

Scorecard - Niagara Peninsula Energy 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	87.90%	84.70%	81.70%	89.30%	79.20%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	83.20%	99.60%	96.20%		90.00%		
		Telephone Calls Answered On Time	61.00%	41.50%	70.30%	76.10%	80.70%		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	3.19	1.77	2.58	2.31	5.31			at least within 1.77 - 3.19	
		Average Number of Times that Power to a Customer is Interrupted	1.33	1.06	1.53	1.23	1.94			at least within 1.06 - 1.53	
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				3	3				
		Total Cost per Customer ¹	\$650	\$676	\$690	\$687	\$672				
		Total Cost per Km of Line ¹	\$16,856	\$17,710	\$17,881	\$17,863	\$17,408				
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%	10.00%	12.90%			15.49MW	
		Net Cumulative Energy Savings (Percent of target achieved)			34.00%	62.00%	94.70%			58.04GWh	
	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					95.79%		90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.56	1.57	1.40	1.69	1.87				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.50	0.52	0.61	0.70	0.80				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	9.58%	9.58%	9.58%			
					Achieved	6.03%	7.23%	6.71%			

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

The 2013 trend for NPEI shows a lower than the 90% Industry Average, at 79.20% attributed to a change in process for servicing new Subdivision Lots within the service area. In the spirit of efficiency & cost effectiveness, NPEI had partnered with Enbridge Gas, who had a Field Crew dedicated to supplying a common trench and duct installation service, from the Service Lead to the meter-base, while they installed the Gas Service. A common stepped trench was excavated, in which the electrical conduit and gas pipe were installed. A coordinated effort between both companies ensured that Line-staff from NPEI were present to install & splice the secondary conductor, and roll out the CATV & Bell Drops, while the Enbridge Crews tapped into the Gas Main and connected the meter. Upon completion the Enbridge Crew performed backfill services of the Trench. The economy of scale realized included, a single call from the Homebuilder to arrange for the provision of servicing from both Utilities upon receipt of appropriate approvals, a single agency arranging locate services for the common trench, a single backhoe and trench for excavation and restoration of both Utilities, a flat rate fee paid by NPEI to Enbridge for the service provision passed through to the builder, and fewer service lead damage claims.

In 2013 Enbridge elected to have a Contractor provide Service Lead installation on their behalf, and deploy their own Crews to other Operations. The new Contractor did not include the services formerly supplied to NPEI within their scope. Until NPEI could negotiate with the Enbridge Contractor to supply these services, new Residential Services needed to be installed and connected. An Electrical Contractor was hired to perform this work on NPEI's behalf, but due to a duplication of efforts, the process was no longer as efficient as previously experienced. Both Contractors could not be on site at the same time, causing delays. Coordinating locates became difficult due to a lack of information dissemination between agencies for services installed to the locate provider. Service lead damage claims increased, due to smaller lot sizes making the installation of two separate trenches, while maintaining safe equipment clearance from installed plant difficult, further complicating and delaying service connection.

After several negotiations, NPEI and the Enbridge Contractor were able to reach an agreement for service provision. A cost structure was agreed to, Documentation for Equipment Inspections, Insurance, and Safety Training were reviewed, the Contractor had Staff Members attend a training course offered by the IHSA to certify secondary splicing competence. Homebuilders were notified that the Enbridge Contractor would now be supplying the service previously afforded by Enbridge and the process to follow. With the Contractor Staff trained to perform secondary splices, NPEI Crews no longer needed to attend the site until the meter install and connection at the transformer was required. This will further streamline the process for service connections, and the statistics should reflect these changes in 2014.

Customer Satisfaction

NPEI completed its first Customer Satisfaction survey in June 2014.

Safety

System Reliability

The 2013 trend for NPEI shows a higher than the Average hours of interruption at 5.31 than previously experienced at 1.77-3.19. This can be explained by two incidents of severe weather events that NPEI experienced.

The first event was a hot weather event with high winds, torrential rains, and a large amount of lightning starting on Friday night of July 19th, 2013, and crews affecting repairs throughout the weekend with accumulated damage repair costs of \$180,423.34. During the first hour of the storm, 4790 customers had an outage. The number of customers experiencing an outage peaked at 15,225, after 5 hours elapsed. After 12 hours, 583 customers were without power. After 24 hours, 376 customers were without power. Power was restored to all of NPEI's customers after 52 hours had elapsed.

The customer outages by feeder for this event are shown below.

Feeder	Counts
18M1	4758
18M2	2471
18M4	63
Niagara West 2	2383
Niagara West 5	1260
Vineland F1	1768
Vineland F2	1901
12M33	1880

Total 16,484

The second severe weather event was a cold weather Ice Event which most of Southern Ontario experienced on December 22, 2013. NPEI began experiencing significant outages at 11 hours into the storm, with 1680 customers without power. The number of customers experiencing an outage peaked at 10,180, after 14 hours elapsed. After 24 hours, 1,565 customers were without power. After 36 hours, 182 customers were without power. Power was restored to all except 2 of NPEI's customers after 54 hours had elapsed.

The number of smart meters reporting outages within NPEI's OMS is shown below.

Smart Meter Alarms

Day	Call Counts
12/21/2013	165
12/22/2013	9461
12/23/2013	789
12/24/2013	115
12/25/2013	14
12/26/2013	8
12/27/2013	2

The System Average Interruption Duration Index (SAIDI) is commonly used as a reliability indicator by electric power utilities. SAIDI is the average outage duration for each customer served.

SAIDI = Sum of all customer interruptions durations / Total number of customers served

The System Average Interruption Frequency Index (SAIFI) is commonly used as a reliability indicator by electric power utilities. SAIFI is the average number of interruptions that a customer would experience.

SAIFI = Total number of customer interruptions / Total number of customers served

An analysis of NPEI's SAIDI and SAIFI indicates that the higher than average results for 2013 are due to the two weather events discussed above. But the data for other years without events out of NPEI's control, demonstrates that NPEI's statistics are well within acceptable limits, based upon industry standards.

Asset Management

Cost Control

Conservation & Demand Management

Connection of Renewable Generation

Financial Ratios