

Scorecard - London Hydro 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	99.90%	98.60%	97.60%	96.80%	99.90%		90.00%		
		Scheduled Appointments Met On Time	99.50%	99.70%	99.50%	99.90%	99.90%		90.00%		
		Telephone Calls Answered On Time	56.30%	67.10%	67.30%	68.30%	67.10%		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	0.82	0.85	1.67	0.89	0.99		at least within 0.82 - 1.67		
		Average Number of Times that Power to a Customer is Interrupted	1.38	1.00	2.14	1.30	1.24		at least within 1.00 - 2.14		
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				2	2				
		Total Cost per Customer ¹	\$439	\$436	\$473	\$463	\$466				
Total Cost per Km of Line ¹		\$23,577	\$23,101	\$24,880	\$24,386	\$24,430					
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			16.00%	11.00%	14.30%		41.44MW		
		Net Cumulative Energy Savings (Percent of target achieved)			54.00%	81.00%	100.50%		156.64GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	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)	1.18	1.47	1.53	1.23	1.13				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.62	0.78	0.71	0.66	0.61				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	8.01%	8.01%	8.98%			
					Achieved	6.80%	4.90%	11.22%			

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

New Residential/Small Business Services Connected on Time

London Hydro Inc. connects 99.90% of the new low-voltage services within five (5) business days from the date that the customer fulfilled all requirements for connecting new services. Our performance in this category is well above the required industry standard (90%).

Scheduled Appointments Met on Time

London Hydro Inc. schedules the appointments during the regular hours of operation and meets the customers within the required four hour window of time.

London Hydro meets the scheduled appointments requirements in 99.90% instances. Our performance in this category is well above the required industry standard (90%).

Telephone Calls Answered On Time

Since the implementation of our new CIS in 2009 we have stabilized our service levels for the subsequent years. We will continue servicing London with quality customer service.

Customer Satisfaction

First Contact Resolution

We currently track each customer communication in our CIS System. We strive to meet customer inquiries and requests quickly and efficiently and work to resolve the first time.

Billing Accuracy

London Hydro's practice is to ensure all the checks and balances are in place to produce an accurate bill.

Customer Satisfaction Survey Results

In June 2014, London Hydro received the results of the 2013 Customer Satisfaction Survey. Satisfaction happens when utility core services meet or exceed customers' needs, wants or expectations. London Hydro has participated in the study for many years and has always performed and scored well. Our strategic plan supports continued efforts to maintain the level of satisfaction our customers have come to expect. The "Post" or end of interview scores are as follows:

2009 - 92%

2010 - 85%

2011 - 86%

2012 - 85%

2013 - 92%

2014 - 87%

Safety

At London Hydro, safety is our preeminent priority. Our commitment to safety not only extends to our employees, especially those working on and around our extensive power lines, but also to our residential and business customers who receive electricity from our distribution system and our contractors who provide services on our behalf.

System Reliability

London Hydro is committed to deliver electricity on a reliable basis, by investing in maintaining our assets and infrastructure and improving performance. London Hydro strives to provide power to its customers with minimum number of yearly outages and restore the power as quickly as possible. London Hydro is confident in its ability to meet OEB reliability targets and achieve high customer satisfaction.

Asset Management

In preparation for our 2017 Cost of Service application, London Hydro is actively engaged in the process of developing a Distribution System Plan as required by the OEB. London Hydro recognizes that good distributor planning is an essential pre-requisite to the performance-based rate-setting approaches established under the Ontario Energy Board's renewed regulatory framework for electricity. London Hydro's desires to balance its evolving role as a smart electricity grid manager with its current role as electricity distributor and therefore intends to set realistic asset related performance objectives and use these to approach the evaluation of our performance relative to those objectives. London Hydro's approach to life cycle asset management planning and the management of asset-related operational and financial risk will allow us to effectively plan for

reasonable capital-related expenditures over the OEB requisite five-year forecast period.

Cost Control

London Hydro continues to work diligently to keep customers' costs at a low level. In doing so, London Hydro has been successful at maintaining our efficiency factor at 2 while continuing to provide exceptional service reliability to customers.

The total cost of \$466 per customer is well below the provincial average and London Hydro has been able to keep the cost per customer lower than its 2011 amounts for the past two years.

Conservation & Demand Management

London Hydro is pleased to have achieved its four-year net cumulative energy savings target by the end of 2013, i.e. a full year ahead of schedule. With respect to its peak demand reduction target, once south-western Ontario was declared a "discount zone" for demand response programs (such as DR3), the marketplace sent a very clear signal that the incentives were inadequate to instill the interest of potential customers, i.e. interest and participation came to an abrupt halt in the Fall of 2011). This is not a factor that is within the LDC's control.

Note: London Hydro would note that at the time of writing it was not afforded the opportunity to review the final reported results prepared by the Ontario Power Authority and hence does not express any opinion with respect to the accuracy of values presented.

Connection of Renewable Generation

London Hydro strongly supports the provincial initiative for the installation of renewable energy generation facilities. London Hydro has, and will continue to, assume a leadership role, where possible, to aid in the safe and smooth transition of such facilities onto our distribution system. The Electricity Act, 1998 requires that connection for renewable energy generation facilities be completed by electricity distributors within prescribed timelines, and also requires distributors to report quarterly to the Board on their ability to meet those timelines. London Hydro believes it has been exemplary in fulfilling this requirement and will always continue to do so.

Financial Ratios

London Hydro continues to have healthy financial ratios while maintaining a low level of debt compared to the industry standard.

The return on equity achieved for 2013 is misleading as it includes a one-time gain arising from a timing difference between a non-cash adjustment to the useful lives of assets and when the new rates were implemented for 2013.