

Scorecard - Hydro One Brampton Networks Inc.

Performance Outcomes	Performance Categories	Measures	2011	2012	2013	2014	2015	Trend	Target		
									Industry	Distributor	
Customer Focus 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%	99.80%	100.00%	99.70%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	89.20%	84.00%	80.60%	75.00%	81.30%		65.00%		
	Customer Satisfaction	First Contact Resolution						99.98			
		Billing Accuracy				99.61%	99.66%		98.00%		
		Customer Satisfaction Survey Results			Excellent	Excellent	Excellent				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness						78.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	NI	C	C	C	C		C		
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0		0	
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000		0.000		
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.68	0.74	9.84	0.55	0.68		2.45		
		Average Number of Times that Power to a Customer is Interrupted ²	1.05	1.06	3.30	0.90	0.89		1.41		
	Asset Management	Distribution System Plan Implementation Progress			Excellent	94%	92.3				
	Cost Control	Efficiency Assessment		3	3	3	3				
		Total Cost per Customer ³	\$587	\$571	\$586	\$617	\$631				
		Total Cost per Km of Line ³	\$27,938	\$27,424	\$27,565	\$28,458	\$29,772				
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	Net Cumulative Energy Savings ⁴						11.59%	255.16 GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	55.00%	100.00%	100.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time			100.00%	95.56%	100.00%		90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.88	1.14	0.89	0.85	1.44				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.44	1.55	1.57	1.51	0.97				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.66%	9.66%	9.66%	9.66%	9.30%			
			Achieved	11.16%	10.72%	10.64%	9.45%	7.66%			

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

- Hydro One Brampton had a very positive scorecard in 2015 (i.e. all targets were met), demonstrating that the Company delivered solid customer service, had strong system performance and provided sustained value to the residents and businesses in the City of Brampton. Hydro One Brampton is proud to serve the diverse community of Brampton, which is one of the fastest growing cities in Canada. The Company’s overall strategy is to continue to improve its customer satisfaction and its operations, with employee safety and reliability being of foremost importance. The Company will continue to focus on productivity improvements and cost containment by further leveraging current resources, infrastructure and innovative technologies. Hydro One Brampton ensures that customer interactions provide value for the customers and that each interaction is efficient, relevant and consistent. The Company offers its customers a variety of opportunities to connect with the utility through customer visits, community events, facility tours and on the internet.
- The Company continues to invest in its distribution system, based on prudent system planning and asset management processes, which incorporate customer interests and feedback. Such investments were a contributing factor to the sustainment of strong performance with respect to System Reliability results. Hydro One Brampton continued to maintain excellent system reliability performance in 2015 relative to its own historical performance as well as relative to industry benchmarks. Hydro One Brampton’s system reliability performance is one of the highest amongst the ten largest urban utilities.
- In addition, in 2015, Hydro One Brampton continued to improve its delivery of Conservation & Demand Management (CDM) plans by adding additional resources and partnering with other distributors. The “Energy into Action” informational workshop is one such example where Hydro One Brampton acted as a joint partner to deliver the program. By collaborating with other distributors Hydro One Brampton provided larger Commercial & Industrial customers with training and advice from qualified CDM representatives regarding emerging technologies to further encourage conservation initiatives.
- The Company’s emphasis on customer service translated into positive results related to customer experience. This performance

metric exceeded industry standards, and the overall customer satisfaction level, consistent with 2014, was excellent. As an example, the telephone calls answered on time metric increased from 75% in 2014 to 81.3% in 2015, substantially surpassing the industry target of 65%.

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

The City of Brampton is one of the fastest growing cities in Canada; Hydro One Brampton receives a high volume of requests to connect new residential developments and businesses each year. In 2015, Hydro One Brampton connected 99.7% of 4,708 eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Distribution System Code. The Company continues to surpass the OEB mandated target of 90%. Hydro One Brampton continually seeks opportunities to further enhance the coordination of the utility's construction activities with stakeholders. Where possible, Hydro One Brampton strives to identify and leverage any potential synergies between its connection work and other planned construction activities undertaken by the utility, other utilities and/or municipal and provincial agencies.

- **Scheduled Appointments Met On Time**

This performance metric measures the Utility's performance in meeting scheduled appointments requiring the customer to be present. Appointments include metering related matters, reconnections, vault room access, building inspections, and Conservation & Demand Management business. Hydro One Brampton met 4,141 appointments within the required timeline with a result of 100.0% in 2015. These results exceed the mandated target of 90%. In addition to following the requirement to offer a 4 hour window of time when scheduling appointments with customers, Hydro One Brampton also schedules to arrive at a specific time within the window to provide customer service exceeding the minimum requirements. Excellence in customer service is at the core of Hydro One Brampton's corporate philosophy and the Company is consistently seeking new ways to improve its service convenience and integrate new technological advancements to drive service level improvements.

- **Telephone Calls Answered On Time**

Hydro One Brampton is continually focused on this performance metric and on improving the overall interaction and experience with its customers. In 2015, Hydro One Brampton customer service representatives received approximately 145,100 calls from customers. Aiming to enhance the customer service experience, Hydro One Brampton has implemented a number of changes to improve the call answering time and the quality of the interaction in addressing its customers' needs. These changes include reallocation of staff, development and training of the customer service representatives and reorganization within the Customer Care department. As a result, customer service representatives were able to answer calls within 30 seconds, 81.3% of the time. This performance exceeds the OEB-mandated 65% target for timely call center response and is an improvement of 6.3% from the 2014 result of 75.0%.

Customer Satisfaction

- **First Contact Resolution**

The provision of prompt and efficient service to its customers is a priority for Hydro One Brampton. Therefore, the Company strives to resolve clients' queries within the first contact. Hydro One Brampton measures its First Contact Resolution metric based on a percentage of calls where customer queries were addressed at the first contact in proportion to the total calls received by the call center. Any customer telephone enquiries escalated to a supervisor or a manager from the Customer Care call center are determined not to have been resolved at the first contact. Hydro One Brampton commenced tracking this performance measure on June 5, 2015. 52,622 calls were received by the call center and 99.98% of the calls were resolved on first contact. When a telephone enquiry had been escalated to a supervisor or manager, such calls would have been logged in the Customer Information System with all relevant details and comments. The relevant information logged is used for continuous and sustained improvement of this measure, enhancing the value of service delivered to customers. In addition, Hydro One Brampton uses its customer survey results to identify possible customer service improvements in order to enhance first contact resolution in the future.

- **Billing Accuracy**

In accordance with the OEB's definition of an accurate bill, the bill is considered accurate when there are no adjustments, meter estimates or any bill cancellation and re-billings. For the period from January 1, 2015 to December 31, 2015 Hydro One Brampton had issued more than 1.8 million bills and achieved billing accuracy performance of 99.7%. This exceeds the prescribed OEB target of 98%.

Hydro One Brampton continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

Over the last ten years, Hydro One Brampton has engaged a third party to conduct annual customer satisfaction surveys. These surveys provide information that supports discussions surrounding improving customer service at all levels and departments within Hydro One Brampton. The survey asks customers questions on a wide range of topics, including: overall satisfaction with the Company, reliability, customer service, outages, billing and community involvement.

In addition, Hydro One Brampton provides input to this third party to enable it to develop questions that will aid in gathering data about customer expectations and needs. This data is then incorporated into Hydro One Brampton's planning process and forms the basis of plans to improve customer satisfaction and meet the needs of customers.

The survey evaluates the level of customer satisfaction and identifies areas of improvement; moreover, the survey results also help to identify the most effective means of communication. Hydro One Brampton's 2015 Customer Satisfaction Results contain a number of measures of customer satisfaction. For Residential and small General Service customers, Hydro One Brampton achieved an overall score of 91% in both 2015 and 2014. For large Commercial and Industrial ("C&I") customers, Hydro One Brampton achieved an overall score of 96% in 2015 and 95% in 2014. Hydro One Brampton will continue to use the survey results to identify ongoing opportunities for improvement.

Safety

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

Hydro One Brampton contracted a third party consultant to perform a survey on Public Awareness of Electrical Safety. All questions used in the survey followed the Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire, published by the Ontario Energy Board on November 25, 2015. Hydro One Brampton achieved a score of 78%. The results are based on a telephone survey (Random Digit Dialing) among 400 members of the general public that are 18 years of age or older and reside in Hydro One Brampton's service territory. The data was statistically weighted according to Canadian census figures (2011) for age, gender and region.

Hydro One Brampton continues to implement its own prevention programs and participate in joint prevention programs aimed at raising public awareness of electrical safety through education and interactions with the public. Such programs include public open houses, the City of Brampton "Emergency Preparedness Week", training of City Emergency Response Volunteers (CERV) and the School Electrical Safety Awareness Program. In 2015 Hydro One Brampton's representatives visited 13 schools in Brampton, conducted 25 sessions and educated 1,036 students on the topics of electrical hazards and electrical safety at home, in school and outside during normal or emergency situations.

Hydro One Brampton remains committed to educating and promoting electrical safety awareness of its customers and the general public, whenever possible.

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

In 2015, Hydro One Brampton was audited by the Electrical Safety Authority and identified as fully compliant with Ontario Regulation 22/04. This Regulation establishes electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by distributors.

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

During the reporting period Hydro One Brampton Networks had zero (0) serious electrical incidents due to contact with its electricity infrastructure. This results in a rate of 0.00 serious electrical incidents per 1,000 km of line for 2015.

0 (Serious Electrical Incidents) X 1,000 (Rate Group) / 3,353 (km of line) = 0.00

System Reliability

In 2015, Hydro One Brampton met the Ontario Energy Board reliability targets with respect to customer power outage frequency and customer power outage duration. The Company's 2015 reliability performance is attributed to diligent efforts in conducting distribution system inspections, monitoring equipment failures and system events, identifying trends and performing root cause analysis. In 2015, 38% of the outage events were attributed to equipment failure, (compared to 47% in 2014). In addition, 23% of the outage events related to planned interruptions (to enable the Company's tradespersons to work safely on the electricity system), followed by foreign interference events, including animal contact and vehicle collisions/impacts, which caused 13% of the outage events experienced. The Company continually monitors its system reliability and invests in its distribution system and processes to reduce system outages.

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

Hydro One Brampton's average number of hours when power to a customer was interrupted increased slightly from 0.55 hours (33 minutes) in 2014 to 0.68 hours (40.7 minutes) in 2015. Nevertheless, the Company's performance in this metric was superior to the target for 2015 of 2.45 hours (147 minutes). Furthermore, when removing the impact of major storms experienced in 2015, Hydro One Brampton's average number of hours, when power to a customer was interrupted drops to 0.44 hours (26.4 minutes). Hydro One Brampton's performance in this metric is trending positively as compared to previous year's results and exceeds the industry average of 1.77 hours¹.

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

Hydro One Brampton's average number of times when power to a customer was interrupted decreased slightly from 0.9 occurrences in 2014 to 0.89 occurrences in 2015. The Company's performance in this metric was superior to the target for 2015 of 1.41 occurrences. Furthermore, when removing the impact of major storms experienced in 2015, Hydro One Brampton's 2015 average number of occurrences when power to a customer was interrupted drops to 0.75 times. Hydro One Brampton's performance in this metric is trending positively as compared to previous results and exceeds the industry average of 1.65 occurrences².

¹ Reported in the 2015 OEB Yearbook for Electricity Distributors, page 12.

² Ibid.

- **Distribution System Plan Implementation Progress**

The Distribution System Plan (DSP) implementation progress outlines Hydro One Brampton's forecasted capital expenditures ("Capex") from 2014 to 2019 that are required to maintain and expand the Company's electricity system to serve its current and future customers. Hydro One Brampton's 2014 - 2019 DSP was developed based on asset management and planning practices that incorporated investment portfolio optimization, work execution and continuous improvement stages. DSP capital investment implementation performance measures are integrated into the company's work program achievement (WPA), which forms part of the Company's corporate performance scorecard. The 2015 WPA metric was made more rigorous as compared to 2014. Hydro One Brampton revised the WPA tracking in 2015 to more accurately reflect the scope, benefit and risk mitigating scores. Each project in 2015 was proportionally weighted relative to projects' costs, the benefits and risk mitigating scores. In 2015 the Company completed 59 of 64 planned projects and programs representing a 92.3% completion rate.

Cost Control

- **Efficiency Assessment**

The Pacific Economics Group LLC (“PEG”) evaluates the total annual operating and capital costs of Ontario local electricity distribution companies on behalf of the OEB to produce a single efficiency ranking. The rankings of the electricity distributors are divided into five groups based on the magnitude of the difference between their actual and predicted costs. Consistent with 2014, Hydro One Brampton was placed in Group 3 in 2015, where group 3 is defined as having actual costs within +/- 10 percent of predicted costs.

Group 3 is considered “average efficiency”; in other words, Hydro One Brampton’s costs are within the average cost range for distributors in the Province of Ontario. In 2015, 51% (36 distributors) of Ontario distributors were ranked as “average efficiency”; 28% were ranked as “more efficient”; 21% were ranked as “less efficient”.

- **Total Cost per Customer**

Total cost per customer as calculated in the PEG econometric model is the sum of Hydro One Brampton’s total capital and operating costs divided by the total number of customers served. Hydro One Brampton’s Total Cost per Customer had increased on average by 1.87% per year over the period from 2011 to 2015. In addition, the 2015 total cost per customer was 2.27% higher than 2014.

Based on the 2015 OEB Yearbook data, Hydro One Brampton had the 2nd lowest operating, maintenance and administration costs per customer among the distributors in Ontario. However, Hydro One Brampton’s Capital costs were higher than in previous years, driven by the requirements to support growth as the City of Brampton continues to be one of the fastest growing cities in Canada. In addition, the Company continues to improve existing infrastructure to manage growth in support of new and existing customers as well as embedded generator requests.

Hydro One Brampton will continue to enhance customer engagement initiatives in order to ensure customers have an opportunity to share their viewpoint on Hydro One Brampton’s spending plans. In addition, the Company will offset some of its costs associated with future system improvement and enhancements by implementing productivity and improvement initiatives.

Total Cost per Km of Line

The total cost per Km of line measure is based on dividing the same cost figure for the above metric (for total cost per customer) by the Km of line that Hydro One Brampton operates to serve its customers. Hydro One Brampton’s Total Cost per Km of Line has increased on average by 1.64% per year over the period from 2011 to 2015. In addition, the 2015 total cost per Km of line was 4.62% higher than 2014. Hydro One Brampton continues to seek innovative solutions to keep cost/km of line as low as practical.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Hydro One Brampton achieved 33 GWH of Net Energy Savings in 2015 of which 29 GWH will contribute towards the Company's 5 year target of 255 GWH. Early participation by local commercial customers in the Company's retrofit and energy efficient lighting programs enabled the Company to achieve these results. This is the first year of the five year CDM Term and as more programs are introduced and C&I customers plan for CDM initiatives, Hydro One Brampton forecasts greater energy savings in future years. Hydro One Brampton will continue marketing and promotion of the CDM programs and will support the commercial & industrial sectors in improving conservation, and management of energy efficiency.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) and submit an Offer to Connect within 60 days of receiving all the required documents from the customer. In 2015, Hydro One Brampton completed 79 of 79 Connection Impact Assessments and issued the Offers to Connect within the required time frame. Hydro One Brampton remains committed to enabling renewable generation projects and maintaining its 100% result.

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

The Company connected 138 micro-FIT projects to the grid. All of these projects were connected within the prescribed timeframe of five business days. Hydro One Brampton achieved 100% compliance with regards to this measure, surpassing the OEB requirement of 90%. Hydro One Brampton remains committed to enabling renewable generation projects and maintaining its performance for this measure through continuous improvement of its project management and implementation functions.

Financial Ratios

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

Hydro One Brampton's current ratio increased from 0.85 in 2014 to 1.44 in 2015, primarily due to a higher cash balance, as a result of the issuance of \$53 million of common shares in 2015.

- **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 distributor is more highly levered than the deemed capital structure. Hydro One Brampton's total debt to equity ratio decreased from 1.51 in 2014 to 0.97 in 2015 as a result of the issuance of \$53 million of common shares in 2015 which increased the Company's equity base.

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

Hydro One Brampton's deemed Return on Equity ("ROE") of 9.30% was approved by the OEB in the Company's 2015 Cost of Service Rate Application. This deemed ROE remains the same until the Company's next Cost of Service Application. 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**

Hydro One Brampton's regulatory return on equity achieved in 2015 was 7.66%, which is within the +/-3% range allowed by the OEB. The average return over the past three years was 9.25% which is also within the +/- 3% range allowed by the OEB. Hydro One Brampton's regulatory ROE decreased from 9.45% in 2014 to 7.66% in 2015 primarily due to a lower net income and a higher rate base. Net income was lower in 2015 mainly due to higher depreciation, administration costs, income taxes and lower miscellaneous revenue. These increases were partially offset by higher distribution revenue and lower operating and maintenance costs. Rate base was higher in 2015 due to an increase in fixed assets in service stemming from growth of the Company's distribution system.

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.