<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>Service Quality</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>100.00%</td>
<td>98.40%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.59%</td>
<td>90.00%</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>90.00%</td>
<td>90.00%</td>
<td>90.00%</td>
<td>90.00%</td>
<td>90.00%</td>
<td>90.00%</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>0.00%</td>
<td>95.00%</td>
<td>98.70%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>65.00%</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>First Contact Resolution</td>
<td>N/A</td>
<td>91.4%</td>
<td>91</td>
<td>90</td>
<td>98.70%</td>
<td>98.40%</td>
<td>97.27%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Billing Accuracy</td>
<td>96.71%</td>
<td>96.46%</td>
<td>97.27%</td>
<td>97.89%</td>
<td>98.00%</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>91.4%</td>
<td>91</td>
<td>90</td>
<td>98.70%</td>
<td>98.40%</td>
<td>97.27%</td>
<td>97.89%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level of Public Awareness</td>
<td>69.25%</td>
<td>69.25%</td>
<td>70.40%</td>
<td>70.40%</td>
<td>70.40%</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>C</td>
<td>C</td>
<td>NI</td>
<td>C</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of General Public Incidents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rate per 10, 100, 1000 km of line</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>System Reliability</td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>6.04</td>
<td>7.55</td>
<td>7.55</td>
<td>7.55</td>
<td>7.55</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>3.73</td>
<td>3.98</td>
<td>4.95</td>
<td>4.95</td>
<td>4.95</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td>Asset Management</td>
<td>Distribution System Plan Implementation Progress</td>
<td>113.2%</td>
<td>160</td>
<td>83</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost Control</td>
<td>Efficiency Assessment</td>
<td>70.40%</td>
<td>69.25%</td>
<td>69.25%</td>
<td>70.40%</td>
<td>70.40%</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Customer</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Km of Line</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Policy Responsiveness</td>
<td>Net Cumulative Energy Savings</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conservation &amp; Demand Management</td>
<td>Renewable Generation Connection Impact Assessments</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>Industry</td>
<td>Distributor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Connection of Renewable Generation</td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.00%</td>
<td>98.00%</td>
<td>98.00%</td>
<td>98.00%</td>
<td>98.00%</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td>Financial Performance</td>
<td>Financial Ratios</td>
<td>0.32</td>
<td>0.46</td>
<td>0.62</td>
<td>1.98</td>
<td>1.80</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>0.32</td>
<td>0.46</td>
<td>0.62</td>
<td>1.98</td>
<td>1.80</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>0.32</td>
<td>0.46</td>
<td>0.62</td>
<td>1.98</td>
<td>1.80</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>0.32</td>
<td>0.46</td>
<td>0.62</td>
<td>1.98</td>
<td>1.80</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Return on Equity Achieved</td>
<td>0.32</td>
<td>0.46</td>
<td>0.62</td>
<td>1.98</td>
<td>1.80</td>
<td>Industry</td>
<td>Distributor</td>
</tr>
</tbody>
</table>

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework.
The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2017 Scorecard MD&A: 

**Scorecard MD&A - General Overview**

Hydro One Remote Communities Inc. (“Remotes”) is an integrated generation and distribution company serving 3,650 customers in 21 off-grid communities. These communities are isolated and scattered across northern Ontario. As compared to other Ontario distributors, Remotes has unique financial, operational and geographical attributes.

Remotes is 100% debt financed and conducts its operations under a cost recovery model to achieve a breakeven result of operations. Any surplus or deficiency in revenues is added to or drawn from the Rural or Remote Rate Protection Variance Account for future disposition by the Ontario Energy Board ("OEB"). Fifteen of the communities are First Nations, which are served under agreements with the federal government. In these communities, the federal government funds capital associated with load growth. Replacement capital, operations, maintenance and administrative costs are funded through Remotes' revenue requirement.

Due to the lack of grid connection, most of the electricity that Remotes generates is from diesel technology, which is currently the most feasible smaller-scale generation technology for the communities served by Remotes. Remotes also operates two small run of the river hydroelectric plants and, at the end of 2017, had 16 customer/community-owned solar installations connected to its distribution systems. Fuel is Remotes’ single largest cost. Fuel costs are inherently volatile, related to changes in commodity price, method of delivery and volumes required to generate electricity.
Thirteen communities are not accessible by year-round road and can only be reached by aircraft, winter road or, in the case of one community, also by barge. The size and isolation of Remotes’ service territory means that transportation of fuel, equipment and staff are key cost drivers. Construction and project risk are high due to the lack of transportation infrastructure.

Because Remotes is an integrated generation company with unique financing and operations, some metrics are not included in the results. The OEB has recognized that Remotes is not directly comparable to other Ontario distributors. In its Decision (EB-2014-0084), the OEB noted that, “Hydro One Remotes is excluded from the Board’s benchmarking analysis because of its unique circumstances. As noted in Hydro One Remotes’ 2014 Price Cap Incentive Rate application (proceeding EB-2013-0142), Hydro One Remotes is unique in terms of its operating characteristics and cost recovery due to the Rural or Remote Electricity Rate Protection.”

### Service Quality

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

  In 2017, Remotes processed 85 new connection requests for residential and small business low-voltage customers (those with service less than 750 Volts). 77 or 90.59% of these requests were completed within five business days (or as agreed to by the customer and the distributor), The industry target is 90%. Results were less favorable than previous years due to an unusually high volume of connection requests.

- **Scheduled Appointments Met On Time**

  Because of high transportation costs and uncertainty about flight availability/ability to land, Remotes does not schedule appointments with customers. Work is generally organized through Band Councils or contractors since most customers do not have telephones. As a result, no appointments are missed or rescheduled.
o **Telephone Calls Answered On Time**
Remotes' billing and customer service staff received 6,092 phone calls from customers in 2017, answering 100% of these calls on time, as prescribed in the OEB Distribution System Code (“DSC”). The section of 7.6.3 of the DSC requires call centre staff to answer calls within 30 seconds, 65% of the time on a yearly basis, whenever the customer reaches an agent either directly or by means of a transfer. Remotes does not use an automated Interactive Voice Response (IVR) system and therefore does not report the abandoned call metric. Prior to 2014, Remotes did not have a phone system that recorded the time to answer calls.

---

**Customer Satisfaction**

o **First Contact Resolution**
First Contact Resolution (FCR) reports the success of the distributor in resolving a customer’s issue during the first contact. Remotes measures FCR based on the number of issues that can be resolved by the billing agent as compared to those that must be brought to a supervisor for resolution. In 2017, 100% of calls were resolved by the billing agent without a supervisor’s intervention.

---

o **Billing Accuracy**
In 2017, Remotes issued 40,999 bills, with an accuracy rate of 97.89%, an improvement over previous years. Remotes does not meet the industry standard of 98.00%. This is largely because Remotes has not installed a smart meter network due to limited communications infrastructure in its service territory and therefore relies on manual readings. Manual readings are more likely to result in higher planned and unplanned estimates. Remotes generally contracts with local community members to read the meters. Readings are then faxed to the office and entered into the system by the billing team. If the faxed readings are late, they result in an unplanned estimate. There were 677 unplanned estimates in 2017, a slight increase over previous years. In 2016, Remotes implemented quarterly physical meter readings for seasonal customers, and continues to show improvement in reducing planned estimates for those customers. However, there are a number of seasonal customers whose meters are inaccessible at certain times of the year making the industry standard difficult to attain.
Customer Satisfaction Survey Results
Remotes conducts biennial surveys of its customers to help it plan work and respond to customer priorities. Remotes engaged a professional research company with the ability to speak First Nation languages to conduct a random telephone survey of its customers in 2017. When asked “Overall, are you very satisfied, somewhat satisfied, dissatisfied or very dissatisfied with the electricity service you get from Hydro One Remotes,” 90% reported being satisfied or very satisfied. The major reason for satisfaction was that ‘electricity is there when needed’ (51.1%). Dissatisfied customers said that expensive rates/bills were the major reason for dissatisfaction.

Safety

Public Safety
In April 2015, the Electrical Safety Authority (ESA) made recommendations to the OEB for a scorecard public safety measure that includes three main components: A) Public Awareness of Electrical Safety, B) Compliance with Ontario Regulation 22/04, and C) the Serious Electrical Incident Index. Components B and C were reported in previous years and results for Component A – Public Awareness of Electrical Safety were tracked for the first time for fiscal 2015 performance.

Component A – Public Awareness of Electrical Safety
In the spring of 2017, Remotes engaged a professional research company with the ability to speak First Nation languages to conduct a random phone survey to gauge electrical safety awareness among people living in its service territory. The survey was designed by the ESA and assessed participants’ safety awareness in six core areas: the likelihood to call before digging, the impacts of touching a power line, safe distances when around power lines, safe distances when around downed power lines, danger of tampering with electrical equipment, and actions to be taken when an occupied vehicle is in contact with a power line. For 2017, the Company reported an overall index score of 70.4%, a slight improvement over the previous result in 2016. The score was determined by applying the index score to each response in the categories mentioned above, where “best answers” received a score of 1 and “incorrect answers” received a score of 0. Most respondents understood the danger of touching an overhead wire (85%) and tampering with electrical equipment (81%), but fewer were able to state precisely in feet or meters how close they could
come to an overhead line (18%). While about the same number (18%) said they would call before digging, however there are very few underground cables in Remotes' service territory. To improve the public’s awareness of hazards, Remotes has undertaken educational efforts that include warning signs at hydroelectric and diesel generating stations, radio ads, school presentations and information on electrical hazards in bill inserts.

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

Ontario Regulation 22/04 was introduced in early 2004 following recommendations from the ESA to ensure electrical safety and to track and report the safety records and compliance of electricity distributors. Distribution companies are required to submit declarations of compliance on the design, construction, and maintenance of distribution systems in accordance with the regulation, on an annual basis. An external auditor reviews and submits a final report, along with a signed declaration of compliance by an officer of the company, to the ESA for review and to establish a final result. The performance target for compliance with Ontario Regulation 22/04 is for the distributor to be fully compliant, and is recorded as Compliant (C), Non-Compliant (NC), or Needs Improvement (NI). In 2017, Remotes was assessed by the ESA as Needs Improvement in compliance with Ontario Regulation 22/04. A third party application was found to have inadequate documentation. During 2017, Remotes developed a guideline and changed the process for joint use attachments. The enhanced process requires greater detail in the application coupled with improved timelines for compliance.

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

For 2017, the ESA identified no recordable serious public incidents, resulting in an index value of 0.0 for Remotes. The Serious Electrical Incident Index was designed to track and help improve public electrical safety on the distribution systems over time. Based on the distributor's total kilometers of line, the measure normalizes serious electrical incidents per 10, 100, or 1,000 km of line reporting both the actual number and rate of incidents per kilometer – for Remotes, the index is normalized per 242 km of line. The distributor and any of its contractors or operators are required to report any serious electrical incident within 48 hours to the ESA. A serious electrical incident is defined as any electrical contact or any fire or explosion that caused or may have caused injury or death in any part of the distribution
system operating at greater than 750 Volts (except if caused by lightning strikes). Remotes maintains a policy of reporting all public safety incidents to the ESA.

### System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**
  
  In 2017, SAIDI performance improved compared to 2016 and 2015. Due to the nature of Remotes’ systems, planned outages continue to be required to replace equipment and make improvements, but overall, planned outages contributed less to SAIDI than in 2015. Outages caused by defective equipment also contributed less in 2016. Remotes notes that 2017 showed continued improvement in overall generation availability across its system. Planned distribution outages are expected to remain high in the next few years but are expected to improve reliability. In particular, viper switches will improve cold load pickup related to loss of generation, which will help reduce community-wide outages resulting from a catastrophic failure of a generation unit and will permit sectionalizing load to reduce the impact of community-wide distribution outages.

- **Average Number of Times that Power to a Customer is Interrupted**
  
  In 2017, SAIFI performance improved compared to 2016 and 2015. Due to the nature of Remotes’ systems, planned outages continue to be required to replace equipment and make improvements, Remotes notes that 2017 showed continued improvement in overall generation availability across its system. Planned distribution outages are expected to remain high in the next few years but are expected to improve reliability.

### Asset Management

- **Distribution System Plan Implementation Progress**
  
  The Distribution System Plan (DSP) implementation progress is a distributor-defined performance metric. In 2017, Remotes filed its first formal DSP with the OEB. The metric currently used is Operation Maintenance and Administration (“OM&A”) and Capital spending to plan
for both generation and distribution. $27.5M was spent compared to a plan of $33M. In previous years, the metric was confined to
distribution capital spending.

Cost Control

The OEB has recognized that Remotes is not directly comparable to other Ontario distributors. In its decision (EB-2014-0084), the OEB
noted that, “Hydro One Remotes is excluded from the Board’s benchmarking analysis because of its unique circumstances. As noted in
Hydro One Remotes’ 2014 Price Cap Incentive Rate application (EB-2013-0142), Hydro One Remotes is unique in terms of its operating
characteristics and cost recovery due to the Rural or Remote Electricity Rate Protection.”

Conservation & Demand Management

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

The Conservation First Framework is focused on reducing peak demand on the grid and is not related to Remotes’ operations. As such,
Remotes is excluded from the province-wide targets. Federal and provincial conservation programs that are designed to meet the unique
needs of customers living in isolated communities in the far north are available to customers in Remotes’ service territory. Remotes also
has a small conservation program that focuses on energy efficient products and customer education about energy usage.

Connection of Renewable Generation

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

Due to technical challenges associated with integrating renewable generation in isolated distribution systems, the IESO Feed-In Tariff
(“FIT”) programs are not available to customers in Remotes’ service territory. Remotes offers a program to allow renewable generation to
connect to its distribution systems, but most of the installations are small and do not require a Connection Impact Assessment (CIA).
New Micro-embedded Generation Facilities Connected On Time

This metric measures the company’s success in connecting micro-embedded generation facilities (10kW or less) 95% of the time within a five business day window. No new micro-embedded generation facilities were connected to Remotes’ distribution systems during 2017.

Financial Ratios

Remotes is 100% debt-financed and is operated as a break-even company with no meaningful return on equity. Therefore, given its financial structure, along with its unique operating characteristics, financial ratios are not comparable with those of other Ontario distribution utilities.
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. Words such as “expect,” “anticipate,” “intend,” “attempt,” “may,” “plan,” “will”, “can”, “believe,” “seek,” “estimate,” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Some of the factors that could cause such differences include legislative or regulatory developments, an unexpected increase in call centre volumes, 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. We do not intend, and we disclaim any obligation to update any forward-looking statements, except as required by law.