

Scorecard - Atikokan Hydro Inc.

9/28/2015

Performance Outcomes	Performance Categories	Measures	2010	2011	2012	2013	2014	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%					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							95%		
		Billing Accuracy						→	100.00%	98.00%	
		Customer Satisfaction Survey Results							Favourable		
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public awareness [measure to be determined]									
		Level of Compliance with Ontario Regulation 22/04	C	C	C	NI	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	→		0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	→		0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.03	0.02	0.30	3.43	0.37	↑		at least within 0.02 - 3.43	
		Average Number of Times that Power to a Customer is Interrupted	0.03	0.15	0.47	1.12	0.09	↑		at least within 0.03 - 1.12	
	Asset Management	Distribution System Plan Implementation Progress							On Track		
	Cost Control	Efficiency Assessment			4	4	4				
Total Cost per Customer ¹		\$895	\$854	\$1,057	\$908	\$800					
Total Cost per Km of Line ¹		\$16,174	\$15,418	\$19,069	\$16,430	\$14,459					
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		8.05%	14.86%	19.57%	32.81%	●		0.20MW	
		Net Cumulative Energy Savings (Percent of target achieved)		32.91%	52.67%	59.31%	79.12%	●		1.16GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		New Micro-embedded Generation Facilities Connected On Time								90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.88	1.36	1.15	1.39	1.35				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.21	3.01	4.93	0.38	0.32				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		8.57%	9.12%	9.12%	9.12%			
			Achieved		-5.31%	-2.52%	11.28%	28.33%			

Notes:

- 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.
- The Conservation & Demand Management net annual peak demand savings include any persisting peak demand savings from the previous years.

Legend:

- up
- down
- flat
- target met
- target not met

Atikokan Hydro Inc. 2014 Scorecard Management Discussion and Analysis

Scorecard MD&A - General Overview

- In 2014, Atikokan Hydro Inc. met or exceeded all performance targets with the exception of one system reliability measure, the Net Annual Peak Demand Savings (32.8%) measure and the Net Cumulative Energy Savings measure (79.10%).
- Atikokan Hydro has had a portion of the bill dedicated to customer ability to express their satisfaction with Atikokan Hydro or make comments. Atikokan Hydro has not had any customers respond to this feature. This could be interpreted as *favorable*. It had been Atikokan Hydro's plan to do an additional survey using in house and internet based techniques. Unexpected staffing has set this option back, but will be completed in time for 2015 scorecard reporting.
- In 2015, Atikokan Hydro expects to improve its overall scorecard performance results as compared to prior years. The performance improvements are expected as a result of enhanced system reliability due to the company's major investment in its distribution system reliability and continued responsiveness to customer feedback.

Service Quality

- **New Residential/Small Business Services Connected on Time**

Atikokan Hydro did not have any new residential/small business connections for 2014. If there had been any the timely connection would be 100%. Disconnects and reconnects for service upgrades to residential / small business are 100% within 5 days or at a mutually agreeable schedule for the customer and contractor involved.

- **Scheduled Appointments Met On Time**

Atikokan Hydro meets 100% of its scheduled appointments on time. Atikokan Hydro strongly believes that our customer's time is very important and should be respected by meeting all scheduled appointments on time.

- **Telephone Calls Answered On Time**

Telephone calls are answered on time 100% of the time.

Customer Satisfaction

- **First Contact Resolution**

Atikokan Hydro has a 95% first contact resolution performance record. Most calls are regarding questions about billing and those are dealt with immediately on the phone. Calls that require the gathering of more data [download the consumption pattern from the ODS system and printing or emailing for the customer] may require an additional contact which will be met within two business days.

- **Billing Accuracy**

Atikokan Hydro bills are accurate 100% of the time in the last quarter of 2014.

- **Customer Satisfaction Survey Results**

Atikokan Hydro has had a portion of the bill dedicated to customer ability to express their satisfaction with Atikokan Hydro or make comments. Atikokan Hydro has not had any customers respond to this feature. This could be interpreted as *favorable*. It had been Atikokan Hydro's plan to do an additional survey using in house and internet based techniques. Unexpected staffing issues has set this option back, but will be completed in time for 2015 scorecard reporting.

Safety

- **Public Safety**

- **Component A – Public Awareness of Electrical Safety**

Atikokan Hydro will combine this section with its customer satisfaction survey to be ready for 2016 reporting.

- **Component B – Compliance with Ontario Regulation 22/04**

Atikokan Hydro takes compliance issues with the Ontario Regulation 22/04 very seriously and strives to ensure that all aspects of Regulation 22/04 are met. Any needs improvement notations from the annual audit are implemented as soon as possible.

○ **Electrical Safety Regulation Compliance**

Year	Compliance Numerical Value
2010	2
2011	2
2012	2
2013	1
2014	2

Compliance Numerical Value Legend

- 0 = Non-Compliant
- 1 = Needs Improvement
- 2 = Compliant

○ **Component C – Serious Electrical Incident Index**

Atikokan Hydro is pleased to publish the data from ESA noted below. As can be seen, Atikokan Hydro has not had any serious incidents. Atikokan Hydro believes safety of both staff and the public to be of the highest importance.

Public Safety Scorecard- Targets

Safety Incidents Index

Year	Number of Incidents	km of Line	Rate Default Value	Serious Incident Index
2010	0	92	10	0.000
2011	0	92	10	0.000
2012	0	92	10	0.000
2013	0	92	10	0.000
2014	0	92	10	0.000

System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

Atikokan Hydro experienced a significant decrease in the average number of hours that power to a customer was interrupted during 2014 as a result of fewer customers being impacted by scheduled outages as well as fewer weather events.

The System Average Interruption Duration Index (Loss of Supply) is an index of system reliability that expresses the average amount of time, per reporting period, supply to a customer is interrupted. It is determined by dividing the total monthly duration of all interruptions experienced by all customers (excluding interruptions caused by Loss of Supply events), in hours, by the average number of customers served for 2014 is 0.37

- **Average Number of Times that Power to a Customer is Interrupted**

Atikokan Hydro experienced a significant decrease in the average number of times that power to a customer was interrupted during 2014 as a result of fewer customers being impacted by scheduled outages as well as fewer weather events.

System Average Interruption Frequency Index (Loss of Supply) is an index of system reliability that expresses the number of times per reporting period that the supply to a customer is interrupted. It is determined by dividing the total number of interruptions experienced by all customers (excluding interruptions caused by Loss of Supply events), by the average number of customers served for is 0.09

Asset Management

- **Distribution System Plan Implementation**

Distribution System Plan Implementation Progress is on track. A consultant has been chosen and the programs will be configured in 2015. The actual data gathering process will start Quarter 3 of 2015. 2015 will see significant data collection. The data collection may be completed in 2016 to allow the DSP plan to be fully developed by 2017.

Cost Control

- **Efficiency Assessment**

Atikokan Hydro is segmented into Group 4; Actual costs are within 10% - 25% of predicted costs.

Atikokan Hydro is working diligently to improve its system reliability; this has resulted in higher capital costs than initially anticipated.

- **Total Cost per Customer**

Atikokan Hydro accepts the peg report total cost per customer of \$800 for 2014. The same report shows 2013 costs per customer at \$908. Even with significant investment in distribution assets the cost per customer is improving.

- **Total Cost per Km of Line**

Atikokan Hydro accepts the peg report 2014 total Cost per Km of Line is \$14,459. The same report for 2013 indicates Cost per Km of line at \$16,430. Even with significant investment in distribution assets the cost per Km of Line is improving. Atikokan has 92 km of line.

Conservation & Demand Management

- **Net Annual Peak Demand Savings (Percent of target achieved)**

Atikokan Hydro achieved 32.8% of its Peak Demand Savings target.

Atikokan Hydro strove to offer all OPA conservation programs to its customers. Atikokan is in a winter peaking geographical location. For this reason, many of the programs did not give the same results as in other areas. Atikokan Hydro's average residential load of 581 kWh per month is lower than the industry standard of 800 kWh per month. This indicates that Atikokan residents are very concerned about conservation and have already made conservation efforts as far as they can.

- **Net Cumulative Energy Savings (Percent of target achieved)**

Atikokan Hydro achieved 79.10 % of its Energy Savings target.

Atikokan Hydro strove to offer all OPA conservation programs to its customers. Atikokan is in a winter peaking geographical location. For this reason, many of the programs did not give the same results as in other areas. Atikokan Hydro's average residential load of 581 kWh per month is lower than the industry standard of 800 kWh per month. This indicates that Atikokan residents are very concerned about conservation and have already made conservation efforts as far as they can.

Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

Atikokan Hydro has not had any renewable generation impact assessments to consider.

- **New Micro-embedded Generation Facilities Connected On Time**

100% of new micro-embedded generation facilities are connected on time

Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

Atikokan Hydro's current ratio is 1.35. This is favorable and indicates Atikokan has the ability to pay its short term liabilities.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

Atikokan Hydro's total debt to equity ratio is 32% Debt to Equity. Atikokan Hydro has put emphasis on controlling its leveraging activity.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Atikokan Hydro's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.12%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

- **Profitability: Regulatory Return on Equity – Achieved**

Atikokan Hydro's achieved ROE for 2014 was 28.33%, higher than other years for Atikokan Hydro.

Atikokan's Hydro's achieved ROE was attributable to a few main drivers:

- Reduced Outside Professional Services
- Staffing changes (hiring apprentice, grant subsidies received, staff vacancy's)
- Other operating expense changes (ie. Insurance provider)
- Emphasis on reliable distribution system (capital)

Note to Readers of 2014 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may

be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.