

Scorecard - E.L.K. Energy Inc.

9/24/2017

Performance Outcomes	Performance Categories	Measures	2012	2013	2014	2015	2016	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	96.80%	94.40%	92.90%	94.90%	93.90%		90.00%		
		Scheduled Appointments Met On Time	100.00%	96.20%	100.00%	100.00%	98.90%		90.00%		
		Telephone Calls Answered On Time	97.00%	97.40%	97.00%	97.50%	97.20%		65.00%		
	Customer Satisfaction	First Contact Resolution				98%+	Excellent	Excellent			
		Billing Accuracy				99.97%	99.99%	99.97%		98.00%	
		Customer Satisfaction Survey Results				Excellent	Excellent	88% Satis.			
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%	78.00%			
		Level of Compliance with Ontario Regulation 22/04 ¹	C	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	1.22	1.05	1.12	0.61	0.25			1.40	
		Average Number of Times that Power to a Customer is Interrupted ²	0.34	0.44	0.50	0.21	0.09			0.53	
	Asset Management	Distribution System Plan Implementation Progress				In Progress	In Progress	In progress			
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$421	\$401	\$367	\$428	\$416				
Total Cost per Km of Line ³		\$31,524	\$29,697	\$29,012	\$31,877	\$31,239					
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					10.26%	25.99%		16.20 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%						
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	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)	3.94	3.10	2.55	2.07	2.04				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.01	1.03	0.81	0.63	0.52				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.00%	9.12%	9.12%	9.12%	9.12%			
			Achieved	11.90%	9.20%	19.22%	10.72%	8.39%			

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.

Legend:

5-year trend
 up down flat

Current year
 target met target not met

2016 Scorecard Management Discussion and Analysis (“2016 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 2016 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

- In 2016, E.L.K. Energy Inc. (E.L.K.) exceeded all performance targets. In 2017, E.L.K. will continue to strive to achieve positive scorecard results and continue to look ways to improve the customer experience.

Service Quality

- **New Residential/Small Business Services Connected on Time**
In 2016, E.L.K. connected 93.90% of approximately 100 eligible low-voltage residential and small business customers to E.L.K.’s system within the five day timeline prescribed by the Ontario Energy Board (OEB). This is above the OEB mandated threshold of 90%.
- **Scheduled Appointments Met On Time**
In 2016, E.L.K. scheduled approximately 110 appointments with customers in 2016 to complete work requested by customers, read meters, reconnect, or otherwise necessary to perform. E.L.K. met 98.90% of these appointments on time, which significantly exceeds the industry target of 90%.
- **Telephone Calls Answered On Time**
In 2016 E.L.K. customer service agents received over 12,600 calls from its customers. An agent answered a call in 30 seconds or less in 97.2% of these calls which is consistent with 2015. This result significantly exceeds the OEB – mandated 65% target for timely call response. The call volume decreased by approximately 4% and can be attributed to successfully promoting on-line self-serve features, and internal process improvements.

Customer Satisfaction

- **First Contact Resolution**

- E.L.K. continues to develop this measure as no firm methodology has been presented. Per E.L.K.'s 2016 scorecard, E.L.K. conducted a customer satisfaction survey which resulted in an overall positive customer experience. E.L.K. also conducted a survey for E.L.K.'s COS and produced very positive results. The number of customer issues that required escalation after the first contact were minimal.

- **Billing Accuracy**

In 2016, E.L.K. issued approximately 140,000 electricity bills and achieved a billing accuracy of 99.97%. This compares favorably to the prescribed OEB target of 98%.

- **Customer Satisfaction Survey Results**

In 2016, as part of Active engagement with customers, E.L.K. understands its customer preferences and assists the organization in shifting focus in order to deliver services in alignment with customer needs. A recent study conducted by Oracle Poll, indicated that 88% of respondents were satisfied.

Safety

- **Public Safety**

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

E.L.K. received a public awareness level of 78% per the OraclePoll survey conducted. E.L.K. continues to educate our customer base through website updates, in –office library, bill messages, etc.

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

E.L.K. receives data from ESA providing performance data for the 2016 Distributor Scorecard. The data was for Component B (Compliance with Ontario Regulation 22/04) and Component C (Serious Electrical Incident Index) under the 'Safety' Performance Category of the Scorecard. E.L.K. has always been compliant with Ontario regulation 22/04 and has had zero serious electrical incidents occur over the life of the scorecard.

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

E.L.K. receives data from ESA providing performance data for the 2016 Distributor Scorecard. The data was for Component B (Compliance with Ontario Regulation 22/04) and Component C (Serious Electrical Incident Index) under the 'Safety' Performance Category of the Scorecard. E.L.K. has always been compliant with Ontario regulation 22/04 and has had zero serious electrical incidents occur over the life of the scorecard.

System Reliability

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

In 2016 E.L.K.'s average number of hours that power to a customer was interrupted was .25 which is fairly consistent with previous years.

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

In 2016 E.L.K.'s average number of times that power to a customer was interrupted (i.e. frequency) was .09 which is consistent with previous years.

Asset Management

- **Distribution System Plan Implementation Progress**

Currently in process

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 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. In 2017, for the sixth year in a row, E.L.K. was placed in Group 1, where a Group 1 distributor is considered most efficient. E.L.K. was one of five utilities in Group 1 in 2017.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of E.L.K.'s capital and operating costs and dividing this cost figure by the total number of customers that E.L.K. serves. The cost performance result is \$416/customer, and a 5 year average of \$407/customer.

- **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 E.L.K. operates to serve its customers. E.L.K.'s rate is \$31,239 per Km of line, which is consistent with 2016.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

In 2016, E.L.K.'s CDM plan forecasted a savings of 1,797 MWh. E.L.K. achieved 1,699 MWh savings in 2016. E.L.K. continues to promote all CDM measures and work towards our 2020 target in conjunction with Greensaver. E.L.K. is on track to meet its 2020 target of 16,200 MWh.

Connection of Renewable Generation

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

E.L.K. has completed all Connection Impact Assessments on time within the prescribed time limit.

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

In 2016, E.L.K. connected 4 new micro-embedded generation facilities (microFIT projects of less than 10kW) 100% of time within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time. The process is very streamlined and E.L.K. works with the customer and the electrical safety authority to ensure the project is connected on time.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates the company can pay its short term debts and financial obligations. E.L.K.'s current ratio of 2.04 is strong.

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

A debt to equity ratio of 1.5 indicates that a distributor is more highly leveraged than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. E.L.K.'s debt to equity ratio of 0.52 is strong.

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

E.L.K.'s current distribution rates were approved by the OEB and include an expected return on equity of 9.12%. E.L.K. Rate is 8.39% which is within the +-300 basis points deadband.

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

E.L.K.'s actual rate is higher than the deemed rate but within the acceptable +-300 basis points deadband.

Note to Readers of 2016 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.