

Scorecard - St. Thomas 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	100.00%	98.80%	99.40%	100.00%	100.00%		90.00%	
		Scheduled Appointments Met On Time	99.30%	99.70%	100.00%	100.00%	100.00%		90.00%	
		Telephone Calls Answered On Time	81.60%	89.50%	82.60%	83.80%	76.50%		65.00%	
	Customer Satisfaction	First Contact Resolution						100%		
		Billing Accuracy						99.94%		
		Customer Satisfaction Survey Results						A A A+		
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	0.13	0.34	0.99	0.22	0.99			at least within 0.13 - 0.99
		Average Number of Times that Power to a Customer is Interrupted	0.39	0.57	1.00	1.05	1.42			at least within 0.39 - 1.05
	Asset Management	Distribution System Plan Implementation Progress						100%		
	Cost Control	Efficiency Assessment						3	3	
		Total Cost per Customer ¹	\$452	\$475	\$496	\$570	\$533			
Total Cost per Km of Line ¹		\$30,208	\$31,562	\$32,876	\$37,496	\$33,412				
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%	11.00%	16.20%			3.94MW
		Net Cumulative Energy Savings (Percent of target achieved)			33.00%	68.00%	105.20%			14.92GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time				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)	1.15	1.51	1.38	1.41	1.42			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.72	0.89	0.92	1.00	0.83			
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	9.58%	9.58%	9.58%		
					Achieved	7.31%	1.31%	10.77%		

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

St. Thomas Energy is committed to providing high quality customer service. Our call answering statistic declined to 76.5% partially due to very high traffic volumes during outages. Overall, our result still ranks well above the industry target of 65%.

Customer Satisfaction

Per UtilityPulse independent survey

Customer Satisfaction

2014 93%

2012 91%

2010 90%

Safety

as of December 31, 2013 STEI achieved the milestone of 1.1 million hours without a lost time injury

System Reliability

St. Thomas Energy Inc. is committed to providing a reliable supply of electricity. Our typical reliability has consistently ranked in the top 10 utilities in the CEA international survey. As an embedded LDC, during the period our customers were impacted by a number of Hydro One outages, some of which were due to maintenance activities, and not storm damage. In addition, a number of weather events occurred typically with trees falling on our plant. In one particular event a customer had contracted inexperienced labour to fell a very large tree that took out a major portion of the City. In all cases St. Thomas Energy staff responded quickly to minimize disruption and re-route power. Our actions are evident in that our average interruption index, although higher, is still within the target set.

Asset Management

STEI has submitted in as part of its DSP within the 2015 COS Rate Application

Cost Control

STEI is committed to sustainable operating efficiencies, optimizing service levels and cost reductions to mitigate customer rate impacts.

Conservation & Demand Management

CDM verified results

Draft

2011 2012 2013

kWh 32.84% 68.10% 105.20%

kW 6.89% 16.50% 31.40%

Connection of Renewable Generation

STEI has in support of the renewable energy generation program has successfully connected 33 microFIT projects totaling 278.2 kW of capacity, and 2 FIT projects totalling 600 kW of capacity

Financial Ratios

2012 ROE of 1.31% was negatively impacted by a number of factors including restructuring costs from a virtual utility to an operating utility as well as an OEB payment-in-lieu tax decision that reduced STEI's variable revenues.

2013 ROE of 10.77% was positively impacted by a number of factors including one-time recoveries of hst and drc related to historical bad debts, recovery of OPA ERIP funding and reduced income taxes due to the recognition of various tax credits, loss carry forward and excess CCA