### Performance Outcomes

#### Performance Categories

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>New Residential/Small Business Services Connected on Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Scheduled Appointments Met On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.40%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Telephone Calls Answered On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.90%</td>
<td>65.00%</td>
</tr>
<tr>
<td>First Contact Resolution</td>
<td>97.93%</td>
<td>98.3%</td>
<td>98.1</td>
<td>98.0%</td>
<td>98.0%</td>
<td>98.0%</td>
</tr>
<tr>
<td>Billing Accuracy</td>
<td>99.94%</td>
<td>99.85%</td>
<td>75.61%</td>
<td>75.61%</td>
<td>75.61%</td>
<td>75.61%</td>
</tr>
<tr>
<td>Customer Satisfaction Survey Results</td>
<td>A</td>
<td>85%</td>
<td>80.8</td>
<td>84.60%</td>
<td>84.60%</td>
<td>84.60%</td>
</tr>
<tr>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>0.68</td>
<td>0.70</td>
<td>0.33</td>
<td>0.18</td>
<td>0.04</td>
<td>0.01</td>
</tr>
<tr>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>1.46</td>
<td>0.57</td>
<td>0.04</td>
<td>0.33</td>
<td>0.68</td>
<td>1.95</td>
</tr>
<tr>
<td>Distribution System Plan Implementation Progress</td>
<td>60%</td>
<td>93.75</td>
<td>93.75</td>
<td>93.75</td>
<td>93.75</td>
<td>93.75</td>
</tr>
<tr>
<td>Efficiency Assessment</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total Cost per Customer</td>
<td>$673</td>
<td>$662</td>
<td>$666</td>
<td>$681</td>
<td>$679</td>
<td>10.83 GWh</td>
</tr>
<tr>
<td>Total Cost per Km of Line</td>
<td>$35,586</td>
<td>$34,376</td>
<td>$36,309</td>
<td>$37,445</td>
<td>$36,614</td>
<td>26.42%</td>
</tr>
<tr>
<td>Net Cumulative Energy Savings</td>
<td>51.39%</td>
<td>51.39%</td>
<td>51.39%</td>
<td>51.39%</td>
<td>51.39%</td>
<td>51.39%</td>
</tr>
<tr>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.00</td>
<td>0.93</td>
<td>0.95</td>
<td>1.01</td>
<td>1.04</td>
<td>1.04</td>
</tr>
<tr>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>0.48</td>
<td>0.57</td>
<td>0.48</td>
<td>0.53</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>Profitability: Regulatory Deemed (includes in rates)</td>
<td>8.01%</td>
<td>8.93%</td>
<td>8.93%</td>
<td>8.93%</td>
<td>8.93%</td>
<td>8.93%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>6.00%</td>
<td>10.00%</td>
<td>13.51%</td>
<td>8.87%</td>
<td>6.36%</td>
<td>6.36%</td>
</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.
Appendix B – 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:


Scorecard MD&A - General Overview

Aging distribution infrastructure continues to be the primary challenge facing some LDCs today. Since 2010 Midland PUC has invested over $8.2M in substation, pole line and other distribution system infrastructure, while maintaining the current plant and equipment. These improvements will provide Midland customers with a robust distribution system for decades to come. Midland PUC will continue to enhance its infrastructure by careful planning and design in replacing and upgrading our distribution plant. In addition, vegetation control, including tree trimming activities, have reduced the vulnerability of the distribution system to external uncontrollable events, such as weather.

Further to the above, Midland PUC continues to focus on you, the customer. Midland PUC makes every effort to engage its customers on a regular basis to ensure we are aware of your needs and that you are receiving the best value for your money. Midland PUC remains committed to provide its customers with the most reliable service at the least possible cost.

In 2017, Midland PUC will continue its efforts to improve its overall scorecard performance results as compared to prior years. This performance improvement is expected as a result of continued investment in both our infrastructure and in our response to your needs.

Service Quality

- New Residential/Small Business Services Connected on Time

In 2016, Midland PUC connected 155 low-voltage (connections under 750 volts) residential and small business customers within the five day timeline. This represents an increase of 115% in the number of connections over 2015, which is driven primarily by growth. Midland PUC considers “New Services Connected on Time” an important form of customer engagement as it is Midland PUC’s first opportunity to meet and/or exceed its customer’s expectations, which in turn affects the level of customer satisfaction within Midland PUC’s territory. Consistent with prior years, Midland PUC connected 100% of these customers on time. Midland PUC expects the trend developed over the years to continue into the foreseeable future.
• **Scheduled Appointments Met On Time**

In 2016, Midland PUC scheduled 171 appointments to connect services, disconnect services, or otherwise complete work requested by its customers. This represents an increase of 14% in the number of appointments over 2015, which is driven primarily by home renovations requiring an upgrade to services. Midland PUC considers “Scheduled Appointments Met” as an important form of customer engagement as customer presence is required for all types of appointments. One appointment in 2016 did not meet the required timeline, thereby decreasing our score to 99.4% from 100% in 2015.

• **Telephone Calls Answered On Time**

In 2016, Midland PUC received over 10,870 calls from its customers. This represents an increase of 15% in the number of calls over 2015. The increase in call volumes is attributed to the introduction of our web portal for electronic access to customer information, the OESP program along with general customer inquiries. Midland PUC considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. Consistent with prior years, a customer service representative answered 99.9% of these calls in 30 seconds or less, which is well above the Industry Target of 65%. Midland PUC expects the trend developed over the years to continue into the foreseeable future.

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**Customer Satisfaction**

• **First Contact Resolution**

First Contact Resolution is a new scorecard measure introduced by the Ontario Energy Board midway through 2014. The Ontario Energy Board has not yet issued a common definition for this measure but is expected to do so within the next few years. As a result, this measure may differ from other LDCs in the Province.

Midland PUC defines “First Contact Resolution” as the number of customer enquiries that are resolved by the first contact at the LDC. This includes all customer enquiries that are made to a customer service representative whether by telephone, letter, e-mail, or in person. Midland PUC considers the ability to address customer enquiries quickly and accurately to be an essential component of customer satisfaction. For the period January 1, 2016 to December 31, 2016, Midland PUC received 3,400 enquiries from its customers, of which 98% were successfully resolved during first contact. Midland PUC expects this trend to continue for 2017.

• **Billing Accuracy**

Billing Accuracy is a new scorecard measure introduced by the Ontario Energy Board late in 2014 and is defined as the number of accurate bills issued expressed as a percentage of total bills issued. Midland PUC considers timely and accurate billing to be an essential component of customer satisfaction. Midland PUC did not meet the Billing Measure Accuracy target in 2016. In 2016, Midland PUC issued more than 86,200 customer bills and achieved a billing accuracy of 75.6% down from 2015. A very small error occurred in 2016 in our billing system. The total impact of the error was $670 on total billings of $14.6M. The error was immediately corrected once identified and all affected customer invoices have been corrected.
• **Customer Satisfaction Survey Results**

Customer Satisfaction Survey is a new scorecard measure introduced by the Ontario Energy Board in 2014. The Ontario Energy Board has not yet issued a common definition for this measure but is expected to do so within the next few years. As a result, this measure may differ from other LDCs in the Province.

In 2016, Midland PUC engaged a third-party organization to conduct a customer satisfaction survey specific to our distribution service territory. The survey canvassed a number of key areas including overall customer satisfaction, customer service, reliability and price, billing, web and social media, conservation and image. A copy of the 2016 Customer Satisfaction Survey can be located on our website at [www.midlandpuc.on.ca](http://www.midlandpuc.on.ca)

Midland PUC received an overall performance rating of 81% on its customer satisfaction survey. Midland PUC experienced a slight decrease in customer satisfaction results which we attribute to the negative press the Hydro industry as a whole is facing due to rising electricity rates. Midland PUC will continue to work and build relationships with our customers and aims to increase our customer satisfaction results in the future.

Midland PUC also holds Town hall meetings with customers (average two per year) and an Open House. These meetings provide customers with our plans for capital improvements and as well information on conservation programs including individual consumption details. Midland PUC continues to provide customers with a web portal to access their individual consumption details. In addition to the above, Midland PUC regularly provides customers with bill inserts in their monthly invoices providing current information pertaining to the LDC. In 2016 Midland PUC continued to provide monthly articles in the local newspaper providing customers with a wide range of information from connecting to the web portal to conservation tips to articles on upgrades to our distribution system.

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**Safety**

• **Public Safety**

Public Safety is a new scorecard measure introduced by the Ontario Energy Board for the 2014 scorecard. The Public Safety measure is generated by the Electrical Safety Authority and is comprised of three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index. A breakdown of the three components is as follows:

**Component A – Public Awareness of Electrical Safety:**
Component A consists of a new statistical survey that gauges the public’s awareness of key electrical safety concepts related to electrical distribution equipment found in the LDC’s territory. The level of public awareness survey is conducted every other year and provides a benchmark of the levels of awareness including identifying gaps where additional education and awareness efforts may be required. The survey was conducted in 2015 and will take place again in 2017.

In 2015, Midland PUC engaged a third-party organization to conduct an Electrical Safety Authority Public Awareness survey specific to our distribution service territory. Midland PUC is part of a group of LDCs that form, as a collective, Cornerstone Hydro Electric Concepts (CHEC), a group of 15 LDCs that work together on issues of regulatory compliance and industry best practices. The survey was intended as both a standalone and comparative study, examining the opinions of Midland PUC customers and those of 11 other participating CHEC group members.

The survey instrument was provided by the Ontario Energy Board and the Electrical Safety Authority (ESA) consisting of an introduction, core electrical safety and some demographic questions.

Midland PUC’s ESA’s Public Safety Awareness Index Score in 2015 was 84.6%, the top of the range of index scores processed for the 12 participating LDCs.
Component B – Compliance with Ontario Regulation 22/04:
Component B consists of an LDC’s compliance with Ontario Regulation 22/04 - Electrical Distribution Safety. Ontario Regulation 22/04 establishes the safety requirements for the design, construction, and maintenance of electrical distribution systems, particularly in relation to the approvals and inspections required prior to putting electrical equipment into service. Over the past five years, and again in 2016, Midland PUC was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety and the adherence to company procedures & policies.

Component C - Serious Electrical Incident Index:
Component C consists of the number of serious electrical incidents, including fatalities, which occur within a utility's territory. In 2016, Midland PUC had no fatalities or serious incidents within its territory. To maintain our index rating for next year, efforts are continuously made to identify areas of concern and then modify access to these areas by improving and adding additional barriers to further restrict access to these locations. In addition, Midland PUC plans to work with other CHEC members in developing an education plan for our customers.

System Reliability

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

  The average number of hours that power to a customer is interrupted is a measure of system reliability or the ability of a system to perform its required function. Midland PUC views reliability of electrical service as a high priority for its customers and constantly monitors its system for signs of reliability degradation. Midland PUC also regularly maintains its distribution system to ensure its level of reliability is kept as high as possible. The OEB typically requires an LDC to keep its hours of interruption within the range of its historical performance, however, outside factors such as severe weather, defective equipment, or even regularly scheduled maintenance can greatly impact this measure.

  An increase in the service quality stats from 2012 to 2013 is explained through a close analysis of the outage reports. As Midland PUC continues to monitor the types of outages and investigates the causes, a constant trend develops. The trend shows a slow decline of short duration outages that affect a small number of customers. Having said this, there is an increase in the final statistics for 2013. This is due to one large outage in January, 2013 that affected a very large number of customers. This outage was caused by extremely high winds forcing conductors together and in turn, tripping two breakers. These breakers happened to be heavily loaded and this outage affected a large number of customers. If this outage was removed from our statistics it would show the trend Midland PUC has been working so hard to achieve. The statistic without the outage referred to above would have been 0.3269. In 2014, Midland PUC achieved its lowest average number of hours where power was interrupted to customers - 0.04 hours.

  In 2015, Midland PUC saw a slight increase in the average number of hours where power was interrupted to customers – 0.33 hours due to one large planned outage for Hydro One and one tree contact during the year. The planned outage was required to remove an old section of line that was built over our 4KV distribution lines. The tree contact outage was outside of our normal tree trimming program and when the section of tree came down there was contact with the distribution lines and a considerable amount of damage was done. The 2015 statistics are well within the range of historical performance.
Again in 2016, Midland PUC saw a slight increase in the average number of hours where power was interrupted to customers – 0.68 hours due to three large outages. One outage in June, 2016 was the result of loss of supply from Hydro One. Two other large outages in 2016 (August 17th and October 12th) were due to storms. Both outages occurred during high wind storms and considering the damage done outside our service territory, the damage we sustained was minimal, however, several customers were affected. The 2016 statistics are well within the range of historical performance, a trend we expect to continue into the foreseeable future as Midland PUC continues to be diligent with tree trimming, preventative maintenance work, along with substation and pole line improvements in order to decrease the number of power interruptions to customers.

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

  The average number of times that power to a customer is interrupted is also a measure of system reliability and is also a high priority for Midland PUC. As outlined above, the OEB also typically requires an LDC to keep this measure within the range of its historical performance and outside factors can also greatly impact this measure. As Midland PUC continues to monitor the types of outages and investigates the causes, a constant trend develops. The trend shows a slow decline of short duration outages that affect a small number of customers.

  In 2014, Midland PUC achieved its lowest average number of times where power was interrupted to customers 0.01 times. In 2015 the statistics increased slightly to 0.18, and in 2016 the statistic increased to 0.70, however, we remain well within the range of historical performance. We are experiencing a greater number of storms and the storms are more intense. Midland PUC continues to be diligent with tree trimming, preventative maintenance work, along with substation and pole line improvements in order to decrease the number of power interruptions to customers.

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**Asset Management**

- **Distribution System Plan Implementation Progress**

  Distribution system plan implementation progress is a new performance measure instituted by the Ontario Energy Board beginning in 2013. The Distribution System Plan outlines Midland PUC’s forecasted capital expenditures over the next five (5) years, which are required to maintain and expand the LDC’s electricity system to serve its current and future customers. The Distribution System Plan Implementation Progress measure is intended to assess Midland PUC’s effectiveness at planning and implementing these capital expenditures. Consistent with other new measures, LDCs were given an opportunity to define this measure in the manner that best fits their organization. As a result, this measure may differ from other LDCs in the Province.

  Midland PUC does not yet have a full distribution system plan in place. In 2013, Midland PUC filed with the OEB an Asset Management Plan (AMP) and a Green Energy Plan (GEP). The AMP was completed in 2012 and is a dynamic document in the sense that it is updated on a yearly basis through Midland PUC’s capital budgeting process. The ratio of 60% for 2014 was based on the projects itemized in 2012. In 2014, the AMP provided for two identifiable projects which were not completed due to changes to the Town of Midland planning process and Midland PUC’s capital budget plan. Consequently, Midland PUC moved those 2014 projects to a future year and replacement projects were completed as scheduled. Although Midland PUC’s 2014 Distribution System Plan Implementation Progress measure indicates a 60% level of completion, once the 2014 budgeted programs were implemented, Midland PUC’s measure would be 93%.

  Midland PUC’s 2015 and 2016 Distribution System Plan Implementation Progress measure indicates a 93.75% level of completion, based on both the 2015 and 2016 budgeted programs. Midland PUC expects this trend to continue into the foreseeable future.
Cost Control

- Efficiency Assessment

On an annual basis, each LDC in Ontario is assigned an efficiency ranking based on its performance. To determine a ranking, LDCs are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2016, Midland PUC was placed in Group 4 in terms of efficiency. Group 4 is considered fair and is defined as having actual costs within 10% to 25% of predicted costs. This ranking is consistent with the 2012, 2013, 2014 and 2015 efficiency rankings.

Included in the efficiency assessment ranking calculation is a Labour Price Level Index for 2000. In Midland PUC’s case this Labour Price Level Index for 2016 is 17.5% lower than adjacent LDCs which in Midland PUC’s view appears to be unreasonable given our labour rates are essentially the same. Midland PUC is also concerned with the use of the Labour Price Level Index since it is based on data which is over 15 years old. This factor is causing higher costs to be allocated to Midland PUC when compared to the costs of adjacent LDCs. The result is a higher efficiency assessment attributed to Midland PUC. If the same Labour Price Level Index factor of the adjacent LDCs was used for Midland, Midland PUC believes it would move from Group 4 to Group 3 for the years 2012 to 2016.

- Total Cost per Customer

Total cost per customer is calculated as the sum of Midland PUC’s capital and operating costs and dividing this cost figure by the total number of customers that Midland PUC serves. Similar to most distributors in the province, Midland PUC has experienced increases in its total costs required to deliver quality and reliable services to customers. Province wide programs such as Time of Use pricing, customer surveys, investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs.

The total cost performance result for 2016 is $679/customer, which is a slight decrease over the 2015 result. On average, Midland PUC’s total cost per customer has increased approximately 1% over the 2012 figures or 0.2% per annum for the period 2012-2016. Going forward, LDC costs are expected to keep pace with economic fluctuations, however, Midland PUC will continue to implement productivity and efficiency improvements to help offset some of the costs associated with distribution system enhancements, while maintaining the reliability and quality of its distribution system.

- Total Cost per Km of Line

This measure uses the same total cost used in the Cost per Customer calculation above. Based on this, Midland PUC’s cost is $36,614 per km of line, which is a 2.2% decrease over its 2015 rate. Midland PUC’s growth rate for its territory is considered to be relatively low. A low growth rate has impacted Midland PUC customer costs in that replacement of infrastructure is managed through the current customer base. As indicated in the General Overview, Midland PUC has invested over $8.2M in substation, pole line and other distribution system infrastructure. As a result of the low growth rate, the cost per km of line would increase due to our past capital investments. As we progress into the future, capital expenditures are expected to reduce as the bulk of the substation infrastructure needs have been addressed. In addition, Midland PUC will continue to seek innovative solutions to help ensure cost/km of line remains competitive and within acceptable limits to our customers.
Conservation & Demand Management

- **Net Cumulative Energy Savings (Percent of target achieved)**

  Midland PUC transitioned to the new Conservation First Framework (CFF) in 2015. Midland PUC was assigned a conservation target of 10,830 mWh under the CFF framework which covers the period 2015-2020. During 2016, Midland PUC achieved savings of 5,565 mWh or 51.4% of our target. These savings were achieved by leveraging the suite of OEB approved CDM programs primarily designed for the residential and small commercial classes of customers. Midland PUC continues to identify and pursue opportunities with the residential and small commercial customers to increase the kWh savings. Midland PUC has partnered with members of the CHEC Group to retain the services of a Roving Energy Manager to assist customers with energy saving opportunities.

  Based on the 2016 Final Verified Results Report in relation to other LDCs across the province Midland PUC was ranked in the top 13 out of 71 in energy savings.

Connection of Renewable Generation

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

  Electricity distributors are required to conduct Connection Impact Assessments (CIA’s) on all renewable generation connections within 60 days of receiving authorization from the Electrical Safety Authority. Midland PUC has developed and implemented an internal procedure to ensure compliance with this regulation.

  In 2016, no renewable generation applications were received by Midland PUC. The last renewable generation application CIA was completed in 2011 within the prescribed time limit.

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

  Micro-embedded generation facilities consist of solar, wind, or other clean energy projects of less than 10 kW typically installed by homeowners, farms or small businesses. In 2016, Midland PUC did not connect any new micro-embedded solar generation facilities within its service territory. Midland PUC works closely with its customers and their contractors to ensure the customer’s needs are met and/or exceeded. Midland PUC expects the trend for this measure to continue to exceed the mandated target for the foreseeable future.
Financial Ratios

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

As an indicator of financial health, a current ratio indicates a company’s ability to pay its short term debts and financial obligations. Typically, a current ratio between 1 and 1.5 is considered good. If the current ratio is below 1, then a company may have problems meeting its current financial obligations. If the current ratio is too high (higher than 1.5) then the company may be inefficient at using its current assets or its short-term financing facilities.

Midland PUC’s current ratio increased from 1.01 in 2015 to 1.04 in 2016. In 2016, Midland PUC’s capital programs have been internally financed through current liabilities. Midland PUC has acquired $525k in additional long term debt though Infrastructure Ontario in 2017 to finance the 2016 capital programs which would move these costs from current to long term liabilities. As a result of this timing difference, the Liquidity Ratio would increase to 1.14 which is indicative of a financially healthy organization. Midland PUC’s current ratio is expected to remain healthy into the foreseeable future.

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

The debt to equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. The Ontario Energy Board uses a capital structure of 60% debt and 40% equity (a debt to equity ratio of 60/40) when setting rates for an LDC. A high debt to equity ratio may indicate that an LDC may have difficulty generating sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an LDC is not taking advantage of the increased profits that may be had through increased financial debt.

In 2016, Midland PUC’s debt to equity ratio was 0.50 as compared to the OEB deemed capital structure of 1.5. As Midland PUC continues to finance its capital projects, it is expected the debt to equity ratio to increase to closely resemble the ratio deemed by the Ontario Energy Board.

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

Return on equity (ROE) measures the rate of return on shareholder equity. ROE demonstrates an organization’s profitability or how well a company uses its investments to generate earnings growth. A ROE of 10% is generally considered good. Midland PUC’s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.93%. The OEB allows a distributor to earn within +/-3% of the expected return on equity. If a distributor performs outside of this range, it may trigger a regulatory review of the distributor’s financial structure by the OEB.

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

Midland PUC achieved a ROE of 6.36% in 2016 which is well within the +/-3% range allowed by the OEB (see above paragraph). The decrease in the ROE over the deemed ROE is due to the timing of PILs payments resulting from changes in our regulatory asset balances. The average ROE over the past 5 years was 8.95%, which is also well within the deemed regulatory return specified in Midland PUC’s approved rates. It is also indicative of a healthy financial organization. This trend is expected to continue into the foreseeable future.

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 judgment on the reporting date of the performance scorecard, and could be markedly different in the future.