# Scorecard - PowerStream Inc.

## Performance Outcomes

### Performance Categories

#### Customer Focus

Services are provided in a manner that responds to identified customer preferences.

#### Service Quality

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.60%</td>
<td>93.10%</td>
<td>98.10%</td>
<td>98.10%</td>
<td>97.80%</td>
<td></td>
<td>90.00%</td>
</tr>
<tr>
<td>Scheduled Appointments Met On Time</td>
<td>99.30%</td>
<td>98.70%</td>
<td>99.60%</td>
<td>99.80%</td>
<td>99.70%</td>
<td></td>
<td>90.00%</td>
</tr>
<tr>
<td>Telephone Calls Answered On Time</td>
<td>68.30%</td>
<td>77.20%</td>
<td>69.20%</td>
<td>68.30%</td>
<td>71.00%</td>
<td></td>
<td>65.00%</td>
</tr>
</tbody>
</table>

#### Customer Satisfaction

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Contact Resolution</td>
<td>99.93%</td>
<td>99.93%</td>
<td>98.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billing Accuracy</td>
<td>91%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction Survey Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Operational Effectiveness

Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.

#### Safety

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Public awareness [measure to be determined]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>NI</td>
<td>NI</td>
<td>NI</td>
<td>C</td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serious Electrical Incident Index</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of General Public Incidents</td>
<td>0.161</td>
<td>0.000</td>
<td>0.135</td>
<td>0.134</td>
<td>0.132</td>
<td></td>
<td>0.078</td>
</tr>
<tr>
<td>Rate per 10, 100, 1000 km of line</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### System Reliability

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>0.54</td>
<td>1.05</td>
<td>1.04</td>
<td>9.77</td>
<td>1.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>0.80</td>
<td>1.00</td>
<td>1.53</td>
<td>2.24</td>
<td>1.66</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Asset Management

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution System Plan Implementation Progress</td>
<td>83.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Cost Control

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency Assessment</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost per Customer</td>
<td>665</td>
<td>614</td>
<td>645</td>
<td>653</td>
<td>668</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost per Km of Line</td>
<td>26,667</td>
<td>27,494</td>
<td>29,405</td>
<td>29,912</td>
<td>31,980</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 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

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Annual Peak Demand Savings (Percent of target achieved)</td>
<td>14.55%</td>
<td>26.87%</td>
<td>50.98%</td>
<td>76.35%</td>
<td></td>
<td></td>
<td>95.57MW</td>
</tr>
<tr>
<td>Net Cumulative Energy Savings (Percent of target achieved)</td>
<td>35.98%</td>
<td>66.65%</td>
<td>92.64%</td>
<td>120.38%</td>
<td></td>
<td></td>
<td>407.34GWh</td>
</tr>
</tbody>
</table>

#### Connection of Renewable Generation

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>93.83%</td>
<td>93.57%</td>
<td>93.57%</td>
<td>93.57%</td>
<td>93.57%</td>
<td></td>
<td>90.00%</td>
</tr>
</tbody>
</table>

#### Financial Performance

Financial viability is maintained; and savings from operational effectiveness are sustainable.

#### Financial Ratios

<table>
<thead>
<tr>
<th>Measures</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.02</td>
<td>0.91</td>
<td>1.19</td>
<td>0.77</td>
<td>1.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.38</td>
<td>1.30</td>
<td>1.32</td>
<td>1.39</td>
<td>1.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>8.01%</td>
<td>8.01%</td>
<td>8.93%</td>
<td>8.93%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Equity Achieved</td>
<td>10.09%</td>
<td>8.55%</td>
<td>9.98%</td>
<td>9.49%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 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.

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

**Target:**
- Industry
- Distributor
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_Performance_Measure_Descriptions.pdf)

**Scorecard MD&A - General Overview**

PowerStream’s management is pleased with the 2014 scorecard results over all four perspectives: customers, operational effectiveness, public policy responsiveness and financial performance.

We are especially pleased with the excellent results related to customer experience, where the performance metrics all exceeded industry standards and the overall customer satisfaction level was 88%. This is gratifying because these results were achieved when a new billing system was being implemented and the Customer Service Department was in a period of significant change.

In 2013, overall, customers experienced a higher number of power interruptions with longer duration due to the December ice storm. Results were much better in 2014, but PowerStream would like to have fewer outages of a shorter length of time. We are replacing older assets that are prone to failure on a systematic basis. The 101.2% result on the Distribution System Plan progress shows that we are delivering on our plan to renew the power distribution plan and to serve customers. We have also re-vamped our tree trimming program in order to keep tree limbs away from power lines. We are increasing the use of technology to remotely switch customers to a new, live circuit when there is outage.

In 2014, the 2011 to 2014 Conservation & Demand Management (CDM) framework ended. PowerStream fell short on the demand target due to changes in the market, but significantly overachieved for energy savings. PowerStream staff was actively engaged in the planning for the 2015 to 2020 CDM framework and looks forward to working with customers to help them save on their electricity costs.

From a financial perspective, PowerStream staff seeks to achieve the return on equity allowed by the Ontario Energy Board. This was the case in 2014 and in previous years.

**Service Quality**

- New Residential/Small Business Services Connected on Time
In 2014, PowerStream connected 97.8% of new services within the 5 day OEB mandated window for the more than 9,500 new low voltage residential and small business customers. This result is very consistent with the 98.1% PowerStream connected in both 2012 and 2013. PowerStream has implemented internal processes to maintain consistency in this area to ensure customer expectations are met and maintained.

- **Scheduled Appointments Met On Time**

PowerStream met 99.7% of appointments scheduled during 2014. This resulted in only 5 appointments not being met out of the 1,851 scheduled as per the OEB requirements. The 5 missed appointments were all re-scheduled within the required 24 hour window. These results have been very consistent year over year going back to 2010. PowerStream utilizes shared program resources to allow all interested internal groups to view updated and live appointment scheduling. This has proven effective in being able to manage our appointments and quickly engage customers where unforeseen circumstances occur.

- **Telephone Calls Answered On Time**

In 2014 PowerStream’s customer contact centre successfully responded to more than 280,000 calls in 2014. PowerStream still offered the assurance of exceeding the OEB mandated target of 65%.

The increase of our online presence offered customers with a 24/7 service capacity to the most common customer inquiries and service needs without compromising quality or service excellence.

### Customer Satisfaction

- **First Contact Resolution**

For PowerStream, First Call Resolution (FCR) success or measurement is based on data collected by automated calls to our customer which are completed within 7 days of the customer calling our contact centre. The customer sampling is completed randomly as a third party service provider is provided a report of inbound customer telephone calls to the PowerStream contact centre. The service provider in turn contacts the customer within 7 days of their initial contact with our office to identify the ability of the Customer Service Representative to fulfill the request/need of the customer to completion via an automated questionnaire. For 2014 PowerStream FCR success exceeded 80%.

- **Billing Accuracy**
PowerStream Inc. has maintained a high level of billing accuracy in 2014, surpassing the newly set industry wide performance target of 98% that was set in July 2014 after consultation with a group of electricity distributors. A number of process improvements, parameters and quality checks have aided to ensure accuracy of bills issued to customers. The measurement period started on October 1, 2014 and from that date to December 31, 2015, PowerStream issued 593,000 bills and surpassed the target with an accuracy measurement of 99.93%. In 2015, PowerStream continues to monitor to ensure billing accuracy has high regard while transitioning to a new CIS system.

- **Customer Satisfaction Survey Results**

Each year, PowerStream conducts Customer Satisfaction surveys through telephone and web surveys, focus groups and interviews with the aim to assess Customer Satisfaction with services provided and to make improvements as required. The surveys are administered by third party vendors, who then collect and analyze responses and report on the findings to PowerStream. The surveys gather valuable input from customers on their service expectations and needs, and questions asked as a part of the surveys include satisfaction with PowerStream, customer service, outages and outage management, billing, online tools, customer communications, etc. The surveys also provide PowerStream with an overall Customer Satisfaction rating that can be benchmarked year after year. The findings from the annual survey results are utilized to make enhancements in processes, services and communications strategies throughout the organization. In 2014, PowerStream’s overall Customer Satisfaction rating was 88%, a slight decline from the 2013 rating of 91%, but higher than the Ontario LDC average of 81.5%. A part of the decline in the rating in 2014 can be related to the ice storm and changes were made to PowerStream web site, customer communications and outage centre as a result of customer feedback received. Some examples of changes that have been made as a result of customer feedback in prior years include improvements in the Telephone IVR system, online customer self-serve forms and redesigned customer newsletters. PowerStream plans on continuing to use the survey results and customer feedback in order to ensure alignment of services provided with customer needs.

### Safety

- **Public Safety**

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

    Measure not yet established.

  - **Component B – Compliance with Ontario Regulation 22/04**
Ontario Regulation 22/04 - *Electrical Distribution Safety* establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service.

PowerStream was found to be fully compliant with requirements as set out in Ontario Regulation 22/04 (Electrical Distribution Safety) for the past 2 years (2013 and 2014). PowerStream’s anticipates continued compliance to Regulation 22/04 due to its commitment to safety, and institutionalized policies and procedures.

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

The Electrical Safety Authority prepares this index based on Incident Reports submitted by PowerStream. PowerStream has demonstrated a strong commitment to safety for both staff and the public. The utility regularly promotes public safety messages through bill inserts, web and social media. In addition, a section on the PowerStream website, [www.PowerStream.ca](http://www.PowerStream.ca), is dedicated to providing up-to-date information about electrical safety around the house and on the job site, seasonal safety topics and equipment information. PowerStream participates in Dig Safe events and promotes obtaining appropriate locates prior to digging in order to encourage safe digging practices.

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### System Reliability

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

The performance of PowerStream’s distribution network in 2014 was impacted by an increased number of summer weather related events from June through to August (lightning, microbursts, high winds). Salt contamination of insulators causing pole fires also contributed to loss of power situations during the winter months. Restoration time is an area where PowerStream seeks continuous improvement. Restoration times depend on a number of factors, including the physical capacity to work around the issue, the speed at which PowerStream can re-route electricity through the network and the speed at which the broken components can be repaired. As PowerStream adds remote monitors to pin-point where faults are occurring and adds remote or automated switches and automatic fault detection and restoration schemes, the utility increases the speed at which power can be restored.

- **Average Number of Times that Power to a Customer is Interrupted**
PowerStream’s equipment performance improved during 2014, but the number of weather related interruptions through the summer impacted large numbers of customers. Main line feeders along major urban thoroughfares suffered pole fires due to contamination by salt affecting large numbers of customers in the winter. PowerStream is currently planning investments in new equipment and the rehabilitation of existing equipment to reduce the number of outages due to equipment failures. PowerStream is also taking measures to increase the resiliency of the system to weather related outages through targeted improvements to vulnerable equipment.

### Asset Management

- **Distribution System Plan Implementation Progress**

  PowerStream has filed a 5-Year Custom IR Rate Application with the OEB for a review of its rates effective January 1, 2016 to January 1, 2020. Accordingly, as of August 2015, PowerStream is in the process of reviewing its first formal Distribution System Plan (“DSP”) before the OEB.

  The Distribution System Plan Implementation Progress measure is a new performance measure instituted by the OEB starting in 2013. The metric to measure performance in this area has not yet been defined by the OEB, however, mandatory reporting begins with the 2014 Scorecard. Consistent with other new measures, until a metric is defined by the OEB, utilities have the opportunity to define the metric in a manner that best fits their organization. In advance of the OEB making it mandatory for utilities to report results against this measure, PowerStream both determined the metric they would use and reported results against this measure on their 2013 Scorecard.

  The metric that PowerStream chose as the measure that most effectively reflects their performance in System Plan Implementation Progress, is the ratio of actual total capital expenditures made in a calendar year, over the total amount of planned capital expenditures for that calendar year. The 2014 year end results against this measure indicate that PowerStream completed 101.2% of its 2014 Capital Plan as of December 31, 2014. The 2014 measure indicates that PowerStream exceeded its planned project spending by 1.2%, due to increased system renewal expenditures (both planned and unplanned), and higher than planned Road Authority driven expenditures, offset mainly by reduced expenditures for New Services.

### Cost Control

- **Efficiency Assessment**

  The total costs for each of the Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf
of the OEB to produce a single efficiency ranking of Ontario’s distributors. The efficiency ranking is then segmented into 5 groups. The electricity distributors are assigned to one of the five groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2014, as in previous years, PowerStream was placed in Group 3, where a Group 3 distributor is defined as having actual costs within +/- 10 percent of predicted costs. Group 3 is considered “average efficiency” – in other words, PowerStream’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 “least efficient. Despite the many cost pressures ahead, PowerStream expects to maintain its current performance against this efficiency measure.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of PowerStream’s capital and operating costs, including certain adjustments to make the costs more comparable between distributors. This cost figure is then divided by the total number of customers that PowerStream serves. The cost performance result for 2014 is $688 per Customer, which is a 5.4% increase over 2013.

Similar to most distributors in the province, PowerStream has experienced increases in its capital and operating costs required to deliver reliable services to customers. For example, capital spending is impacted by the need to undertake higher levels of sustainment spending, as well as the investments in the renewal and growth of the distribution system to maintain reliability, while the need to trim trees more often and more vigorously so that they are clear of power lines contributed to increased operating cost.

- **Total Cost per Km of Line**

Total cost per Km of line is calculated as the sum of PowerStream’s capital and operating costs, including certain adjustments to make the costs more comparable between distributors. This cost figure is then divided by the total Km of line in PowerStream service territory. PowerStream’s Total Cost per Km of Line has increased on average by 4.7% per annum over the period 2010 through 2014.

PowerStream’s aging infrastructure increased the distribution system investments for the purposes of the replacing or refurbishing distribution assets, mainly, underground lines, and stations equipment.

PowerStream will continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. For example, PowerStream has undertaken a number of initiatives to drive productivity improvements - modernization of the customer information system, cable injection and in-house cable testing programs, to name a few.
Conservation & Demand Management

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

As at the end of 2014, PowerStream’s 2014 Net Annual Peak Demand Savings amounted to 76.35% of the OEB-mandated target. The final 2014 verified results will be provided by the IESO on September 1, 2015. The single largest contributor to PowerStream’s shortfall against its demand savings target is the significantly lower actual impact from Time-of-Use (TOU) rates than was anticipated during the setting of the targets in 2010 (55MW versus 308 MW, province wide). For PowerStream, this equates to approximately 17MW less demand savings from TOU than was assumed in target setting. The other major contributor to the shortfall was the cancellation of the Demand Response 3 (DR3) Program, in March 2014. At that time, PowerStream had roughly 6.2 MW and 27 customers who had signed agreements with the aggregators but not yet enrolled. While both of these factors were entirely outside of PowerStream’s control, management was aware of these issues in 2014 and took many steps to drive as additional demand savings through increased participation in energy efficiency programs which are primarily focused on driving energy savings, but which also delivery demand reductions.

- Net Cumulative Energy Savings (Percent of target achieved)

As at the end of 2014, PowerStream’s 2014 Net Cumulative Peak Demand Savings amounted to 120.38% of the OEB-mandated target. The final 2014 verified results will be provided by the IESO on September 1, 2015. PowerStream has been able to make significant gains in energy savings and far exceeded its target. PowerStream is particularly proud to have been the only LDC to receive OEB approval for a Board-Approved CDM program in the 2011-2014 Framework – the Business Refrigeration Incentive program, the results of which are not reflected on the scorecard. A comprehensive description of PowerStream’s conservation program results for the year 2014 will be provided in the utility’s 2014 Conservation and Demand Management Annual Report expected to be submitted to the OEB at the end of September 2015.

Connection of Renewable Generation

- Renewable Generation Connection Impact Assessments Completed on Time

Following the Appendix F of the Distribution System Code (DSC), the distributor performs an impact assessment of proposed generation facility within a 60 day period. This is what is considered “On Time”.

Based on PowerStream’s records, the average time frame in 2014 to complete revised Connection Impact Assessments (CIAs) was 7
business days, comparing to the 60 day period rule of the OEB. The utility had none longer than 10 days.

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

In 2014, PowerStream connected 131 new micro-embedded generation facilities (microFIT projects of less than 10 kW) 93.57% of time within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time. The workflow to connect these projects is very streamlined and transparent with PowerStream’s customers. PowerStream works closely with its customers and their contractors to overcome any connection issues to ensure the project is connected on time.

### Financial Ratios

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

Current ratio expresses the extent to which the current liabilities (due to be settled within 12 months) are covered by its current assets (expected to be realized within 12 months). The current ratio is a measure of the liquidity of a company at a certain date. A current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. PowerStream’s current ratio ranged from 0.77 in 2013 to 1.02 in 2014. PowerStream’s target is to maintain the current ratio around 1.0 for future years.

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

The OEB uses a deemed capital structure of 60% debt and 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). The debt to equity ratio measures the extent to which assets are financed by debt and equity in an entity. A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure.

PowerStream continues to maintain a debt to equity structure below 1.5, ranged from 1.39 in 2013 to 1.46 in 2014, that closely approximates the deemed 60% to 40% capital mix as set out by the OEB. PowerStream’s strong financial position is further supported by the recent Standard & Poor’s Rating Services rating of ”A” and a rating of ”A” from DBRS.
• **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

PowerStream’s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.93%. 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**

PowerStream’s return achieved in 2014 was 9.49%, which is well within the +/-3% range allowed by the OEB. The average return over the past 3 years was 9.34% which is also well within return included in PowerStream’s approved rates.

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**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.