

Scorecard - Hydro One Brampton Networks Inc.

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	100.00%	99.80%	100.00%	99.70%	99.80%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	99.90%		90.00%		
		Telephone Calls Answered On Time	84.00%	80.60%	75.00%	81.30%	82.30%		65.00%		
	Customer Satisfaction	First Contact Resolution				99.98	99.9645				
		Billing Accuracy			99.61%	99.66%	99.64%		98.00%		
		Customer Satisfaction Survey Results		Excellent	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%	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	0.61	0.57	0.37	0.45	0.41		0.54		
		Average Number of Times that Power to a Customer is Interrupted ²	1.01	1.03	0.76	0.75	0.69		0.92		
	Asset Management	Distribution System Plan Implementation Progress		Excellent	94%	92.3	95%				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$571	\$586	\$617	\$631	\$634				
		Total Cost per Km of Line ³	\$27,424	\$27,565	\$28,458	\$29,772	\$29,862				
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%	30.39%		255.16 GWh		
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%	100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time		100.00%	95.56%	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)	1.14	0.89	0.85	1.44	1.57				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.55	1.57	1.51	0.97	0.90				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.66%	9.66%	9.66%	9.30%	9.30%			
			Achieved	10.72%	10.64%	9.45%	7.66%	7.30%			

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

Hydro One Brampton had a very positive scorecard in 2016 (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.. 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. 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 invests 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 improvement of System Reliability results in 2016. Hydro One Brampton continued to maintain excellent system reliability performance in 2016 relative to its own historical performance as well as relative to industry benchmarks.

The Company’s emphasis on customer service translated into positive results related to customer experience. The customer satisfaction survey metric exceeded industry standards, and the overall customer satisfaction level, consistent with 2015 and all previous years, was excellent. As an example, the telephone calls answered on time metric increased from 81.3% in 2015 to 82.3% in 2016, 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 for new residential developments and businesses each year. In 2016, Hydro One Brampton connected 99.8% of 4,541 eligible low-voltage residential and small business customers (less than 750 volts) to its system within the five-day timeline prescribed by the Distribution System Code (“DSC”). The Company continued to surpass the Ontario Energy Board (“OEB”) mandated target of 90%.

Scheduled Appointments Met On Time

The OEB’s DSC requires that electricity distributors offer to schedule an appointment within a window of time that is no greater than four hours. The electricity distributor must arrive for the appointment within the scheduled timeframe 90% of the time. Appointments include requests for underground cable locates, reconnections, and meter reads. Of 3,788 appointments scheduled in 2016 requiring the presence of the customer, Hydro One Brampton met 99.9% of these appointments within the OEB approved timeframe. These results are considerably better than the industry target of 90%.

Telephone Calls Answered On Time

The OEB’s DSC requires that electricity distributors answer calls within 30 seconds, 65% of the time. The performance of this measurement is influenced by the volume of customer calls that are received by the call centre and are driven by factors such as billing inquiries, customer move in and outs, news about the electricity market in the media, conservation and demand management programs and power outages.

In 2016, Hydro One Brampton’s Customer Service Representatives (“CSR”) received approximately 158,400 calls from customers as compared to 145,100 calls in 2015. This represents a 9.9% increase in call volumes. Hydro One Brampton CSRs answered 82.3% of incoming calls within 30 seconds. This performance exceeds the OEB mandated target of 65% and is an improvement of 1.0% compared to the 2015 result of 81.3%.

Customer Satisfaction

First Contact Resolution

The OEB does not provide a specific metric for First Contact Resolution (“FCR”), which is a customer query resolved in a single call, thereby eliminating the need for the customer to follow up with a second call. The OEB instructed all electricity distributors to review and develop a number of customer satisfaction measurements for reporting starting in 2015.

The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for this item in the future. As a result, each electricity distributor may have different measurements of performance until such time as the OEB provides specific direction regarding a commonly defined measure.

Skill based routing is utilized at Hydro One Brampton to route incoming customer queries to the appropriate agent queue for quick resolution. Hydro One Brampton measures its FCR 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 queries escalated to a supervisor or a manager from the Customer Care call center are determined not to have been resolved at the first contact. In 2016, 84,562 calls were received by the call center and 99.96% of the calls were resolved on first contact. When a telephone customer query is escalated to a supervisor or manager, such calls are logged in the Customer Information System with all relevant details and comments.

Billing Accuracy

The Billing Accuracy customer satisfaction metric is defined as the number of accurate bills issued expressed as a percentage of the total bills issued. A bill is considered accurate if it has not been subject to any adjustments, meter reading estimates, or a bill cancellation with a re-bill. In 2016, Hydro One Brampton issued more than 1.8 million customer bills and achieved billing accuracy performance of 99.6%. This is consistent with Hydro One Brampton’s performance in previous years and exceeds the prescribed OEB target of 98%.

Customer Satisfaction Survey Results

Electricity distributors are required to measure and report customer satisfaction results at least every other year. At this time, the OEB is allowing electricity distributors the discretion as to how they implement this measure.

Over the last ten years, Hydro One Brampton has engaged a third party, Simul Corporation, 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 2016 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 2016 and 2015. For large Commercial and Industrial ("C&I") customers, Hydro One Brampton achieved an overall score of 94% in 2016.

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 OEB 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 continued 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.

Component B – Compliance with Ontario Regulation 22/04

In 2016, Hydro One Brampton was audited by the Electrical Safety Authority ("ESA"). The ESA found that Hydro One Brampton was 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 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 2016. Hydro One Brampton's result in 2016 met the OEB's prescribed target of zero (0) for both the number of serious incidents and the rate per 1,000km of line.

System Reliability

Average Number of Hours that Power to a Customer is Interrupted

In 2016, Hydro One Brampton's average number of hours that power to a customer is interrupted improved slightly by 0.04 hours (2.4 minutes). This reduction can be attributed to continued investments in distribution system automation. The leading causes for the average number of hours that power to a customer is interrupted continue to be equipment failure and foreign interference related outages. Hydro One Brampton was well below target for the average number of hours that power to a customer is interrupted (0.41 hours compared to a target of 0.54 hours).

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 improved slightly with a decrease in occurrences by 0.06 interruptions. The leading cause for the average number of times that power to a customer is interrupted continue to be equipment failure and foreign interference related outages. Hydro One Brampton was well below target for the average number of times when power to a customer was interrupted (0.69 interruptions compared to a target of 0.92 interruptions).

Asset Management

Distribution System Plan Implementation Progress

The Distribution System Plan ("DSP") Implementation Progress measure was initiated by the OEB in 2013. The OEB does not require all distributors to use the same approach to measure DSP Implementation progress. Until the OEB establishes a definition for this measure, utilities may define the measure in the manner that best fits their situation. However, the OEB requires that a distributor report on this metric to indicate whether its work continues to be "on track" relative to its DSP.

The DSP outlines Hydro One Brampton's planned capital expenditures from 2014 to 2019 that are required to maintain and expand Hydro One Brampton's electricity system to serve its existing 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 Hydro One Brampton's Work Program Achievement ("WPA"), which formed part of the Hydro One Brampton's corporate performance scorecard. Hydro One Brampton revised the WPA tracking in 2015 to more accurately reflect the scope, benefit and risk mitigating scores. Accordingly, each project is proportionally weighted relative to projects' costs, the benefits and risk mitigating scores.

In 2016, the Company completed 44 projects out of 46 planned project and programs which represents a 95% completion rate. The cumulative 2015 and 2016 actual capital expenditure was 101.2% of the Board approved 2015 and 2016 DSP capital expenditure amount.

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 2015, Hydro One Brampton was placed in Group 3 in 2016, 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 2016, 47% (32 distributors) of the Ontario distributors were ranked as "average efficiency"; 29% were ranked as "more efficient"; 24% were ranked as "least 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 2.76% per year over the period from 2012 to 2016. In 2016, total cost per customer of \$634 remained relatively flat and represented an increase of 0.48% over 2015.

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 2.22% per year over the period from 2012 to 2016. In addition, the 2016 total cost per Km of line was 0.30% higher than 2015.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

Hydro One Brampton Networks Inc. achieved 42.2 GWh of Net Energy Savings in 2016 of which 41.7 GWh will contribute towards the Company's six year target of 255.2 GWh.

Net cumulative savings achieved in the first two years of the Conservation First Framework are 81.1 GWh, of which 77.5 GWh will persist to 2020 (30.4% six year cumulative target).

Connection of Renewable Generation

Renewable Generation Connection Impact Assessments Completed on Time

Electricity distributors are required to conduct Connection Impact Assessments ("CIA") and submit an Offer to Connect within 60 days of receiving all the required documents from the customer. In 2016, Hydro One Brampton did not complete any new Connection Impact Assessments. As with last year, Hydro One Brampton remains committed to enabling renewable generation projects and maintaining its 100% result.

New Micro-embedded Generation Facilities Connected On Time

Hydro One Brampton connected 308 micro-FIT projects to the grid in 2016. 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)

The OEB requires distributors to report their Current Ratio because it is one of a number of common measures of the financial health of a distributor. The Current Ratio indicates whether or not the distributor has enough resources (assets) to pay its debts (liabilities) over the

next 12 months. A Current Ratio of 1.0 means all current assets can cover all current liabilities. Hydro One Brampton's current ratio increased from 1.44 in 2015 to 1.57 in 2016. The change is primarily due to an increase in the accounts receivable balance, driven by an increase in energy consumption and commodity prices, partially offset by higher accrued interest.

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). The debt to equity ratio measures the extent to which assets are financed by debt and equity in an entity. A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. Hydro One Brampton's total debt to equity ratio decreased from 0.97 in 2015 to 0.90 in 2016.

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

The OEB requires all distributors to report their Return on Equity ("ROE") earned through OEB approved distribution rates as another common measure of the financial health of the distributor. The OEB allows a distributor to earn within +/- 3% of the expected ROE. 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. Hydro One Brampton's deemed ROE of 9.30% was approved by the OEB in the Company's 2015 Cost of Service Rate Application.

Profitability: Regulatory Return on Equity – Achieved

The OEB requires all distributors to report their ROE earned through OEB approved distribution rates as another common measure of the financial health of the distributor. The OEB, however, allows a distributor to earn within plus or minus 3% of the deemed ROE. 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. Hydro One Brampton's achieved ROE in 2016 of 7.30%, which is within the +/-3% range allowed by the OEB. The average five-year return for 2012 to 2016 was 9.15%. Hydro One Brampton's regulatory ROE decreased from 7.66% in 2015 to 7.30% in 2016. The decrease in the return is principally due to higher operating expenses.

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.