### Performance Outcomes

#### Performance Categories

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</thead>
<tbody>
<tr>
<td>New Residential/Small Business Services Connected on Time</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>98.40%</td>
<td>95.72%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Scheduled Appointments Met On Time</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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<tr>
<td>Telephone Calls Answered On Time</td>
<td>76.50%</td>
<td>68.20%</td>
<td>74.60%</td>
<td>75.80%</td>
<td>77.26%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>First Contact Resolution</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
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<tr>
<td>Billing Accuracy</td>
<td>99.91%</td>
<td>92.74%</td>
<td>99.95%</td>
<td>99.95%</td>
<td>99.95%</td>
<td></td>
<td></td>
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<tr>
<td>Customer Satisfaction Survey Results</td>
<td>A A A+</td>
<td>B+ A A</td>
<td>B+ A A</td>
<td>B+ A A</td>
<td>B+ A A</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
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</tr>
<tr>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>0.99</td>
<td>0.57</td>
<td>0.35</td>
<td>1.04</td>
<td>0.47</td>
<td></td>
<td></td>
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<tr>
<td>Efficiency Assessment</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Total Cost per Customer</td>
<td>$533</td>
<td>$516</td>
<td>$513</td>
<td>$534</td>
<td>$494</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost per Km of Line</td>
<td>$33,412</td>
<td>$33,823</td>
<td>$33,419</td>
<td>$38,032</td>
<td>$34,897</td>
<td></td>
<td></td>
<td>$17.51 GWh</td>
</tr>
<tr>
<td>Distribution System Plan Implementation Progress</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>99.58%</td>
<td>121%</td>
<td></td>
<td></td>
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<tr>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
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<tr>
<td>Net Cumulative Energy Savings</td>
<td>12.26%</td>
<td>37.27%</td>
<td>61.13%</td>
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#### Financial Ratios

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<tbody>
<tr>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.42</td>
<td>1.17</td>
<td>1.09</td>
<td>1.36</td>
<td></td>
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<tr>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>0.83</td>
<td>0.77</td>
<td>0.71</td>
<td>0.65</td>
<td>0.31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.58%</td>
<td>9.58%</td>
<td>9.30%</td>
<td>9.30%</td>
<td>9.30%</td>
<td></td>
<td></td>
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<tr>
<td>Return on Equity Achieved</td>
<td>10.77%</td>
<td>9.36%</td>
<td>11.64%</td>
<td>10.65%</td>
<td>11.60%</td>
<td></td>
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</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

St. Thomas Energy Inc. ("STEI") is a licensed electricity distributor operating pursuant to license ED-2002-0523 and distributes electricity to approximately 17,500 customers in the City of St. Thomas. STEI's franchise area is primarily contained within the municipal boundaries of the city of St. Thomas and is about 33 square km in area. STEI is largely an urban service territory. STEI's distribution system is supplied by Hydro One Networks Inc. primarily from the Edgeware TS at a voltage level of 27.6 kV.

On April 1, 2018, STEI amalgamated with Entegris Powerlines Inc. ("EPI"), a licensed electricity distributor operating in 16 communities in Southwestern Ontario. The merged electricity distributor continues as EPI. The scorecard results discussed herein relate to 2017, prior to the merger.

Service Quality

- **New Residential/Small Business Services Connected on Time**
  In 2017, STEI connected 95.72% of approximately 304 eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Ontario Energy Board ("OEB"). This result was achieved amidst a significant increase in new residential and small business connections requested in 2017 (up 60% from 2016). For the five-year period from 2013 to 2017, STEI has consistently performed better than the industry target of 90% in this area.

- **Scheduled Appointments Met on Time**
  STEI scheduled approximately 620 appointments in 2017 to complete work requested by customers, including reading meters, making reconnections, and other requirements. STEI met 100% of these appointments on time, consistent with the 2016 result. For the five-year period from 2013 to 2017, STEI has consistently performed better than the industry target of 90% in this area.

STEI's staff are aware of the obligations and are committed to exceeding the requirements for making appointments with our customers. Providing excellence in customer service is at the core of STEI's corporate philosophy, and the utility is consistently seeking new ways to foster meaningful two-way communication, expand on the range of service offerings and improve service convenience.
• **Telephone Calls Answered on Time**  
In 2017, STEI Customer Service agents received approximately 23,607 calls from its customers – over 94 calls per working day. In 77.26% of instances, an STEI agent answered the call within 30 seconds or less. This result exceeds the OEB-mandated 65% target for timely call response. For the five-year period from 2013 to 2017, STEI has consistently performed better than the industry target of 65% in this area.

STEI recognizes the need to balance cost efficiencies with service quality in order to prudently deploy resources throughout the company.

### Customer Satisfaction

• **First Contact Resolution**  
Prior to 2014, specific customer satisfaction measurements were not defined across the industry. In 2014, the OEB instructed all electricity distributors to review and develop measurements in these areas and begin tracking so that the results could be reported on the 2014 Scorecard. Currently, each electricity distributor is permitted to have different measurements of performance until such time as the OEB provides specific direction regarding a commonly defined measure.

First Contact Resolution (“FCR”) traditionally represents a percentage of instances where a customer's need is addressed at the time of their first point of contact on the matter. However, FCR can be measured in a variety of ways and further regulatory guidance will be necessary in order to achieve meaningful, consistent and comparable information across electricity distributors.

STEI has defined FCR as any items that have been escalated to the OEB in which Board staff has confirmed STEI’s resolution of the matter. In 2017, 100% of STEI’s escalations to the OEB were effectively resolved in-house.

• **Billing Accuracy**  
Prior to 2014, a specific measurement of billing accuracy had not been defined across the industry. In 2014, the OEB instructed all electricity distributors to begin tracking a prescribed billing accuracy measure so that the results could be reported on the 2014 Scorecard.

In 2017, STEI issued 209,374 bills and achieved a billing accuracy of 99.95%. This compares favourably to the prescribed OEB target of 98%.

STEI continues to monitor its billing accuracy results and processes to identify opportunities for improvement.
• **Customer Satisfaction Survey Results**
Similar to the FCR measure described above, the OEB introduced the Customer Satisfaction Survey Results measure beginning in 2014. At a minimum, electricity distributors are required to measure and report a customer satisfaction result every other year. At this time, the OEB is allowing electricity distributors the discretion as to how this measure is implemented. Starting in 2014, STEI engaged a third-party service provider to conduct bi-annual Customer Satisfaction surveys.

STEI continues to have excellent Customer Satisfaction results. Based on the survey conducted in January and February 2017, STEI received an overall Customer Satisfaction rating of “A” with specific ratings of “B+” in Customer Care, “A” in Company Image and “A” in Management Operations. These ratings exceed the Ontario and Nation averages. The findings are based on telephone interviews with 400 respondents who manage their electricity account. The sample of the phone numbers was drawn randomly to ensure each number on the list had an equal opportunity of being included in the poll. The sample was stratified so that 85% of the interviews were conducted with residential customers and 15% with commercial customers.

STEI continues to strive to provide superior customer service and commitment to our customers, which is reflected in the strong survey results. As noted in STEI’s survey findings, 2017 has been a challenging year as the industry has faced increased scrutiny and media attention over hydro rates. Despite this challenging landscape, 89% of the STEI customers view STEI as trustworthy, as compared to the provincial average of 74%. Further, STEI received 91% in customer satisfaction related to reliability and 92% of respondents indicated that STEI delivers on its service commitments. Customer feedback suggested that STEI can continue to improve by providing enhanced customer interaction programs, technology to assist in account management, notification of power outages, improved billing communications and electricity literacy tools.

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### Safety

• **Public Safety**

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

    In 2015, in consultation with the Electrical Safety Authority (“ESA”), the OEB introduced this new public awareness survey measure. The survey is based upon a representative sample of each electrical distributor’s service territory population and gauges awareness levels of key electrical safety concepts related to distribution assets. The survey provides a benchmark of levels of awareness including identifying gaps where additional education and awareness efforts may be required. In accordance with OEB requirements, the survey is conducted every other year. Accordingly, the survey results described below for 2017 will also be applicable for 2018.

STEI engaged a third-party service provider to conduct stratified random telephone surveys of 401 Ontario residents, ages 18 or older, currently residing in the STEI service territory during the period from March 6, 2018 and March 19, 2018. The survey asked residents electrical safety questions and then an overall index score was calculated in accordance with a prescribed algorithm. STEI continues
to be pleased with its index score result of 81%.

STEI conducted another public safety awareness campaign in the spring of 2018 utilizing local media and digital website content. Further, STEI conducts safety awareness through its ongoing visits to grade school classrooms to review electrical safety.

- **Component B – Compliance with Ontario Regulation 22/04**
  Ontario Regulation 22/04 (Electrical Distribution Safety) establishes objective based electrical safety requirements for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. The regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service. STEI is audited annually for compliance.

  In 2017, STEI was found to not be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This related to deficiencies in the following areas: update of the major equipment listing, spare transformer testing, and maintenance of inspection documentation. STEI is very committed to safety, and adherence to company procedures & policies. In response to the audit findings, STEI took immediate actions to correct these deficiencies and notified the ESA of this through a declaration of compliance. The ESA confirmed its satisfaction and accepted the declaration of compliance in May 2018.

- **Component C – Serious Electrical Incident Index**
  This is measured as the number of non-occupational (general public) serious electrical incidents occurring on STEI’s distribution system expressed as a raw number and as the number per 100 km of line. STEI had no such incidents in 2013-2017 and will continue to make this an area of focus.

### System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**
  For this measure, the OEB establishes baseline targets based on the average of the distributor’s performance for the period 2010 – 2014 (the baseline period is updated every 5 years). STEI’s 2017 result of 0.47 is below the target of 0.62. This favourable result is due to an ongoing initiative to upgrade of STEI’s former delta 2.4 kV system and 13.8 kV system, as well as the lack of significant storm activity in St. Thomas in 2017.

  STEI continues to view reliability of electricity service as a high priority for its customers. In 2014, STEI finalized a Distribution System Plan (“DSP”) that adopts a proactive, balanced approach to distribution system planning, infrastructure investment and replacement programs to address immediate risks associated with end-of-life assets; manage distribution system risks; ensure the safe and reliable delivery of electricity; and balance ratepayer and utility affordability.
• **Average Number of Times that Power to a Customer is Interrupted**
For this measure, the OEB establishes baseline targets calculated as the average of the distributor’s performance for the period 2010 – 2014 (the baseline period is updated every 5 years). STEI’s 2017 result of 0.58 is below the target of 1.12. This favourable result is primarily due to the lack of significant storm activity in 2017.

STEI continues to view reliability of electricity service as a high priority for its customers. In 2014, STEI finalized a DSP that adopts a proactive, balanced approach to distribution system planning, infrastructure investment and replacement programs to address immediate risks associated with end-of-life assets; manage distribution system risks; ensure the safe and reliable delivery of electricity; and balance ratepayer and utility affordability.

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**Asset Management**

• **Distribution System Plan Implementation Progress**
STEI’s Distribution System Plan (“DSP”) design document was completed in 2014 and submitted to the OEB in 2015 in conjunction with STEI’s distribution rate rebasing application (EB-2014-0113). STEI reached a full settlement with the intervenors of record in November 2014, resulting in minimal changes to the DSP.

Consistent with 2016, STEI continues to report this metric based on percentage of actual annual capital expenditures in the fiscal year divided by the DSP annual capital expenditures. The STEI 2017 actual capital expenditures were $2.646M (the numerator). The annual DSP capital expenditures were $2.178M (the denominator). This numerator and denominator equate to the reported DSP Implementation Progress figure of 121%. This increase is consistent with significant residential customer growth within STEI’s service area, resulting in an increase in customer driven work.

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**Cost Control**

• **Efficiency Assessment**
The total costs for Ontario local electricity distribution companies are evaluated based on econometric modeling by a consultant (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 over the past three years.

In 2017, STEI’s actual costs for 2014-2017 were 10.9% lower than the costs predicted by the OEB’s consultant. For 2017, STEI improved from Group 3 to Group 2, where a Group 2 distributor is defined as having actual costs which are 10% to 25% lower than the costs predicted for the distributor. Group 2 is considered as “more efficient”. In 2017, STEI ranked 21st out of 65 distributors in terms of cost performance results versus benchmark.
• **Total Cost per Customer**
  Total cost per customer is calculated as the sum of STEI's capital and operating costs, divided by the total number of customers that STEI serves. STEI's cost performance result for 2017 is $494 per customer, which represents a 7.5% decrease over 2016.

• **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 STEI operates to serve its customers. STEI's 2017 rate is $34,897 per KM of line, an 8.2% decrease over 2016.

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### Conservation & Demand Management

• **Net Cumulative Energy Savings**
  The province launched a new Conservation First Framework ("CFF") on January 1, 2016 for the period 2016-2020. Under the new CFF, STEI's target for 2016-2020 Net Cumulative Energy Savings (kWh) is 17.51 GWh.

  In 2017, STEI combined its conservation plan with EPI and another distributor in the region to create an overall plan for the three distributors.

  Life-to-date at December 31, 2017, STEI has achieved 61.13% of the Net Cumulative Energy Savings target. STEI continues to focus on the conservation needs of all its customers. STEI assists medium to large commercial/industrial customers by engaging them on energy efficient opportunities and offering thorough support throughout the application process. STEI is in the process of adding Small General Service programs such as Small Business Lighting and the Business Refrigeration Incentive, to ensure all customer classes are afforded energy efficient program opportunities.

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### 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 the receipt of the application for a proposal to connect a mid-sized generation facility or 90 days of the receipt of an application to connect a large embedded generation facility.

  In 2017, STEI received a single request for a CIA and it was completed within the prescribed time limit. The completion of CIAs requires a significant amount of coordination with the developer and other third parties involved in the process. In 2015, STEI received no offers to connect. Since 2013, STEI has successfully completed all CIA’s within the prescribed time limit.
• **New Micro-Embedded Generation Facilities Connected on Time**

Electricity distributors are required to connect an applicant’s micro-embedded generation facility (i.e. MicroFIT projects of less than 10kW) to its distribution system within five business days of the applicant informing the distributor that it has satisfied all applicable service conditions, received all necessary approvals and provided the distributor with a copy of the authorization to connect from the ESA. The minimum acceptable performance level for this measure is 90%.

In 2017, STEI connected all 13 new micro-embedded generation facilities within the prescribed time frame of five business days. STEI works closely with its customers and their contractors to address any connection issues to ensure the project is connected on time.

### Financial Ratios

**• Liquidity: Current Ratio (Current Assets/Current Liabilities)**

Liquidity is calculated by dividing Current Assets by Current Liabilities. This ratio is also known as Working Capital Ratio and measures an entity’s ability to pay short-term financial obligations.

STEI’s current ratio decreased from 1.36 in 2016 to 0.84 in 2017. This decrease is offset in terms of financial position by the reduction in leverage and corresponding additional funding capacity noted below.

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

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments.

STEI’s leverage ratio decreased from of 0.65 in 2016 to 0.31 in 2017. The lower leverage ratio means that STEI has reduced financial leverage and higher year over year funding capacity.

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

STEI’s 2017 distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.30%. 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**

STEI’s achieved a 2017 Regulatory Return on Equity (“ROE”) of 11.60%, which is within the +/-3% range of Deemed ROE allowed by the OEB. This result represents an increase from the 2016 Regulatory ROE of 10.65%.
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.