

# Scorecard - EnWin Utilities Ltd.

9/28/2015

Performance Outcomes	Performance Categories	Measures	2010	2011	2012	2013	2014	Trend	Target		
									Industry	Distributor	
<b>Customer Focus</b>  Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	99.30%	100.00%	100.00%	99.70%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	99.60%	99.60%	100.00%	100.00%	100.00%	↑	90.00%		
		Telephone Calls Answered On Time	76.70%	76.30%	80.30%	82.20%	86.80%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution						97.93%			
		Billing Accuracy						99.86%	→	98.00%	
		Customer Satisfaction Survey Results						Good			
<b>Operational Effectiveness</b>  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	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	1	0	1	0	0	→		0
	Rate per 10, 100, 1000 km of line		0.887	0.000	0.850	0.000	0.000	→		0.244	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.99	2.45	1.03	0.94	0.81	↓		at least within 0.94 - 2.45	
		Average Number of Times that Power to a Customer is Interrupted	1.81	2.69	1.88	2.29	1.85	↓		at least within 1.81 - 2.69	
	Asset Management	Distribution System Plan Implementation Progress						-16%			
	Cost Control	Efficiency Assessment			4	4	4				
Total Cost per Customer <sup>1</sup>		\$681	\$690	\$705	\$652	\$683					
Total Cost per Km of Line <sup>1</sup>		\$49,027	\$49,900	\$52,058	\$48,500	\$51,189					
<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).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) <sup>2</sup>		10.48%	22.88%	49.43%	65.43%	●		26.81MW	
		Net Cumulative Energy Savings (Percent of target achieved)		29.86%	72.80%	108.96%	130.55%	●		117.89GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	14.29%	25.00%	50.00%	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.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.73	0.91	1.15	1.18	1.27				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.69	0.55	0.67	0.58	0.56				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		8.01%	8.01%	8.01%	8.01%			
			Achieved		8.49%	3.48%	13.04%	9.62%			

**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

# EnWin Utilities Ltd. 2014 Scorecard

## Management Discussion and Analysis (“2014 Scorecard MD&A”)

### Scorecard MD&A - General Overview

EnWin has always maintained a strong focus on safety and reliability of supply of electricity for EnWin customers. EnWin’s service territory lies in the highest isokeraunic (lightning) area in Canada and Windsor’s economy relies heavily on manufacturing. As a result, EnWin provides a high level of reliability for its customers and this drives EnWin’s capital and maintenance spending profiles. EnWin also focuses on providing quality customer service, controlling costs and increasing efficiencies in order to deliver reliable power to customers at affordable rates. EnWin is committed to ensuring the safety of its workforce and in 2015 received OHSAS 18001 certification. This standard requires an organization to develop a managed approach to Health & Safety taking into account every element within that standard, with one of the elements being a commitment to continual improvement.

### Service Quality

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

In 2014, EnWin connected 406 new services under 750V. 100% of these services were connected within the five day goal prescribed by the Ontario Energy Board (OEB). This exceeds the OEB-mandated threshold of 90% and has improved over 2013 results. The number of new connections under 750V for 2014 represents an increase of 11.2% over the prior year.

- **Scheduled Appointments Met On Time**

EnWin achieved 100% of the scheduled appointments on time consistent with years prior. This exceeds the industry target of 90% and includes over 6,200 scheduled appointments met on time. Customer requests include meter reads, performing spot services, and other needs.

- **Telephone Calls Answered On Time**

EnWin continues to offer exceptional customer service by answering 86.8% of telephone calls on time. This represents an improvement of 4.6% over prior years. In addition, EnWin’s call volumes over the prior year increased by approximately 17,500 or 15%. This result for several years has consistently exceeded the OEB-mandated 65% target for timely call response.

## Customer Satisfaction

- **First Contact Resolution**

EnWin resolved 97.93% of calls on first contact. EnWin's front line staff is trained to resolve customer's issues directly.

- **Billing Accuracy**

EnWin's billing accuracy is 99.86% which exceeds the OEB-mandated 98% target. This represents data collected from May to December 2014 (after implementation of EnWin's new CIS/Billing system) during which time EnWin produced in excess of 700,000 bills to their customers. EnWin routinely reviews their billing processes for continuous improvement and compliance. As such, EnWin offers customers an easy, convenient and environmentally friendly means to securely access and manage their usage data on-line on a daily, weekly or monthly basis through its "EnWin Connect" web portal.

- **Customer Satisfaction Survey Results**

EnWin has engaged a third party to conduct customer satisfaction surveys. Based on the "Customer Experience Performance rating (CEPr)", the results indicate that a large majority of customers gave a good to excellent experience rating for dealing with EnWin staff. Factors that are considered as part of the overall customer experience include delivery of accessible and consistent customer service, understanding customer expectations, providing timely issue resolution, providing effective communication(s) according to customer needs, demonstrating responsiveness, conducting problem analysis to prevent recurring issues, ease of engagement on issues, seeking customer feedback and following through on recommendations. The CEPr is only one element of the customer survey. The survey also gathers information on engagement, operational effectiveness and service quality through the eyes of the customer. All of the data gathered in the survey is evaluated and used to improve EnWin's customer satisfaction.

## Safety

- **Public Safety**

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

EnWin continues to monitor industry trends and participate in working groups to understand proposed measures for assessing this metric. Current measures under consideration include surveys of public perceptions and electrical safety knowledge, reporting on levels of Public Service Announcement (PSA) broadcasting, numbers of students engaged through school safety outreach educational initiatives and EnWin's participation in the local Children's Safety Village programs.

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

Over the past 5 years, EnWin remains fully compliant with all sections of Ontario Regulation 22/04. This continues to be achieved by EnWin's strong commitment to safety, and adherence to company procedures & policies. Both independent and Electrical Safety Authority (ESA)-driven compliance audits yielded only a few opportunities for improvement. These opportunities have subsequently been addressed.

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

EnWin experienced and reported no (0) Serious Electrical Incidents in 2014.

## System Reliability

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

EnWin continues to invest in infrastructure and new technologies to minimize customer downtime. EnWin's System Average Interruption Duration Index (SAIDI) (average number of hours power is interrupted) for 2014 was 0.81 hours and was the lowest reported in the last 5 years. This average is also lower than the average for the previous 5 years (1.185 hours). EnWin's investment in infrastructure renewal and modernization, including automated switches, contributes to the reduction in the average time that customers have interrupted power. The relatively low interruption duration is also a result of a mild summer and fewer, less severe storm incidents. EnWin's infrastructure is a largely overhead supplied system which results in a more exposed grid footprint than predominantly underground utilities. EnWin operates a Control Centre 24/7/365 to monitor and operate its grid in order to minimize impact to customers in the event of power disruptions.

## System Reliability (cont'd)

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

EnWin's System Average Interruption Frequency Index (SAIFI) (average number of times power is interrupted) for 2014 was 1.85 times and was the second lowest reported interruption frequency for the last 5 years. This was lower than the average for the previous 5 years (1.9572). The relatively low frequency of interruption was a product of a mild summer storm period as well as EnWin's investment in renewing infrastructure at end of life and its maintenance programs such as tree trimming.

## Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a new performance measure instituted by the OEB starting in 2013. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. The Distribution System Plan ("DSP") outlines EnWin's forecasted capital expenditures, over the next five (5) years, required to maintain and expand the distributor's electricity system to serve its current and future customers. The "Distribution System Plan Implementation Progress" measure is intended to assess EnWin's effectiveness at planning and implementing the DSP. EnWin filed its DSP with the OEB on May, 2014 and as such, 2014 is the first year for reporting on the implementation of the plan. EnWin measures progress on the DSP relative to the percentage of actual capital spend to planned spending per the DSP. For 2014, EnWin's DSP indicated a planned capital spend of \$21.0M. The actual 2014 capital spend was \$17.4M or 83% of the planned spend. EnWin considers its progress to be successful given the actual capital spend is within +/- 20% of the planned spend. Major variances include work planned to be completed in coordination with City of Windsor road widening work which was delayed due to other priority projects and variances related technological investments.

## Cost Control

- **Efficiency Assessment**

The total costs for Ontario Local Electricity Distribution Companies are evaluated by the Pacific Economics Group LLC (PEG) on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. As reported in the PEG report, EnWin has been placed in Group 4, where a Group 4 distributor is defined as having actual costs within 10% to 25% more than predicted by the PEG for that distributor group. EnWin is replacing assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts. EnWin has experienced minimal growth rates with upward cost pressures.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of EnWin's capital and operating costs divided by the total number of customers that EnWin serves. The cost performance result for 2014 is \$683/customer which is a 4.8% increase over 2013. Nevertheless, the total cost per customer is the same as it was in 2010 according to the same calculation. EnWin's cost per customer is comparable to other distributors serving built-out, established communities, and to distributors serving energy-intensive customers. EnWin is committed to infrastructure reinvestment in order to meet its customer's expectations for reliability with a reasonable cost. While EnWin's load base has eroded since peaking in 2006, EnWin continues to invest in replacement of its infrastructure as that infrastructure reaches end-of-life. This investment is to ensure that EnWin's customers continue to have the reliable electrical service they currently enjoy. Notwithstanding this reinvestment, EnWin has held its distribution rates relatively stable at about \$32 for a typical household (Residential 1000kWh) since 2006.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that EnWin operates to serve its customers. EnWin's 2014 rate is \$51,189 per km of line, a 5.5% increase over 2013. EnWin's customer base has very limited growth while the commitment to reinvest remains. EnWin continues to seek opportunities to realize efficiencies and innovation through the investment in new technologies and infrastructure at a low cost.

## Conservation & Demand Management

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

EnWin achieved 65.43% of its net annual peak demand targets. EnWin was in line with the provincial progress towards this same target and ranked 18 of 76 utilities in this category. This high ranking was achieved through strong relationships and support of conservation efforts from EnWin's Industrial, Commercial and Institutional ("ICI) customers and EnWin's local channel partners.

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

EnWin exceeded its four year net cumulative energy savings target by the end of 2014. EnWin achieved 130.55% of its target. EnWin's success is directly attributable to the strong participation of local ICI customers in the saveONenergy for business programs.

## Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving all required documentation. In 2014, EnWin completed eleven (11) CIAs and all were done within the prescribed time limit. This is an improvement over the past year. EnWin has developed and implemented measures to ensure CIAs are done within the specified time limits by defining requirements for proponents more clearly and by standardizing on both the format and technical components of the consultant's reports.

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

In 2014, EnWin connected 27 MicroFIT generation facilities and 100% were done within the prescribed time frame of five (5) business days. This exceeds the minimum acceptable performance level for this measure to connect within the prescribed time frame 90% of the time. All connections were completed within two (2) days of the all-ready date and nine (9) were connected on the same day. These times are achieved by performing daily checks for ESA Authorization, providing instant notification to the Metering department when connections are ready, and by having a quick dispatch process for meter installers.

## Financial Ratios

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

As an indicator of financial health, a current ratio greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

EnWin’s current ratio increased from 1.18 in 2013 to 1.27 in 2014. This is a reflection of strong financial performance.

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

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). EnWin’s debt to equity ratio is 0.56. This trend has been consistent over the past 5 years. This ratio supports how EnWin is fiscally prudent.

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

EnWin’s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.01%. 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. EnWin’s customers pay one of the lowest ROE rates in Ontario (Deemed ROE).

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

EnWin’s return on equity achieved in 2014 was 9.62%, which is within the +/-3% range allowed by the OEB. EnWin has a strong commitment to focus on continuous productivity and process improvements and to realize efficiencies for all stakeholders, including EnWin’s customers. EnWin’s core business plan is driven by its vision to continue to be a respected leader in the delivery of safe and reliable power and water for Windsor rate payers. This vision is based on values of integrity, leadership and accountability. A number of initiatives have been completed that have allowed EnWin to realize operational efficiencies, synergies and cost savings. This has effectively created value for EnWin’s customers. EnWin continues to seek these opportunities in order to realize future benefits.

## 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.