### Performance Outcomes

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<tbody>
<tr>
<td><strong>Service Quality</strong></td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>99.60</td>
<td>100.00</td>
<td>100.00</td>
<td>99.60</td>
<td>100.00</td>
<td>90.00</td>
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<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>98.20</td>
<td>99.70</td>
<td>99.70</td>
<td>100.00</td>
<td>98.80</td>
<td>90.00</td>
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<td></td>
<td>Telephone Calls Answered On Time</td>
<td>75.30</td>
<td>82.10</td>
<td>81.10</td>
<td>79.90</td>
<td>78.70</td>
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<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>First Contact Resolution</td>
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<td></td>
<td></td>
<td>99.5</td>
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<tr>
<td></td>
<td>Billing Accuracy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>99.94</td>
<td></td>
<td>96.00</td>
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<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td></td>
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<td></td>
<td></td>
<td>94.2</td>
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<tr>
<td><strong>Operational Effectiveness</strong></td>
<td>Level of Public awareness [measure to be determined]</td>
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<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
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<td></td>
<td>Number of General Public Incidents</td>
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<tr>
<td></td>
<td>Rate per 10, 100, 1000 km of line</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
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<tr>
<td><strong>System Reliability</strong></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>0.30</td>
<td>0.39</td>
<td>0.55</td>
<td>1.28</td>
<td>0.80</td>
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<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>0.69</td>
<td>0.94</td>
<td>0.88</td>
<td>1.54</td>
<td>0.92</td>
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<tr>
<td><strong>Asset Management</strong></td>
<td>Distribution System Implementation Progress</td>
<td></td>
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<tr>
<td><strong>Cost Control</strong></td>
<td>Efficiency Assessment</td>
<td></td>
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<td></td>
<td>5</td>
<td>5</td>
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<tr>
<td></td>
<td>Total Cost per Customer</td>
<td></td>
<td>$746</td>
<td>$759</td>
<td>$727</td>
<td>$723</td>
<td>$732</td>
<td></td>
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<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td></td>
<td>$45,321</td>
<td>$46,269</td>
<td>$44,326</td>
<td>$47,394</td>
<td>$46,270</td>
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<tr>
<td><strong>Public Policy Responsiveness</strong></td>
<td>Net Annual Peak Demand Savings (Percent of target achieved)</td>
<td></td>
<td></td>
<td>65.01%</td>
<td>49.10%</td>
<td>43.74%</td>
<td>68.50%</td>
<td>4.49MW</td>
<td></td>
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<tr>
<td></td>
<td>Net Cumulative Energy Savings (Percent of target achieved)</td>
<td></td>
<td></td>
<td>106.86%</td>
<td>152.14%</td>
<td>176.55%</td>
<td>201.98%</td>
<td>18.88GWh</td>
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<tr>
<td><strong>Conservation &amp; Demand Management</strong></td>
<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>
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<tr>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td></td>
<td></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>90.00</td>
<td></td>
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<tr>
<td><strong>Financial Performance</strong></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td></td>
<td>2.04</td>
<td>1.95</td>
<td>2.10</td>
<td>2.15</td>
<td>1.97</td>
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<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>0.89</td>
<td>1.71</td>
<td>1.40</td>
<td>1.18</td>
<td>1.14</td>
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<tr>
<td></td>
<td>Profitability: Regulatory Return on Equity</td>
<td></td>
<td>9.58%</td>
<td>9.58%</td>
<td>9.58%</td>
<td>9.58%</td>
<td>9.58%</td>
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<tr>
<td></td>
<td>Profitability: Deemed (included in rates)</td>
<td></td>
<td>8.35%</td>
<td>11.84%</td>
<td>13.28%</td>
<td>11.83%</td>
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</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.

**Legend:**
- **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

Scorecard MD&A - General Overview

Even before the 2012 release of the Ontario Energy Board’s (“OEB”) Regulatory Framework for Electricity Distributors, Woodstock Hydro has long held the belief that customer focus, operational effectiveness, public policy responsiveness and financial performance were central to the success of our utility. Our Mission Statement, established in 2005, reflects this:

“Through partnership with our customers, employees, community, and shareholder, we deliver safe and reliable electricity, innovative energy solutions, superior customer service, and sound financial performance.”

Since 2005, WHSI has maintained ISO registration covering the full business and operational aspects of the business. Issues that affect customer service, be it through billing, power quality or other concerns are managed through non-conformance, corrective action or preventive action numbers. During monthly Continuous Improvement meetings each issue is raised for discussion, with root cause actions noted within our data system. ISO issues are not closed in continuous improvement meetings and are required to have a final review by the management committee.

A review of our 2014 Scorecard results in conjunction with the following Management Discussion and Analysis will highlight our focus on providing value to our customers.

Service Quality

- New Residential/Small Business Services Connected on Time
In 2014, WHSI continued to exceed the 90% industry target and connected 100% of 208 low voltage residential and small business customers within the five-day timeline prescribed by the Ontario Energy Board (OEB). This group of customers utilizes connections that are under 750 volts. The 2014 results have improved from the 99.6% achievement in 2013 where 250 out of 251 customers were connected within the five-day timeline. For 2015, our goal is to maintain our 100% Connected on Time rate.
Scheduled Appointments Met On Time  
In 2014, WHSI completed 596 out of 597 scheduled appointments on time, a success rate of 99.8%. This is slightly lower, but consistent with 2013 results whereby 100% of 655 scheduled appointments were met on time. Both 2013 and 2014 remain well above the industry target of 90%, and WHSI will continue our efforts to return to a 100% success rate for 2015.

- **Telephone Calls Answered On Time**  
Of the 20,694 telephone calls received in 2014, WHSI answered 16,286 or 78.7% within 30 seconds or less. This is slightly lower than the 2013 results whereby 16,106 of 20,165 calls, or 79.9% were answered in 30 seconds or less. The decline may be attributable to a slim increase in average call duration (2014 2:35 minutes vs. 2013 2:34 minutes) and/or a slight increase in call volume (2014: 20,694 calls vs. 2013: 20,165 calls). These results may also be an indicator of increased complexity of customer calls and additional time required to assist customers with both hydro and water related enquiries. Both 2013 and 2014 results remain above the OEB prescribed target of 65%. For 2015, WHSI will continue to refine our procedures to improve our response time.

### Customer Satisfaction

- **First Contact Resolution**  
Specific customer satisfaction measurements have not been previously defined across the industry. The OEB has instructed all electricity distributors to review and develop measurements in these areas and begin tracking by July 1, 2014 so that information can be reported in 2015. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for these areas in the future. As a result, each electricity distributor may have different measurements of performance until such time as the OEB provides specific direction regarding a commonly defined measure.

First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

WHSI measures First Contact Resolution as the percentage of customer inquiries and complaints that were resolved by the first WHSI representative that a customer is in contact with. WHSI tracks all customer calls and interactions made by telephone, electronic correspondence, or in person, in its Customer Information System ("CIS"). These interactions are logged as a Call Type under various Call Groupings. Call Groupings include “Customer Moves”, “Collections”, “Inquiries”, and “Complaints”. Some examples of inquiries include questions surrounding the customer’s hydro bill, rates, deposits, meter reads, and retailers. Some examples of complaints include hydro bills, rates, WHSI staff and third party contractor conduct, outages, and retailers. In WHSI’s experience, Inquiries and Complaints have the potential to result in customer dissatisfaction, and require escalation to a supervisor or manager. When this occurs, an “Escalated Customer Complaint is recorded in our CIS. In 2014, WHSI logged 6,641 electricity related Inquiries and Complaints, whereby 99.5% or 6,607 calls achieved first contact resolution and 34 calls were escalated.

The results of WHSI’s 2014 customer satisfaction survey showed that 94.2% of customers were satisfied to completely satisfied with WHSI overall, which is 1.2%
higher than the 2008 customer satisfaction survey result of 93%. Through a combination of employee training and customer education, we hope to improve our first contact resolution success rate even further in 2015.

• Billing Accuracy

Until July 2014 a specific measurement of billing accuracy had not been previously defined across the industry. After consultation with some electricity distributors, the Ontario Energy Board (OEB) has prescribed a measurement of billing accuracy which must be used by all electricity distributors effective October 1, 2014.

For the period from October 1, 2014 – December 31, 2014 WHSI issued more than 51,000 bills and achieved a billing accuracy rate of 99.94% which exceeds the prescribed OEB target of 98%. WHSI is committed to continuously improve our processes so that our billing accuracy rate is increased even further for 2015.

• Customer Satisfaction Survey Results

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

In 2014, WHSI conducted a Customer Satisfaction Survey via mail inserts and community events, with a response rate of 3.8% of our hydro customers. The survey consisted of 50 questions in the following categories: Power Quality and Reliability, Price, Billing and Payment, Customer Service Experience, Community, Conservation & Communications, Investment Preferences, and Additional Customer Satisfaction questions. The Survey also included a “General Comments” area where customers could provide additional input on areas where they believe are most important to them. The Completed survey results can be found at


Overall, 94.2% of survey respondents were “Satisfied” to “Completely Satisfied” with the services provided by WHSI. These results are a 1.2% improvement over our 2008 Customer Survey whereby 93% of survey respondents were “Satisfied to Very Satisfied” with WHSI. The 2014 survey indicated the following:

Most Satisfied:
98.6% were “Satisfied” to “Completely Satisfied” with our delivery of a reliable and consistent source of electricity.
97.8% were “Satisfied” to “Completely Satisfied” with our commitment to electrical safety as a top priority.
98.1% were “Satisfied” to “Completely Satisfied” with our commitment to maintenance of the electricity distribution system.
96.6% were “Satisfied” to “Completely Satisfied” with our available payment options.
94.6% were “Satisfied” to “Completely Satisfied” with the training and knowledge of WHSI employees.
93.3% were “Satisfied” to “Completely Satisfied” with the professionalism of WHSI employees.
Least Satisfied:
33.0% were “Not at All” satisfied with the Province’s efforts to contain rising costs for electricity generation and transmission.
22.5% were “Not at All” satisfied with the overall cost of electricity.
11.0% were “Not at All” satisfied with WHSI’s costs on their electricity bill.

Investment - What Customers Want:
65.5% agree that the number of lines and agents available to answer calls and in-person inquiries are “Just Right”, while 28.7% want “More” to “Much More” investment in this area.
52.8% agree that the level of investment initiatives to aid in the reduction of the frequency and duration of electricity outages is “Just Right”, while 43.2% want “More” to “Much More” investment in this area.

Communication and Technology:
WHSI strives to meet a 90% satisfaction threshold and the 2014 survey results show that we can improve in the areas of Communication and Technology:
88.6% were “Satisfied” to “Completely Satisfied” with WHSI’s outage communication methods
88.3% were “Satisfied” to “Completely Satisfied” with WHSI’s communication of rates and rate changes
86.0% were “Satisfied” to “Completely Satisfied” with WHSI’s communication of investments in the community
85.3% have not utilized our online tool to view consumption patterns
61.3% have not considered switching to paperless billing
44.6% believe we should implement a web-based tool for outage reporting and inquiry
62.6% do not use social media tools with respect to communication and customer service

Smart Grid and Renewable Technology:
30.9% agree that the level of investment in research for future technologies are “Just Right”, while 57.9% want “More to “Much More” investment in this area. Some customers commented that while they would like to do so, it is cost prohibitive for them to invest in these types of technologies.
5.4% are planning to purchase an electric vehicle
7.9% are planning on installing a small scale renewable generation system
5.7% are planning on installing an energy storage system

WHSI will use our survey results to help identify opportunities for improvement for 2015. During Woodstock Hydro’s participation in community events and WHSI sponsored events, we received constructive and positive feedback from our customers which is given utmost consideration for long-term planning, day-to-day operations, and for finding more ways to enhance the customer service experience. BIA Summer Streetfest, Cowapalooza, Sustainable Energy Expo, All Energy Conference, and Green Energy Doors Open, are some examples of 2014 events that we have participated in. Our reputation for conservation and smart grid solutions also extend beyond the borders of our service territory. In 2014, Woodstock Hydro was publicly recognized as a provincial leader in energy conservation, and our White’s Lane Smart Grid Project continued to gain local, provincial, and international attention in 2014.
Safety

- Public Safety
  - Component A – Public Awareness of Electrical Safety
    
    Customer Service Inspection Program:
    Before Smart meters arrived, meters were read manually by technicians in the field. Not only did our meter readers recover customer consumption information, they often served an ad-hoc secondary role of inspector. Meter readers would observe equipment and report back to the office with any exceptions or safety concerns. The smart metering network eliminated these monthly visits and the opportunity to visually inspect equipment on a regular basis.

    Recognizing this loss and accepting the fact the risk of public or worker safety hazards could increase, WHSI adopted a new asset management inspection program known as the Customer Service Inspection. Working closely with the Electrical Safety Authority we created a series of forms along with root cause examples that are used to track and report identified field hazards.

    Utilizing primarily our metering staff, inspectors are required to observe customer and utility equipment and report the hazard to both our office and ultimately the customer. Customers are provided with a description and when possible, picture of the concern and given a 60 day period to complete the repair. If the customer disagrees, or refuses to eliminate the hazard, the issue is turned over the Electrical Safety Authority who will then work directly with the customer to resolve the concern.

    The vast majority of our customers responded favorably, completed the necessary repairs and even offered positive comments to the utility for being proactive.

    A public safety video created by Woodstock Hydro for a better sense of the program at: https://www.youtube.com/watch?v=XrkbipKeNYw

  - Component B – Compliance with Ontario Regulation 22/04
    
    Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations make up Component B. All the elements are evaluated as a whole and determine the status of compliance (Non-Compliant, Needs Improvement, or Compliant) in regards to the Public Safety Metric for the Scorecard. In 2014, Woodstock Hydro was Compliant with Ontario Regulation 22/04.

    We have supported Ontario Regulation 22/04 since inception and believe it continues to add value year after year. This regulation is broadly based on the ISO 9001:2008 Quality Management System. During the months leading up to the adoption of this standard, we recognized the ISO structure and queried ESA to explain the similarities and to ask the question “why not just require all local electricity distribution companies (“LDC’s) to become ISO compliant”. The answer we received
was to confirm that yes, the standard closely mirrors that of 9001, however requiring all LDC’s to implement would not likely be successful.

As a result of these discussions, and recognizing the business and health & safety benefits of ISO, we chose to register the entire business to the 9001 standard at the same time as we worked to understand and implement Regulation 22/04.

The result was the achievement of ISO certification to the “Metering, Billing and Distribution of Electricity”; essentially, all of our business and technical processes. It has been a journey since 2004, however we have improved our annual audit results year after year, with 2014 audit results being the best to date. We are committed to both Regulation 22/04 and ISO 9001:2008 standards.

Operations and business staff members utilize the ISO system of NCR/CAR/PAR reporting along with training and documentation control as an inherent part of our daily business process. We believe all of these quality management systems combined continue to improve our worker and public safety culture at Woodstock Hydro.

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

“Serious electrical incidents”, as defined by Regulation 22/04, make up Component C. The metric details the number of and rate of “serious electrical incidents” occurring on a distributor’s assets and is normalized per 10, 100 or 1,000 km of line (10km for total lines under 100km, 1000km for total lines over 1000km, and 100km for all the others). Only equipment which is applicable to Section 12 of Regulation 22/04 will be considered. A “serious electrical incident” will appear as part of this Component if it was determined that a member of the Public was involved in the incident (ie. caused a death, critical injury or had the potential to cause death or critical injury). Woodstock Hydro had no serious electrical incidents in 2014.

**System Reliability**

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

The average number of hours in 2014 that power to a customer was interrupted decreased to 0.80, which is lower than our 2013 results (1.26). As noted in 2013, an underground transformer fire, and, to a lesser degree, weather related outages, contributed to the higher than normal results. 2014 saw WHSI moving back in line with historical trend of a declining average number of outages. Despite meeting the target range of 0.3-1.26, as an ISO 9001-2008 registered company, WHSI remains committed to continuous improvement and to reducing average outage time even further in 2015. All outage events, including instantaneous events of less than one minute, are recorded with an NCR number (non-conformance report), and includes a root cause review, images, and preventative action reviews when possible.
• **Average Number of Times that Power to a Customer is Interrupted**

WHSI’s Average Number of Times that Power to a Customer is Interrupted (i.e. Frequency) of 0.92 was within the target range of 0.69-1.54.

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**Asset Management**

• **Distribution System Plan Implementation Progress**

WHSI had intended to submit a Distribution System Plan with its 2015 Cost of Service Application. In light of the “MAADS” Application filed by Hydro One Inc. with the OEB on July 10, 2014 (EB-2013-0213) for approval to purchase the shares of WHSI, the 2015 Cost of Service Application has been deferred. Notwithstanding this deferral, WHSI continues to follow a robust asset management plan to improve customer reliability.
Maintenance:
Following Regulation 22/04 and the OEB Distribution System Code, WHSI maintains a three year inspection routine for distribution equipment, tree canopy maintenance and customer service equipment (as noted under Public Awareness & Safety).

Non-conforming equipment is given a non-conformance number and tracked until corrected and the number ultimately closed.

Capital:
WHSI maintains a relatively detailed 5 year forecast and a 20 year general forecast. The capital planning process over the past decade has centered on the removal of 4 KV equipment since this is typically our oldest equipment. The period from 2015 will continue to focus largely on 4 KV as we convert the final generation of 4 KV, however we are now beginning to replace aging 27.6 KV equipment on a more frequent basis.

Key maps are available outlining the progress WHSI has made over the past decade with respect to capital equipment conversion and upgrades.

System improvements such as these have help to reduce Woodstock Hydro’s line loss – from 1.0431 in our 2011 rate approval, to 1.0278 in 2014. This means our system is more efficient, and “leakage” of energy as it moves through our system is reduced, which, through rate rebasing applications would result in lower energy charges for our customers.
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 using the PEG econometric methodology. In 2014, WHSI was placed in Group 5 where a Group 5 distributor is defined as having the 2012-2014 average actual costs in excess of 25 percent of predicted costs (25.9%). Under this methodology, Group 5 is considered to be “least efficient” – in other words, WHSIs calculated costs are higher than the average calculated cost range for distributors in the Province of Ontario. Since 2011, however, WHSI’s calculated annual total costs as determined by the PEG methodology, have declined by 9.9%. Total costs include both capital investment and operating, maintenance, and administration expense (“OM&A”).

![WHSI Cost Performance](image)

In addition to certain econometric and statistical assumptions, the PEG ranking methodology also considers gross asset additions exclusive of any amounts that are paid directly by a customer. These payments are called capital contributions and are deducted from the utilities revenue requirement in the rate setting process, so that customers do not pay for assets that already have been funded by capital contributions. Between 2011 and 2014, more than $3 Million or 20% of our gross capital was funded through capital contributions.

In 2014, WHSI continued to experience customer demand driven growth for new services and upgrades, of which $715K was offset by capital contributions. This is similar to 2013 results, where capital costs were offset by $500K in customer contributions.

WHSI’s last cost of service application was approved for the 2011 rate year, for the 2011-2014 rate term. This approval included $2.9 Million for capital investment each year. In that spirit, WHSI has committed to “do what we say” by investing our customer’s money as intended in that application. The following table shows that over the 4 year term, we under-invested by less than 3%. The regulatory-adjusted variance between the approved capital investments and actual amounts was $348,564:
WHSI’s 2011 approved cost of service application also included $3.91M for annual OM&A expense. Between 2011-2014 WHSI achieved within 0.8% of that amount. Despite WHSI’s Group 5 ranking in the PEG Report, we remain committed to serve our customers well by prudently investing capital infrastructure today to help ensure long-term reliability for the future. It is our hope that future benchmarking methodologies will more closely align with regulatory rate setting methodologies, including the recognition items that are included in the rate setting process such as contributed capital, bad debt, and advertising expenses.

**Total Cost per Customer**

Under the PEG methodology, the total cost per customer is calculated using the sum of WHSI’s statistically adjusted gross capital and operating costs and dividing this cost figure by the total number of customers that WHSI serves. The cost performance result for 2014 is $732/customer which is a 1.2% increase over 2013 ($723). This increase is attributable to an increase in capital investments in 2014. WHSI’s 2010-2014 average Total Cost per Customer is $737.

Similar to most distributors in the province, we have experienced increases in our total costs required to deliver quality and reliable services to customers. Province wide programs including the Smart Meter Initiative, growth in wage and benefits costs for our employees, as well as investments in renewal and growth of the distribution system, all contribute to increased operating and capital costs. WHSI has mitigated costs where possible so that our 2014 costs are lower than they were in 2011 and 2010, and are lower than our 5 year average.
The results of the OEB 2014 Yearbook of Electricity Distributors show that WHSI’s 2014 OM&A per customer of $260.77 is ranked 28th out of 72 LDC’s, with the #1 ranked LDC having OMA costs of $178.82 per customer, and the #72 ranked LDC having costs of $977.38 per customer.

In the same report, WHSI’s Gross capital costs of $260.93 per customer ranked 53rd out of 72 LDC’s, with the #1 ranked LDC having gross capital costs of $30.90 per customer, and the #72 ranked LDC having $629.74. These results are fairly consistent with the PEG report, which alludes to a higher than typical gross capital investment in WHSI’s infrastructure.

As mentioned earlier, our 2014 Customer Satisfaction survey showed that 52.8% of respondents agreed that the level of investment initiatives to aid in the reduction of the frequency and duration of electricity outages is “Just Right”, while 43.2% want “More” to “Much More” investment in this area.

WHSI will continue to implement productivity and improvement initiatives to help offset some of the costs associated with long-term system improvement and enhancements.

- **Total Cost per Km of Line**

The Total Cost per Km of Line is calculated by dividing Total Costs as noted above by the kilometers of line that WHSI operates to serve its customers. WHSI’s 2014 rate is $46,270 per Km of line, a 2.7% decrease over 2013. WHSI’s urban territory limits the growth in its total kilometers of lines due to a low annual customer growth rate.

### Conservation & Demand Management

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

The chart below is a summary of demand and energy savings results for Woodstock Hydro based on our 2011-2014 targets. Final IESO calculations place Woodstock at 202% of energy target and 68.5% of demand target. The Woodstock region is not under any demand constraints and several of the large Demand Response customer contracts were cancelled mid-way through the CDM period. This reality also made it very difficult to incent customers to participate in OPA DR programs.

<table>
<thead>
<tr>
<th>IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report</th>
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<td><strong>LDC:</strong> Woodstock Hydro Services Inc.</td>
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<td><strong>Final 2014 Achievement Against Targets</strong></td>
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<td>Net Annual Peak Demand Savings (MW)</td>
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<td>Net Energy Savings (GWh)</td>
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*Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year.*
Net Cumulative Energy Savings (Percent of target achieved)

At the end of 2014, WHSI achieved 202% of its four-year net cumulative energy savings target and is once again one of the top LDC’s in Ontario. WHSI was fortunate to have had a relatively large lighting conversion project in early 2011 that set us up to be leaders throughout the 2011-2014 program. The community of Woodstock has participated in several effective CDM type programs over the past 30 years and we believe there is a strong conservation culture that drives much of this success.

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, WHSI completed one CIA and it was done within the prescribed time limit.
• New Micro-embedded Generation Facilities Connected On Time

In 2014, WHSI connected 14 new micro-embedded generation facilities (MicroFIT projects of less than 10 kW) within the prescribed time frame of five business days 100% of the time, which exceeds the minimum acceptable performance level of 90%. This is consistent with 100% achievement in 2013.

All MicroFIT customer connections were completed on or ahead of customer expectations. The only micro-embedded connections in 2014 were IESO MicroFIT contracts and the majority of those are owned and operated by the City of Woodstock.

WHSI has a total of 46 MicroFIT and 9 FIT connections. In 2014, 2.13 Gwh of renewable energy was generated, producing 0.53% of WHSI’s total purchased power of 403 Gwh in 2014.

WHSI continues to promote renewable energy development and work closely with private and public agencies to ensure the LDC is an enabler and not an obstruction to this important generation technology.

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Financial Ratios

• Liquidty: Current Ratio (Current Assets/Current Liabilities)

The Current Ratio is a measure of the utility’s liquidity and its ability to meet its short-term financial obligations. It is calculated by dividing all current assets (cash, accounts receivable and other highly liquid assets) by all current liabilities (accounts payable, taxes payable, and other financial obligations which must be satisfied in the next year). A ratio of 1 suggests that there is an equal amount of cash flowing into the utility as that which must flow out if all obligations are to be met. A ratio higher than 1 is preferable, as it indicates that the company can pay its short term debts and obligations. The liquidity of the company increases as the current ratio increases, providing a margin of safety to cover short term debt and financial obligations.

WHSI’s current ratio decreased from 2.15 in 2013 to 1.97 in 2014. WHSI’s original shareholder debt was monetized in 2008 and refinanced commercially, requiring both interest and principal repayments. Principal repayments for this debt are not funded through rates. As a going concern, WHSI’s historical long term cash flow management plan included provisions to mitigate cash erosion arising from these principal repayments by securing financing for new capital infrastructure investment. Due to the pending sale of WHSI to HON, however, no new debt financing was secured for 2014 capital investments.

WHSI anticipates that, while the current ratio will continue to decline, it will remain above 1 for the duration of the company’s 2015 fiscal period.
• **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). A debt to equity ratio of more than 1.5 indicates that a company is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an company may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

Historically, WHSI’s long term financing strategy has been to maintain a maximum debt-equity ratio of 60/40 to align with the OEB deemed ratio of 60/40, given that debt is a primary component of rate setting. Further, we believe that prudent investment in our capital infrastructure will improve efficiency and reliability for our customers over the long term.

WHSI’s debt to equity ratio decreased from 1.18 in 2013 to 1.14 in 2014. This decline is another indicator of the change in WHSI’s long term debt financing strategy due to the pending sale of WHSI to HON. As a result, we anticipate that the Debt to Equity Ratio will continue to decline for the company’s 2015 fiscal period.

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

WHSI’s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.58%. 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**

WHSI’s achieved a regulatory return on equity of 11.83% in 2014, which is within the +/-3% range allowed by the OEB. A combination of slight increases in revenues and marginal decreases in WHSI’s OM&A costs are attributable to these 2014 results. WHSI’s 2013 results have been restated to exclude the impact of an unrealized gain on interest rate swaps, leaving a regulated ROE of 13.28%. The 2013 results remain slightly above the +/-3% range allowed by the OEB due to one-time, retroactive tax credits and adjustments that were received during the fiscal period.
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.