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</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>98.80%</td>
<td>98.43%</td>
<td>99.54%</td>
<td>99.60%</td>
<td>97.02%</td>
<td>90.00%</td>
<td>90.00%</td>
<td></td>
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<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>99.20%</td>
<td>98.91%</td>
<td>95.69%</td>
<td>99.46%</td>
<td>99.28%</td>
<td>90.00%</td>
<td>65.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>77.48%</td>
<td>77.57%</td>
<td>80.40%</td>
<td>80.40%</td>
<td>79.14%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>First Contact Resolution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>81.79%</td>
<td>79.78%</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Billing Accuracy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>99.37%</td>
<td>99.53%</td>
<td>99.52%</td>
<td>99.62%</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>92.24%</td>
<td>88.23%</td>
<td>90.86%</td>
<td>90.86%</td>
<td>88%</td>
<td></td>
<td></td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td>Level of Public Awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>78.29%</td>
<td>78.29%</td>
<td>81.00%</td>
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</tr>
<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of General Public Incidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.421</td>
<td>0.312</td>
<td>0.359</td>
<td>0.305</td>
</tr>
<tr>
<td></td>
<td>Rate per 100, 1000 km of line</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Reliability</td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>0.93</td>
<td>0.86</td>
<td>1.03</td>
<td>0.82</td>
<td>0.83</td>
<td>0.93</td>
<td>0.93</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>1.23</td>
<td>1.22</td>
<td>1.23</td>
<td>1.07</td>
<td>1.12</td>
<td>1.25</td>
<td>1.25</td>
<td></td>
</tr>
<tr>
<td>Asset Management</td>
<td>Distribution System Plan Implementation Progress</td>
<td>100.40%</td>
<td>108.8%</td>
<td>95.8%</td>
<td>95.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Control</td>
<td>Efficiency Assessment</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$611</td>
<td>$637</td>
<td>$674</td>
<td>$678</td>
<td>$679</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$29,577</td>
<td>$30,836</td>
<td>$32,881</td>
<td>$33,185</td>
<td>$33,717</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation &amp; Demand</td>
<td>Net Cumulative Energy Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.74%</td>
<td>34.70%</td>
<td>62.21%</td>
<td>1,604.55 GWh</td>
</tr>
<tr>
<td>Management</td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>97.48%</td>
<td>98.24%</td>
<td>90.91%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connection of Renewable</td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>99.06%</td>
<td>96.07%</td>
<td>94.42%</td>
<td>96.95%</td>
<td>98.34%</td>
<td>90.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation</td>
<td>Liquidty: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.01</td>
<td>1.01</td>
<td>0.96</td>
<td>0.89</td>
<td>1.18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Performance</td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.27</td>
<td>1.29</td>
<td>1.30</td>
<td>1.36</td>
<td>1.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Ratios</td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.17%</td>
<td>9.17%</td>
<td>9.06%</td>
<td>9.04%</td>
<td>8.90%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Return on Equity Achieved</td>
<td>9.77%</td>
<td>9.07%</td>
<td>7.68%</td>
<td>7.77%</td>
<td>8.43%</td>
<td></td>
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</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 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.
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:


Scorecard MD&A - General Overview

In April 2016, Enersource Hydro Mississauga Inc. ("Enersource"), Horizon Utilities Corporation ("Horizon Utilities"), and PowerStream Inc. ("PowerStream") filed an application (the "MAADs Application"; EB-2016-0025) pursuant to the Handbook to Electricity Distributor and Transmitter Consolidations (the “MAADs Handbook”) seeking for approval to amalgamate to form Alectra Inc., and for Alectra Inc. to purchase and amalgamate with Hydro One Brampton Networks Inc. ("Hydro One Brampton") under section 86 of the Ontario Energy Board Act, 1998. Alectra Inc. is the parent of Alectra Utilities Corporation ("Alectra Utilities").

On December 8, 2016, the Ontario Energy Board ("OEB") issued its Decision and Order in respect of the MAADs Application. In the MAADs Decision, the OEB granted the requested approvals. It also approved a rebasing deferral period of 10 years. On January 31, 2017, Alectra Utilities was incorporated under the Business Corporations Act (Ontario) by amalgamation of the legacy utilities: PowerStream; Enersource; and Horizon Utilities. On February 28, 2017, the Corporation acquired 100% of the shares of Hydro One Brampton.

Prior to the merger, each of Alectra Utilities’ four predecessor companies filed their respective Reporting and Record Keeping Requirements ("RRR") data and utility scorecard. For the 2017 reporting year, Alectra Utilities filed its first set of RRR data as a merged entity. Alectra Utilities presents its first annual Scorecard Management Discussion and Analysis ("2017 Scorecard MD&A") for 2017. The utility scorecard measures a utility’s performance over time and presents the five most recent years of available data for each performance measure.

Alectra Utilities’ 2017 results for each of the performance measures were based on the 2017 annual RRR filing for the merged entity. The 2017 Scorecard also includes historical results for 2013 to 2016 based on the consolidation of data from each of the four legacy utilities. Historical 2013-2016 performance measures for Alectra Utilities were derived using the following two methodologies: 1. Performance measures were calculated using previously reported RRR data for the legacy utilities (e.g. scheduled appointments met on time were
calculated by summing the number of qualified incoming calls answered within 30 seconds for all four legacy utilities divided by the sum of the number of qualifying incoming calls for all four legacy utilities); and 2. Performance measures were determined based on a weighted average of previously reported scorecard results. Certain results were weighted based on customer count, for measures related to customer satisfaction and safety; on approved capital expenditures, for measures related to asset management; and on approved rate base, for measures related to financial performance.

Alectra Utilities serves approximately 990,000 customers across an 1,800 sq. km service territory spanning 15 communities including Alliston, Aurora, Barrie, Beeton, Brampton, Bradford, Hamilton, Markham, Mississauga, Penetanguishene, Richmond Hill, St. Catharines, Thornton, Tottenham and Vaughan. Alectra Utilities delivered outstanding results in its first year as a merged entity in the key performance measurement subject areas – Customer Focus, Operational Effectiveness, Public Policy Responsiveness and Financial Performance. As a customer-focused utility, Alectra Utilities understands that its success is connected to its ability to anticipate and meet the continually evolving needs of residential and business customers in the communities it serves. For this reason, the company strives to exceed industry standards in each of the Scorecard industry measures.

Alectra Utilities continues the work of integrating the systems and processes of the legacy utilities. These important initiatives will enable the company to be a responsive and trusted ally to customers and the communities it serves.

### Service Quality

#### New Residential/Small Business Services Connected on Time

The OEB’s Distribution System Code (“DSC”) requires electricity distributors to complete a connection for new service under 750 volts within five days after all applicable service conditions are satisfied. This service quality standard must be met at least 90% of the time on an annual basis. In 2017, Alectra Utilities connected 97.02% of 16,263 eligible low-voltage residential and small business customers to its system within the five-day timeline.

#### 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. Of 23,036 appointments scheduled in 2017 requiring the presence of the customer, Alectra Utilities met 99.28% of these appointments with its customers within
this timeframe. The work requested by customers in this category includes: connect or reconnect services; meter reads; and other necessary work as requested by customers. As shown on the Scorecard, Alectra Utilities received a green “target met” with an upward arrow indicating improvement of the five-year average.

**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 2017, Alectra Utilities’ Customer Service Representatives (“CSR”) received 771,885 calls from its customers, as compared to 949,161 calls in 2016. This represents a 19% decrease in call volumes. Alectra Utilities’ CSRs answered 79.14% of incoming calls within 30 seconds. This performance exceeds the OEB mandated target of 65%.

**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. In 2017, Alectra Utilities resolved 81.00% of calls on first contact, which is an improvement of 1.22% compared to the 2016 result of 79.78%.

In determining FCR results, Alectra Utilities assesses the number of calls addressed at first contact and also utilizes customer surveys regarding the quality of service received based on the last time a customer contacted the utility.
Billing Accuracy

The Billing Accuracy customer satisfaction metric is defined as the number of accurate bills issued expressed as a percentage of the total number of 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 2017, Alectra Utilities issued more than 10 million customer bills and achieved billing accuracy performance of 99.62%. This result 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.

Customer Satisfaction is a key area of focus for Alectra Utilities. In first quarter of 2018, Alectra Utilities completed its first customer satisfaction survey as a merged entity, and achieved a score of 88%. The provider, Simul Corporation, conducts its UtilityPulse survey for other Ontario and Canadian utilities, as well. The survey asks customers about a wide range of topics, including the following: overall satisfaction; service reliability; customer service; billing experience; and corporate image. The data is incorporated into Alectra Utilities’ planning processes, ensuring that the distributor’s practices evolve to meet customers’ changing needs and expectations.

Safety

Public Safety

The OEB’s Public Safety metric was new for the Scorecard in 2014. It was developed for the OEB by the Electrical Safety Authority ("ESA"), after public consultation. The OEB, through the ESA recommendation, has developed the three component metrics of (a) Public Awareness of Electrical Safety, (b) Compliance with Ontario Regulation 22/04, and (c) Serious Electrical Incident Index. Details of these components and how Alectra Utilities performed in each component can be found, below. Safety is a core value and is always a top priority at Alectra Utilities, both as an employer and as a responsible operator within the community. Alectra Utilities’ commitment to public and employee safety is clearly demonstrated through its stringent safety protocols and training.
Component A – Public Awareness of Electrical Safety

The ESA and OEB developed a standard survey methodology to determine the Public Awareness of Electrical Safety component of the Safety Performance Category of the OEB Scorecard. This is the third year for compiling data to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. Results are based on a telephone survey (Random Digit Dialing) among 601 members of the general public, 18 years of age or older, within Alectra Utilities' service territory.

The six core measurement questions correspond to the six most frequent incidents involving utility equipment in Ontario over the last decade. Alectra Utilities' Public Safety Awareness Score, identified in the most recent Survey issued in Winter 2018, was 81%. This score is used for the Level of Public Awareness Score for the 2017 and 2018 reporting periods. The OEB has indicated that the performance target for this metric will be established after three years of data has been gathered.

Component B – Compliance with Ontario Regulation 22/04

The metric measuring Ontario Regulation 22/04 (the “Regulation”) exists to assess an LDC's compliance with the ESA’s standard for safety performance based requirements for the design, construction and maintenance of electrical distribution systems. Alectra Utilities received a rating of ‘compliant', the highest rating possible, for its performance in 2017. This rating is based upon Alectra Utilities’ performance in the following areas: Regulation 22/04 Audit; Declaration of Compliance; Due Diligence Inspections; Public Safety Concerns; and Compliance Investigations.

Across the period 2013 through 2017, Alectra Utilities had zero non-compliance issues identified in the annual Regulation 22/04 Audit, confirming that the company’s commitment to safety is effective and that it is compliant with the Regulation.

Annual Due Diligence Inspections of the LDC’s electrical distribution installations are completed by ESA with a primary focus on ensuring the construction in the field is in accordance with a plan, work instruction, and standard design compliant with Regulation 22/04.

All Public Safety Concerns issued to the LDC by ESA are reviewed for compliance against Ontario Regulation 22/04, corrected in a timely fashion should these concerns fall outside the established Regulation.

As background, the Regulation requires an audit and declaration of compliance that measures the appropriateness of processes in place to comply with the safety standards set out in the Regulation, and determines whether the distributor correctly follows its processes. The
audit is an independent review and examination of records and activities to: (i) assess the adequacy of system controls; (ii) ensure compliance with established policies and procedures; and (iii) recommend necessary changes in controls, policies, or procedures to meet objectives.

**Component C – Serious Electrical Incident Index**

The Serious Electrical Incident Index measures the number and rate of serious electrical incidents occurring across the distributor’s assets per 1,000 kms of line. Section 12 of Ontario Regulation 22/04 defines a “serious electrical incident” as:

(a) any electrical contact that caused death or critical injury to a person;
(b) any inadvertent contact with any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person; or
(c) any fire or explosion in any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person, except a fire or explosion caused by lightning strike.

The OEB set a target of five (5) Serious Electrical Incidents for Alectra Utilities in 2017. To promote a continued focus on Serious Electrical Incidents, the target is calculated as 70% of the five year rolling average of such incidents. Alectra Utilities’ goal is to have zero “serious electrical incidents” annually.

Alectra Utilities experienced nine (9) “serious electrical incidents” in the 2017 reporting period which was outside of the five year average and did not meet the target number of incidents of five (5) and rate per 1,000km of line prescribed by the OEB. Four of the nine incidents were initiated as a result of items beyond the control of Alectra Utilities. The remaining five incidents were a result of equipment failures. Alectra Utilities reviews these incidents and makes appropriate adjustments to system renewal and maintenance activities as required. Alectra Utilities expects that focus on these initiatives will assist in reducing the risk of serious electrical incidents due to equipment failures on the system, and has already taken steps to address the majority of the issues that resulted in these incidents.
System Reliability

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

In 2017, Alectra Utilities’ average number of hours that power to a customer was interrupted was 0.83 hours (49.8 minutes). This represents a very slight increase compared to 2016 (0.82 hours), primarily attributed to a reduction in Loss of Supply outages and Major Event Days. Alectra Utilities was well below the OEB’s distributor-specific target of 0.93 hours for the average number of hours that power to a customer was interrupted.

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

In 2017, Alectra Utilities’ average number of times that power to a customer was interrupted was 1.12 interruptions. This represents an increase compared to 2016 (1.07 interruptions), primarily attributed to a reduction in Loss of Supply outages and Major Event Days. Alectra Utilities was well below the OEB’s distributor-specific target of 1.25 for the average number of times that power to a customer was interrupted.

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. Alectra Utilities has OEB-reviewed DSPs for each of its predecessor companies: Horizon Utilities (2015-2019); Hydro One Brampton (2015-2019); PowerStream (2016-2020); and Enersource (2018-2022). Alectra Utilities measures the progress of its DSP Implementation by comparing actual total capital expenditures to the total amount of planned capital expenditures. The measure indicates that Alectra Utilities’ actual capital expenditures were 95.5% of its plan in 2017. The variance in 2017 is primarily attributed to lower general plant expenditures.
Cost Control

Efficiency Assessment

The total costs for Ontario distributors are evaluated by the Pacific Economics Group LLC (“PEG”) on behalf of the OEB to produce a single efficiency ranking. Distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. Distributors with larger negative differences between actual and predicted costs are considered better cost performers and therefore eligible for lower stretch factors. The following outlines the five groups to which the distributors can be allocated and their definitions:

1) Cohort I (Stretch Factor = 0.0%) – Actual costs are 25% or more below predicted costs
2) Cohort II (Stretch Factor = 0.15%) – Actual costs are 10% to 25% or more below predicted costs
3) Cohort III (Stretch Factor = 0.30%) – Actual costs are within +/- 10% of predicted costs
4) Cohort IV (Stretch Factor = 0.45%) – Actual costs are 10% to 25% or more above predicted costs
5) Cohort V (Stretch Factor = 0.60%) – Actual costs are 25% or more above predicted costs

In 2017, Alectra Utilities maintained its placement in Cohort III having achieved actual costs that were within 10% of predicted costs.

Total Cost per Customer

Total cost per customer and per kilometer are computed by PEG based on an econometric model to adjust distributors’ costs reported in the financial statements in order to benchmark distributors’ cost performance. They are based on, but do not represent, Alectra Utilities’ costs as identified in its financial statements. Total costs refer to operating and capital costs and include costs to operate, maintain, administer and renew distribution system, buildings, and related underlying systems and processes.

In 2017, total cost per customer increased slightly to $679 compared to $678 in 2016. The marginal increase in both total costs and the total number of customers relative to 2017, results in relatively flat total cost per customer.

Total Cost per Km of Line

In 2017, total cost per kilometer of line increased to $33,716 compared to $33,185 in 2016, due to a slight increase in total costs.
Conservation & Demand Management

Net Cumulative Energy Savings

Alectra Utilities achieved 410.7 GWh of Net Energy Savings in 2017 of which 366.7 GWh will contribute towards the Company’s six year target of 1,604.55 GWh.

Net cumulative savings achieved in the first three years of the Conservation First Framework are 1,076.3 GWh, of which 998.2 GWh will persist to 2020 (62% six year cumulative target).

Connection of Renewable Generation

Renewable Generation Connection Impact Assessments Completed on Time

Electricity distributors are required to conduct Renewable Generation Connection Impact Assessments (“CIAs”) within 60 days of receiving a complete application from a customer (or 90 days if an expansion of the distribution system is required to accommodate the generation). In 2017, Alectra Utilities completed 50 out of 50 CIAs within the required timeframe specified by the OEB. Alectra Utilities’ performance was 100% in 2017, up from 90.9% in 2016.

New Micro-embedded Generation Facilities Connected On Time

Alectra Utilities successfully connected 98.34% of all New Micro-embedded Generation Facilities in 2017 within the required timeframe set out by the OEB. These connections are for Feed in Tariff projects of less than 10 kW (micro-FIT). The OEB requires 90% of these projects to be completed within five days of receiving authorization from the ESA. Alectra Utilities’ performance exceeds the OEB’s industry target of 90%.
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.

Alectra Utilities’ current ratio increased from 0.89 in 2016 to 1.18 in 2017. The change is primarily due to a decrease in short-term borrowings as a result of the optimization of short-term borrowing programs due to the consolidation of banking activities.

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.

Alectra Utilities total debt to equity ratio decreased from 1.36 in 2016 to 1.26 in 2017. Alectra Utilities’ strong financial position is further supported by the recent Standard & Poor’s and DBRS Rating Services rating of "A" for Alectra Inc., the parent company of Alectra Utilities.

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. Alectra Utilities’ deemed ROE is based on the deemed ROE for each of its predecessor companies, that was approved as part of each utilities’ last rebasing application (Enersource 8.93%, Brampton 9.3%, PowerStream 8.78%), or Custom Incentive Regulation update (Horizon Utilities 8.78%), in the case of Horizon Utilities. The deemed ROE for each of the predecessor utilities was weighted using OEB-approved rate base to calculate deemed ROE for Alectra Utilities of 8.90% for 2017.
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. Alectra Utilities achieved a ROE in 2017 was 8.43%, which is within the +/- 3% range allowed by the OEB.

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