# Scorecard - Veridian Connections Inc.

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</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>Service Quality</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>96.55%</td>
<td>96.00%</td>
<td>97.70%</td>
<td>98.10%</td>
<td>98.62%</td>
<td></td>
<td>90.00%</td>
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<tr>
<td></td>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.56%</td>
<td></td>
<td>90.00%</td>
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<tr>
<td></td>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>61.40%</td>
<td>64.30%</td>
<td>78.70%</td>
<td>76.20%</td>
<td>80.83%</td>
<td></td>
<td>65.00%</td>
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<tr>
<td></td>
<td></td>
<td>First Contact Resolution</td>
<td>76.6%</td>
<td>78.1%</td>
<td>79.1%</td>
<td>82.7%</td>
<td>82.2%</td>
<td></td>
<td>98.00%</td>
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<tr>
<td></td>
<td></td>
<td>Billing Accuracy</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>93%</td>
<td>91%</td>
<td>90%</td>
<td>91%</td>
<td>91%</td>
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<tr>
<td>Customer Satisfaction</td>
<td></td>
<td>Level of Public Awareness</td>
<td></td>
<td></td>
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<tr>
<td>Operational Effectiveness</td>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04 ¹</td>
<td>C</td>
<td>C</td>
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<td>C</td>
<td>C</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>Safety</td>
<td></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>1.45</td>
<td>1.97</td>
<td>1.62</td>
<td>1.24</td>
<td>1.07</td>
<td>1.43</td>
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<tr>
<td></td>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted ²</td>
<td>2.09</td>
<td>1.72</td>
<td>2.13</td>
<td>1.29</td>
<td>1.07</td>
<td>1.81</td>
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<tr>
<td>System Reliability</td>
<td></td>
<td>Distribution System Plan Implementation Progress</td>
<td>76.0%</td>
<td>84.58%</td>
<td>88.45%</td>
<td>98.61%</td>
<td>93.96</td>
<td></td>
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<td>Asset Management</td>
<td></td>
<td>Efficiency Assessment</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Control</td>
<td></td>
<td>Total Cost per Customer ³</td>
<td>$529</td>
<td>$560</td>
<td>$577</td>
<td>$593</td>
<td>$578</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Km of Line ³</td>
<td>$23,757</td>
<td>$25,720</td>
<td>$30,404</td>
<td>$27,593</td>
<td>$26,411</td>
<td></td>
<td></td>
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<td>Public Policy Responsiveness</td>
<td></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.00%</td>
<td>93.33%</td>
<td>97.67%</td>
<td>97.37%</td>
<td>100.00%</td>
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<td></td>
<td></td>
<td>Financial Ratios</td>
<td>1.14</td>
<td>1.44</td>
<td>1.34</td>
<td>1.62</td>
<td>1.49</td>
<td></td>
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<tr>
<td>Financial Performance</td>
<td>Financial Ratios</td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.37</td>
<td>1.39</td>
<td>1.31</td>
<td>1.34</td>
<td>1.25</td>
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<tr>
<td></td>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.85%</td>
<td>9.36%</td>
<td>9.36%</td>
<td>9.36%</td>
<td>9.36%</td>
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<tr>
<td></td>
<td></td>
<td>Return on Equity Achieved</td>
<td>8.10%</td>
<td>10.61%</td>
<td>9.31%</td>
<td>9.28%</td>
<td>8.66%</td>
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</tbody>
</table>

**Legend:**
- 5-year trend: Up, Down, Flat
- Current year: Target met, Target not met

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.
Veridian Connections Inc. (“Veridian”) is pleased to report improved or sustained levels of performance in almost all 2017 scorecard categories.

Management is particularly pleased with the company's system reliability performance during the year. Surveys consistently confirm that performance against this metric is of very high importance to customers. Accordingly, management has for many years placed an emphasis on system reliability when making investment decisions. This ongoing focus has contributed to stellar reliability results for 2017. As presented in the scorecard, both outage duration and outage frequency results were at the best levels recorded during the five year timeframe covered by the scorecard.

Cost control performance for the year was equally impressive. Total costs per customer were reduced from $593 in 2016 to $578 in 2017; well below the average of $660 for all Ontario Energy Board (“OEB”) regulated distributors. While some of this achievement can be attributed to an anticipated merger with Whitby Hydro Electric Corporation (“Whitby Hydro”), it is also reflective of management’s ongoing pursuit of operational efficiencies in all areas of the company’s business.

Finally, the company achieved substantial success in helping its customers achieve their electricity conservation goals during 2017. At the start of the year Veridian had achieved about 24% of its mandated target under the 2015 to 2020 'Conservation First Framework'. By the end of the year progress had jumped to over 53% of the target, for an achievement of about 29% of the expected six-year savings in a single year. These reductions in electricity use by Veridian’s customers are important contributors to energy affordability and business competitiveness.

Management is pleased to share its scorecard results and the following discussion and analysis with all interested stakeholders.
Service Quality

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

  The OEB has established a performance target for the connection for new services for residential and small business customers under 750 volts. It requires that electricity distributors connect these services within a five-day timeline, at least 90% of the time. In 2017, Veridian performed well above this threshold with 98.62% of such connections being completed within the five-day performance target. This is an improvement from the previous year, and was Veridian’s best performance since 2012.

- **Scheduled Appointments Met On Time**

  In 2017, Veridian met 99.56% of scheduled customer appointments on time, which is significantly better than the OEB’s standard of 90%. Veridian recognizes that attending appointments on time is important to customers and has processes in place to achieve a high level of service in this category.

- **Telephone Calls Answered On Time**

  Veridian answered 80.83% of telephone calls within 30 seconds during 2017; a level of service well above the OEB target of 65% and a substantial improvement over Veridian’s 2016 performance level of 76.20%.

  Veridian’s customer service representatives handled approximately 108,000 calls during the year, which was about 25% lower than 2016 levels. The large drop in calls can be attributed to:

  - The introduction of the Fair Hydro Plan which reduced the dollar value of customer bills and in turn reduced the number of high bill complaints;
  - The introduction of monthly billing for residential customers which made bills more manageable for customers which in turn reduced the number of calls related to overdue bills and high consumption; and
  - The continued adoption by customers of self-serve options. In order to better serve their customers, Veridian continues to implement technology changes that provide customers with additional options.
Customer Satisfaction

- **First Contact Resolution**

  Specific First Contact Resolution measurements have not been defined for the industry. In July of 2014 the OEB instructed distributors to review and develop measurements in these areas and begin tracking and reporting on them. The OEB plans to review the information provided by electricity distributors over the next few years and implement a commonly defined measure for these areas in the future. As a result, each distributor may currently have different measurements of performance until such time as the OEB provides specific direction regarding a commonly defined measure.

  Veridian has developed an internal tracking mechanism to measure First Contact Resolution that takes into account customer phone calls and customer written correspondence.

  At the time of contact the customer care representative enters a call code to identify the type of enquiry the customer made. A report is then run against the call codes. Customers who make contact again, within a 30 day period, and have the same call code registered against their account are excluded from being considered as first contact resolution.

  Based on this methodology Veridian achieved first contact resolution of 82.2% in 2017. This is consistent with 2016 results of 82.7% and compares favorably with 79.1% in 2015 and 78.1% in 2014.

- **Billing Accuracy**

  In 2017 approximately 1,450,000 bills were generated by Veridian. This was an increase of approximately 55% over 2016 and was largely due to the transition to monthly billing for residential customers, which was completed in late 2016. 2017 represents the first complete calendar year that monthly billing was in place.

  In 2017 Veridian achieved a billing accuracy of 99.92% which was consistent with 2016 results (99.85%). Since being introduced in October of 2014 Veridian has consistently exceeded the OEB target of 98%.
Customer Satisfaction Survey Results

Veridian regularly conducts a comprehensive customer satisfaction survey to obtain feedback from its customers. The survey was conducted annually up until 2015, at which time a biennial cycle was adopted. The most recent survey was completed in the spring of 2017. Its results are presented in the scorecard for the years 2016 and 2017. As shown, the survey indicates that 91% of Veridian customers are either ‘very’ or ‘fairly’ satisfied with the company’s overall performance. This is up slightly from a score of 90% as registered through the previous survey that was conducted in the spring of 2015.

Customer satisfaction results shown on Veridian’s performance scorecard dating back to 2013 have all been obtained through surveys conducted by the same market research firm using a consistent methodology and sample size. The surveys are carried out by telephone and include a mix of residential and business customers from across Veridian’s broad geographic service area. Survey questions cover a wide range of topics such as system reliability, customer services, billing and corporate image. Detailed results are reviewed by Veridian staff to help inform the company’s business planning processes.

In addition to measuring Veridian customer satisfaction, Veridian’s market research firm conducts supplemental research to establish comparable provincial and national benchmarks. Veridian has consistently exceeded these benchmark performance levels, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Veridian Connections Inc.</td>
<td>93%</td>
<td>91%</td>
<td>90%</td>
<td>91%</td>
<td>91%</td>
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<tr>
<td>Provincial Benchmark</td>
<td>90%</td>
<td>80%</td>
<td>83%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>National Benchmark</td>
<td>91%</td>
<td>87%</td>
<td>88%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Veridian Deviation from Provincial Benchmark</td>
<td>+3%</td>
<td>+11%</td>
<td>+7%</td>
<td>+15%</td>
<td>+15%</td>
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</table>
### Safety

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

  Veridian's score for the Public Safety Awareness Index is obtained by surveying members of the general public who are 18 years of age or older, and who reside in Veridian’s licensed service area. The survey follows the requirements of a detailed guide that was published by the OEB on November 25th, 2015. The guide requires that the survey be conducted at least once every two years.

  Veridian's first public safety awareness survey was conducted early in 2016 with an overall score of 82%. A second awareness survey was carried out in the spring of 2018 to inform the company’s 2017 performance scorecard. This survey returned an overall score of 83%.

  The findings of Veridian’s first two safety awareness surveys reveal a consistently high level of electrical safety literacy of residents in the company's service areas. This is reflective of the company’s ongoing safety communications and education efforts. These include a school safety presentation program aimed at reaching all elementary school children over a three year cycle, co-promotion of Electrical Safety Authority (“ESA”) safety awareness campaigns, and ongoing safety messaging using customer newsletters, website content and social media.

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

  Veridian has achieved full compliance with Ontario Regulation 22/04 (Electrical Distribution Safety) not only for 2017, but also for the previous five years. This achievement is based on Veridian's firm commitment to safety, training and development programs and adherence to its policies and procedures. Veridian provides annual refresher training for all staff involved with Ontario Regulation 22/04 and compliance is maintained through ongoing reinforcement and education.
Component C – Serious Electrical Incident Index

For 2017, Veridian's Serious Electrical Incident Index was 0.389 as provided by the ESA. This metric details the number of and rate of "serious electrical incidents" occurring on Veridian's distribution system and has been normalized per 1000km of line. A "serious electrical incident" would appear as part of this composite index if it has been determined that a member of the public was involved in the incident and that the result of the incident either caused a death or a critical injury, or had the potential to cause a death or a critical injury. Veridian is aware of this incident which comes from having one (1) incident involving the public.
System Reliability

Reliability standards for Veridian’s electricity distribution system are considered key performance metrics, and remain high on the priority list to ensure Veridian is meeting its customers’ expectations. Veridian focuses on reliability based maintenance and capital programs to ensure distribution system reliability and quality continue to meet customer expectations.

Veridian is proud to report another consecutive year of improvement in system reliability for 2017. The sustained improvements over the past several years can be attributed to effective capital programs and continuous operational efforts aimed at reducing the frequency and duration of outages.

Veridian continues to introduce innovative technologies and processes to improve situational awareness during power interruptions. This translates into faster power restoration and improved information and communication for customers. Each year Veridian invests in distribution system automation and new smart grid technologies to assist in improving the reliability and quality of electricity supply for customers.

Equipment renewal and strategic prioritization have been identified as ongoing priorities in Veridian’s capital plan to ensure a reduction in equipment failures. Veridian’s reliability improvement team, consisting of a cross-section of subject matter experts within the company, reviews reliability events throughout the year and makes recommendations for prudent system investment to continuously improve reliability. Veridian’s reliability indices are competitive when compared with other Ontario utilities and continuous improvement remains a key business goal.

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

  In 2017, Veridian achieved an average of 1.07 hours of outage duration per customer; a 14% improvement over 2016. Veridian continues to measure system reliability at the distribution feeder level, identifies worst performing feeders, researches the root cause of power interruptions and utilizes the information to identify work programs that contribute to improved reliability.
• **Average Number of Times that Power to a Customer is Interrupted**

In 2017, Veridian achieved an average of 1.07 power interruptions per customer; a 17% improvement over 2016 results.

Defective equipment was the leading cause of interruptions in 2017, led by underground cable faults. However, significant progress was made in improving performance in this category, as the number of cable faults occurring in 2017 was 50% lower than experienced in 2016.

Another observed improvement in equipment failure was defective insulators. Since porcelain insulators are more prone to cracking and breaking, Veridian has made a priority of replacing old porcelain insulators with new polymer insulators so that similar outages can be avoided in the future.

Tree contact is yet another major contributor to Veridian’s reliability performance. Data shows tree related outages are concentrated in specific local areas. Analysis of this data has led to an adjustment of the tree trimming program in order to target areas with the highest priority. Veridian will continue to monitor its progress to further reduce tree related outages.

Veridian is taking actions as mentioned above and remains committed to continuous reliability improvement in 2018 and onward.
Asset Management

- Distribution System Plan Implementation Progress

In 2017, Veridian achieved 93.96% progress in completing its Distribution System Plan (DSP). This progress measure is calculated as follows:

\[
\text{DSP Implementation Progress} = \frac{\text{Total actual capital spend within the full 2017 calendar year (in dollars)}}{2017 \text{ approved capital budget (in dollars)}}
\]

Neither dollar amount includes financial contributions made by outside parties (customers, developers, municipalities, etc.).

All material value 2017 projects that were entirely under Veridian's control were constructed and in-service by year end. A higher progress percentage was not achieved in 2017 due to the following material projects not being completed:

- Three (3) system switches were not able to be installed and commissioned prior to year-end.
- A rear yard dicker derrick vehicle was manufactured but not received prior to year-end.

These two projects were not entirely under Veridian’s control and third parties had a negative impact in each not being completed by year end 2017. Both of these were completed early in Q1 2018.

Veridian is very cognizant to prudently manage its capital spend to ensure that it remains within the approved capital budget dollar envelope throughout the year. Meeting the project planned schedule and carrying out the capital program in its entirety continues to be an annual goal.

In 2018, Veridian completed its first customer engagement survey for the purpose of informing its Distribution System Plan and received customer feedback at a high level on its capital plans. Veridian is now ensuring that there is alignment between the customer feedback and its capital plans as it continues to develop its Distribution System Plan.
Cost Control

- **Efficiency Assessment**
  The efficiency assessment score is derived by the OEB through a model which calculates a predicted total cost for each distributor, and then compares actual total cost results against this predicted level. Total costs include annual costs to operate the distribution system such as operating and maintaining equipment, and customer service costs such as billing and answering customer enquiries. Total costs also include capital investment required to connect new customers to the distribution system and investments required for rehabilitation and upgrading of older assets.

  In 2017 Veridian’s actual total costs were below the predicted costs by 3.1%; an improvement in performance over 2016 when actual total costs were 1.6% below the total predicted costs. Veridian continues to be included in Group 3 of the OEB’s established 5 groups where Group 1 is the most efficient and Group 5 is the least efficient. Veridian’s ranking in Group 3 has been unchanged since 2012. Veridian monitors and manages costs on an ongoing basis. Within the next 5 years Veridian expects that large capital investments required for high customer growth within specific portions of its service area will put upward pressure on actual costs as compared to predicted costs until that customer growth is reflected in the OEB’s model for predicted costs.

- **Total Cost per Customer**

  This metric is calculated by dividing the total of Veridian’s 2017 operating and capital costs, as derived within the OEB efficiency assessment model, by the total number of customers Veridian serves. In 2017 the total cost per customer was $578 ($593 in 2016) which compares favourably to the average for all distributors of $660 ($670 in 2016).

  Unfortunately, the 2013 value of $529 displayed is incorrect due to a prior year reporting error. The corrected value is $546. The table below shows the 2011-2017 total cost data broken out to the individual components of operating and capital costs.

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</thead>
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<td>Operating Costs</td>
<td>174</td>
<td>181</td>
<td>216</td>
<td>213</td>
<td>212</td>
<td>216</td>
<td>225</td>
<td>222</td>
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<tr>
<td>Capital Costs</td>
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<td>345</td>
<td>337</td>
<td>333</td>
<td>348</td>
<td>361</td>
<td>368</td>
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<td>$512</td>
<td>$526</td>
<td>$553</td>
<td>$546</td>
<td>$560</td>
<td>$577</td>
<td>$593</td>
<td>$578</td>
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In 2012 due to new accounting standards, Veridian, along with most of the other distributors in the province, recorded more of its costs as operating and less as capital costs. The resulting accounting shift between operating and capital costs accounts for the very large
operating cost increase in 2012 from $181 to $216; $35 per customer or 19.4%. In 2013 and 2014 operating costs per customer declined at an average of just under 1% per year. In 2015, operating costs began to rise again at 1.7%, just in line with inflation. In 2016, increases were above inflation at 4.5%. In 2016, Veridian transitioned all of its residential customers (91.6% of all customers), from bi-monthly to monthly billing which resulted in a significant increase in costs for increased postage and bill stock. In an effort to mitigate these increases Veridian began targeted initiatives to encourage customers to enroll in electronic bill presentment and payment options. Currently approximately 17% of Veridian’s customers are enrolled in electronic billing.

In 2017, Veridian’s operating costs per customer decreased by 1.6%. Throughout 2017 Veridian was engaged in merger discussions with Whitby Hydro. In anticipation of the merger, Veridian prudently identified initiatives that should be deferred until post-merger so that they could be undertaken more effectively on a combined basis under a merger with Whitby Hydro. A significant contributor to lower 2017 OM&A costs were earlier than anticipated staff retirements and staff vacancies which were not backfilled in anticipation of the merger. Absence the planned merger, it is likely that operating costs per customer would have increased over 2016 levels.

Capital costs per customer in 2017 decreased by just 3.4%, whereas they had increased 1.9% in 2016. Over the last few years, Veridian has focused on prudently managing capital spend on the renewal and modernization of its distribution assets to balance reliability for customers and rate impacts, as approved by the OEB in Veridian’s 2014 rate application. Veridian will continue asset replacement and rehabilitation in a managed timeframe and seek efficiencies in its spending.

- **Total Cost per Km of Line**

This metric is calculated by taking Veridian’s total cost, as derived within the OEB efficiency assessment model and dividing this cost by the total kilometers of line that Veridian operates to serve its customers.

The 2017 total cost per km of line is $26,411. This is a decrease of 4.3% due to a 2.5% increase in the kms of line and a 1.9% decrease in total costs. The addition of kms of line in any given year can vary and as such, total cost per km of line can vary year over year. As capital investments for replacement and rehabilitation of existing lines begins to grow at a faster rate than additions of lines within Veridian’s service area, total cost per km of line will be expected to increase in the future.

It should be noted that in 2015 it was determined that the prior years’ reporting of the total km of line had been overstated. The accurate km of line was reported in 2015, resulting in a significant increase per km. Unfortunately, due to record keeping limitations, the prior years’ numbers cannot be accurately recast.
### Conservation & Demand Management

- **Net Cumulative Energy Savings**

In April 2015 Veridian and Whitby Hydro Electric Corporation filed a joint 2015-2020 Conservation and Demand Management (“CDM”) plan with the Independent Electricity System Operator (“IESO”) under the new Conservation First Framework. In June 2015 the joint CDM plan was conditionally approved by the IESO, and Veridian was authorized to spend up to $40,482,340 of CDM funding to achieve its energy savings target of 152.97 GWh by 2020. As of the end of 2017 Veridian had achieved 53.23% of its 2015-2020 energy savings target. This was achieved by leveraging the suite of IESO province-wide conservation programs and placing an emphasis on supporting the conservation efforts of large commercial, industrial and institutional customers. In addition, Veridian has been collaborating with other gas and electricity distributors to find innovative ways to realize new energy savings for its customers, while utilizing their combined economies of scale to efficiently manage costs.
Connection of Renewable Generation

- Renewable Generation Connection Impact Assessments Completed on Time

A connection impact assessment is a study of a project's impact to the grid. The results include a technical report outlining project feasibility, technical specifications needed for the project and the impacts the project would have on the distribution grid. Electricity distributors are required to conduct Connection Impact Assessments ("CIA's") within 60 days of receiving authorization from the ESA. In 2017, Veridian has completed all CIA's within the prescribed time limit.

- New Micro-embedded Generation Facilities Connected On Time

Micro-embedded generation facilities (projects of less than 10 kW) are typically installed on residential homes and play an important role in improving the environment and assisting the province of Ontario in achieving its environmental goals. In 2017 Veridian connected 100% of micro-embedded generation facilities on time, which is an improvement from the previous year and exceeds the OEB minimum acceptable performance level of 90%.
Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**
  Current ratio is a common measure of a company’s ability to pay its short term debts and financial obligations and a ratio higher than 1 is favourable. Veridian’s current ratio remained solid at 1.49 (1.62 in 2016). Veridian’s financial controls and policies continue to ensure this strong financial indicator.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**
  In 2017, Veridian maintained a total debt to equity structure that is just below the deemed 60% debt and 40% equity capital mix as set out by the OEB. Veridian’s total debt to equity ratio was 1.25, whereas the deemed rate, set as the ‘standard’ or ‘preferred’, is 1.5. This indicates that, to operate its business and complete its capital programs, Veridian borrows just slightly less money than the deemed amount as set by the OEB. Veridian’s ratio near the deemed rate is a strong financial indicator. This is also supported by the May 2018 DBRS confirmation of “A” stable credit rating of Veridian’s parent company, Veridian Corporation.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  Veridian’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 deemed return on equity.

- **Profitability: Regulatory Return on Equity – Achieved**
  Veridian’s achieved regulatory return on equity was 8.66%, which is 0.7% below the expected or deemed levels and 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 judgement on the reporting date of the performance scorecard, and could be markedly different in the future.