Scorecard - COLLUS PowerStream Corp.

9/24/2018

Performance Outcomes	Performance Categories	Measures		2013	2014	2015	2016	2017	Trend	Target: Industry	Target: 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%	100.00%	100.00%	100.00%	100.00%	flat	90.00%	
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	100.00%	100.00%	flat	90.00%	
		Telephone Calls Answered On Time		98.00%	70.90%	73.70%	68.90%	81.92%	down	65.00%	
	Customer Satisfaction	First Contact Resolution			99%	99.68	99.06	99.17			
		Billing Accuracy			99.94%	99.98%	99.96%	99.97%	up	98.00%	
		Customer Satisfaction Survey Results			A	A	71.8	71.8			
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				84.00%	84.00%	83.30%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C	flat		C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	flat		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000	flat		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		0.10	0.03	2.36	1.54	1.51	up		0.46
		Average Number of Times that Power to a Customer is Interrupted [2]		0.73	0.63	0.88	0.84	0.84	up		0.62
	Asset Management	Distribution System Plan Implementation Progress			In progress	In progress	90.75	82.04			
	Cost Control	Efficiency Assessment		3	3	2	2	2			
		Total Cost per Customer [3]		$500	$512	$528	$541	$512			
		Total Cost per Km of Line [3]		$23,849	$24,260	$24,739	$26,084	$25,314			
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]				9.71%	25.02%	68.98%			16.86 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%						
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	100.00%	100.00%	flat	90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	**Financial Ratios**	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.25	1.10	1.40	1.29	1.34			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		1.41	1.27	1.41	1.26	1.31			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.98%	8.98%	8.98%	8.98%	8.98%			
			Achieved	8.40%	11.21%	10.86%	10.03%	11.65%			

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 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

2017 Scorecard Management Discussion and Analysis ("2017 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 2017 Scorecard MD&A:

http://www.ontarioenergyboard.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

Collus PowerStream has successfully achieved productivity and efficiency objectives to better serve our customers. For the last three years, Collus PowerStream achieved an efficiency assessment of 2 which was assigned based on a three-year average of actual less predicted costs from a benchmarking study commissioned by the Ontario Energy Board. Utilities that average between 10% and 25% below predicted costs are assigned this efficiency factor.

In 2017, Collus PowerStream exceeded all performance targets except for its SAIFI and SAIDI (located in the system reliability section of the scorecard). The metrics used to set the targets of 0.46 and 0.62 respectively are based on the average of Collus PowerStream's reported 2010 to 2014 results. In 2015 Collus PowerStream installed new smart grid technology system that accurately tracks outage time precisely to the second. Prior to this, tracking was done manually and may have resulted in underreported outage time which has been used to set the company's target. In addition, during 2015 and continuing into 2017, Collus PowerStream saw a significant increase in the number and duration of scheduled outages. This included a major project initiated by Bell Canada who installed Bell Fiber throughout Collus PowerStream's service territory. A sizable portion of our utility distribution assets were upgraded from capital contributions from Bell, which is a positive advantage to the utility from the Bell project.

Aging distribution infrastructure continues to be the primary challenge facing utilities today. Like most utilities in Ontario, Collus PowerStream must replace aging infrastructure at an accelerated pace to meet this challenge. In addition, vegetation control, including tree trimming activities, were continued in the year to reduce the vulnerability of the distribution system to external uncontrollable events, such as weather.

Collus PowerStream continues to focus on providing excellent customer service. We offer "Customer Connect" to assist our customers with interactive information that will permit them to better monitor and control their electricity consumption and allow access to billing history and other reports. Collus PowerStream 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. Collus PowerStream remains committed to provide its customers with the most reliable service at the least possible cost.

Collus PowerStream will continue its efforts to improve its overall scorecard performance results in the coming years. This performance improvement is expected because 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, Collus PowerStream connected 130 low-voltage connections under 750 volts. 9 were commercial / small business and 121 were residential. Collus PowerStream considers “New Services Connected on Time” as an important form of customer engagement as it is the utilities first opportunity to meet and/or exceed its customer’s expectations, which in turn affects the level of customer satisfaction within a utility’s territory. Consistent with prior years, Collus PowerStream connected 100% of these customers on time, which significantly exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Collus PowerStream expects this trend to continue into the foreseeable future.

- **Scheduled Appointments Met On Time**

Collus PowerStream scheduled 313 appointments in 2016 to connect services, disconnect services, or otherwise complete work requested by its customers. This represents an increase of approximately 40% over 2015, which is driven primarily by new service connections, service upgrades or issues surrounding power quality. Collus PowerStream considers “Scheduled Appointments Met” as an important form of customer engagement as customer presence is required for all types of appointments. Consistent with prior years, Collus PowerStream met 100% of these appointments on time, which significantly exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Collus PowerStream expects this trend to continue into the foreseeable future.

- **Telephone Calls Answered On Time**

In 2016, Collus PowerStream received 15,872 qualified incoming calls from its customers (an average of 63 calls per business day). There was a decrease in annual volumes by approximately 8,000 that can be attributed to improved staffing levels (reducing multiple call backs), separation of water/sewer services (calls diverted to the Town of Collingwood) as well as the winter disconnection moratorium. The number of qualified incoming calls answered within 30 seconds was 13,002. Customer service representatives answered 82% of eligible calls in 30 seconds or less, which exceeds the Ontario Energy Board mandated target of 65% for this measure. This has improved compared to the previous year by 13 basis points due to unanticipated staff leave in 2016, which has since been rectified. Collus PowerStream considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. Collus PowerStream expects to maintain the service level of this metric in 2018.

Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution is a scorecard measure introduced by the Ontario Energy Board in 2014 as a measure of a distributor's effectiveness at satisfactorily addressing customer complaints. Collus PowerStream defines "First Contact Resolution" as the number of customer inquiries that are not resolved by the first contact at the utility, resulting in the inquiry being escalated to an alternate contact at the utility, typically a supervisor or a manager. This includes all customer inquiries that are made to a customer service representative whether by telephone, letter, e-mail, or in person. Collus PowerStream considers the ability to address customer inquiries quickly and accurately to be an essential component of customer satisfaction. For the year 2017, Collus PowerStream received 13,002 inquiries from its customers, of which 99% were successfully resolved during first contact. Collus PowerStream expects this trend to continue in 2018.

- **Billing Accuracy**

Billing Accuracy is a scorecard measure introduced by the Ontario Energy Board in 2014, and is defined as the number of accurate bills issued expressed as a percentage of total bills issued. Collus PowerStream considers timely and accurate billing to be an essential component of customer satisfaction. For 2017, Collus PowerStream issued 207,164 customer bills resulting in billing accuracy of 99.97%, which exceeds the Ontario Energy Board mandated target of 98%.

- **Customer Satisfaction Survey Results**

The Customer Satisfaction Survey was a new scorecard measure introduced by the Ontario Energy Board for the 2014 year. Distributors are required to conduct their survey on a biennial basis. Collus PowerStream considers this customer satisfaction survey to be a useful tool for engaging the customer to get a better understanding of their wants and needs with respect to the provision of electricity services and for identifying areas that may require improvement.

For the two-year reporting period 2016/2017, Collus PowerStream retained RedHead Media Solutions Inc. to conduct their individual survey and received a customer satisfaction index score of 71.8% overall. The 'Request for Proposal (RFP)' for the survey was prepared by Cornerstone Hydro Electric Concepts Inc. (CHEC) and 13 of its (then) 15-member Local Distribution Companies (LDCs) in Ontario participated with RedHead Media Solutions. This statistical survey, with a 95% confidence level, canvassed a number of key areas including power quality and reliability, price, billing and payment, communications, and the overall customer service experience. The survey is comprised of approximately 400 randomly selected interviews of Collus PowerStream customers among the low volume customer base (residential customers and general service under 50kW customers). For the 2014/2015 reporting period, Collus PowerStream engaged Utility Pulse to conduct their individual utility specific customer satisfaction survey with a 95% confidence level and received a rating of "A" on its customer satisfaction survey.

Safety

- **Public Safety**

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

In 2015 a new scorecard measure began for public awareness of electrical safety. Distributors are expected to demonstrate the impact of their public education efforts through biennial surveying of adults residing in their service territory. The performance target for public awareness of electrical safety will be established once three years of data is gathered from the distributors. Collus PowerStream's ESA Public Safety Awareness Index Score is for 2017 is 83.3%. The question scoring and index methodologies were prescribed by the ESA/OEB. The survey has standardized questions for a statistically representative sample of a distributor's service territory's population. Collus PowerStream shows strong dedication to public awareness for electrical safety through various public awareness sessions such as, education sessions for elementary students, attendance at public events and specific electrical training for emergency workers. This trend is expected to continue into the foreseeable future or even possibly improve with the increased use of web technologies and social media.

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

In 2017 Collus PowerStream was fully compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety, and the adherence to our company procedures & policies. This trend is expected to continue into the foreseeable future.

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

In 2017 Collus PowerStream had ZERO fatalities and ZERO serious incidents within its service territory. This trend is expected to continue into the foreseeable future.

System Reliability

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

In 2017 Collus PowerStream continued to provide reliable service to customers showing a slight improvement in the number of hours in which its customers experienced interrupted power from previous year (a reduction from 1.54 hours in 2016 to 1.51 hours in 2017).

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

In 2017 Collus PowerStream delivered consistent results in the number of times in which its customers experienced interrupted power, maintaining a result of 0.84 times.

The metrics used to set the target of 0.46 and 0.62 respectively are based on the average of Collus PowerStream's reported 2010 to 2014 results. In 2015 Collus PowerStream installed new smart grid technology system that accurately tracks outage time precisely to the second. Prior to this, the tracking was done manually and may have resulted in underreported outage time which has been used to set the company's target. In addition, during 2015 and continuing into 2017, Collus PowerStream saw a significant increase in the number and duration of scheduled outages. This included a major project initiated by Bell Canada who installed Bell Fiber throughout Collus PowerStream's service territory. A sizable portion of our utility distribution assets were upgraded from capital contributions from Bell, which is a positive advantage to the utility from the Bell project.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan (DSP) Implementation Progress is a performance measure instituted by the Ontario Energy Board beginning in 2013. The OEB has not yet set a target for this measure. Distributors are permitted to use discretion as to how they implement the measure, which they must describe in this analysis and be a measure they believe most effectively reflects performance in Distribution System Plan Implementation.

Collus PowerStream has used its five-year Capital Asset Management Plan for 2013 to 2017 as a substitute for the DSP measure. Collus PowerStream defines this measure for 2016 and 2017 as the tracking of actual capital projects completed compared to planned capital projects, expressed as a percentage. For 2017, Collus PowerStream completed 82.04% of the capital projects planned for the year plus a number of projects carried forward from the previous year. Collus PowerStream expects that with the finalization of the DSP for 2018 forward, the trend will show an increase in project completion targets in the future. Consistent with other new measures, utilities were given an opportunity to define this measure in the manner that best fits their organization. Thus, this measure may differ from other utilities in the Province.

Collus PowerStream has recently completed its first Distribution System Plan (DSP) which outlines Collus PowerStream's forecasted

capital expenditures over five years (2018 to 2022), which are required to maintain and expand the utility's electricity system to serve its current and future customers. The Distribution System Plan Implementation Progress measure is intended to assess Collus PowerStream's effectiveness at planning and implementing these capital expenditures. The plan is available on the company website and will be used going forward for this measure.

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its three-year average performance. To determine a ranking, electrical distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2013 and 2014, Collus PowerStream was placed in Cohort 3 in terms of efficiency. Cohort 3 is considered average and is defined as having actual costs within +/- 10% of predicted costs. For 2015 to 2017, Collus PowerStream was placed in Cohort 2, in terms of efficiency. Cohort 2 is considered above average and is defined as having actual costs less than 10-25% of predicted costs.

Collus PowerStream achieved a three-year average (2015-2017) of 15.3% less than predicted costs. For specifically the 2017 year, the result was 18.4% less than predicted costs. Our ranking has improved by 5.2% over the previous year and our goal is to maintain our position within group two into future years.

- **Total Cost per Customer**

Total cost is calculated as the sum of a distributor's capital costs and OM&A costs, (including certain adjustments to make the costs more comparable between distributors, per reporting period) and dividing this cost figure by the total number of customers that Collus PowerStream serves. Similar to most distributors in the province, Collus PowerStream has experienced pressure on its total costs required to deliver quality and reliable services to 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. However, in 2017 Collus PowerStream was able to reduce OM&A costs and in combination with an increase in the number of new customers from 16,864 to 17,172 a decrease in Total Cost Per Customer decline of $29 per customer was realized.

The total cost performance result for 2017 is $512 per customer, which is a 5.4% decrease over the 2016 result.
The total cost performance result for 2016 is $541 per customer, which is a 2.5% increase over the 2015 result.
The total cost performance result for 2015 is $528 per customer, which is a 3.1% increase over the 2014 result.
The total cost performance result for 2014 is $512 per customer, which is a 2.4% increase over the 2013 result.

Going forward, utility costs are expected to keep pace with economic fluctuations; however, Collus PowerStream 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. The distribution territory also expects to see continued growth in customer numbers which will help maintain the Total Cost per Customer results.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. Based on this, Collus PowerStream's rate is $25,314 per km of line, which is a 2.95% or $770 decrease over the 2016 result of $26,084. In the prior year, Collus PowerStream's realized an increase of $770 per km of line, which was a 5% increase over its 2015 rate. Collus PowerStream's growth rate for its territory is considered to be relatively moderate. A moderate growth rate helps to contribute to Collus PowerStream's ability to fund future capital projects and operating costs. The cost per km of line is expected to slowly increase as capital and operating costs also increase. As we progress into the future, Collus PowerStream 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**

The 2017 results reported in the OEB Scorecard (11.7 GWh, or 68.98% of the 6-year cumulative target of 16.9 GWh) are based on the IESO's formal evaluation of projects that were:

1. Completed by December 31st, 2017; and
2. Paid by March 31, 2018 (the evaluation cut-off date).

A number of projects completed by 2017 were paid after the March 31, 2018 cut-off date (due to longer timelines between project completion and project approval/payment) and as a result are not included in the OEB Scorecard results for 2017. Collus PowerStream anticipates additional net verified persisting energy savings will be attributed to 2017, as an adjustment to the 2017 results, in future verified results reports from the IESO. Therefore, this adjustment may increase the 2017 net verified results towards the six-year cumulative target.

Collus PowerStream was part of a joint CDM plan with PowerStream Inc, up until mid-2017. PowerStream entered into a merger in 2017 with other local distributors, to form Alectra Utilities. A revised joint CDM Plan (involving Collus PowerStream, Alectra Utilities, and Erie Thames PowerLines) was filed in June which continues to show accelerating results year-over-year and a strong project pipeline which is currently on pace to surpass the 2020 framework target.

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. Collus PowerStream has developed and implemented an internal procedure to ensure compliance with this regulation.

In 2017, Collus PowerStream did not receive any CIA's applications.

- **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 that are typically installed by homeowners, farms or small businesses. In 2017, Collus PowerStream connected 6 new micro-embedded generation facilities totaling 50.85 kW within its territory. 100% of these projects were connected within the prescribed timeframe of five (5) business days, which exceeds the Ontario Energy Board's mandated target of 90% for this measure. Collus PowerStream's process for these projects is well documented and Collus PowerStream works closely with its customers and their contractors to ensure the customer's needs are met and/or exceeded. Collus PowerStream expects the trend for this measure to continue to exceed the mandated target for the remainder of the MicroFit program applications submitted as this program comes to a close.

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. The current ratio increased from 1.29 in 2016 to 1.34 in 2017. The corporation forecasts cash flow needs arising from the capital planned during the year and borrows funds to maintain the current ratio at a healthy level. Collus PowerStream expects to maintain a strong current ratio 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 or 1.5:1) when setting rates for an electricity utility. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating

sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that may be had through increased financial debt. In 2017, Collus PowerStream's debt to equity ratio was 1.31. Subsequent to year-end, Collus PowerStream obtained financing for $2.0m which increased the debt to equity ratio up to the 1.5 deemed level by the Ontario Energy Board. Collus PowerStream expects its debt to equity ratio to remain close to the expected norm into the foreseeable future.

- **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. Collus PowerStream's 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. 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**

Collus PowerStream achieved a ROE of 11.65% in 2017, which is within the 8.98% +/-3% range allowed by the OEB (see above paragraph). This is indicative of a healthy financial organization. This trend is expected to continue into the foreseeable future.

Note to Readers of 2017 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.