### Scorecard - Northern Ontario Wires Inc.

#### Performance Outcomes

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</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.20%</td>
<td>91.90%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Service Quality</td>
<td>Scheduled Appointments Met 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></td>
<td>Telephone Calls Answered On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>65.00%</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>First Contact Resolution</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>98.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Billing Accuracy</td>
<td>100.00%</td>
<td>99.92%</td>
<td>99.87%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>89%</td>
<td>89%</td>
<td>88%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Operational Effectiveness</td>
<td>Level of Public Awareness</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serious Electrical Incident Index Number of General Public Incidents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Rate per 100, 1000 km of line</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>System Reliability</td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>4.63</td>
<td>3.89</td>
<td>2.19</td>
<td>1.10</td>
<td>3.46</td>
<td></td>
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<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>2.19</td>
<td>1.62</td>
<td>1.41</td>
<td>0.61</td>
<td>1.90</td>
<td></td>
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<tr>
<td>Asset Management</td>
<td>Distribution System Plan Implementation Progress</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Control</td>
<td>Efficiency Assessment</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$627</td>
<td>$687</td>
<td>$643</td>
<td>$608</td>
<td>$645</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$10,284</td>
<td>$11,268</td>
<td>$10,532</td>
<td>$9,975</td>
<td>$10,470</td>
<td>4.31 GWh</td>
</tr>
<tr>
<td>Public Policy Responsiveness</td>
<td>Distribution System Plan Implementation Progress</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Conservation &amp; Demand Management</td>
<td>Net Cumulative Energy Savings</td>
<td>11.83%</td>
<td>33.77%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connection of Renewable Generation</td>
<td>Net Cumulative Energy Savings</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Performance</td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90.00%</td>
</tr>
<tr>
<td></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.94</td>
<td>1.59</td>
<td>1.22</td>
<td>1.31</td>
<td>1.23</td>
<td></td>
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<tr>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.22</td>
<td>1.69</td>
<td>1.71</td>
<td>1.52</td>
<td>1.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profitability: Regulatory Return on Equity</td>
<td>8.01%</td>
<td>8.98%</td>
<td>8.98%</td>
<td>8.98%</td>
<td>8.98%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieved</td>
<td>2.48%</td>
<td>-13.11%</td>
<td>8.99%</td>
<td>6.20%</td>
<td>3.44%</td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- 5-year trend: up, down, flat
- Current year: target met, target not met

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.
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

In 2016, Northern Ontario Wires Inc. once again performed well on performance targets. System reliability results show that NOW Inc. is replacing aging infrastructure in accordance with the Distribution System Plan and increased vegetation control activities in order to mitigate outages. NOW Inc. has also joined the Customer First Group to deliver its conservation programs. NOW Inc. is planning on implementing outage management tools that will assist in identifying and mitigating potential concerns which will impact NOW Inc. stats.

In 2017, the company expects to maintain its excellent results and improve where possible. Sustaining results is a priority focus as this enhances overall operational effectiveness, performance and customer satisfaction.

Service Quality

• New Residential/Small Business Services Connected on Time

  In 2016, Northern Ontario Wires Inc. connected 100% of 14 eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). This percentage is maintained from the previous year and above the OEB-mandated threshold of 90%. Where possible, Northern Ontario Wires Inc. coordinates connection activities with other planned construction activities undertaken by the utility, other utilities or municipal and provincial government agencies. Northern Ontario Wires Inc. continuously works with local municipalities, to further enhance the coordination between municipal and electrical distribution construction activities.

• Scheduled Appointments Met On Time

  Northern Ontario Wires Inc. meets with customers to complete work, read meters, reconnect, or otherwise perform necessary consultation. The 2016 result is consistent with the prior year as the utility met 100% of these appointments on time, which significantly exceeds the industry target of 90%.

• Telephone Calls Answered On Time

  In 2016 Northern Ontario Wires Inc. received approximately 5,680 calls from its customers, which is a 5% decrease from the previous year. Our clerks answer calls within 30 seconds or less at all times. This result significantly exceeds the OEB-mandated 65% target for timely call response. Northern Ontario Wires Inc. does not have an automated system and promotes a one-on-one friendly service.
Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

For Northern Ontario Wires Inc., First Contact Resolution was measured based on whether the clerk answering the call resolved the issue. This is documented for each call. In some cases, written correspondence was required and documented accordingly. NOW Inc. resolved issues with 100% accuracy. In most cases, balance inquiries or notifications of moving are the primary reason for calls.

- **Billing Accuracy**

For the period from January 1, 2016 – December 31, 2016 Northern Ontario Wires Inc. issued more than 72,000 bills and achieved a billing accuracy of 99.87%. This compares favourably to the prescribed OEB target of 98%.

Northern Ontario Wires Inc. continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. At this time the Ontario Energy Board is allowing electricity distributors discretion as to how they implement this measure.

In 2016, Northern Ontario Wires Inc. conducted a customer satisfaction survey. The customer satisfaction survey provides information that supports discussions surrounding improving customer service at all levels and departments within Northern Ontario Wires Inc. The final report on these customer satisfaction surveys evaluates the level of customer satisfaction and identifies areas of improvement. It also helps identify the most effective means of communication. The survey asks customers questions on a wide range of topics, including: overall satisfaction with Northern Ontario Wires Inc. reliability, customer service, outages, billing and corporate image. In its 2016 Scorecard Northern Ontario Wires Inc. reported the number of customers that were very or fairly satisfied and received a score of 88% in 2016. The general feedback was positive and Northern Ontario Wires Inc. will continue to monitor customer satisfaction and response. The 2016 results are within 1% of the last survey in 2014 which demonstrates consistent performance.

Safety

- **Public Safety**

The Ontario Energy Board (OEB) introduced the Safety measure in 2015. This measure looks at safety from a customers' point of view as safety of the distribution system is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.
Component A – Public Awareness of Electrical Safety

Northern Ontario Wires Inc. continues to promote electrical safety within the service territories and maintains a website with safety tips for when dealing with electricity. Additionally, information detailing outages and how to prepare for them are outlined for customer reference. NOW Inc. performed the last Electrical Safety Authority in 2015 received a score of 80.14%. NOW Inc., will continue to monitor its messages to enhance customer safety.

Component B – Compliance with Ontario Regulation 22/04

In January 2016 Northern Ontario Wires Inc. was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This is the same result as in 2014 and 2015. Prior to that, there were minor points that needed improvement and were immediately rectified. Northern Ontario Wires Inc. has a strong commitment to safety, and adherence to company procedures & policies. Ontario Regulation 22/04 - Electrical Distribution Safety establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service.

Component C – Serious Electrical Incident Index

Northern Ontario Wires Inc. had no reported incidents.

System Reliability

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

Northern Ontario Wires Inc. experienced an increase in the average number of hours that power to a customer was interrupted during 2016. A result of 3.46 was achieved and is within the target of 3.75. Northern Ontario Wires Inc.’s system reliability has been trending in an improved manner, when analyzed over the past five year period. NOW’s construction standards are being reviewed to improve resiliency to severe weather, enhanced tree trimming practices are being enacted and upgrades to the distribution system are being regularly implemented.

Northern Ontario Wires Inc. continues to view reliability of electricity service as a high priority for its customers and as such developed a program several years ago for the continuous improvement of reliability, which has been incorporated into the Asset Management Plan and capital works.

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

Northern Ontario Wires Inc.’s Average Number of Times that Power to a Customer is Interrupted (i.e., frequency) of 1.90 is slightly over the target range of 1.69. The frequency of outages was on a downward trend in recent years, thus proving the effectiveness of our Asset Management Plan. However additional infrastructure upgrades in 2016 required more short-term scheduled outages. Northern Ontario Wires Inc. has adopted a proactive, balanced approach to distribution system planning, infrastructure investment and replacement programs to address immediate risks associated with end-of-life assets; manage distribution system risks; ensure the safe and reliable delivery of electricity; and balance ratepayer and utility affordability.
Asset Management

Distribution System Plan Implementation Progress

Distribution system plan implementation progress is a new performance measure instituted by the OEB starting in 2013. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. The Distribution System Plan (“DSP”) outlines Northern Ontario Wires Inc.’s forecasted capital expenditures, over the next five (5) years, required to maintain and expand the distributor’s electricity system to serve its current and future customers. The “Distribution System Plan Implementation Progress” measure is intended to assess NOW’s effectiveness at planning and implementing the DSP. Northern Ontario Wires Inc. measures the progress of its DSP implementation against a target based on planned activities, the capital expenditure and amount of work completed are both utilized to come up with a determination for each calendar year.

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 2016, for the fifth year in a row, Northern Ontario Wires Inc. was placed in Group 1, where a Group 1 distributor is defined as being the most efficient. Northern Ontario Wires Inc. is continually working to ensure this rating continues.

Total Cost per Customer

Total cost per customer is calculated as the sum of Northern Ontario Wires Inc.’s capital and operating costs and dividing this cost figure by the total number of customers that NOW Inc. serves. The cost performance result for 2016 is $645 /customer which is a 6.1% increase over 2015 or 0.3% over 2014.

Northern Ontario Wires Inc. continues to strive to increase operating efficiency in order to provide the cost effective service to our customers. Province wide programs such as Time of Use pricing, growth in wage and benefits costs for our employees, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs. Northern Ontario Wires Inc. however, has mitigated these increases with effective planning and cost sharing. Northern Ontario Wires Inc. will continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements.

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 Northern Ontario Wires Inc. operates to serve its customers. NOW’s 2016 rate is $10,470 per Km of line, a 4.96% increase over 2015 or 0.5% decrease over 2014. Northern Ontario Wires Inc. experienced a low level of growth in its total kilometers of lines due to a low annual customer growth rate. See above cost per customer section for cost drivers commentary. Northern Ontario Wires Inc. continues 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**

NOW Inc. is committed to helping our customers understand their energy usage by offering programs that enable them to become more energy efficient. As an electrical distributor, NOW Inc. has conservation target of 4.31 Gigawatt hours over the next six years. The results for 2016 show a progression of 34% towards that target. As this is a six year plan, NOW Inc. expects a minimum of 17% of the target to be reached each year to be successful by 2020. NOW Inc. is expecting further participation by local commercial customers in the retrofit and energy efficient lighting programs in subsequent years. Residential customers also participated in saveonenergy coupon events opting to change out lights in their own homes to more energy efficient ones as well purchasing other energy efficient equipment. The combined efforts of all such programs and participants from both residents and businesses made the achievement of substantial energy savings possible.

NOW Inc. also believes that partnerships are a key component to its overall success. To help meet NOW Inc.’s conservation goals under the Conservation First Framework that was introduced in 2015 by the Independent Electricity System Operator (IESO), NOW Inc. is working with other Utilities in the province through a collaborative group called CustomerFirst to design and deliver cost effective conservation programs for customers. By working together, CustomerFirst utilities will find efficiencies in the delivery of conservation and this will lead to cost savings for electricity customers.

As a member of CustomerFirst, NOW Inc. is part of a joint Conservation (CDM) Plan that has been approved by the IESO. The joint plan will achieve 141,877 MWh of savings which is equal to the combined targets that were allocated to each CustomerFirst member under the new framework.

NOW Inc. is committed to providing its customers with cost effective conservation programs to help them save electricity and lower their electricity bills. All sectors and customer types are covered in the joint plan and customers will have access to multiple province-wide, local and pilot programs. The joint CDM plan includes four pilot programs that will be developed and launched to meet the local needs of customers. In 2015, CustomerFirst received approval from the IESO to deliver a pilot residential program designed to assist residential customers with electrical heating. The program will be available to customers in NOW Inc.’s service area beginning the fall of 2016.

Through the CustomerFirst joint CDM Plan, NOW Inc. will continue to work collaboratively with the other CustomerFirst utilities to find efficiencies and reduce costs. The group will be sharing resources and working together in all areas of CDM including sales, marketing, customer and project support to provide value to ratepayers.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving authorization from the Electrical Safety Authority. NOW Inc. had no Connection Impact Assessments for projects >10kW in 2016. Northern Ontario Wires Inc. outsources the CIA work to an engineering consultant.
• **New Micro-embedded Generation Facilities Connected On Time**

In 2016, Northern Ontario Wires Inc. had no new micro-embedded generation facilities (microFIT projects of less than 10 kW). The minimum acceptable performance level for this measure is 90% of the time. Our workflow to connect these projects is very streamlined and transparent with our customers. NOW Inc. works closely with its customers and their contractors to tackle any connection issues to ensure the project is connected on time.

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**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 that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

Northern Ontario Wires’ current ratio decreased from 1.31 in 2015 to 1.23 in 2016. This represents more less current assets over current liabilities. NOW Inc. expects this trend to reverse as rebasing has occurred in 2017. Additionally, NOW Inc. currently regularly pays the principal portion of long-term debt that is not included in funding which would reduce current assets with no comparative decline in current liabilities.

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

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring. Northern Ontario Wires continues to maintain a debt to equity structure that approximates the deemed 60% to 40% capital mix as set out by the OEB – this is demonstrated by the 2016 debt to equity ratio of 1.42. NOW Inc.’s current arrangement includes regular principal payments on long-term debt, which reduces the debt to equity ratio while increasing credit.

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

Northern Ontario Wires’ current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.98%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor’s revenues and costs structure by the OEB.
• Profitability: Regulatory Return on Equity – Achieved

Northern Ontario Wires’ return achieved in 2016 was 3.44%, which is below the +/-3% range allowed by the OEB. NOW Inc. has had the Cost of Service Application for May 1, 2017 rates approved, which would adjust rate to realize profitability and target. The 2016 fiscal year was the final year before rebasing, and costs pressures are higher with the needed upkeep to the distribution system. The revenue and load forecast has changed since the last rebasing which resulted in less revenue through variable charges. The rebased rates implemented in May 2017 will adjust NOW Inc.’s target and profitability. The full effect of rebasing should be realized by the 2018 year end, being the first full year of rebased rates.

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.