent of target achieved) <sup>2</sup>			12.00%	15.00%	31.40%			26.81MW	
		Net Cumulative Energy Savings (Percent of target achieved)			27.00%	73.00%	109.00%			117.89GWh	
	<b>Connection of Renewable Generation</b>	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	14.29%	25.00%	50.00%				
		New Micro-embedded Generation Facilities Connected On Time								90.00%	
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	<b>Financial Ratios</b>	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.76	0.73	0.91	1.15	1.18				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.66	0.69	0.55	0.67	0.58				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	8.01%	8.01%	8.01%			
					Achieved	8.49%	3.48%	13.04%			

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

EnWin's call centre and operations centre are in Windsor and EnWin is one of the few utilities to still offer counter service to walk-in customers. EnWin's front line staff is trained to resolve customers' issues directly. Combined with performance results that significantly exceed the industry target, EnWin's customers enjoy some of the best service in Ontario. Importantly, EnWin's investments in technology allow for higher precision and certainty in determining these metrics. Not all distributors have made comparable investments. As a result, these figures are not comparable to all other distributors.

### Customer Satisfaction

The final filing requirement for this section have yet to be stipulated by the OEB.

### Safety

The final filing requirement for this section have yet to be stipulated by the OEB.

### System Reliability

With a 100 year history of serving some of Ontario's most important manufacturing plants, EnWin has built and maintained a robust local grid that powers the local economy. With the introduction of increasingly advanced and power-sensitive industrial and commercial customers, there are ever rising demands on EnWin to limit customer downtime. EnWin's control room remotely manages the local grid: rerouting power and dispatching crews 24/7/365. To keep local rates and nuisance to customers to a minimum, EnWin has continued to invest in a largely overhead supplied system. As a result, EnWin's powerlines are exposed to the elements more than some other urban distributors. While this leads to more outages than primarily underground supplied systems, the trade-off is lower costs to customers. Further, EnWin restores power more quickly than most other distributors, thanks to the constant attention of its staff and crews and its investments in advanced technologies. Importantly, the precision and certainty in determining these metrics depends in large part on the investments made in technology. The process of further enhancement is ongoing at EnWin. Not all distributors have made comparable investments. As a result, these figures are not comparable to all other distributors.

### Asset Management

The final filing requirement for this section have yet to be stipulated by the OEB.

### Cost Control

Total cost is a measure of reinvestment in the local power grid and local economy. The reinvestment needs and programs of the two largest distributors in the province are well known and EnWin is equally committed to its reinvestment initiatives. EnWin's efficiency performance is better than that of the two largest distributors in the province and is comparable to other distributors serving built-out, established communities, and those also serving energy-intensive customers. By contrast, reinvestment programs and efficiency targets are shown to be less an issue for distributors serving new build communities and smaller distributors in semi-rural bedroom communities where the demands on infrastructure are less pronounced. In Windsor, the shift away from energy intensive customers is leading to higher per capita costs for reinvesting in the infrastructure to support the energy intensive customers that do remain. EnWin has chosen to reinvest for the benefit of its remaining customers rather than neglect or harvest lesser utilized assets. Notwithstanding this reinvestment, EnWin has held its distribution rates relatively stable at about \$32 for a typical household (Residential 1000kWh) since 2006.

### Conservation & Demand Management

EnWin is proud to be one of the top performing distributors in helping its customers access funding and achieve energy savings through conservation and demand management (CDM) programs. Hard hit by the global recession only a few years ago, for many of EnWin's customers, these CDM programs have been critical to sustain their operations in Windsor and in Ontario. Success in serving customers of all sizes and low income customers are a priority for EnWin. EnWin recognizes the spill-over effect for the local community in helping its industrial and commercial customers become more energy efficient and therefore more globally competitive.

### **Connection of Renewable Generation**

EnWin works closely with generators that apply to connect to the local grid. Working together, connections can typically be made within the prescribed timeframe. From the introduction of the Green Energy Act through to the end of 2013, EnWin connected 12 large renewable generators (FIT) and over 250 small renewable generators (microFIT). EnWin has connected far more of these generators than most other distributors. This uptake rate is an indicator that EnWin is facilitating renewable generation in accordance with the Government's vision and requirements. Robust historic and ongoing investment in the distribution grid is critical to ensuring continued performance and compliance.

### **Financial Ratios**

While EnWin typically has one of the strongest levels of profitability in the sector (Achieved ROE), its customers pay one of the lowest ROE rates in Ontario (Deemed ROE). That is, EnWin's profitability is funded by achieving cost reductions rather than incremental revenue. Moreover, as a measure of fiscal prudence, EnWin has consistently improved its liquidity and is one of the least leveraged mid-size or large utilities in the province. The stability of EnWin's financial position has allowed EnWin to remain on the OEB's IR ratemaking stream for one of the longest periods in the sector: since EnWin last rebased in 2009. EnWin's commitment to ongoing productivity improvements that benefit its customers is evidenced by its entry into Annual IR. That ratesetting approach caps any rate change at an amount significantly lower than inflation. EnWin's strong financial performance in 2013 was in the context of distribution rates that decreased to \$33 per month for a typical household. The comparability of EnWin's recent financial performance to historic financial performance is impacted by the transition of Canadian Generally Accepted Accounting Principles (GAAP) to the International Financial Reporting Standards (IFRS) as set out by the International Accounting Standards Board (IASB).