### Performance Outcomes

#### Performance Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Measures</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Trend</th>
<th>Industry</th>
<th>Distributor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>92.00%</td>
<td>95.70%</td>
<td>97.40%</td>
<td>97.40%</td>
<td>97.50%</td>
<td>90.00%</td>
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<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>93.90%</td>
<td>98.60%</td>
<td>98.40%</td>
<td>99.30%</td>
<td>98.50%</td>
<td>90.00%</td>
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<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>81.40%</td>
<td>83.40%</td>
<td>63.90%</td>
<td>69.60%</td>
<td>76.40%</td>
<td>65.00%</td>
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<tr>
<td></td>
<td>First Contact Resolution</td>
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<td>Billing Accuracy</td>
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<td>Customer Satisfaction Survey Results</td>
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<tr>
<td>Service Quality</td>
<td>Level of Public Awareness</td>
<td></td>
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<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>Ni</td>
<td>Ni</td>
<td>Ni</td>
<td>Ni</td>
<td>C</td>
<td></td>
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<tr>
<td></td>
<td>Serious Electrical Incident Index Rate per 100, 1000 km of line</td>
<td>0.066</td>
<td>0.051</td>
<td>0.059</td>
<td>0.033</td>
<td>0.042</td>
<td>0.035</td>
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<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>Ni</td>
<td>Ni</td>
<td>Ni</td>
<td>Ni</td>
<td>C</td>
<td></td>
<td>C</td>
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<tr>
<td></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>21.17</td>
<td>10.58</td>
<td>26.57</td>
<td>9.42</td>
<td>12.22</td>
<td>15.35</td>
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<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>3.93</td>
<td>3.15</td>
<td>4.23</td>
<td>2.96</td>
<td>3.07</td>
<td>3.44</td>
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<tr>
<td>Customer Satisfaction</td>
<td>Distribution System Plan Implementation Progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Under Review</td>
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<td>Efficiency Assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97%</td>
<td>116%</td>
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<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$1,072</td>
<td>$1,041</td>
<td>$1,046</td>
<td>$1,069</td>
<td>$983</td>
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<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$11,064</td>
<td>$10,741</td>
<td>$10,682</td>
<td>$10,916</td>
<td>$10,198</td>
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<tr>
<td>Operational Effectiveness</td>
<td>Net Cumulative Energy Savings</td>
<td>0.042</td>
<td>0.033</td>
<td>0.059</td>
<td>0.051</td>
<td>0.066</td>
<td>0.035</td>
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<td></td>
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<tr>
<td></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>95.79%</td>
<td>99.39%</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>99.71%</td>
<td>100.00%</td>
<td>99.78%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>0.99</td>
<td>0.99</td>
<td>1.00</td>
<td>0.99</td>
<td>0.97</td>
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<tr>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.34</td>
<td>1.30</td>
<td>1.35</td>
<td>1.31</td>
<td>1.19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.66%</td>
<td>9.66%</td>
<td>9.66%</td>
<td>9.66%</td>
<td>9.30%</td>
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<tr>
<td></td>
<td>Return on Equity</td>
<td>8.80%</td>
<td>8.72%</td>
<td>8.00%</td>
<td>6.26%</td>
<td>6.77%</td>
<td></td>
<td></td>
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</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.

### Scorecard - Hydro One Networks Inc.
Hydro One Networks Inc.'s (referred to as “the Company” or “Hydro One”) 2015 performance was better than target in all areas, except for the Number of General Public Incidents.

Our cost-control performance continued to show improvement, with a reduction in total costs per customer and per kilometre of distribution system line. The cost performance improvement in 2015 was the largest measured in the past five years for the Company, achieving a reduction of over 8 per cent on total cost per customer and of about 6.6 per cent on total cost per kilometre of line. These translated to cost reductions of $86 per customer and $718 per kilometre of line in 2015.

Service Quality

- New Residential/Small Business Services Connected on Time

In 2015, Hydro One processed 16,908 new connection requests for residential and small business low-voltage customers (those with service less than 750 Volts). Of these, 97.5 per cent were completed within five business days (or as agreed to by the customer and the distributor), exceeding the industry target of 90 per cent for the fifth consecutive year. An “industry target” is the metric-specific target defined in the Ontario Energy Board’s Distribution System Code (DSC).
**Scheduled Appointments Met On Time**

Hydro One scheduled 29,909 appointments in 2015. The Company recorded a 98.5 per cent success rate in meeting these commitments, exceeding the industry target of 90 per cent for the fifth consecutive year. Although the results for 2015 represent a slight drop (0.80 percentage points) compared to last year, performance in meeting scheduled appointments has improved steadily over the past five years. This measure applies to appointments where customer presence is required, and also to those where customers do not need to be present. When a customer requests an appointment, the appointment must be scheduled within five business days (or as agreed to by the customer and the distributor). If customer presence is required, the distributor must commit to, and arrive within a four-hour window for the appointment. If customer presence is not required, the distributor must arrive on the scheduled date. Hydro One remains committed to meeting our customers’ expectations in this area.

**Telephone Calls Answered On Time**

Hydro One call centre agents handled about 1.34 million phone calls from customers in 2015, out of a total of about 2.6 million phone calls placed by customers. (The difference between the number of agent-handled calls and the total calls placed was managed by the Company’s Interactive Voice Response system.) In 2015, the Company answered 76.4 per cent of calls within 30 seconds, exceeding the industry target by 11.4 percentage points, and a significant improvement of 6.8 percentage points over the previous year. The Company continues to invest in customer satisfaction, and has an internal target of answering calls within 30 seconds, 80 per cent of the time. The Ontario Energy Board’s (OEB) DSC requires call centre staff to answer calls within 30 seconds, 65 per cent of the time, whenever the customer reaches an agent either directly or by means of a transfer. During the year, our ability to answer calls in a timely manner will be affected by spikes in call volumes which are affected by unexpected events and extreme weather conditions such as storms. Even including these impacts, we expect our performance to continue to exceed the industry target and to meet our internal target of answering calls within 30 seconds or less, 80 per cent of the time.

**Customer Satisfaction**

**First Contact Resolution**

First Contact Resolution (FCR) reports the success of the distributor in resolving a customer’s issue during the first contact, as reported by the customer. Hydro One measures FCR based on transactional surveys that are performed within five days of our interaction with the customer. In 2015, 82 per cent of issues were resolved during our first contact with the customer, representing an improvement of 3 percentage points from 2014, and very close to the Company’s internal target of 83 per cent. Although the OEB requires all distributors to
report this measure, there is no common measurement standard for it among distributors.

- **Billing Accuracy**

For 2015, the Company exceeded the industry target by 0.59 percentage points, achieving a score of 98.59 per cent and improving from 2014 by about 4 percentage points. For the year 2013, the Company reported its performance for Billing Accuracy in terms of the percentage of inaccurate bills. This calculation was subsequently changed in late 2014 when the metric was redefined by the OEB to show the percentage of accurate bills issued by a distributor. For 2015, to ensure consistency amongst the reporting distributors, the OEB has decided to remove the 2013 results from all scorecards, publishing only the 2014-15 periods.

In 2015, the OEB approved the Company’s exemption request from applying Time of Use (TOU) billing for about 170,000 customers whose meters are both difficult to access and unable to communicate reliably due to poor cellular coverage. If these meters had been excluded in 2014, the calculation for 2014 would have been 97.86 per cent. As cellular coverage improves, Hydro One will continue to reduce the number of non-communicating meters and offer TOU billing to these customers.

- **Customer Satisfaction Survey Results**

Customer satisfaction remained steady at 85 per cent in 2015. The Company measures customer satisfaction using an equally weighted composite index of the following components: Outage Handling, Agent Handled Calls, Local Distribution Accounts (LDAs), Forestry Services, New Connections and Upgrades, and My Account. In order to improve customer satisfaction in 2016, the Forestry and New Connection teams have taken steps to enhance their customer communication, scheduling, and execution of customer requests. In addition, there are several major initiatives underway to improve customer satisfaction, including: High Bill Alerts, eBilling notifications, Bill Redesign, and an enhanced web portal.

High Bill Alerts will proactively deliver alerts to customers whose electricity usage within the billing period is trending higher than normal, prior to the actual bill being delivered. Customers will also receive guidance on how they can adjust their energy use before the end of the billing period. eBilling notifications will inform customers that have signed up for e-billing that their bill is ready. Hydro One’s new eBilling notifications will provide customers with personalized insights about their energy consumption, promotions for conservation & demand management programs, and will ensure customers can use self-service channels instead of calling the call center. The Bill Redesign initiative will design a modern and customer-friendly paper bill for Hydro One customers in order to reduce customer frustration with hard-to-read bills. An enhanced web portal will provide seamless integration of Hydro One’s My Account self-service portal with interactive

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2015 Scorecard MD&A
access to energy usage information and energy savings recommendations based on energy usage patterns. These initiatives are well underway, and we expect them to impact on customer satisfaction levels starting in 2017.

### Safety

- **Public Safety**

  In April 2015, the Electrical Safety Authority (ESA) made recommendations to the OEB for a scorecard public safety measure that includes three main components: A) Public Awareness of Electrical Safety, B) Compliance with Ontario Regulation 22/04, and C) the Serious Electrical Incident Index. Components B and C were reported in previous years and results for Component A were tracked for the first time in 2015, for reporting in 2016.

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

    For the first reporting year of 2015, Hydro One achieved an overall index score of 81 per cent. During 2015, Hydro One conducted a survey to gauge electrical safety awareness among people living in Hydro One’s service territory. The survey was composed of six core questions, focused on the likelihood that a customer will call before digging, the impacts of touching a power line, safe distances when around power lines, safe distances when around downed power lines, tampering with electrical equipment, and the correct course of action when an occupied vehicle is in contact with a power line. The data was then weighted by age, gender, and region using distribution information from the 2011 Statistics Canada census to reflect the demographic composition of the service territory, and responses were weighted to arrive at an aggregated awareness score, which for 2015 was 81 per cent.

    In 2015, Hydro One was awarded the ESA’s Powerline Safety Award for its community outreach with the Company’s mobile Electricity Discovery Centre (EDC). The EDC is a 1,000 square foot mobile education centre that features interactive games and exhibits. More than 30,000 visitors from 26 communities learned about electrical safety, how to conserve energy and the role that Hydro One plays in the community.

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

    Ontario Regulation 22/04 was introduced in early 2004 following recommendations from the ESA to ensure electrical safety and to track and report the safety records and compliance of electricity distributors. Distribution companies are required to submit declarations of
compliance on the design, construction, and maintenance of distribution systems in accordance with the regulation, on an annual basis. An external auditor reviews and submits a final report along with a signed declaration of compliance by an officer of the company. The performance target for compliance with Ontario Regulation 22/04 is for the distributor to be fully compliant, and is recorded as Compliant (C), Non-Compliant (NC), or Needs Improvement (NI). For 2015, the Company received a Compliant (C) score.

- Component C – Serious Electrical Incident Index

For 2015, the ESA identified five serious recordable electrical public incidents, resulting in an index value of 0.042 incidents per 1,000 km of line for Hydro One. Although above the ESA maximum of 0.035, the overall trend continues to show a reduction of serious electrical incidents on the Company’s distribution system. The Serious Electrical Incident Index was designed to track and help improve public electrical safety on the distribution network over time. A distributor and any of its contractors or operators are required to report to the ESA any serious electrical incident involving members of the general public to the ESA within 48 hours. A serious electrical incident is defined as any electrical contact or any fire or explosion that caused or has the potential to cause, critical injury or death in any part of the distribution system operating at greater than 750 Volts (except as caused by lightning strikes). Hydro One has initiated enhancements to the managed process including investigation of public safety events to identify opportunities for improvements to standards, work practices or communications to mitigate the risk of future similar incidents.

**System Reliability**

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

For 2015, the Company reported an average outage duration of 12.22 hours, representing an increase of about 3 hours from 2014, mostly due to weather-related interruptions. Although higher than last year, the five year trend is positive and the 2014 and 2015 performance is lower than the distributor target of 15.35 hours. The metric represents the duration of interruptions, as the ratio of the total customer hours of interruption to the total number of customers served, and expressed as the average time in hours over the reporting period. The measure captures all planned and unplanned interruptions of one minute or longer, including the effects of significant and widespread storm damage. The increase in the 2015 metric was mainly attributable to three significant weather events, each of which impacted 10 per cent or more of our distribution customers, causing damage to both Distribution and Transmission systems. During August 1st to 4th, a severe thunderstorm caused significant tree damage to power lines, resulting in interruptions to about 144,000, or nearly 11 per cent of our customers. Between November 6th and 9th, wind speeds of up to 100km/h damaged distribution poles and caused downed trees in Southwestern and Northwestern Ontario and the Georgian Bay area, resulting in interruptions to about 277,000 or nearly 21 per cent of
our customers. Finally, during December 25th to 26th, winds of 70 km/h to 90 km/h passed through Southwestern Ontario along the shores of Lake Huron causing further tree damage to our system, and resulting in interruptions to about 189,000 or nearly 14 per cent of our customers.

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

  Frequency of customer outages was reported at 3.07 outages per customer for 2015, consistent with the 2014 metric of 2.96, and better than the distributor target of 3.44. The overall trend continues to improve, showing a reduction to the number of times that power is interrupted to our customers by about 22 per cent since 2011.

As identified above, due to the significant rural aspect of the Company’s distribution systems, all weather in the Province affects some part of the Company’s network and can result in significant variations in the duration and frequency portions of the System Reliability metrics.

### Asset Management

- **Distribution System Plan Implementation Progress**

  For 2015, the Company exceeded its planned investments in the system by 16 per cent to achieve an increased volume of sustainment work on Distribution Stations and Lines, which was partially offset by lower development costs. Established in 2013 by the OEB, the Distribution System Plan (DSP) implementation progress is a distributor-defined performance metric. Hydro One’s DSP outlines the Company’s forecasted capital expenditures over the next five years, required to maintain and expand the electricity system to serve current and future customers. Progress is measured as the ratio of actual total in-service capital expenditures made in a calendar year to the total amount of planned in-service capital expenditures for the same year.

### Cost Control

- **Efficiency Assessment**

  Cost control metrics are evaluated on behalf of the OEB by an independent party, the Pacific Economics Group LLC (PEG). The PEG study segments electrical distributors into five groups based on a benchmarking evaluation of cost efficiency as measured by the difference between actual costs and PEG’s prediction of costs. Group 1 distributors are considered most efficient, with actual costs 25 per
cent or more below predicted costs and Group 5 distributors are considered least efficient, according to the PEG methodology, with actual costs 25 per cent or more above predicted costs. Cost benchmarking is impacted by the nature and profile of distribution systems, with rural system such as Hydro One generally ranking lower than the results of typical urban utilities. For 2015, Hydro One remained in Group 5, along with Algoma Power Inc., Toronto Hydro-Electric System Ltd., and West Coast Huron Energy Inc.

- **Total Cost per Customer**

  In 2015, Hydro One’s annual cost performance improvement represented a reduction of over 8 per cent on total cost per customer, representing a reduction in cost of $86 per customer from last year. This was largely a result of lower OM&A expenditures related to enhanced collections (lower bad debt expenses), lower vegetation management costs, and a lower volume of work to locate and restore power interruptions. The total cost per customer is defined as the total Capital and Operations, Management, & Administration (OM&A) costs, divided by the total number of customers served. This includes certain adjustments prescribed by the PEG methodology.

- **Total Cost per km of Line**

  In 2015, Hydro One achieved a reduction of about 6.6 per cent for Total Cost per kilometre of line, representing a reduction in cost of $718 per kilometre from 2014, largely attributable to the lower OM&A expenditures noted above. The total cost per kilometre of line is defined as the total Capital and OM&A costs, divided by the total number of kilometres of line operated to serve customers, along with certain PEG prescribed adjustments.

**Conservation & Demand Management**

- **Net Cumulative Energy Savings (Per cent of target achieved)**

  On March 31, 2014 the Minister of Energy issued a directive outlining the New Conservation First Framework for the period 2015-20, requiring distributors to submit their Conservation & Demand Management (CDM) plans by May 2015. The new directive effectively changed the metrics against which distributors reported their CDM performance, and the OEB modified the scorecard accordingly, removing the previously reported metrics. Hydro One’s approved CDM Plan outlines annual milestones in order to reach a target of 1,159.02 GWh net energy savings by December 31, 2020, including a first year 2015 target of 180.8 GWh. In 2015, Hydro One achieved energy savings of 200.16 GWh, 17.27 per cent of its total 2020 energy savings goal, exceeding its first year target by about 11 per cent. This metric, as reported for 2015, does not include Norfolk Power.
Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**
  
  For 2015, and for the third consecutive year, the Company completed 100 per cent of the Connection Impact Assessments (CIAs) received, on time (within 60 days from the date the CIA is received). A CIA is used to assess the impact of a new connection on the distribution system, and is applicable to facilities that are greater than 10kW.

- **New Micro-embedded Generation Facilities Connected On Time**
  
  For the third consecutive year, the Company exceeded the industry target, achieving a 99.78 per cent on-time rate for connecting new micro-embedded generation facilities on time. As defined in the DSC, the metric measures the Company’s success in connecting micro-embedded generation facilities (less than 10 kW) within five business days, setting an industry target of 90 per cent.

Financial Ratios

The basis for these financial ratios is the Company’s Distribution Business Financial Statements December 31, 2015, filed with the OEB under the Electricity Recording & Record-Keeping Requirements (RRR) submission.

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**
  
  For 2015, the current ratio was reported as 0.97, or about 2 per cent lower than in 2014. This result indicates that for every one dollar of debt due within the year, the Company had $0.97 in cash or cash equivalents on-hand to cover the obligations. The Company measures current ratio as the ratio of its current assets to its current liabilities. Current assets are defined as cash or other assets to be converted to cash within the year and which can be used to fund daily operations and pay ongoing expenses. Current liabilities are defined as short term debts or financial obligations that become due within the year.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**
  
  The debt-to-equity ratio is a measure of the Company’s financial leverage and serves to identify the ability to finance assets and fulfill
obligations to creditors. The OEB-deemed capital structure is 60 per cent to 40 per cent debt-to-equity structure (a ratio of 1.5). For 2015, the Company’s debt-to-equity ratio was 1.19.

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

  Hydro One’s deemed regulatory return on equity (ROE) for 2015 was 9.30 per cent.

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

  For the year 2015, the Company achieved a regulatory return on equity of 8.77 per cent for its Distribution business, compared to the deemed ROE of 9.30 per cent. This represents an increase of 2.51 percentage points compared to 2014, although still short of the deemed ROE. In 2014, earnings were reduced by an increase in expenses related to customer service, reflecting our efforts to address billing and other customer service issues. With these issues improving during 2015, the ROE showed an improvement compared to 2014.
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.

FORWARD-LOOKING STATEMENTS AND INFORMATION

Words such as “expect,” “anticipate,” “intend,” “attempt,” “may,” “plan,” “will,” “can,” “believe,” “seek,” “estimate,” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Some of the factors that could cause such differences include legislative or regulatory developments, an unexpected increase in call centre volumes, financial market conditions, general economic conditions and the weather. We do not intend, and we disclaim any obligation to update any forward-looking statements, except as required by law.