### Performance Outcomes

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</thead>
<tbody>
<tr>
<td><strong>Customer Focus</strong></td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>100.0%</td>
<td>100.0%</td>
<td>99.9%</td>
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<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>100.0%</td>
<td>91.70%</td>
<td>100.0%</td>
<td>98.90%</td>
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<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>83.00%</td>
<td>82.50%</td>
<td>71.50%</td>
<td>80.12%</td>
<td>88.89%</td>
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<td><strong>Service Quality</strong></td>
<td>First Contact Resolution</td>
<td>99.9%</td>
<td>99.99</td>
<td>99.99</td>
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<td>99.75</td>
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<td></td>
<td>Billing Accuracy</td>
<td>100.00%</td>
<td>99.99</td>
<td>99.98</td>
<td>99.99</td>
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<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>Customer Satisfaction Survey Results</td>
<td>'A'</td>
<td>A</td>
<td>B</td>
<td>A</td>
<td></td>
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<tr>
<td></td>
<td>Level of Public Awareness</td>
<td>85.00%</td>
<td>82.00%</td>
<td>82.00%</td>
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<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04 ¹</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
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<tr>
<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>0.672</td>
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<tr>
<td><strong>System Reliability</strong></td>
<td>Average Number of Hours that Power to a Customer is Interrupted ²</td>
<td>0.64</td>
<td>1.08</td>
<td>0.63</td>
<td>1.53</td>
<td>0.46</td>
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<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted ²</td>
<td>1.33</td>
<td>1.36</td>
<td>1.27</td>
<td>2.18</td>
<td>1.19</td>
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<tr>
<td><strong>Asset Management</strong></td>
<td>Distribution System Plan Implementation Progress</td>
<td>Behind Plan</td>
<td>Behind Plan</td>
<td>On Plan</td>
<td>On Plan</td>
<td>ON Plan</td>
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<tr>
<td><strong>Cost Control</strong></td>
<td>Efficiency Assessment</td>
<td>3</td>
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<td>2</td>
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<tr>
<td></td>
<td>Total Cost per Customer ³</td>
<td>$634</td>
<td>$646</td>
<td>$639</td>
<td>$640</td>
<td>$662</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Km of Line ³</td>
<td>$29,241</td>
<td>$29,524</td>
<td>$23,739</td>
<td>$27,874</td>
<td>$28,669</td>
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<tr>
<td><strong>Conservation &amp; Demand Management</strong></td>
<td>Net Cumulative Energy Savings ⁴</td>
<td>18.16%</td>
<td>90.66%</td>
<td>126.12%</td>
<td>144.00%</td>
<td></td>
<td></td>
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<tr>
<td><strong>Connection of Renewable Generation</strong></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>80.00%</td>
<td>100.00%</td>
<td></td>
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<tr>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
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<tr>
<td><strong>Financial Performance</strong></td>
<td>Net Cumulative Energy Savings ⁴</td>
<td>18.16%</td>
<td>90.66%</td>
<td>126.12%</td>
<td>144.00%</td>
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<tr>
<td></td>
<td>Financial Ratios</td>
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<tr>
<td></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>0.76</td>
<td>2.10</td>
<td>1.99</td>
<td>1.58</td>
<td>1.45</td>
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<tr>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>0.91</td>
<td>1.10</td>
<td>1.10</td>
<td>1.06</td>
<td>1.01</td>
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<tr>
<td></td>
<td>Profitability: Regulatory Deemed (including in rates)</td>
<td>9.36%</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>Return on Equity</td>
<td>8.32%</td>
<td>10.00%</td>
<td>9.49%</td>
<td>7.75%</td>
<td>8.68%</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.
Scorecard MD&A - General Overview

Energy+ Inc. delivers electricity to approximately 66,000 customers in the City of Cambridge, Township of North Dumfries, the County of Brant and rural areas around Brantford. Energy+’s mission is to deliver ideas, solutions and value-added services that benefit our customers, stakeholders and communities.¹

2018 was a very successful year for Energy+ in terms of performance, and we are proud of the team’s achievements. In addition to meeting or exceeding the performance targets as set out by the Ontario Energy Board ("OEB") for Service Quality, Customer Satisfaction, and Safety, Energy+ accomplished a number of key objectives aligned to our vision “Be the energy company most admired for its innovative people, reliable service, and outstanding performance”. The accomplishments include:

- Achieving net income of $6.96MM, representing a regulated rate of return of 8.68% to our shareholders, the City of Cambridge and the Township of North Dumfries.
- Achieving a cost performance rating of Cohort II in the OEB’s benchmark analysis, resulting from Energy+’s cost performance being 13.1% lower than predicted cost and placing Energy+ in the top 40% of all distributors in the province.
- Achieving 144% of the Net Cumulative Energy Savings target of 100.96 gigawatt-hours (GWh), as at December 31, 2018, under the 2015-2020 Conservation First Framework. The framework was designed by the government to reduce electricity consumption across the Province by 7,000 GWh by December 31, 2020. Energy+ ranked 4th in the Province based on the % of target achieved.

¹ In January 2016, Cambridge and North Dumfries Hydro Inc. ("CND") and Brant County Power Inc. ("BCP") amalgamated pursuant to the provisions of the Business Corporations Act (Ontario), to continue as one corporation under the name Energy+ Inc. ("Energy+"). The comparative results included on the Scorecard for the years 2014 and 2015 are for the former CND only.
• Executing the capital expenditure investment plan, as outlined in the long-term Distribution System Capital Plan, which ensures the continued reliability of our distribution system.

• Responding to customer feedback through the successful launch of ‘Project Enlighten’, an initiative aimed at delivering enhanced customer service and tools around outages including: (i) a new 24/7 toll free dedicated outage line to speak with a live agent; (ii) a method for reporting and obtaining outage updates; (iii) expanded social media coverage 24/7; (iv) continuation of the transition to a 24/7 System Control Room; (v) creation of a new Key Account role; (vi) the launch of a new fully responsive website that provides improved visibility of real-time public facing outages; and (vii) the creation of a new e-Welcome Information Package.

• Sustaining an ‘A Stable’ corporate credit rating from Standard & Poor’s (“S&P”) Rating Services, demonstrating Energy+’s strong financial performance.

Energy+ Inc. will continue to focus its efforts in 2019 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures. Key objectives in 2019 include: (i) Completion of the 2019 Cost of Service Rate Application (Filed in April 2018 and approved in August 2019) for distribution rates effective in 2019; (ii) Continued focus on productivity by executing shared services strategies; (iii) Implementing information systems technology cyber security strategies; and (iv) Continued implementation of our long-term asset management and capital expenditure plans, including our infrastructure renewal program.

### Service Quality

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

#### New Residential/Small Business Services Connected on Time

In 2018, Energy+ connected 778 new services for our customers, with 99.10% of the connections completed within 5 working days. This compares to 471 new services and 100% of connections completed within 5 working days in 2017. Energy+ has consistently exceeded the OEB’s guideline of 90% completion within 5 working days of the request being made.

#### Scheduled Appointments Met On Time

Energy+ scheduled 13,203 customer appointments to complete work requested by customers, representing a decrease of 1,215 appointments compared to 14,418 in 2017. Energy+ met 99.94% of these appointments on time, which was a slight improvement over the percentage of scheduled appointments met on time in 2017 of 98.90%. Energy+ has consistently exceeded the industry target of 90%.
• **Telephone Calls Answered On Time**

Energy+ received 53,226 telephone calls in 2018, an average of 204 calls per day. This compares to 63,539 telephone calls in 2017. The monthly average number of calls answered in 2018 was 4,436; from a high of 5,393 answered in October to a low of 3,184 in December. In 2018, 88.89% of telephone calls were answered within 30 seconds, which is an improvement over the 80.1% achieved in 2017. Energy+ has consistently exceeded the industry standard of 65% year over year. Telephone response times fluctuate based on a number of factors including: number of calls, weather related calls, high electricity bills due to extreme weather, available call centre resources, events in the news that drive calls to the call centre, regulatory and rate changes displayed on customer bills, and payment arrangements. All of these factors can result in an increase or a decrease in call volumes and increased or decreased time spent on each call with our customers. Energy+ is committed to providing continuous excellent customer service and this is one indication of achievement.

• **Customer Satisfaction**

• **First Contact Resolution**

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

Energy+ is pleased to report that in 2018, 99.75% of calls received by our Customer Care department were resolved by the first telephone contact, which was a modest improvement over the 99.70% rate in 2017. The OEB does not provide for a specific measure for First Contact Resolution. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for this area in the future. As a result, each electricity distributor may have different measurements of performance until such time as the OEB provides specific direction regarding the commonly defined measure.

• **Billing Accuracy**

The OEB has prescribed a measurement of billing accuracy that is defined as the number of accurate bills issued expressed as a percentage of total bills issued. For the year ended December 31, 2018, Energy+ issued 787,621 bills and achieved a billing accuracy of 99.99%, compared to 777,739 bills and a billing accuracy of 99.99% in 2017. This compared favourably to the prescribed OEB target of 98%.
• Customer Satisfaction Survey Results

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

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

Energy+ conducted a multi-faceted Customer Satisfaction Survey of a representative sample of all customers during the latter part of 2017 and early 2018, to support the 2019 Cost of Service Rate Application. The results of the survey were utilized for the 2017 and 2018 reporting years and aligned with the OEB defined principles, namely; Power Quality and Reliability, Price, Billing and Payment, Customer Service Experience and Communications.

Energy+ achieved a satisfaction score of “A”, with approximately 80% of customers responding that they were very satisfied or somewhat satisfied with the services provided by Energy+. The results indicated high levels of customer satisfaction with the services provided by Energy+ and the results were a substantial improvement over 2016. During 2017, both the online Outage Map and System Control Room were integrated across Energy+’s entire service area, responding to feedback from the 2016 survey. Energy+ believes that the improvement in customer satisfaction levels can, in part, be attributed to the addition of these power outage communication services across the service territory. The survey also polled customers on future investments preferences and provided the opportunity to give feedback on areas that the customer believed Energy+ could change or make improvements upon. Delivering reasonable electricity distribution rates and ensuring reliable day-to-day electrical service were identified as the two most significant customer priorities.

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

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

• Public Safety

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

  o Component A – Public Awareness of Electrical Safety

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

Included in the survey is six core measurement questions which correspond to the six most frequent accidents involving utility equipment in Ontario over the last decade: (1) Likelihood to “call before your dig”; (2) Impact of touching a powerline; (3) Proximity to overhead powerline; (4) Danger of tampering with electrical equipment; (5) Proximity to downed powerline; and (6) Actions taken when a vehicle comes in contact with wires.
Energy+ achieved a Public Safety Awareness Index Score of 82% in its biennial survey performed in 2017. This result compares to a score of 85% in the previous survey conducted in 2015. The overall result of the survey indicates that the majority of the public continue to have a good knowledge or have received information pertaining to the six core measurement questions within the survey.

In the most recent survey, the younger respondents (aged 18 to 34) answered incorrectly to a number of safety questions. Energy+ will look for opportunities to enhance future education materials that target this particular age group.

In 2019, Energy+ will continue proactive communication campaigns, at community sponsorship events, in local community newspapers and social media (Twitter, Facebook and YouTube) on topics such as Call Before You Dig, Powerline Safety, Farm Stray Voltage, Safe Holiday Decorating, Drone Safety, and Power Outage safety. Energy+ representatives regularly visit school and community groups to explain how to stay safe around electricity at home, work and in the community.

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

  Energy+ is fully compliant with Ontario Regulation 22/04 (“OR 22/04”), the regulation that dictates the safe design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspections of construction before the electrical distribution system components are placed into service. Energy+ is committed to ensuring a safe work place and compliance with all applicable regulations. Energy+ has appropriate systems, processes, and procedures in place for ensuring that work is carried out in accordance and in compliance with OR 22/04.

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

  The Serious Electrical Incident Index measures the number and rate of serious electrical incidents occurring across a distributor’s assets per 1,000 kms of line. Section 12 of Ontario Regulation 22/04 defines a serious electrical incident as:
  
  a) any electrical contact that caused death or critical injury to a person; 
  
  b) any inadvertent contact with any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person; or 
  
  c) any fire or explosion in any part of a distribution system operating at 750 volts or above that caused or had the potential to cause death or critical injury to a person, except a fire or explosion caused by lightning strike.

  Energy+ experienced one serious electrical incident in the 2018 reporting period, compared to a target of zero incidents. The incident results in a rate per 1,000 km of line of 0.672. The incident was a result of a motor vehicle incident where a member of the public struck a transformer exposing live wires, creating the potential for injury. Fortunately, there were no injuries.
System Reliability

Yearly fluctuations in system reliability performance measures can result from variations in weather, such as lightning, excessive snowfalls, and ice storms, as well as defective equipment, foreign interference such as animal contacts, and motor vehicle accidents.

In December 2015, the OEB issued the “Report of the Board: Electricity Distribution System Reliability: Major Events, Reporting on Major Events and Customer Specific Measures”. As a result, the OEB made amendments to the reporting requirements in relation to the definition of a Major Event, and the computation of the system reliability measures to exclude Major Events for purposes of the Scorecard. The System Reliability measures for the historical years 2014 and 2015 have been adjusted to exclude the impact of Major Events. A Major Event is defined as an event that is beyond the control of the distributor and is (a) unforeseeable; (b) unpredictable; (c) unpreventable; or (d) unavoidable. Such events disrupt normal business operations and occur so infrequently that it would be uneconomical to take them into account when designing and operating the distribution system. Such events cause exceptional and/or extensive damage to assets, they take significantly longer than usual to repair, and they affect a substantial number of customers.

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

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

In 2018, the measure of Average Number of Hours that Power to a Customer is Interrupted was 0.46, an improvement compared to 1.53 reported in 2017 and outperformed the target of 0.78.

Approximately 17% of the interruptions were due to defective equipment.
Average Number of Times that Power to a Customer is Interrupted

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

In 2018, the measure of Average Number of Times that Power to a Customer is Interrupted was 1.19, which is slightly higher than the target of 1.16. The 2018 measure is also lower than the 2.18 reported in 2017, which Energy+ considered to be an exception.

Approximately 9% of the interruptions were due to defective equipment.

Energy+ experienced two major events in 2018 resulting from loss of supply and inclement weather. (1) In April 2018, the loss of supply on a 27.6kV feeder from Hydro One due to a freezing rain storm caused power interruptions to 2,358 customers primarily in the Brant area. The loss of supply met the criteria for a major event and resulted in 13,252 customer-hours of interruption and took over six hours to restore power to the customers affected by the largest outage. (2) In May 2018, a severe wind storm caused power interruptions to 28,678 customers. Power restoration took 10 hours and 58 minutes to restore power to 90% of customers impacted by this major event. Loss of supply contributed to 27% of the customer-hours lost, and 35% of the customer interruptions.

Other loss of supply events occurring in 2018 included: (i) event in January 2018 at the Galt Transformer Station owned by Hydro One, resulting in a power interruption to 16,493 customers and 1,989 customer-hours lost in Cambridge; (ii) event in October 2018 due to planned Hydro One work to facilitate relocations for a municipal road project in Brant which caused power interruption to 736 customers and 2,313 customer-hours lost; (iii) event in November 2018 at the Galt Transformer Station owned by Hydro One resulting in a power interruption to 15,354 customers and 5,993 customer-hours lost in Cambridge.
In 2018, 107, or 20%, of the 541 total interruptions were caused by defective equipment. Energy+ has invested approximately $34.2MM from 2014 to 2018, or approximately 43% of gross capital expenditures, in the renewal of its distribution system. It will take some time to realize and fully evaluate improvements in reliability due to Energy+’s investment in replacing end of life assets.

### Asset Management

- **Distribution System Plan Implementation Progress**

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

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

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

- >100% completed = Ahead of Plan
- 70% – 100% completed = On Plan
- <70% completed = Behind Plan

The DSP implementation progress has been measured against the 2018 to 2023 DSP. Energy+ is currently On Plan, tracking at 85%, based on actual gross capital expenditures for the year of $10.4MM, compared to the 2018 plan of $12.2MM.
Cost Control

• Efficiency Assessment

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs.

In 2018, Energy+ was assigned to Group 2 (above average efficiency), which is an upgrade from the Group 3 (average efficiency) assignment in previous years. Group 2 represents distributors with actual costs that are 10% to 25% below predicted costs. Distributors in Group 2 are considered to have above average efficiency, meaning that Energy+’s costs are below the average expected costs for distributors in the Province of Ontario. In 2018, 40% (25 distributors) were ranked as “more efficient”, including Energy+; 41% (26 distributors) of the Ontario distributors were ranked as “average efficiency”; and 19% (12 distributors) were ranked as “least efficient”.

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

• Total Cost per Customer

Total cost per customer is calculated as the sum of Energy+’s capital and operating costs and dividing this cost figure by the total number of customers that Energy+ serves. The cost performance result for 2018 is $662 per customer, compared to $640 in 2017. This represents a 3.4% increase from 2017 to 2018 and reflects an annual growth rate of 0.9% since 2014. Based upon the Pacific Economic Groups benchmarking analysis, Energy+’s Total Cost per Customer in 2018 was 13.1% lower than predicted costs, compared to 11.1% lower in 2017.

• Total Cost per Km of Line

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometers of line that Energy+ operates to serve its customers. Energy+’s 2018 Total Cost per Km of Line rate is $28,689, an increase of 2.9% over the 2017 figure of $27,874.
Energy+ has experienced a low level of growth in its service territories over the past five years, both in terms of number of customers and kilometers of lines. As a result, cost per customer and cost per Km of line have increased year over year with the increase in operating and capital expenditures. Utilities with low growth rates with upward cost pressures experience higher increases in cost per customer and cost per Km of line as compared to utilities with higher growth rates that are able to fund capital renewal and operating costs through customer growth.

**Conservation & Demand Management**

The Conservation First Framework ("CFF") was introduced in March 2014 and was initially designed to reduce electricity consumption by 7,000 GWh across the Province of Ontario by December 31, 2020. The implementation of the CFF was intended to provide: (i) a streamlined approach for local electricity distribution companies to design province-wide and local saveONenergy programs for customers; (ii) an energy efficiency target based on achievable potential in the service territory; and (iii) the flexibility to allocate funding for conservation programs to deliver cost-effective programs to consumers.

As part of the CFF, Energy+’s net cumulative energy savings target was set at 100.96 GWh for the period 2015 to 2020.

On March 21, 2019, the Ministry of Energy, Northern Development and Mines directed the Independent Electricity System Operator ("IESO") to discontinue the CFF and to establish a scaled down Interim Framework for the balance of 2019 and 2020 that would be delivered centrally by the IESO. As a result, the IESO immediately notified local distribution companies that the CFF would be discontinued effective immediately and that local distribution companies were required to immediately take action to wind-down its activities under the CFF. As a result of this Decision, Energy+ has ceased the marketing and delivery of conservation programs and is focused on overseeing the wind-down of existing approved projects with customers, as mandated.

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

As at December 31, 2018, Energy+ achieved 144% of its net cumulative energy savings target and was ranked 4th in the Province based on the % of target achieved.
Connection of Renewable Generation

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

  Electricity distributors are required to conduct Connection Impact Assessments ("CIAs") within 60 days of receiving authorization from the Electrical Safety Authority. In 2018, Energy+ completed 9 CIAs, an increase of 5 over the 4 completed in 2017 and completed 100% of the assessments on time.

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

  In 2018, Energy+ connected 160 new micro-embedded generation facilities (microFIT projects of less than 10 kW) compared to 47 in 2017. 100% of the connections were completed within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time.

Financial Ratios

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

  As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short-term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being "liquid". The higher the number, the more ‘Liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations. Energy+’s current ratio of 1.45 at the end of 2018 continues to reflect a strong financial position.

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

  The OEB uses a deemed capital structure of 60% debt and 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

  Energy+’s debt to equity ratio was 1.01 in 2018 and is within a healthy range of 1.0-1.25. Energy+’s strong financial position is further supported by Standard & Poor’s Rating Services rating of “A Stable”. 

2018 Scorecard MD&A (Energy+ Inc.)
• **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Energy+’s 2018 distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor’s revenues and costs structure by the OEB.

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

Energy+’s return achieved in 2018 was 8.68%, compared to the deemed regulatory return on equity of 9.36% included in 2018 distribution rates. Energy+’s return on equity is well within the +/- 3% range allowed by the OEB. The average return over the past three years was 8.9%.
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.