

Scorecard - Kenora Hydro Electric Corporation Ltd.

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%	100.00%	100.00%	100.00%	→	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
		Telephone Calls Answered On Time	89.10%	89.40%	100.00%	98.80%	98.50%	↑	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	1.65	1.63	8.99	0.43	0.36	↓	at least within 0.43 - 8.99		
		Average Number of Times that Power to a Customer is Interrupted	1.60	1.51	7.32	0.46	0.11	↓	at least within 0.46 - 7.32		
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				3	3				
		Total Cost per Customer ¹	\$508	\$505	\$555	\$527	\$532				
		Total Cost per Km of Line ¹	\$28,901	\$28,764	\$31,574	\$29,919	\$30,201				
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			1.00%	4.00%	8.00%		0.86MW		
		Net Cumulative Energy Savings (Percent of target achieved)			6.00%	14.00%	25.40%		5.22GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time			100.00%		100.00%				
		New Micro-embedded Generation Facilities Connected On Time							90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.04	1.80	1.90	2.24	1.97				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.77	0.84	0.86	0.81	0.75				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	9.58%	9.58%	9.58%			
					Achieved	1.25%	7.00%	9.50%			

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

Scorecard results for all three measures in this performance category are above the industry target.

Customer Satisfaction

There are no results to report on in this category for 2013. Customer satisfaction measures will be reported on for the 2014 year.

Safety

N/A - Public Safety measures to be determined by the OEB.

System Reliability

System reliability for Kenora Hydro was excellent in 2013, trending downward from historical results and both measures reported are below the distributor target range.

Asset Management

Kenora Hydro has developed a request for proposal and will be working with a vendor to improve the existing plan and to develop the newly required areas of the DSP. Our DSP will be presented with our rate application in 2015.

Cost Control

Kenora Hydro has been given an efficiency assessment of "3".

The total cost per customer was \$532 in 2013, up less than 1% from 2012. The five year average cost per customer is \$525.

Total cost per Km of line was \$30,201, up less than 1% from 2012. The five year average cost per Km line is \$29,872.

Conservation & Demand Management

At the end of 2013, Kenora has achieved 8% of the MW target, and 25.4% of the GWh target.

Connection of Renewable Generation

All connection assessments and micro-generation facilities have been connected on time.

Financial Ratios

Liquidity: For 2013, the liquidity ratio of 1.97 indicates the continued financial health of the LDC. There are no current issues with the ability to meet current financial obligations.

Leverage: In 2013, the total debt to Equity ratio of .75 also indicates the financial health of Kenora Hydro.

Profitability: Deemed ROE of 9.58%, actual ROE achieved was 9.5%.