

Scorecard - Hydro One Brampton Networks Inc.

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	100.00%	100.00%	100.00%	99.80%	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	78.40%	89.20%	84.00%	80.60%	75.00%		65.00%		
	Customer Satisfaction	First Contact Resolution									
		Billing Accuracy				0.00%	99.61%		98.00%		
		Customer Satisfaction Survey Results				Excellent	Excellent				
<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	NI	NI	C	C	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	0.46	0.68	0.74	9.84	0.55		at least within 0.46 - 9.84		
		Average Number of Times that Power to a Customer is Interrupted	0.76	1.05	1.06	3.30	0.90		at least within 0.76 - 3.30		
	Asset Management	Distribution System Plan Implementation Progress				Excellent	94%				
	Cost Control	Efficiency Assessment				3	3	3			
		Total Cost per Customer <sup>1</sup>	\$588	\$587	\$571	\$586	\$617				
Total Cost per Km of Line <sup>1</sup>		\$27,956	\$27,938	\$27,424	\$27,565	\$28,458					
<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>		11.54%	20.62%	32.19%	61.22%		45.61MW		
		Net Cumulative Energy Savings (Percent of target achieved)		27.40%	53.20%	77.34%	126.28%		189.54GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	55.00%	100.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time				100.00%	95.56%		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)	0.75	0.88	1.14	0.89	0.85				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.43	1.44	1.55	1.57	1.51				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		9.66%	9.66%	9.66%	9.66%			
			Achieved		11.16%	10.72%	10.64%	9.45%			

**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 include any persisting peak demand savings from the previous years.

**Legend:** up down flat  
 target met target not met

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

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2014 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

### Scorecard MD&A - General Overview

In 2014, Hydro One Brampton exceeded all performance targets established by the Ontario Energy Board (OEB), with the exception of one of the Conservation and Demand Management (CDM) measures, namely Net Annual Peak Demand Savings. Despite overachieving the assigned energy target, and best efforts from the Hydro One Brampton Energy Conservation team in implementing all of the available OPA CDM Programs, Hydro One Brampton was able to achieve only 61.2% of its demand target. On average Ontario LDCs achieved 70% of the provincial peak demand target.

Hydro One Brampton is proud to serve the diverse community of Brampton, one of the fastest growing cities in Canada. The Company’s overall strategy is to continue to improve its customer satisfaction and its operations, with employee safety and reliability being of foremost importance. The current plan continues to focus on productivity improvements and cost containment by further leveraging current resources, infrastructure and other technologies. Hydro One Brampton ensures that each customer interaction provides value for the customer and that each interaction is efficient, relevant and consistent. The Company offers its customers a variety of opportunities to connect with the utility through customer visits, community events, facility tours, and online.

In 2015, Hydro One Brampton expects to improve its overall scorecard performance results as compared to prior years. The Company continues to invest in its distribution system based on prudent system planning and asset management processes which incorporate customer interests and feedback. As a result of such investments, the Company expects to reduce the average number of times that power to a customer is interrupted. Also, in 2015 Hydro One Brampton continues to improve its CDM action plans by adding additional resources, partnering with other distributors, and continuing to promote CDM programs in its service territory.

## Service Quality

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

In 2014 Hydro One Brampton connected 100% of 3,642 eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Distribution System Code. This is a slight improvement from the previous year and above the OEB-mandated threshold of 90%. Serving one of the fastest growing cities in Canada, Hydro One Brampton receives high volumes of requests to connect new residential developments and businesses each year. Hydro One Brampton integrates the connection work with its planned construction activities to ensure that the scope, nature and timing of connection work is effectively coordinated with the Company's planned work program. Where possible, Hydro One Brampton strives to identify and leverage any potential synergies between the connection work and other planned construction activities undertaken by the utility, other utilities and/or municipal and provincial agencies. Hydro One Brampton is continuing to work with a number of stakeholders to further enhance the coordination between the stakeholders' and the utility's construction activities.

- **Scheduled Appointments Met On Time**

Providing excellence in customer service is at the core of Hydro One Brampton's corporate philosophy, and the Company is consistently seeking new ways to foster meaningful two-way communication, expand the range of service offerings, improve service convenience, and integrate new technological advancements to drive service level improvements. In 2014, Hydro One Brampton scheduled over 2,100 appointments with its customers to complete work requested by customers. This included activities such as reading and connecting meters, promoting conservation initiatives, or providing access to customer owned substations for maintenance purposes to name a few. Consistent with the prior year, the utility met 100% of these appointments on time, which significantly exceeds the industry target of 90%.

- **Telephone Calls Answered On Time**

In 2014 Hydro One Brampton customer care agents received approximately 145,000 calls from customers, i.e. over 500 calls per day. An agent answered a call in 30 seconds or less in 75% of these calls. This result exceeds the OEB-mandated 65% target for timely call response. However, it also represents a decrease of 5% in 2014 as compared to 2013. In reviewing the overall performance of our customer interaction Hydro One Brampton has implemented a number of changes focused on both improving call answering time and also the quality of the interaction in answering our customers questions. These changes include a revamp and improvements to our call agent training program, reorganization within the department to improve call handling and planned updates to our phone systems. Moving forward, Hydro One Brampton remains focused on improving both this performance metric and on improving the overall interaction and experience with our customers.

## Customer Satisfaction

- **First Contact Resolution**

Systems and processes to track and report this scorecard metric will be put into place and reporting will begin in 2015.

- **Billing Accuracy**

The Ontario Energy Board prescribed a measurement of billing accuracy effective Oct 1, 2014 for all electricity distributors. Hydro One Brampton implemented this prescribed methodology and continually monitors its billing accuracy results and processes with a goal to exceed the OEB performance standard and to identify opportunities for improvement. For the period Jan 1, 2014 - Dec 31, 2014, Hydro One Brampton issued a total of 1,782,605 bills achieving an accuracy of 99.61 in 2014. This compares favourably to the prescribed OEB target of 98%.

- **Customer Satisfaction Survey Results**

The OEB introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report the customer satisfaction result at least every other year. At this time the Ontario Energy Board is allowing electricity distributors discretion as to how they define, track and report this measure.

In 2014, Hydro One Brampton had approximately 149,700 customers and engaged a Polling Agency with experience in the electrical utility sector to conduct the Company's yearly Customer Satisfaction surveys. These surveys were conducted in Q1 and Q4 and included customers in the Residential class, General Service < 50 kW and General Service > 50 kW classes, respectfully. Hydro One Brampton received an "A" as an Overall Performance Rating as compared to a "B+" for the provincial rating for the Residential and General Service < 50 kW classes. Hydro One Brampton also received an overall Customer Satisfaction Rating of 97% as compared to the Ontario rating of 95% for the General Service > 50 kW classes. A wide range of topics were covered in the surveys including customer outages, energy conservation, E-care and customer experience. Hydro One Brampton worked closely with the Polling Agency to develop questions that would assist Hydro One Brampton in identifying areas of improvement and to attain a better understanding of our customers' needs and expectations of Hydro One Brampton. The results are currently being used as tools to improve customer service, customer relations and communication.

## Safety

- **Public Safety**

The OEB introduced the Safety measure in 2015. This measure looks at safety from a customers' point of view as the safe operation of the distribution system and the safety of the public is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.

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

In 2014, Hydro One Brampton undertook many public safety awareness efforts that will assist in achieving favourable results when the company launches the new public awareness survey in 2015. Initiatives undertaken by the Company are as follows: participated in the City of Brampton's Annual Emergency Preparedness Week, organized a Public Open House and utilized multiple safety tools (e.g. Safety Booth and Hazard Hamlet) to visualize electrical hazards, delivered Electrical Safety Awareness training for the Community Emergency Response Volunteers Group and delivered 26 sessions of School Electrical Safety Awareness Program to 13 schools in the City of Brampton.

In 2015, Hydro One Brampton will launch the new public awareness survey among a representative sample of its territory population. The survey will gauge awareness levels of key electrical safety concepts related to the electricity distribution system and will be based on a template survey provided by the ESA. The survey provides a benchmark of levels of awareness including identifying gaps where additional education and awareness efforts may be required. Note, this component of the public safety measure will not have performance data for the 2014 scorecard because the survey result is not available. 2016 will be the first year that the data for this component of measure will be shown on the scorecard providing the 2015 results.

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

In 2014, Hydro One Brampton met the target and was fully compliant with Regulations 22/04 Electrical Distribution Safety. The 2014 Hydro One Brampton audit identified full compliance of sections 4-8 of the Regulations 22/04. Furthermore, Hydro One Brampton declared compliance to sections 3, 9 to 12 of the Regulations 22/04. ESA's evaluation of Due Diligence Inspections and concerns of public safety identified Hydro One Brampton as compliant in 2014.

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

Hydro One Brampton has met both of the 2014 targets for serious electrical incident index relating to the number of general public incidents and the rate normalized per 1,000 km of line. In 2014, Hydro One Brampton did not experienced any non-occupational (general public) serious electrical incidents involving Hydro One Brampton assets at or above 750V and hence had a zero rate normalized to 1,000 km of line.

## System Reliability

Hydro One Brampton met both reliability targets in 2014 and improved compared to 2013 levels which were substantially impacted due to the severe ice storm experienced in the week of December 21<sup>st</sup> 2013. The Company's 2014 strong performance pertaining to reliability is attributed to diligent efforts through distribution system inspections, monitoring equipment failures and system events, identifying trends and performance root cause analysis. In 2014, 47% of the outage events were attributed to equipment failures with the majority involving underground cables, transformers and pad mounted switchgear assets. Another leading cause of outages were foreign interference events which include animal contact and vehicle collisions/impacts which attributed to 15% of the outages experienced. The Company continues to invest in the distribution system and processes.

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

Hydro One Brampton's average number of hours that power to a customer was interrupted improved from 9.84 hours in 2013 (this includes the ice storm impact,) to 0.55 hours in 2014 and is within the target range of 0.46 to 9.84 hours. By removing the impact of extreme storms experienced in 2013, Hydro One Brampton's 2013 average number of hours that power to a customer was interrupted is 0.51 hours. Hydro One Brampton's performance in this metric is consistent with previous levels and significantly better than the industry average of 1.45 hours.

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

Hydro One Brampton's average number of times that power to a customer was interrupted improved from 3.30 instances in 2013 (this includes the ice storm impact,) to 0.90 occurrences in 2014 and is within the target range of 0.76 to 3.30 occurrences. By removing the impact of extreme storms experienced in 2013, Hydro One Brampton's 2013 average number of times that power to a customer was interrupted is 0.93 occurrences. Hydro One Brampton's performance in this metric is consistent to previous levels and remains better than the industry average of 1.09 times.

## Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan (DSP) 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 this measure in the manner that best fits their organization.

The DSP outlines Hydro One Brampton's forecasted capital expenditures from 2014 to 2019 that are required to maintain and expand the Company's electricity system to serve its current and future customers. Hydro One Brampton's 2014 - 2019 DSP was developed based on asset management and planning practices that incorporated investment portfolio optimization, work execution and continuous improvement

stages. Although the DSP is a five year plan, the Company undertakes a review of the plan annually to incorporate improvements and updates. The DSP is based on information derived from studies such as the Asset Condition Assessment and Growth Projection to form the needs for Hydro One Brampton's distribution system requirements. DSP capital investment implementation performance measures are integrated into the company's work program achievement, which forms part of the Company's corporate performance scorecard.

Hydro One Brampton defines the DSP Implementation Progress measure as the ratio of completed projects versus the total number of planned projects. The Company completed 31 of 33 planned projects and programs representing a 94% completion rate. 2014 Capital spending for building improvements was deferred due to organizational restructuring and road widening spending was lower than planned due to adjusted scope of work and schedules required by the local road authorities.

## Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC ("PEG") evaluates the total costs for Ontario local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. The rankings of the electricity distributors are divided into five groups based on the magnitude of the difference between their actual and predicted costs. In 2014, Hydro One Brampton was placed in Group 3, where Group 3 is defined as having actual costs within +/- 10 percent of predicted costs.

Group 3 is considered "average efficiency" – in other words, Hydro One Brampton's costs are within the average cost range for distributors in the Province of Ontario. In 2014, 47% (34 distributors) of the Ontario distributors were ranked as "average efficiency"; 28% were ranked as "more efficient"; 25% were ranked as "less efficient. Although Hydro One Brampton's goal is to advance to the "more efficient" group in the future, management's expectation is that the Company's efficiency performance will not decline.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Hydro One Brampton's capital and operating costs and dividing this cost figure by total number of customers that Hydro One Brampton serves. Hydro One Brampton's Total Cost per Customer has increased on average by 1.21% per year over the period 2010 to 2014.

In 2014, Hydro One Brampton continued to have the lowest operating, maintenance and administrative cost per customer of all electricity distribution companies in Ontario. However, the Company's Capital Costs are higher as the City of Brampton continues to remain one of the fastest growing cities in Canada. With such growth, Hydro One Brampton must ensure that the electrical distribution infrastructure and system capacity is available to connect the increasing number of new customers. Drivers impacting Capital Costs include expansion projects driven by third party external factors such as customer demand, as well as expansion requirements from the City of Brampton, Region of Peel and Provincial transportation infrastructure. Projects that are triggered by third parties such as railways, provincial and municipal

governments, road authorities, and regulatory agencies contribute to higher Capital Costs. In 2014, system growth due to the connection of new customers accounted for 58% of the Company's total 2014 capital expenditures. Hydro One Brampton must build new system infrastructure and increase the capacity of the main distribution system as new residential, commercial and industrial customers take up residence and business in Brampton. The impact of growth and third party initiatives drive the requirements for new system construction.

Hydro One Brampton will continue to implement productivity and efficiency initiatives to help offset some of the costs associated with future system expansion and enhancements. Customer engagement initiatives will continue in order to ensure customers have an opportunity to share their viewpoint on Hydro One Brampton's spending plans.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Total Cost per Customer calculation above, the Total Cost is divided by the kilometers of line that Hydro One Brampton operates to serve its customers. Hydro One Brampton's Total Cost per Km of Line has increased on average by 0.45% per year over the period 2010 to 2014. The cost drivers for the Total Cost per Km of Line is the same as per the Total Cost per Customer section above. Hydro One Brampton continues to seek innovative solutions to help ensure cost/km of line continues to remain competitive and within acceptable limits to our customers.

## Conservation & Demand Management

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

Hydro One Brampton was able to achieve 61.2% (27.9MW) of its Net Annual Peak Demand Savings target as of the end of 2014. Despite achieving only 61.2% of the target, Hydro One Brampton was in the top third of all Ontario LDC's in achieving targets as identified in the IESO's 2011-2014 Final Results Report. This same report identified that collectively, Ontario LDCs only achieved 70% of the provincial peak demand target.

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

Hydro One Brampton surpassed its four-year net cumulative energy savings target by the end of 2014, being able to achieve 126.3% as identified in the IESO's 2011-2014 Final Results Report. This same report identifies that collectively, Ontario LDCs achieved 109% of the provincial energy target. As a result, Hydro One Brampton not only exceeded its assigned target, but also exceeded the collective total. This successful achievement was made possible by the continuous relationships generated and maintained by Hydro One Brampton's Energy Conservation Staff with its Commercial and Industrial clients and the substantial participation of those clients in the Ontario Power Authority's (OPA,) province wide programs in 2014.

## 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 authorization from the Electrical Safety Authority. In 2014, Hydro One Brampton completed 22 of 22 Connection Impact Assessments within the required time frames. Hydro One Brampton remains committed to enabling renewable generation projects and has completed all connections impact assessments and corresponding application reviews within the prescribed timelines.

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

The Company connected 45 micro-FIT projects to the grid. 43 of these projects were connected within the prescribed time frame. Hydro One Brampton has achieved 96% compliance with regards to this measure surpassing the OEB requirement of 90%. Hydro One Brampton remains committed to enabling renewable generation projects and improving on its performance for this measure through continuous improvement of its project management and implementation functions.

## Financial Ratios

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

Hydro One Brampton's current ratio decreased from 0.89 in 2013 to 0.85 in 2014 driven by an increase in accounts payables due to higher cost of power and accrued OPA remittances.

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

The deemed capital structure used by the OEB for rate making purposes is 60% debt, 40% equity. This deemed capital structure is equal to a debt to equity ratio of 1.5 (60/40). Hydro One Brampton's debt equity ratio in 2014 was 1.51 which is in line with the OEB's deemed debt equity ratio indicating that Hydro One Brampton is leveraged to the same degree as the deemed capital structure. Hydro One Brampton's debt to equity ratio decreased from 1.57 in 2013 to 1.51 in 2014 due to lower bank indebtedness and higher shareholders equity, partially offset by an increase in long term debt.

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

Hydro One Brampton's deemed Return on Equity ("ROE") of 9.66% was approved by the OEB in Hydro One Brampton's 2011 cost of service rate application. This deemed ROE remains the same until the Company's next cost of service application which takes effect in 2015. Therefore there is no change to the deemed ROE until 2015. The OEB allows distributors to earn within a +/- 3% range of the expected return on equity. When actual performance is outside of this band a regulatory review of a distributors revenues and costs structure by the OEB may be triggered.

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

Hydro One Brampton's regulatory return on equity achieved was 9.45% which is within the deemed 9.66% +/- 3% range allowed by OEB. Hydro One Brampton's regulatory return on equity decreased from 10.64% in 2013 to 9.45% in 2014 due to lower net income and increased rate base. Net income was lower in part due to higher Operating Maintenance and Administration expenditures due in part to organizational restructuring, higher depreciation and financing costs and was partially offset by higher distribution revenue, as a result of increased energy consumption and growth in the number of customers.

## 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.