<table>
<thead>
<tr>
<th>Performance Outcomes</th>
<th>Performance Categories</th>
<th>Measures</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Trend</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>Service Quality</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.60%</td>
<td>94.70%</td>
<td>99.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>99.80%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>76.30%</td>
<td>78.80%</td>
<td>82.90%</td>
<td>82.60%</td>
<td>81.90%</td>
<td>65.00%</td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td></td>
<td>First Contact Resolution</td>
<td>99.76%</td>
<td>99.74%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Billing Accuracy</td>
<td>99.88%</td>
<td>99.85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>72.0%</td>
<td>69%</td>
<td>92%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Effectiveness</td>
<td>Safety</td>
<td>Level of Public Awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>Number of General Public Incidents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rate per 100, 1000 km of line</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Reliability</td>
<td></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>11.38</td>
<td>10.88</td>
<td>11.91</td>
<td>10.12</td>
<td>16.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>4.76</td>
<td>7.66</td>
<td>3.64</td>
<td>4.04</td>
<td>4.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Management</td>
<td></td>
<td>Distribution System Plan Implementation Progress</td>
<td>In Progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Control</td>
<td></td>
<td>Efficiency Assessment</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Customer</td>
<td>$1,844</td>
<td>$1,807</td>
<td>$1,952</td>
<td>$1,980</td>
<td>$2,107</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$11,556</td>
<td>$11,354</td>
<td>$12,302</td>
<td>$12,483</td>
<td>$13,306</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Policy Responsiveness</td>
<td>Conservation &amp; Demand Management</td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>98.88%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connection of Renewable Generation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Performance</td>
<td>Financial Ratios</td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.61</td>
<td>1.66</td>
<td>1.99</td>
<td>2.33</td>
<td>1.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.47</td>
<td>1.34</td>
<td>1.25</td>
<td>1.22</td>
<td>1.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.85%</td>
<td>9.85%</td>
<td>9.85%</td>
<td>9.85%</td>
<td>9.30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Return on Equity Achieved</td>
<td>10.50%</td>
<td>11.44%</td>
<td>7.06%</td>
<td>8.38%</td>
<td>11.07%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the fixed 5-year (2010 to 2014) average distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework. This measure is under review and subject to change in the future.

Legend: 5-year trend up, down, flat. Current year target met, target not met.
2015 Scorecard Management Discussion and Analysis (“2015 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 2015 Scorecard MD&A:


**Scorecard MD&A - General Overview**

In 2015, API continued to meet or exceed the majority of its performance targets, with notable improvement in the results of its customer satisfaction survey.

In 2016, API expects to continue to improve its overall scorecard performance results as compared to previous years. These performance improvements are expected as a result of enhanced system reliability due to API’s investment in its distribution system and continued responsiveness to customer feedback.

**Service Quality**

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

  In 2015, API connected 100% of the 103 new eligible low-voltage residential and small business customers within the Ontario Energy Board’s prescribed five day timeline. Since 2011, API has consistently met the Ontario Energy Board’s target of 90% and has exhibited year over year improvement.

- **Scheduled Appointments Met On Time**

  In 2015, API met 100% of its 407 appointments within the prescribed timelines set out by the Ontario Energy Board. Since 2011, API has consistently met the Ontario Energy Board’s target of 90%.
• Telephone Calls Answered On Time

In 2015, customer service representatives answered 81.90% of its 12,854 calls within 30 seconds. This exceeds the Ontario Energy Board mandated 65% target. API has improved this statistic since 2011 and continues to offer self-serve options and utilizes social media to engage and inform customers in an effort to offer the customer more channels to interact with the company.

Customer Satisfaction

• First Contact Resolution

API measured First Contact Resolution by tracking the number of escalated calls as a percentage of total calls taken by the customer service center. In 2015, less than one percent of calls were escalated.

• Billing Accuracy

For 2015, API issued approximately 142,121 invoices and for the second year in a row, 99.85% were accurate. This is above the industry standard of 98%.

• Customer Satisfaction Survey Results

In 2015, API moved to a new third party survey provider, UtilityPULSE, to be more consistent with other LDCs in the province. The survey size was expanded and general service customers were included in the telephone survey. The phone numbers were randomly selected and were stratified so that 85 per cent of the interview were conducted with residential customers and 15 per cent with general service customers. The 2015 satisfaction score of 92% is significantly higher than previous years and is higher than both the national and Ontario averages which are 89% and 88% respectively.

The survey provides useful information to better meet the needs of API’s customers and is incorporated into the distribution system plan, capital planning and overall company objectives.
Safety

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

In addition to the Customer Satisfaction surveys completed for API in 2015, UtilityPulse was also engaged to complete surveys in relation to “Public Awareness of Electrical Safety”. On completion of this survey, UtilityPulse generated a “Public Safety Awareness Index Score” for API and other LDC’s. Province-wide scores ranged from 77% to 86%, with both average and median Index Scores of 82%. API’s score of 81% suggests that members of the public are generally well-informed about the safety hazards associated with electrical distribution systems, but also that further education and engagement would be beneficial.

  o Component B – Compliance with Ontario Regulation 22/04

This component includes the results of an Annual Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations. All the elements are evaluated as a whole and determine the status of compliance (Non-Compliant, Needs Improvement, or Compliant).

Results provided by ESA, API’s status for 2015 is Compliant.

  o 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).

Results provided by ESA, API had zero incidents in 2015.
System Reliability

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

API’s customers experienced an increase in the average duration of electrical service disruptions in 2015 over the previous year.

On December 24th, a combination of ground saturation from recent rainfall and strong early morning winds resulted in 81 separate outages, affecting over 8400 customers. API brought in all available crews, as well as a number of crews from Sault PUC and third-party contractors to assist with power restoration. These crews worked through Christmas and Boxing Day to restore power to all customers. Excluding the outages of December 24th, the average number of hours that power to a customer is interrupted drops from 16.94 to 8.88, which is less than any of the recent 5 years.

API continues to invest in grid modernization in order to gain visibility on the state of the distribution system and improve overall response and restoration times. Grid modernization initiatives include the deployment of automated devices and implementation of an outage management system. API understands that reliability of electrical service is a high priority for its customers and continues to invest in replacement of end-of-life assets as well as vegetation management.

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

The average number of times that power to API’s customers was interrupted in 2015 was lower than API’s target, which is based on a five-year average of past results. Excluding the major event of December 24th described above, API’s result improves from 4.40 to 3.68, which is comparable to the lowest results of the past five years.

API has deployed several initiatives aimed at reducing the number of electrical service interruptions such as the vegetation management program and cyclical asset preventative maintenance programs.

API reviews outage statistics on a monthly basis to identify areas of poor distribution system performance. This process indicates any trends in poor performance and identifies opportunities to improve reliability. API also completes asset condition assessments to identify assets that present a risk of impacting system reliability. API uses reliability indicators and asset condition assessment data as key drivers into the system planning process.
Asset Management

Distribution System Plan Implementation Progress

API completed the 2015 projects identified in its Distribution System Plan as well as projects deferred from 2014. API continues to implement the 2015-2019 Distribution System Plan approved in its last rate application.

Cost Control

Efficiency Assessment

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the Ontario Energy Board 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. In reviewing the Pacific Economics Group benchmarking and report, API management does not believe that the model accurately predicts API’s costs. API’s unique attributes as a rural distributor, particularly its low customer density, result in API being an extreme outlier in the data set used to develop the model.

Some of API’s largest cost drivers, including customer density and the degree of forestation along its distribution line rights of way, are not appropriately reflected in the benchmarking model. As a result of the extremely rural and low density nature of API’s system in relation to other Ontario distributors, API management believes that the total cost per km of line section below provides a more appropriate measure of API’s efficiency and cost control.

Total Cost per Customer

The statistical model developed by Pacific Economics Group produces total capital and operating costs for each distributor that can be used for the purpose of comparing distributors. This amount is then divided by the total number of customers that API serves to determine Total Cost per Customer. The cost performance result for 2015 is $2107 per customer which is a 6.4% increase over 2014.

API’s total cost per customer has increased on average by 3.5% per annum over the period 2011 through 2015. API faces both inflationary cost increases, as well as cost increases associated with investments in programs for asset replacement, system improvement, and vegetation management that are sustainable in the long term. From 2011 to 2015, API’s total customer count has essentially stayed the same (11,581 in 2011 vs. 11,678 in 2015), with a result that cost increases are not offset by customer growth.
API faces additional cost pressures due to the climatic and geographical traits of its service area. The entire service area is located along the shores of the Great Lakes, with its prevailing winds and lake effect precipitation. In addition, many of API's distribution lines are located in rural and rugged areas of the Canadian Shield, impacting the cost of construction, access and outage response.

API will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts as demonstrated in its 2015 rate application. API will continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. Customer engagement initiatives will continue in order to ensure customers have an opportunity to share their viewpoint on API's capital spending plans.

**Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that API operates to serve its customers. API's 2015 rate is $13,306 per km of line, a 6.6% increase over 2014.

Many of API's significant cost drivers are directly related to its total kilometers of line. These cost drivers include most lines and forestry related activities, as well as support functions such as engineering and design. As discussed in the Efficiency Assessment section above, API management believes that total cost per km of line is a more accurate assessment of API's cost efficiency. In reviewing total cost per km of line data for all Ontario distributors for 2015, API notes that its cost is the 8th-lowest among 71 distributors.

API's total cost per km of line has increased on average by 3.5% per annum over the period 2011 through 2015. API faces both inflationary cost increases, as well as cost increases associated with investments in programs for asset replacement, system improvement, and vegetation management that are sustainable in the long term. From 2011 to 2015, API's total km of line has increased by only 1 km.

**Conservation & Demand Management**

**Net Cumulative Energy Savings**

On the basis of the IESO’s “Final 2015 Annual Verified Results Report” issued on June 30, 2016, API achieved 13.73% of its Net Energy Savings target for the 2015 – 2020 timeframe. API leveraged the suite of Independent Electricity System Operator (“IESO”) province-wide demand management programs and placed emphasis on supporting the conservation efforts of large commercial, industrial and institutional customers.

API has been assigned a target which includes loads associated with an embedded distributor. This customer is not in production and it...
has created challenges for API to offer the programs in this area. Other challenges have been the suitability of existing programs to the energy requirements of the north and the higher costs of delivering programs in remote areas.

**Connection of Renewable Generation**

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

  API had one request to complete a Connection Impact Assessment in 2015, which was completed within the timelines prescribed by the Distribution System Code.

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

  In 2015, API connected eight (8) new micro-embedded generation facilities (microFIT projects of less than 10 kW). All eight facilities were connected within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time. API works closely with its customers and their contractors to make the connection process as streamlined and transparent as possible.

**Financial Ratios**

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

  The 2015 liquidity current ratio for Algoma Power Inc. is 1.14 (2014 2.33). The liquidity ratio has decreased over prior year primarily due to a change in the due to related parties which had a receivable of $1,059,000 in 2014 and was a payable of $915,000 in 2015. Going forward the liquidity ratio it is expected to, at a minimum, be held relatively constant, or increase back towards the 5 year average of 1.75. API has consistently shown a liquidity ratio greater than 1.0, which is an indication that API is appropriately leveraged.

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

  The Ontario Energy Board 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. The combined 2015 leverage debt to equity ratio for API is 1.12 (2014 1.22). The leverage ratio has decreased slightly over the past several years and going forward it is expected to be held relatively constant.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
API's 2015 distribution rates were approved by the Ontario Energy Board as part of its previous Cost of Service application for rates effective January 1, 2015 and this included an expected (deemed) regulatory return on equity of 9.30%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity.

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

API's return achieved in 2015 was 11.07% (2014 8.38%), which is within the +/- 3% range allowed by the Ontario Energy Board. API achieved returns are higher in 2015 as compared to 2014 due to a higher adjusted regulated net income, as a result of an increase in distribution revenue offset by an increase in expenses.
Note to Readers of 2015 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.