

Scorecard - Lakefront Utilities 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	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	100.00%	100.00%	100.00%	100.00%	100.00%	→	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	0.99	2.95	1.94	0.50	2.48	↑		at least within 0.50 - 2.95	
		Average Number of Times that Power to a Customer is Interrupted	0.83	1.55	1.51	1.00	1.24	↑		at least within 0.83 - 1.55	
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				2	2				
		Total Cost per Customer ¹	\$379	\$413	\$427	\$430	\$465				
		Total Cost per Km of Line ¹	\$31,082	\$34,350	\$36,999	\$36,506	\$39,825				
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			9.00%	9.00%	15.70%			2.77MW	
		Net Cumulative Energy Savings (Percent of target achieved)			40.00%	55.00%	66.60%			13.59GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		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)	2.23	3.13	3.37	3.18	2.74				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.08	1.31	1.33	1.19	1.17				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	8.57%	9.12%	9.12%			
					Achieved	8.64%	11.40%	9.20%			

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

Customer Satisfaction

First Contact Resolution, Billing Accuracy, and Customer Satisfaction Survey Results are new reporting measures that were introduced in 2014 by the energy regulator (Ontario Energy Board). Information will be available in next year's scorecard.

Safety

Safety is a new reporting measure and is yet to be defined by the energy regulator (Ontario Energy Board) with assistance of the Electrical Safety Authority.

System Reliability

Due to inclement weather in 2013, Lakefront's service area experienced a peak in average number of hours, and the average number number of times that power to a customer was interrupted. Most notably the December 2013 Ice Storm and loss of supply to areas of Lakefronts embedded distribution. Lakefront Utilities Inc would like to thanks its customers for their support and patience during these outages.

Asset Management

This is a new reporting measure introduced by the energy regulator (Ontario Energy Board). Information will be available in next years scorecard.

Cost Control

Performance based reporting with respect to electricity distributors cost efficiency is assigned using the Pacific Economists Group (PEG) Research report. The PEG report ranks distributors into 5 established groups relative to their cost efficiency assessment. Group 1 being the most efficient, and Group 5 being the least efficient.

Lakefront has been ranked into the 2nd efficiency grouping for two continuous years using the PEG report and it is notable that in this grouping Lakefront's cost per customer is the lowest.

Lakefront Utilities experienced an increase to its cost per customer and per km of line due to an increase in capital additions by 17.3% for 2013. In 2013 Lakefront has redistributed its time spent on operations and maintenance to capital work, and as can be expected the Operations and Maintenance expenses have decreased by 0.8%.

Conservation & Demand Management

Connection of Renewable Generation

Financial Ratios

The current ratio has decreased due to an increase in the accounts payable and accrued liabilities as a result of an increase in amounts owing to specific vendors.

The return on equity has decreased from the previous year as 2012 included the recognition of smart meter revenue, and increased revenue for the year. The 2013 ROE is comparable with the 2011 ROE.