

Scorecard - Energy+ Inc.

Performance Outcomes	Performance Categories	Measures	2013	2014	2015	2016	2017	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	99.30%	100.00%	100.00%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	99.50%	100.00%	91.70%	100.00%	98.90%	↓	90.00%		
		Telephone Calls Answered On Time	87.30%	83.00%	82.50%	71.50%	80.12%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution		99.99%	99.99	99.99	99.7				
		Billing Accuracy		100.00%	99.99%	99.98%	99.99%	→	98.00%		
		Customer Satisfaction Survey Results		'A' Rating	A	B	A				
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			85.00%	85.00%	82.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0	→		0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000	→		0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.75	0.64	1.08	0.63	1.53	↑		0.78	
		Average Number of Times that Power to a Customer is Interrupted ²	1.01	1.33	1.36	1.27	2.18	↑		1.16	
	Asset Management	Distribution System Plan Implementation Progress		Behind Plan	Behind Plan	On Plan	On plan				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$624	\$634	\$646	\$639	\$640				
		Total Cost per Km of Line ³	\$28,714	\$29,241	\$29,524	\$23,739	\$27,874				
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			18.16%	90.66%	126.12%			100.95 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%	80.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.32	0.76	2.10	1.99	1.58				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.57	0.91	1.10	1.10	1.06				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.85%	9.36%	9.36%	9.36%	9.36%			
			Achieved	7.80%	8.32%	10.00%	9.49%	7.75%			

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

Appendix A – 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 2016 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

Energy+ is pleased to provide its 2017 Performance Scorecard.

Effective January 1, 2016, Cambridge and North Dumfries Hydro Inc. (“CND”) and Brant County Power Inc. (“BCP”) amalgamated pursuant to the provisions of the Business Corporations Act (Ontario), to continue as one corporation under the name Energy+ Inc. (“Energy+”).

The Energy+ Inc. Scorecard for the year ended December 31, 2017 represents the second year of performance measures reported for the newly amalgamated company, Energy+ Inc. The comparative results included on the Scorecard, i.e. for the years 2013, 2014, and 2015, represent the results for the former CND only. The performance measures of the former BCP to December 31, 2015 were reported on a separate Scorecard in the prior years.

2017 was a very successful year for Energy+ in terms of performance, and we are proud of the team’s achievements. In addition to meeting or exceeding the performance targets as set out by the Ontario Energy Board for Service Quality, Customer Satisfaction, and Safety, Energy+ accomplished a number of key objectives aligned to our vision “Be the energy company most admired for its innovative people, reliable service, and outstanding performance”. The accomplishments include:

- Achieved net income of \$7.95MM, which demonstrated strong financial performance and provided a regulated rate of return of 7.75% to our shareholders, the City of Cambridge and the Township of North Dumfries.
- Sustained an ‘A Stable’ corporate credit rating from Standard & Poor’s (“S&P”) Rating Services, which demonstrated Energy+’s strong financial performance.
- Prepared an Asset Condition Assessment Study and a Consolidated Distribution System Capital Plan, which outlines Energy+’s asset management planning strategy and capital investment plans for the years 2018 through to 2023.

- Conducted a number of customer engagement initiatives to solicit feedback from Customers on our operating and capital expenditure plans over the next five years as part of the preparation of the 2019 Cost of Service Application filed with the Ontario Energy Board on April 30, 2018.
- Executed the capital expenditure investment plan as outlined in the Distribution System Plan, which ensured the continued reliability of our distribution system.
- Achieved 126% of the Net Cumulative Energy Savings target of 101 gigawatt-hours (GWh), as at December 31, 2017, under the 2015-2020 Conservation First Framework. The framework was designed by the government to reduce electricity consumption across the Province by 7,000 GWh by December 31, 2020. Energy+ ranked 4th in the Province based on the % of target achieved.

Energy+ Inc. will continue to focus its efforts in 2018 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures. Key objectives in 2018 include: (i) Preparing the 2019 Cost of Service Rate Application (Filed in April 2018 and not yet approved by the OEB); (ii) On-going initiatives to obtain customer feedback; (iii) Benchmarking; (iv) Delivering on Conservation Programs under the Conservation First Framework (2015-2020); v) Focusing on productivity by executing shared services strategies, vi) Implementing information systems technology security initiatives and strategies; and vii) Continuing to place emphasis on infrastructure renewal program.

Service Quality

A core value for Energy+ and its employees is to be Customer Focused. Energy+ is committed to providing excellent services and solutions for our customers, both anticipating and responding to their needs. Energy+ proved its commitment to customer service by exceeding the industry standards in all three of the service quality measures.

- **New Residential/Small Business Services Connected on Time**

In 2017, Energy+ connected 471 new services for our customers, with 100% of the connections completed within 5 working days. This compares to 609 new services and 100% of connections completed within 5 working days in 2016. Energy+ has consistently exceeded the OEB's guideline of 90% completion within 5 working days of the request being made.

- **Scheduled Appointments Met On Time**

Energy+ scheduled 14,418 customer appointments to complete work requested by customers, representing an increase of 1,107 appointments compared to 13,311 in 2016. Energy+ met 98.90% of these appointments on time. Energy+ has consistently exceeded the industry target of 90%. The percentage of appointments met on time in 2017 was slightly lower and related to the increased volumes of locates during the beginning of construction season and specifically the month of May 2017. Energy+ received a significant amount of grouped requests for locates related to sidewalk repairs and tree planting in that month.

- **Telephone Calls Answered On Time**

Energy+ received 63,539 telephone calls in 2017, or an average of 244 calls per day. This compares to 76,740 telephone calls in 2016. The monthly average number of calls answered in 2017 was 5,295; from a high of 6,657 answered in November to a low of 3,163 in December. In 2017, 80.1% of telephone calls were answered within 30 seconds, which is an improvement over the 71.5% achieved in 2016. Energy+ has consistently exceeded the industry standard of 65% year over year. Telephone response times fluctuate based on a number of factors including: number of calls, weather related calls, high electricity bills due to extreme weather, available call centre resources, events in the news that drive calls to the call centre, regulatory and rate changes displayed on customer bills, and payment arrangements. All of these factors can result in an increase or a decrease in call volumes and increased or decreased time spent on each call with our customers. Energy+ is committed to providing continuous excellent customer service and this is one indication of achievement.

Customer Satisfaction

- **First Contact Resolution**

Energy+ measures First Contact Resolution as the percentage of customer calls answered whereby the customer's initial request has been satisfied by the Customer Service Representative, as the first point of contact. Customer telephone calls that are not satisfied with the first contact are elevated to a second point of contact for resolution. All customer calls are logged through our telephone software, which allows Energy+ to identify the calls that required a second point of contact.

Energy+ is pleased to report that in 2017, 99.70% of calls received by our Customer Care department were resolved by the first telephone contact, compared with 99.99% in 2016.

The OEB does not provide for a specific measure for First Contact Resolution. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for this area 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 the commonly defined measure.

- **Billing Accuracy**

The OEB has prescribed a measurement of billing accuracy which must be used by all electricity distributors effective October 1, 2014. The measure is defined as the number of accurate bills issued expressed as a percentage of total bills issued. For the year ended December 31, 2017, Energy+ issued 777,739 bills and achieved a billing accuracy of 99.99%, compared to 501,568 bills and a billing accuracy of 99.98% in 2016. This compared favourably to the prescribed OEB target of 98%. Energy+ transitioned to monthly billing for all of its customers in the Cambridge and North Dumfries service area in the latter part of 2016 and into 2017, as mandated by the Ontario Energy Board, resulting in a significant increase in the number of bills issued in 2017.

- **Customer Satisfaction Survey Results**

The 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 OEB is allowing electricity distributors discretion as to how they implement this measure. In consultation with electric utilities and other stakeholders, the OEB has been evaluating a Customer Satisfaction Survey to be used by all electricity distributors as the basis of measuring customer satisfaction, which would align to the OEB defined principles, namely; Power Quality and Reliability, Price, Billing and Payment, Customer Service Experience and Communications. At this time, a standard survey has not been implemented.

Energy+ has a formal policy and procedure in place that outlines the processes for seeking feedback from customers, methods used to gather customer feedback, and how Energy+ will respond to the information obtained from customers. Energy+ obtains customer feedback using various methods, including: (i) engaging the services of an external third party research organization; (ii) internally using Energy+ survey tools; (iii) collecting and evaluating suggestions made by customers when they interact with employees; (iv) participation in community events; (v) meetings with customers; and (vi) feedback obtained through various media channels including social media.

During the latter part of 2017, Energy+ conducted a multi-faceted Customer Satisfaction Survey of a representative sample of all of its customers, to support its 2019 Cost of Service Rate Application for rates to be effective January 1, 2019. The survey aligned with the OEB defined principles, namely; Power Quality and Reliability, Price, Billing and Payment, Customer Service Experience and Communications and included the expanded customer service territory, namely: Cambridge, North Dumfries and certain portions of the County of Brant. The results of the 2017 survey indicated substantial improvement over 2016, and indicated high levels of customer satisfaction with the services provided by Energy+. During 2017, both the online Outage Map and System Control Room were integrated across Energy+'s entire service area, responding to feedback from the 2016 survey. Energy+ believes that the improvement in 2017 customer satisfaction levels can, in part, be attributed to the addition of these power outage communication services across the service territory.

Energy+ achieved a satisfaction score of "A", with approximately 80% of customers responding that they were very satisfied or somewhat satisfied with the services provided by Energy+. The survey also polled customers on future investments preferences and provided the opportunity to give feedback on areas that the customer believed Energy+ could change or make improvements upon. Delivering reasonable electricity distribution rates and ensuring reliable day-to-day electrical service were identified as the two most significant customer priorities.

Energy+ is committed to customer engagement and satisfaction and will continue to communicate and solicit feedback from our customers to ensure we are achieving our mission of delivering solutions and value added services to our customers.

Safety

Public safety, and the health and safety of our employees is a core value. Energy+ is dedicated to pursuing excellence in safety and wellness and takes responsibility for our personal safety, the safety of each other and the safety of our customers and communities. We continuously work to strengthen our safety culture. Our employees and contractors are trained and equipped for the hazards that may be encountered while performing their duties. We encourage and promote safety and wellness at work, at home, and in the communities we serve.

- **Public Safety**

The public safety measures were implemented by the OEB in 2014, based upon recommendations provided by the Electrical Safety Association (“ESA”), the agency overseeing electrical safety and inspections in Ontario. The public safety measure includes three components: (i) Public Awareness of Electrical Safety; (ii) Compliance with Ontario Regulation 22/04; and (iii) Serious Electrical Incident Index.

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

The public safety measure is intended to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor’s service territory. It measures the degree of effectiveness for distributor’s activities on preventing electrical accidents and is based upon a biennial survey (i.e. every second year) developed by the ESA in consultation with electricity distributors and the Electricity Distributors Association. This component of the public safety measure was introduced in the latter part of 2015 following a public consultation process. The performance target for this measure will be established by the OEB following three years of data collection.

Included in the survey is six core measurement questions which correspond to the six most frequent accidents involving utility equipment in Ontario over the last decade: (1) Likelihood to “call before your dig”; (2) Impact of touching a powerline; (3) Proximity to overhead powerline; (4) Danger of tampering with electrical equipment; (5) Proximity to downed powerline; and (6) Actions taken in vehicle in contact with wires.

Energy+ achieved a Public Safety Awareness Index Score of 82% in 2017, compared to 85% in its first two years of the surveys conducted in 2015 and 2016. The overall result of the survey indicates that the majority of the public continue to have a good knowledge or have received information pertaining to the six core measurement questions within the survey. In the 2017 survey, the younger respondents (aged 18 to 34) answered incorrectly to a number of safety questions. Energy+ will look for opportunities to enhance future education materials that target this particular age group.

In 2018, Energy+ will continue proactive communication campaigns, in local community newspapers and social media (Twitter, Facebook and YouTube) on topics such as Call Before You Dig, Powerline Safety, Farm Stray Voltage, Safe Holiday Decorating, Drone Safety, and Power Outage safety. Energy+ representatives regularly visit school and community groups to explain how to stay safe around electricity at home, work and in the community.

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

Energy+ is fully compliant with Ontario Regulation 22/04 (“OR 22/04”), the regulation that dictates the safe design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspections of construction before the electrical distribution system components are placed into service.

Energy+ is committed to ensuring a safe work place and compliance with all applicable regulations. Energy+ has appropriate systems, processes, and procedures in place for ensuring that work is carried out in accordance and in compliance with OR 22/04.

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

Energy+ is pleased to report that it did not experience any serious electrical incidents in the years 2013 to 2017, resulting in a Serious Electrical Incident Index of 0.000 in each of the years.

System Reliability

Yearly fluctuations in system reliability performance measures can result from variations in weather, such as lightning, excessive snowfalls, and ice storms, as well as defective equipment, foreign interference such as animal contacts, and motor vehicle accidents. As explained previously, the system reliability measures for the historical years 2012 – 2015 represent the former Cambridge and North Dumfries service territory, whereas the 2016 and 2017 reliability measures are based on the combined Cambridge and North Dumfries and Brant County service territories. The System Reliability measures for the historical years 2013-2015 have also been adjusted to exclude the impact of Major Events.

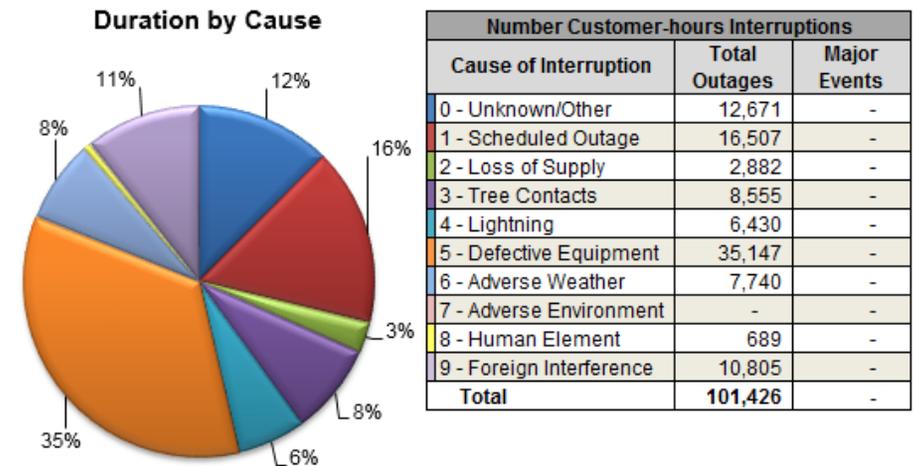
In December 2015, the OEB issued the “*Report of the Board: Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures*”. As a result, the OEB made amendments to the reporting requirements in relation to the definition of a Major Event, and the computation of the system reliability measures to exclude Major Events for purposes of the Scorecard.

A Major Event is defined as an event that is beyond the control of the distributor and is (a) unforeseeable; (b) unpredictable; (c) unpreventable; or (d) unavoidable. Such events disrupt normal business operations and occur so infrequently that it would be uneconomical to take them into account when designing and operating the distribution system. Such events cause exceptional and/or extensive damage to assets, they take significantly longer than usual to repair, and they affect a substantial number of customers.

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

This metric represents the average amount of time that electricity supply to a customer is interrupted per year, determined by dividing the total customer hours of all interruptions (excluding interruptions caused by upstream Loss of Supply events to the distributor and major events) divided by the average number of customers served.

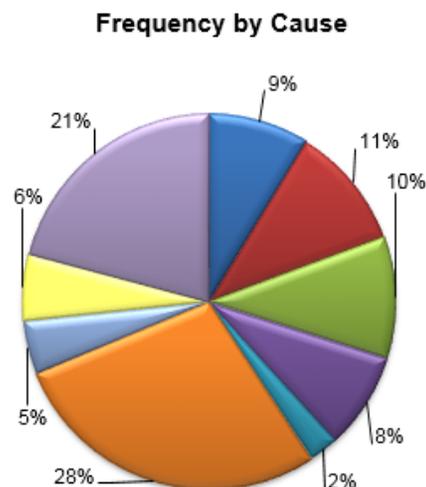
In 2017, the measure of Average Number of Hours that Power to a Customer is Interrupted was 1.53, a decline compared to 0.63 reported in 2016 and higher than the OEB defined acceptable target range of 0.78. Approximately 35% of the interruptions were due to defective equipment.



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

This metric represents the average number of times that electricity supply to a customer is interrupted per year, determined by dividing the total number of interruptions (excluding interruptions caused by upstream Loss of Supply events to the distributor and major events) divided by the average number of customers served.

In 2017, the measure of Average Number of Times that Power to a Customer is Interrupted was 2.18, which is higher than the target set by Energy+ of 1.39 and the OEB defined acceptable target range of 1.16. In the five previous years the measure has ranged from a low of 1.01 to a high of 1.36. Energy+ considers 2017 to be the exception. Approximately 35% of the interruptions were due to defective equipment.



Number of Customer Interruptions		
Cause of Interruption	Total Outages	Major Events
0 - Unknown/Other	13,696	-
1 - Scheduled Outage	16,764	-
2 - Loss of Supply	16,414	-
3 - Tree Contacts	13,199	-
4 - Lightning	3,940	-
5 - Defective Equipment	43,978	-
6 - Adverse Weather	7,212	-
7 - Adverse Environment	-	-
8 - Human Element	8,949	-
9 - Foreign Interference	32,827	-
Total	156,979	-

The single largest outage in 2017 was a result of inclement weather (rain and wind conditions) causing four lockouts on a feeder along Franklin Boulevard in Cambridge. Further enhancements have been completed along Franklin Boulevard with the implementation of spaces between phases and dampeners to reduce outages along this exposed section of multi-circuit 27.6kV lines. Damage to two porcelain insulators was another driver underlying the increase in customer hours of interruption in 2017. Energy+ is increasing its change-out rate of replacement for these insulator assets in 2018 and beyond to further mitigate future failures.

The largest outage in the Brant area service territory was a complete DC power failure at Powerline Municipal Transformer Station (“MTS”) that resulted in both 115-kV circuits forced from service. Immediate action was taken to restore the service, however, Energy+ has engaged a third party Engineering firm to provide recommendations on a more sustainable long term solution that would reduce the risk of recurring failure. The review process has begun and recommendations are expected shortly.

In 2017, 66 of a total of 538 interruptions or 12%, were caused by defective equipment, cause code 5. As further detailed in the Asset Management section, Energy+ has invested approximately \$27.6MM from 2014 to 2017, or approximately 41% of gross capital expenditures, in the renewal of its distribution system. It will take some time to realize and fully evaluate improvements in reliability due to Energy+'s investment in replacing end of life assets.

In 2015, Energy+ implemented an Outage Management System ("OMS"), including an Outage Map on the Energy+ corporate and mobile websites. The OMS was designed to increase efficiency in identifying, responding to, and shortening restoration times. The Outage Map provides customers with timely updates on the location of outages and restoration status. Throughout 2016, Energy+ updated the OMS system to incorporate the Brant County service territory. In 2017, the Outage Map was extended to all Energy+ customers.

Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a performance measure instituted by the OEB starting in 2013. Consistent with certain other measures, electricity distributors were given an opportunity by the OEB to define the measure in the manner that best fits their organization. The OEB may develop a standard in the future, based upon the methodologies that utilities use to define their measure.

Energy+ filed a long-term Distribution System Plan ("DSP"), as part of its 2019 Cost of Service Application, which was submitted in April 2018 and is currently in the review and approval processes. The DSP provides an overview of Energy+'s Asset Management Planning process, including detailed analysis of historical and planned capital expenditures. The long-term objective of the DSP is to ensure that the future distribution system is designed to deliver power at the quality and reliability levels required by customers and to minimize the lifetime cost by balancing preventative maintenance, life-extending refurbishment, and end of life replacement. The planned capital expenditures include expenditures that are required to maintain and expand the distributor's electricity system to serve its current and future customers over the next five years (2019-2023). Energy+ completed an Asset Condition Assessment in 2017 to assist in the preparation of the DSP.

The “Distribution System Implementation Progress” measure is intended to assess Energy+’s effectiveness at planning and implementing its DSP. Energy+ measures the progress of its DSP implementation based on the percentage of actual capital expenditures made, compared to the amount of planned capital expenditures per the DSP. The computation is performed on a cumulative basis over the five year term of the DSP. The percentage so determined is then converted based on the following scale:

>100% completed = Ahead of Plan

70% – 100% completed = On Plan

<70% completed = Behind Plan

In 2017, total gross capital expenditures for the year were \$17.5MM. This compares to \$16.1MM in gross capital expenditures in 2016.

At the end of 2017, Energy+’s progress under the DSP has been assessed as “On Plan”. This is consistent with the “On Plan” status reported in 2016 and an improvement from the “Behind Plan” reported in 2015. Total cumulative capital expenditures (net of capital contributions) over the period 2014-2017 were \$52.1MM, or 80% compared to the planned capital expenditures of \$64.8MM. This compares to progress at the end of 2016 which was at 74%.

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. Energy+ continues to be placed within Group 3, where a Group 3 distributor is defined as having costs within +/- 10 percent of predicted costs. Group 3 is considered “average efficiency” – in other words, Energy+ costs are within the average cost range for distributors in the Province of Ontario. In 2017, 44% (29 distributors) of the Ontario distributors were ranked as “average efficiency”; 34% (22 distributors) were ranked as “more efficient”; 22% (14 distributors) were ranked as “least efficient”.

Energy+’s vision “Be the energy company most admired for its innovative people, reliable service, and outstanding performance” is focused on achieving efficiencies and improving productivity, while providing value added services to our customers.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Energy+'s capital and operating costs and dividing this cost figure by the total number of customers that Energy+ serves. The cost performance result for 2017 is \$640 per customer, compared to \$639 in 2016. This represents a marginal increase from 2016 to 2017 and reflects an annualized increase of less than 1% since 2013.

Based upon the Pacific Economic Groups benchmarking analysis, Energy+'s Total Cost per Customer in 2017 was 11.1% lower than predicted costs, compared to 9.9% lower in 2016. These computations were based on aggregating the total costs for the former CNL and BCP for the period 2013 to 2015, to allow for a comparison with 2017 actual costs for the amalgamated company. The average 2015-2017 cost performance for the industry was 3.3% lower than predicted costs.

- **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 Energy+ operates to serve its customers. In 2017, Energy+ undertook an Asset Condition Assessment. During this process, Energy+ identified that certain distribution lines, previously identified as owned by Energy+, were in fact owned by Hydro One. The errors identified were with respect to distribution lines along the service area boundaries. As a result, the total of primary overhead circuit kilometers of line reported in 2017 was lower compared to 2016. Energy+'s 2017 Total Cost per Km of Line rate is \$27,874, an increase of 17% over the 2016 figure of \$23,739 but an increase of less than 0.5% over the five year average of \$27,818. The comparable Total Cost per Km of Line for CNL customers only in 2013 was \$28,714.

Energy+ has experienced a low level of growth in its service territories over the past five years, both in terms of number of customers and kilometers of lines. As a result, cost per customer and cost per Km of line have increased somewhat year over year with the increase in operating and capital expenditures. Utilities with low growth rates with upward cost pressures experience higher increases in cost per customer and cost per Km of line as compared to utilities with higher growth rates that are able to fund capital renewal and operating costs through customer growth.

Conservation & Demand Management

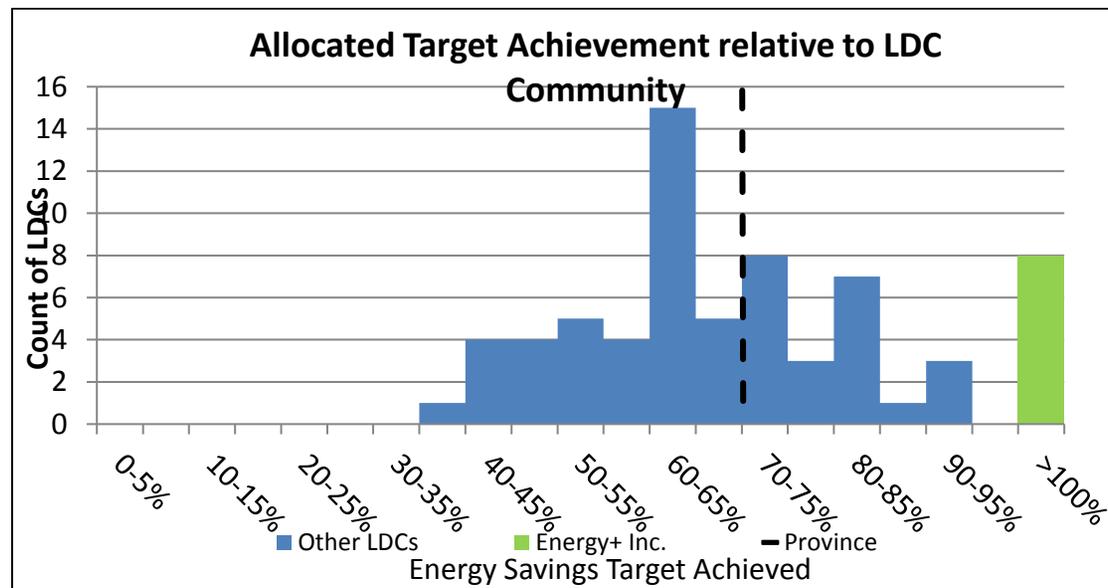
In March, 2014, The Minister of Energy introduced the “Conservation First Framework”. The Conservation First Framework is designed to reduce electricity consumption by 7,000 GWh across the Province of Ontario by December 31, 2020. The implementation of the Conservation First Framework is intended to provide: (i) a streamlined approach for local electricity distribution companies to design province-wide and local saveONenergy programs for customers; (ii) an energy efficiency target based on achievable potential in the service territory; and (iii) the flexibility to allocate funding for conservation programs to deliver cost-effective programs to consumers. Energy+’s CDM Plan under the Conservation First Framework was approved by the IESO in August 2015.

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

Energy+’s net cumulative energy savings target has been set at 100.95 GWh over the period 2015 to 2020.

As at December 31, 2017, Energy+ has achieved 126.12% of its Net Cumulative Energy Savings target of 101 GWh. Energy+ was ranked 4th in the Province based on the % of target achieved.

The following chart illustrates Energy+’s performance in comparison to the industry.



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. In 2017, Energy+ completed 4 CIAs, a decrease of 1 over the 5 completed in 2016 and completed 100% of the assessments on time.

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

In 2017, Energy+ connected 47 new micro-embedded generation facilities (microFIT projects of less than 10 kW) compared to 30 in 2016. 100% of the connections were completed within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time.

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.

Energy+’s current ratio of 1.58 at the end of 2017 continues to reflect a strong financial position.

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

The OEB uses a deemed capital structure of 60% debt and 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.

Energy+'s debt to equity ratio was 1.06 in 2017, compared to 1.10 in 2015 and 2016, which is within a healthy range of 1.0-1.25, and below the OEB's deemed capital structure. Energy+'s strong financial position is further supported by Standard & Poor's Rating Services rating of "A Stable".

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

Energy+'s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.36%. 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**

Energy+'s return achieved in 2017 was 7.75%, compared to the deemed regulatory return on equity of 9.36% included in distribution rates. Energy+'s return on equity is well within the +/- 3% range allowed by the OEB. The average return over the past three years was 9.1%.

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.