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</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>100.00%</td>
<td>99.40%</td>
<td>99.24%</td>
<td>98.63%</td>
<td>90.00%</td>
<td></td>
</tr>
<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>100.00%</td>
<td>90.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>82.60%</td>
<td>81.90%</td>
<td>86.60%</td>
<td>80.06%</td>
<td>86.06%</td>
<td>65.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>First Contact Resolution</td>
<td>99.76%</td>
<td>99.74%</td>
<td>99.97%</td>
<td>99.96%</td>
<td>99.97%</td>
<td>98.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Billing Accuracy</td>
<td>99.98%</td>
<td>99.85%</td>
<td>99.85%</td>
<td>99.48%</td>
<td>99.86%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>100.00%</td>
<td>99.90%</td>
<td>99.98%</td>
<td>99.96%</td>
<td>99.97%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Effectiveness</td>
<td>Safety</td>
<td>Level of Public Awareness</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.</td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></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>7.96</td>
<td>8.00</td>
<td>5.46</td>
<td>7.68</td>
<td>7.51</td>
<td>10.62</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>3.24</td>
<td>3.68</td>
<td>2.57</td>
<td>3.95</td>
<td>2.20</td>
<td>4.46</td>
<td></td>
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<tr>
<td></td>
<td>Asset Management</td>
<td>Distribution System Plan Implementation Progress</td>
<td>In Progress</td>
<td>Completed</td>
<td>In Progress</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost Control</td>
<td>Efficiency Assessment</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Customer</td>
<td>$1,980</td>
<td>$2,107</td>
<td>$2,126</td>
<td>$2,116</td>
<td>$2,182</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$12,483</td>
<td>$13,306</td>
<td>$13,453</td>
<td>$13,408</td>
<td>$13,831</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Policy Responsiveness</td>
<td>Net Cumulative Energy Savings</td>
<td>13.73%</td>
<td>31.19%</td>
<td>63.08%</td>
<td>74.00%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conservation &amp; Demand Management</td>
<td>Renewable Generation Connection Impact Assessments</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
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<td></td>
<td></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>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>90.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Performance</td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>2.33</td>
<td>1.14</td>
<td>1.10</td>
<td>0.37</td>
<td>1.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.22</td>
<td>1.12</td>
<td>1.02</td>
<td>1.17</td>
<td>1.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Ratios</td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.85%</td>
<td>9.30%</td>
<td>9.30%</td>
<td>9.30%</td>
<td>9.30%</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Return on Equity</td>
<td>8.38%</td>
<td>11.07%</td>
<td>9.89%</td>
<td>8.11%</td>
<td>8.22%</td>
<td></td>
<td></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.

Legend: 5-year trend up flat down Current year target met target not met
2018 Scorecard Management Discussion and Analysis ("2018 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 2018 Scorecard MD&A:
http://www.ontarioenergyboard.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

- In 2018, API continued to meet or exceed the majority of its performance targets.

- In 2019, API expects to continue to improve its overall scorecard performance results as compared to previous years. These performance improvements are expected as a result of enhanced system reliability due to API’s investment in its distribution system and continued responsiveness to customer feedback.

Service Quality

- New Residential/Small Business Services Connected on Time

In 2018, API connected 98.6% of the 146 new eligible low-voltage residential and small business customers within the Ontario Energy Board’s prescribed five day timeline. Since 2011, API has consistently met the Ontario Energy Board’s target of 90%.

- Scheduled Appointments Met On Time

In 2018, API met 100% of its 220 appointments within the prescribed timelines set out by the Ontario Energy Board. Since 2013, API has consistently attended 100% of its schedule appointments on time.

- Telephone Calls Answered On Time

In 2018, customer service representatives answered 86.06% of its 14,250 calls within 30 seconds. This exceeds the Ontario Energy Board’s mandated 65% target. Longer call processing times due to the complexity of customer calls are affecting the call answering statistics. API continues to offer and promote self-serve options and utilizes social media to engage and inform customers in an effort
to offer customers additional channels to interact with the Company.

**Customer Satisfaction**

- **First Contact Resolution**

  API measured First Contact Resolution by tracking the number of escalated calls as a percentage of total calls taken by the customer service center. In 2018, less than one percent of calls were escalated.

- **Billing Accuracy**

  For 2018, API issued approximately 147,316 invoices and 99.86% were accurate. This is above the industry standard of 98%.

- **Customer Satisfaction Survey Results**

  In 2015, API moved to a new third party survey provider, UtilityPULSE, to be more consistent with other LDCs in the province. The survey size was expanded and general service customers were included in the telephone survey. The phone numbers were randomly selected and were stratified so that 85 per cent of the interview were conducted with residential customers and 15 per cent with general service customers. The 2018 satisfaction score was 93%, which is higher than the Ontario benchmark of 91%.

  The survey provides useful information to better meet the needs of API’s customers and is incorporated into the distribution system plan, capital planning and overall company objectives.

**Safety**

- **Public Safety**

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

    In 2017, UtilityPulse was also engaged to complete surveys in relation to “Public Awareness of Electrical Safety”. On completion of this survey, UtilityPulse generated a “Public Safety Awareness Index Score” for API and other LDC’s. Province-wide scores ranged from 78% to 86%, with both average and median Index Scores of 83%. API’s score of 82% suggests that members of the public are generally well-informed about the safety hazards associated with electrical distribution systems, but also that further education and engagement would be beneficial. This survey on “Public Awareness of Electrical Safety” is completed on a two-year cycle and will be completed again by API in 2019.
Component B – Compliance with Ontario Regulation 22/04

This component includes the results of an Annual Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations. All the elements are evaluated as a whole and determine the status of compliance (Non-Compliant, Needs Improvement, or Compliant).

Results provided by ESA, API’s status for 2018 is Compliant.

Component C – Serious Electrical Incident Index

“Serious electrical incidents”, as defined by Regulation 22/04, make up Component C. The metric details the number of and rate of “serious electrical incidents” occurring on a distributor’s assets and is normalized per 10, 100 or 1,000 km of line (10km for total lines under 100km, 1000km for total lines over 1000km, and 100km for all the others).

Results provided by ESA, API had zero incidents in 2018.

System Reliability

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

API’s customers experienced a decrease in the average duration of electrical service disruptions in 2018 compared to 2017. The 2018 result is better than the OEB’s performance target, and also better than the results of 2014 and 2015.

The average number of hours that power to a customer is interrupted, which are adjusted for Loss of Supply and Major Event Days, shows a decreasing trend. This indicates a general improvement in reliability for items within API’s control. The four main outage causes in API’s service area are Tree Contacts, Loss of Supply, Scheduled Outages and Defective Equipment.

API continues to invest in grid modernization in order to gain visibility on the state of the distribution system and improve overall response and restoration times. Grid modernization initiatives include the deployment of automated devices and implementation of an outage management system. API understands that reliability of electrical service is a high priority for its customers and continues to invest in replacement of end-of-life assets as well as vegetation management.
• **Average Number of Times that Power to a Customer is Interrupted**

API’s customers also experienced a decrease in the average number of electrical service disruptions in 2018 as compared to all prior years (dating back to 2014). The result is better than the OEB’s performance target.

API has deployed several initiatives aimed at reducing the number of electrical service interruptions such as the vegetation management program and cyclical asset preventative maintenance programs.

API reviews outage statistics on a monthly basis to identify areas of poor distribution system performance. This process indicates any trends in poor performance and identifies opportunities to improve reliability. API also completes asset condition assessments to identify assets that present a risk of impacting system reliability. API uses reliability indicators and asset condition assessment data as key drivers into the system planning process.

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### Asset Management

#### Distribution System Plan Implementation Progress

API continues to implement the 2015-2019 Distribution System Plan approved in its last rate application. Notably, a large substation project originally planned for 2017 has been deferred until 2021 following recent regional planning efforts with the Transmission supplier and through additional planning studies. Within API’s Distribution System Plan, its Right-of-Way Hardening program was significantly completed by the end of 2018.

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### 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 Ontario Energy Board 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. In reviewing the Pacific Economics Group benchmarking and report, API management does not believe that the model accurately predicts API’s costs. API’s unique attributes as a rural distributor, particularly its low customer density, result in API being an extreme outlier in the data set used to develop the model.

Some of API’s largest cost drivers, including customer density and the degree of forestation along its distribution line rights of way, are not appropriately reflected in the benchmarking model. As a result of the extremely rural and low-density nature of API’s system in relation to other Ontario distributors, API management believes that the total cost per km of line section below provides a more appropriate measure
of API’s efficiency and cost control.

- **Total Cost per Customer**

The statistical model developed by Pacific Economics Group produces total capital and operating costs for each distributor that can be used for the purpose of comparing distributors. This amount is then divided by the total number of customers that API serves to determine Total Cost per Customer. The cost performance result for 2018 is $2,182 per customer which is a 3% increase over 2017.

Over the 2014 to 2018 period covered by the scorecard, API faced both inflationary cost increases, as well as cost increases associated with investments in programs for asset replacement, system improvement, and vegetation management that are sustainable in the long term. From 2014 to 2018, API’s total customer count has essentially stayed the same (11,650 in 2014 vs. 11,721 in 2018), with a result that cost increases are not offset by customer growth.

- **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 API operates to serve its customers. API’s 2018 result is $13,831 per km of line, a 3% increase over 2017.

Many of API’s significant cost drivers are directly related to its total kilometers of line. These cost drivers include most lines and vegetation management related activities, as well as support functions such as engineering and design. As discussed in the Efficiency Assessment section above, API management believes that total cost per km of line is a more accurate assessment of API’s cost efficiency.

Over the 2013 to 2017 period covered by the scorecard, API’s total km of line has increased by only 1 km, or 0.05%. As a result, annual changes in the cost per km result are simply reflective of changes in API’s overall costs.

### Conservation & Demand Management

- **Net Cumulative Energy Savings**

As per the Ministerial Directives dated March 21st, 2019, “Discontinuation of the Conservation First Framework” and “Interim Framework for the delivery of Energy Efficiency Programs”, the IESO centrally delivers energy-efficiency programs as of April 1st, 2019. As part of these directives, LDCs are not to receive any status updates or reporting on their progress towards their Conservation First Framework savings targets – including the Final Verified Results Report that had been previously used for this scorecard.

On the basis of the OEB-provided CDM progress figures (issued in June of 2019, and covering progress until the end of 2018), API achieved
74.00% of its Net Energy Savings target for the 2015 – 2020 timeframe. API fully leveraged the suite of Independent Electricity System Operator (“IESO”) province-wide demand management programs and placed emphasis on supporting the conservation efforts of large commercial, industrial and institutional customers. Much of this success can be attributed to strong participation by commercial customers in the Retrofit Program.

### Connection of Renewable Generation

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

API did not receive any requests for renewable generation connections requiring Connection Impact Assessments in 2018.

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

In 2018, API connected zero (0) new micro-embedded generation facilities (microFIT projects of less than 10 kW).

### Financial Ratios

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

The 2018 liquidity current ratio for Algoma Power Inc. is 1.07 (2017 0.37). The liquidity ratio has increased due to a decrease in due to related parties of $10.0 million over prior year. The 2018 liquidity current ratio based on API’s audited financial statements, adjusted to exclude due to related parties, is 1.14 (2017 1.26), which is an indication that API is appropriately leveraged. Going forward, the liquidity ratio is expected to be maintained at a level greater than 1, indicating that API can pay its short term debts and financial obligations.

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

The Ontario Energy Board 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. The combined 2017 leverage debt to equity ratio for API is 1.42 (2017 1.17). The leverage debt to equity has increased over prior year due to a new $12.75 million promissory note due to API’s parent company being issued in 2018. Going forward, the leverage ratio is expected to be maintained at a level near the 1.5 deemed capital mix noted above.

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

API's 2018 distribution rates were approved by the Ontario Energy Board as part of its 4th Generation Incentive Rate-Setting application. API's last Cost of Service application was for rates effective January 1, 2015 and this included an expected (deemed) regulatory return on
equity of 9.30%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity.

- **Profitability: Regulatory Return on Equity – Achieved**

API's return achieved in 2018 was 8.22% (2017 8.11%), which is within the +/- 3% range allowed by the Ontario Energy Board. API achieved returns are higher in 2018 as compared to 2017 due to a $0.1 million (3.4%) increase in adjusted regulated net income and a $2.3 million (2.1%) increase in rate base.
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.