

# Scorecard - Thunder Bay Hydro Electricity Distribution Inc.

9/24/2014

Performance Outcomes	Performance Categories	Measures	2009	2010	2011	2012	2013	Trend	Target	
									Industry	Distributor
<b>Customer Focus</b> Services are provided in a manner that responds to identified customer preferences.	<b>Service Quality</b>	New Residential/Small Business Services Connected on Time	94.80%	98.30%	99.80%	99.10%	99.80%	↑	90.00%	
		Scheduled Appointments Met On Time	100.00%	99.10%	91.90%	99.60%	97.80%	↓	90.00%	
		Telephone Calls Answered On Time	92.60%	92.70%	91.80%	90.10%	91.80%	↓	65.00%	
	<b>Customer Satisfaction</b>	First Contact Resolution								
		Billing Accuracy								
		Customer Satisfaction Survey Results								
<b>Operational Effectiveness</b> Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	<b>Safety</b>	Public Safety [measure to be determined]								
	<b>System Reliability</b>	Average Number of Hours that Power to a Customer is Interrupted	3.21	2.60	2.77	1.28	1.03	↓		at least within 1.28 - 3.21
		Average Number of Times that Power to a Customer is Interrupted	3.63	3.68	3.65	3.12	2.02	↓		at least within 3.12 - 3.68
	<b>Asset Management</b>	Distribution System Plan Implementation Progress								
	<b>Cost Control</b>	Efficiency Assessment				3	3			
		Total Cost per Customer <sup>1</sup>	\$552	\$572	\$577	\$568	\$585			
		Total Cost per Km of Line <sup>1</sup>	\$23,009	\$24,057	\$24,196	\$24,533	\$25,631			
<b>Public Policy Responsiveness</b> Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	<b>Conservation &amp; Demand Management</b>	Net Annual Peak Demand Savings (Percent of target achieved) <sup>2</sup>			6.00%	27.00%	31.10%			8.48MW
		Net Cumulative Energy Savings (Percent of target achieved)			18.00%	36.00%	67.30%			47.38GWh
	<b>Connection of Renewable Generation</b>	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time					100.00%		90.00%	
<b>Financial Performance</b> Financial viability is maintained; and savings from operational effectiveness are sustainable.	<b>Financial Ratios</b>	Liquidity: Current Ratio (Current Assets/Current Liabilities)	3.87	3.68	1.85	1.72	1.40			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.93	0.90	0.86	0.81	0.66			
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	3.75%	3.75%	7.00%		
					Achieved	7.36%	7.85%	7.10%		

**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

## Safety

## System Reliability

2013 results are largely due to favourable weather resulting in less than typical storm related outages.

## Asset Management

## Cost Control

PEG and OEB provided information has not been validated.

## Conservation & Demand Management

## Connection of Renewable Generation

**Financial Ratios**

Liquidity trending reflects Thunder Bay Hydro's (TBH) Asset Management Plan. As noted in both of TBH's 2009 and 2013 Cost of Service applications, TBH has increased annual capital spending and has financed some internally reducing working capital. The leverage ratio has decreased as TBH converted a portion of the outstanding Note Payable to the Corporation of the City of Thunder Bay to equity during 2013. Profitability in both 2011 and 2012 is reflecting better than deemed due to one-time anomaly transactions (Smart Meter interest recognition, regulatory settlement relating to payment-in-lieu of taxes (PILs) and Ministry of Finance interest on PILs assessment).