

Scorecard - EnWin Utilities Ltd.

Performance Outcomes	Performance Categories	Measures	2011	2012	2013	2014	2015	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%	99.70%	100.00%	99.10%		90.00%		
		Scheduled Appointments Met On Time	99.60%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	76.30%	80.30%	82.20%	86.80%	75.50%		65.00%		
	Customer Satisfaction	First Contact Resolution				97.93%	98.17%				
		Billing Accuracy				99.86%	99.98%		98.00%		
		Customer Satisfaction Survey Results				Good	Good				
<b>Operational Effectiveness</b>  Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness					83.00%				
		Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>	C	C	C	C	C		C		
		Serious Electrical Incident Index	Number of General Public Incidents	0	1	0	0	0		0	
	Rate per 10, 100, 1000 km of line		0.000	0.850	0.000	0.000	0.000		0.119		
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>	2.45	1.03	0.94	0.81	1.06		1.24		
		Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>	2.69	1.88	2.29	1.85	1.88		2.10		
	Asset Management	Distribution System Plan Implementation Progress				-16%	96%				
	Cost Control	Efficiency Assessment		4	4	4	4				
		Total Cost per Customer <sup>3</sup>	\$690	\$705	\$652	\$683	\$699				
		Total Cost per Km of Line <sup>3</sup>	\$49,900	\$52,058	\$48,500	\$51,189	\$54,728				
<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 Cumulative Energy Savings <sup>4</sup>					9.79%		151.30 GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	14.29%	25.00%	50.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time				100.00%	100.00%		90.00%		
<b>Financial Performance</b>  Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.91	1.15	1.18	1.27	1.44				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.55	0.67	0.58	0.56	0.50				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.01%	8.01%	8.01%	8.01%	8.01%			
			Achieved	8.49%	3.48%	13.04%	9.62%	6.88%			

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:

[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

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

### Service Quality

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

In 2015, EnWin connected 99.1% of its 587 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 Ontario Energy Board (OEB). This result is well above the OEB-mandated threshold of 90%.

- **Scheduled Appointments Met On Time**

EnWin achieved 100% of the scheduled appointments on time for the fourth consecutive year. This exceeds the industry target of 90% and includes 8,584 scheduled appointments met on time. Customer requests include meter reads, performing spot services, and other needs.

- **Telephone Calls Answered On Time**

In 2015, EnWin Customer Service Representatives answered 75.5% of total calls in 30 seconds or less. EnWin's on-time percentage decreased in 2015 compared with 2014, mainly due to the fact that the ratio of calls received to Customer Service Representatives increased by 21.3% in 2015 (from 5887 calls per CSR in 2014 to 7140 calls per CSR in 2015). EnWin continues to work hard to answer calls on time and has once again exceeded the OEB mandated target of 65% for timely call response.

## Customer Satisfaction

- **First Contact Resolution**

EnWin resolved 98.17% of calls on first contact, EnWin's front line staff is well trained to resolve customer issues directly. EnWin strives to serve customers in a friendly and professional manner within the first call. We use call monitoring tools to record and archive every call to allow us to evaluate our staff's call handling. Any anomalies or customer escalations are reviewed when warranted. All customer interactions are logged in our CIS System, including any escalations. The results of our annual Customer Satisfaction Survey give us the opportunity to confirm what is working and what areas require improvement.

- **Billing Accuracy**

EnWin's billing accuracy is 99.98% which exceeds the OEB-mandated 98% industry target. In 2015, EnWin produced 1,053,383 bills to its customers. EnWin routinely reviews its billing processes for compliance and continuous improvement opportunities. In addition, EnWin offers customers an easy, convenient and environmentally friendly means to securely access and manage their usage data on-line on a daily, weekly or monthly basis through its "EnWin Connect" web portal.

- **Customer Satisfaction Survey Results**

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

## Safety

- **Public Safety**

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

EnWin engaged a third party to conduct a survey of customer perception and overall electrical safety awareness in 2015 and achieved an overall score of 83%. In addition, EnWin maintained its previous levels of Public Service Announcement (PSA) broadcasting, student engagement through school safety outreach educational initiatives and participation in the local Children's Safety Village programs. EnWin will continue to support and provide education and training to our community through these initiatives.

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

Over the past six years, EnWin remains fully compliant with all sections of Ontario Regulation 22/04 (Electrical Distribution Safety). This continued achievement is reflective of EnWin's strong commitment to safety, adherence to company procedures, policies and the elements of the regulation itself. Ontario Regulation 22/04 establishes objectives 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. The Electrical Safety Authority (ESA) performs Due Diligence Inspections (DDI) throughout the year to ensure utilities remain compliant with the objectives set out in Ontario Regulation 22/04. Both independent and Electrical Safety Authority (ESA) compliance audits yielded only a few opportunities for improvement which have subsequently been addressed.

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

EnWin experienced and reported no (0) Serious Electrical Incidents in 2015.

## System Reliability

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

EnWin continues to invest in infrastructure and new technologies to minimize customer downtime. EnWin's adjusted System Average Interruption Duration Index ("SAIDI", which is the average number of hours power is interrupted) for 2015 was 1.06 hours and while it was the second highest reported in the last 5 years, it is still lower than the OEB calculated target 5-year average (1.24). The increase experienced in 2015 from 2014 (which had an adjusted SAIDI of 0.81 hours) is attributable to the location, timing and nature of the outages experienced as compared to the prior year. EnWin's investment in infrastructure renewal and modernization, including automated switches, helps reduce the average time that customers have their power interrupted.

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

EnWin's adjusted System Average Interruption Frequency Index ("SAIFI", which is the average number of times power is interrupted) for 2015 was 1.88 times, which has increased slightly from 2014, but still compares favourably with the OEB calculated target 5-year average of 2.10. The relatively low frequency of interruption was a product of another mild summer storm period as well as EnWin's investments in renewing infrastructure at end of life and its ongoing maintenance programs such as tree trimming.

## Asset Management

- **Distribution System Plan Implementation Progress**

Distribution System Plan (DSP) implementation progress is a new performance measure instituted by the OEB starting in 2014. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. The DSP outlines EnWin's forecasted capital expenditures, over the next five (5) years, required to maintain and expand the distributor's electricity system to serve its current and future customers. The "Distribution System Plan Implementation Progress" measure is intended to assess EnWin's effectiveness at planning and implementing the DSP. DSP Investment Plan for 2015 was forecast at \$18 million. Actual capital spend in 2015 was \$17.4 million, which resulted in a reported Distribution System Plan Implementation Progress of 96%.

## Cost Control

- **Efficiency Assessment**

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

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of EnWin's capital and operating costs divided by the total number of customers that EnWin serves. The cost performance result for 2015 is \$699 per customer which is a 2.3% increase over 2014. EnWin's cost per customer is comparable to other distributors serving built-out, established communities, and to distributors serving energy-intensive customers. EnWin is committed to infrastructure reinvestment in order to meet its customer's expectations for reliability with a reasonable cost. While EnWin's load base has eroded since peaking in 2006, EnWin continues to invest in replacement of its infrastructure as that infrastructure reaches end-of-life. This investment is to ensure that EnWin's customers continue to have the reliable electrical service they currently enjoy. Notwithstanding this reinvestment, distribution rates have remained relatively stable at about \$32 for a typical residential household since 2006.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that EnWin operates to serve its customers. EnWin's 2015 result is \$54,728 per km of line, a 6.9% increase over 2014. EnWin's customer base has very limited growth while the commitment to reinvest remains. EnWin continues to seek opportunities to realize efficiencies and innovation through the investment in new technologies and infrastructure at a low cost.

## Conservation & Demand Management

- **Net Cumulative Energy Savings**

EnWin Utilities Ltd. (“EnWin”) achieved 9.79% of its 2015-2020 Energy Savings Target in 2015. EnWin took advantage of the extension period offered by the IESO for 2015 in order to ramp up and prepare for 2016-2020. As a result only 9.79% of the energy target was achieved although we anticipate we will be able to achieve our 2015-2020 Energy Savings Target. This will be accomplished through building and maintaining relationships with and supporting the conservation efforts of our Industrial, Commercial and Institutional (“ICI”) customers, and capitalizing on the Behind-the-Meter Generation opportunities that exist within the EnWin service territory.

## Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving all required documentation. In 2015, EnWin completed 100% of its CIAs within the prescribed time limit, which is consistent with 2014 results. EnWin developed and implemented measures to ensure CIAs are completed within the required timeframe by clearly defining requirements for proponents and by standardizing on both the format and technical components of our consultant’s reports.

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

In 2015, EnWin connected 124 MicroFIT generation facilities and 100% were done within the prescribed time frame of five (5) working days, consistent with the 2014 result. The minimum acceptable OEB-mandated industry performance level for this measure is to connect within the prescribed time frame 90% of the time. EnWin’s successful result in this measure was achieved by performing daily checks for ESA Authorization, providing instant notification to our Metering department when connections are ready, and by having a quick dispatch process for meter installers.

## Financial Ratios

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

EnWin's current ratio of 1.44 in 2015 continues to demonstrate the organization's strong financial performance by obtaining a ratio of greater than one as a sign of liquidity. This exhibits the organization's ability to satisfy its short term debts and financial obligations. In 2015, EnWin's current ratio increased 13% driven by an increase in cash as well accounts receivable related to billings to the Independent Electricity System Operator ("IESO") for the Conservation First Framework ("CFF"). The receipt of cash is very dependent on customer billing cycles, and corresponding due dates and offset by timing of cash outlays.

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

EnWin has one of the lowest debt to equity ratios (0.50 in 2015) when compared to other LDCs within the province of Ontario. Over the last several years EnWin has been one of the least leveraged mid-size or large utilities which is achieved through operational efficiencies and productivity improvements that do not result in the requirement to source further debt to realize these synergies.

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

EnWin's current distribution rates were approved by the OEB and included an expected (deemed) regulatory rate of return on equity ("ROE") of 8.01%. EnWin's customers pay one of the lowest deemed ROE within their rates across the entire province.

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

EnWin's achieved ROE in 2015 was 6.88%, calculated following Canadian Generally Accepted Accounting Principles ("CGAAP") and is within the +/-3% range allowed by the OEB. EnWin's profitability is funded through realized operational efficiencies and productivity improvements rather than incremental revenue.

## 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.