### 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>95.40%</td>
<td>92.60%</td>
<td>99.47%</td>
<td>99.78%</td>
<td>100.00%</td>
<td>Industry 90.00%</td>
</tr>
<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>99.60%</td>
<td>100.00%</td>
<td>98.53%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>Distributor 90.00%</td>
</tr>
<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>70.20%</td>
<td>73.70%</td>
<td>90.52%</td>
<td>90.10%</td>
<td>94.13%</td>
<td>65.00%</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>First Contact Resolution</td>
<td>149%</td>
<td>521%</td>
<td>277%</td>
<td>103%</td>
<td>238%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Billing Accuracy</td>
<td>99.93%</td>
<td>99.94%</td>
<td>99.94%</td>
<td>99.93%</td>
<td>99.91%</td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>93% satisfied</td>
<td>92% satisfied</td>
<td>92% satisfied</td>
<td>95% satisfied</td>
<td>95% satisfied</td>
<td></td>
</tr>
<tr>
<td><strong>Operational Effectiveness</strong></td>
<td>Level of Public Awareness</td>
<td>85.00%</td>
<td>85.00%</td>
<td>85.00%</td>
<td>85.00%</td>
<td>83.00%</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>Rate per 10, 100, 1000 km of line</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>System Reliability</strong></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>1.21</td>
<td>2.61</td>
<td>0.73</td>
<td>1.34</td>
<td>0.98</td>
<td>1.18</td>
</tr>
<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>1.27</td>
<td>2.06</td>
<td>0.98</td>
<td>1.29</td>
<td>1.09</td>
<td>1.06</td>
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<tr>
<td><strong>Asset Management</strong></td>
<td>Distribution System Plan Implementation Progress</td>
<td>99%</td>
<td>97%</td>
<td>101.3%</td>
<td>70.2%</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td><strong>Cost Control</strong></td>
<td>Efficiency Assessment</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$545</td>
<td>$546</td>
<td>$532</td>
<td>$569</td>
<td>$598</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$31,719</td>
<td>$31,962</td>
<td>$31,280</td>
<td>$33,915</td>
<td>$35,041</td>
<td></td>
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<tr>
<td><strong>Public Policy Responsiveness</strong></td>
<td>Net Cumulative Energy Savings</td>
<td>6.91%</td>
<td>24.21%</td>
<td>71.65%</td>
<td>83.00%</td>
<td>87.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>0.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
<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>100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.16</td>
<td>1.16</td>
<td>0.99</td>
<td>1.07</td>
<td>1.25</td>
<td></td>
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<tr>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.12</td>
<td>1.04</td>
<td>0.96</td>
<td>1.21</td>
<td>1.15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.30%</td>
<td>9.30%</td>
<td>9.19%</td>
<td>9.00%</td>
<td>9.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Return on Equity Achieved</td>
<td>7.59%</td>
<td>9.97%</td>
<td>7.62%</td>
<td>7.93%</td>
<td>9.14%</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.
4. The CDM measure is based on the now discontinued 2015-2020 Conservation First Framework. 2019 results include savings reported to the IESO up until the end of February 2020.

Legend:
- **5-year trend**
  - **up**
  - **down**
  - **flat**
- **Current year**
  - **target met**
  - **target not met**
Scorecard MD&A - General Overview

In 2019, Oshawa PUC Networks Inc. (Oshawa Power) successfully exceeded all mandatory industry targets. We are pleased to provide the following detailed report with commentary for each specific target.

In 2019, Oshawa Power excelled in the areas of Service Quality and Customer Satisfaction which saw results above target, and consistent with our exceptional performance in the prior year. In Safety we continue to see no electrical incidents, as we reached the next milestone for the Infrastructure Health and Safety Association’s (IHSA) Recognition of Performance Achievement Milestone, in 2020, with over 750,000 without a lost-time injury. Our conservation results are well ahead of the curve with over 87% of our savings target achieved by the end of year 5 of the six-year program. We are focusing our efforts on operations and reliability to better improve response time for frequency and duration of outages. Oshawa Power is proud to share it has connected all renewable generation requests on time for the last five consecutive years. Lastly, our financial results show good liquidity and leverage as we earn within the allowable range of our return on equity.

Oshawa Power will continue to focus its efforts in 2020 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures. Key objectives in 2020 include: (i) customer engagement initiatives to educate our customers and seek their feedback about the services provided and how we can improve the customer experience; (ii) improvements in the area of asset management, including the renewal of aging infrastructure in order to deliver reliable and safe electricity; and (iii) helping customer’s access grants and assistance from provincially-run, and company-run, programs during the pandemic.

Service Quality

New Residential/Small Business Services Connected on Time

In 2019, Oshawa Power connected 100% of the 509 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 OEB. Oshawa Power considers this service quality requirement an important customer engagement initiative as it is the utility’s first opportunity to meet and/or exceed its customer’s expectations. Oshawa Power’s five-year history shows it has been consistently above the OEB mandated threshold, which is reflected in the level of customer satisfaction within Oshawa Power’s territory. Oshawa Power continues to connect service on time in 2020, with
100% of new services connected on time as of June 2020.

- **Scheduled Appointments Met On Time**
  In 2019, Oshawa Power scheduled over 884 appointments to complete work for their customers. This included underground locates, direct requests from customers, key account and conservation requests. Oshawa Power met 100% of these appointments on time, resulting in the maximum achievable score. Over the last 5 years Oshawa Power has been considerably above the industry target of 90%.

- **Telephone Calls Answered On Time**
  In 2019, Oshawa Power customer contact center agents received over 48,000 qualifying calls from its customers – over 180 calls per working day. Agents answered calls within 30 seconds 94.13% of the time. This result exceeds the OEB-mandated 65% target for timely response, which Oshawa Power has exceeded each year for the last 5 years. Oshawa Power offers customers 24/7 service through various online forms and interactive voice response tools. This allows us to address the most common customer inquiries and service needs cost-effectively without compromising quality or service excellence. Emergency and outage notification calls are addressed using a live answering service after hours to ensure high-quality responsiveness from operating crews. Oshawa Power continues to improve its quick response time in 2020, as of June 2020, 94% of calls have been answered within 30 seconds.

**Customer Satisfaction**

- **First Contact Resolution**
  In 2019, Oshawa Power tracked calls where customers’ questions were not resolved during their initial call and required a follow-up phone call, or were escalated to a Team Leader, Supervisor or Manager. As noted above, Oshawa Power received over 48,000 qualifying calls during the year, of which 0.5% were not resolved on first contact. Over the last 5 years, the portion of calls that were not resolved on first contact has consistently remained well below 1%. Out of all incoming qualifying calls, Oshawa Power targets that less than 2% will not be resolved on that first contact.

- **Billing Accuracy**
  For the period from January 1, 2019 to December 31, 2019, Oshawa Power issued over 700,000 bills and achieved a bill accuracy measure of 99.91%. This compares favorably to the prescribed OEB target of 98%. Additionally, over the last 5 years Oshawa Power has exceed this target. Oshawa Power has validation points instilled at every point in the billing process to ensure bills are generated accurately.

- **Customer Satisfaction Survey Results**
  In 2018, Oshawa Power engaged UtilityPULSE to conduct a customer satisfaction survey. The findings from the annual survey results are utilized to make enhancements in processes, services and communications strategies throughout the organization. 95% of Oshawa Power’s customers rated their experience with Oshawa Power as fairly satisfied to very satisfied. Satisfaction levels for Oshawa Power
were 6% higher than the Ontario utility satisfaction result of 89%. Over the last 5 years, Oshawa Power’s customers have rated their satisfaction at well above 90% each year. Some examples of changes that have been made as a result of customer feedback in prior years include improvements in the telephone interactive voice response (IVR) system, increase in online presence through social media, and the implementation of an outage management system (OMS) that communicates to customers experiencing an outage.

Safety

- **Public Safety**
  In May 2015, the OEB requested the implementation of a public safety measure for all Local Distribution Companies (LDCs). The OEB stated that the public safety metric will have the following components and will be included on the LDCs’ annual scorecards:
  
  a) Component A - Public Awareness of Electrical Safety
  b) Component B - Compliance with Ontario Regulation 22/04
  c) Component C - Serious Electrical Incident Index

**Component A – Public Awareness of Electrical Safety**
Component A, Public Awareness of Electrical Safety, measures the level of awareness of key electrical safety precautions among the public within the electricity distributor’s service territory, and the degree of effectiveness for distributors’ activities on preventing electrical accidents. The OEB requested that all LDCs carry out a survey using the Electrical Safety Authority’s (ESA) approved methodology and pre-formed set of questions, so that a final LDC Awareness Score (bound between 0-100%) can be calculated.

Oshawa Power, and 27 other utilities, engaged UtilityPULSE to administer the survey as well as calculate the final score. The survey ran in January 2020, and Oshawa Power’s final public awareness index score was 83%. Based upon the survey results of the participants, Oshawa Power’s customer awareness index was higher than the average score of 82% for the utilities who engaged in the survey. Over the last few years of surveys, Oshawa Power’s score was 85% in 2015 and 2017, and 83% in 2019.

**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. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction projects before they are put into service.
The definitions of a C, NI and NC score, as categorized by the ESA, are provided below:

<table>
<thead>
<tr>
<th>Score</th>
<th>Definition</th>
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<tbody>
<tr>
<td>C</td>
<td>Compliant</td>
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<tr>
<td></td>
<td>- Fully or substantially meeting the requirements of Regulation 22/04.</td>
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<tr>
<td>NI</td>
<td>Needs Improvement</td>
</tr>
<tr>
<td></td>
<td>- Continuing failure to comply with a previously identified Needs Improvement item</td>
</tr>
<tr>
<td></td>
<td>- Non-pervasive failure to comply with adequate, established procedures for complying with Regulation 22/04.</td>
</tr>
<tr>
<td>NC</td>
<td>Non-Compliance</td>
</tr>
<tr>
<td></td>
<td>- A failure to comply with a substantial part of Regulation 22/04; or</td>
</tr>
<tr>
<td></td>
<td>- Continuing failure to comply with a previously identified Needs Improvement item.</td>
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</tbody>
</table>

Oshawa Power was fully compliant with Ontario Regulation 22/04 for the year 2019, achieving a score of ‘C’, for Compliant. Over the last 5 years, Oshawa Power has consistently scored a ‘C’. Oshawa Power’s continued achievement of compliance is due to our strong commitment to safety, and adherence to standards and company procedures & policies.

**Component C – Serious Electrical Incident Index**

Oshawa Power reported no fatalities or other serious incidents due to contact with its infrastructure in 2019, thereby achieving a top score of 0.000 for the Serious Electrical Incident Index per 100 km of line.

Oshawa Power takes public safety in the vicinity of its distribution equipment very seriously, and regularly carries out activities to take prompt corrective action where potential public safety issues are identified. Some of Oshawa Power’s notable Health and Safety achievements are as follows:

- Oshawa Power achieved the Infrastructure Health & Safety Association’s Certificate of Recognition™ ("COR") for five consecutive years. The utility scored a near-perfect 98% in an audit conducted under the highest safety standard in the province.
- The Electrical Safety Authority ("ESA") presented Oshawa Power with their 2019 Worker Safety Award. The nomination highlighted the work of Oshawa Power’s Wellness Committee and Ergonomics Team, along with our efforts to promote electrical safety in the community through our Contactor Safety Day event and Hazard Hamlet travelling safety presentation.
- In June 2019, the Infrastructure Health and Safety Association presented Oshawa Power with its Recognition of Performance Achievement Award for passing the milestone of 500,000 hours worked without a lost-time injury.
- Oshawa Power is a member in good standing with the Association of Electrical Utility Professionals (AEUSP).
Oshawa Power promotes public safety messages through bill inserts, our website and social media and in person at our customer engagement events so our customers stay informed and stay safe.

**System Reliability**

- **Average Number of Hours that Power to a Customer is Interrupted**
  Oshawa Power’s reported Average Number of Hours that Power to a Customer is Interrupted (i.e., duration excluding loss of supply) decreased from 2018 to 2019 to a value of 0.98, which is below its target of 1.18 (based on a fixed five-year average performance from 2010 to 2014). The decrease was mainly due to investments in System Renewal which aims to replace assets that are at the end of their useful life. The increase seen from 2017 to 2018, from 0.73 to 1.34, is principally due to aging distribution infrastructure and animal contacts with equipment. In an effort to continue to increase system reliability, Oshawa Power continues to invest in the utility’s distribution system by renewing aged and faulty equipment to help mitigate the duration of outages in the future.

  In 2020, Oshawa Power continues to improve system reliability through System Renewal investments required to replace end of life assets, System Service investments such as operational technologies and grid modernization, and General Plant investments to meet facilities, fleet, office systems and IT needs.

- **Average Number of Times that Power to a Customer is Interrupted**
  Oshawa Power’s reported Average Number of Times that Power to a Customer is Interrupted (i.e., frequency excluding loss of supply) for 2019 was 1.09 which is slightly higher compared to its target of 1.06 but has decreased dramatically since 2018. Oshawa Power has identified that the main contributing factors to unreliability was aging equipment. Oshawa Power intends to focus on a paced System Renewal investments and specific System Service investments to bring reliability indices in line with the expectations of both Oshawa Power’s customers and the OEB.

  Oshawa Power’s renewal of aged distribution assets will help to further improve the frequency and duration of outages. Oshawa Power also coordinates with Hydro One to ensure their programs are directed at the most critical assets impacting service in Oshawa, and to mitigate outages caused by loss of supply. Oshawa Power has also included in the planned capital investments the installation of additional equipment that will provide rapid isolation of faults to reduce the number of customers affected during an outage.
The graphs below summarize Oshawa Power last 5 years of reported SAIDI and SAIFI:
Asset Management

- Distribution System Plan Implementation Progress
  In 2014, Oshawa Power filed an application with the OEB for a full review of its rates effective January 1, 2015. Oshawa Power submitted its Distribution System Plan (DSP) to the OEB as part of the application. Oshawa Power measures its implementation of the DSP by the ratio of actual total capital expenditures to planned total capital expenditures for a given calendar year. In 2019, Oshawa Power expended 98.99% of its planned capital budget for the year. In 2018, Oshawa Power expended 70.2% of its planned capital budget for the year. The 2018 variance was primarily due to the deferral of projects to subsequent years, including a variety of projects related to the completion of MS9, a new municipal substation that was brought into service in 2019. MS9 is a state-of-the-art facility that improves outage response capacity with modern automated equipment and the establishment of a new backup control center. Additionally, Hydro One completed Enfield, a new transformer substation located in Clarington, which provides a third point of supply to Oshawa Power’s distribution system.

  From 2015 to 2019, Oshawa Power focused its capital expenditures on System Access and System Service requirements in order to address significant customer and load growth. For the next 5 years, Oshawa Power will shift focus to System Renewal and System Service requirements in order to improve reliability and mitigate outage impacts to customers due to aging infrastructure.

Cost Control

- Efficiency Assessment
  The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group Research, LLC (PEG) on behalf of the OEB to produce a single efficiency ranking for each distributor. The performance rankings for 2019 are included in PEG’s Empirical Research in Support of Incentive Rate-Setting: 2019 Benchmarking Update Report to the OEB issued in August 2020.

  The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. Utilities whose actual costs are lower than predicted are characterized as efficient and are assigned to Group 1 (25% or more below predicted cost) or Group 2 (between 10% and 25%). Utilities that are considered average performers will be assigned to Group 3 (actual costs are within +/-10% of predicted costs). Utilities whose actual costs are higher than predicted will be assigned to Group 4 (between 10% and 25% above predicted cost) or Group 5 (in excess of 25% above predicted cost).

  Oshawa Power continues to be ranked in Group 2, where a Group 2 distributor is defined as having actual costs between 10% and 25% lower than predicted costs. Oshawa Power’s goal is to sustain current efficiencies, and remain a cost-effective utility.

- Total Cost per Customer
  Total Cost per Customer is evaluated by PEG on behalf of the OEB, and is calculated as the sum of Oshawa Power’s capital and
operating costs, divided by the total number of customers served. Oshawa Power’s 2019 cost performance is $598 per customer, resulting in a 5% increase over the prior year.

Over the reporting period 2015 through 2019, Oshawa Power’s Total Cost per Customer has increased by an average annual rate of just 2.9%. In addition to inflationary pressure, the renewal and growth of the distribution system, Province wide programs and costs required to address higher than normal customer growth in Oshawa have all contributed to the increase in capital expenditures and operating costs. The increase is in line with the increase in predicted costs as per the PEG Report, thereby continuing to position Oshawa Power in Cohort 2.

In accordance with the OEB’s decision on our Custom IR (incentive regulation) Cost of Service rate application, Oshawa Power will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer value and adds new infrastructure to address capacity constraints resulting from growth. Oshawa Power will also continue to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement, enhancements and growth.

Oshawa Power has been investing in infrastructure renewal at a higher than normal rate over the last several years in response to its aging distribution system. As capital investments for replacement and rehabilitation of existing lines grows at a faster rate than additions of lines within Oshawa Power’s service area. As reported in its Distribution System Plan, Oshawa Power has identified a need to proactively manage the replacement of assets that are at, or near, end of life and in “poor” or “very poor” condition. Replacement plans ensure that planning objectives related to reliability, customer satisfaction and operating cost control are achieved.

- **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 Oshawa Power operates to serve its customers. Oshawa Power’s 2019 rate is $35,041 per Km of Line which represents an increase of 3.3% over the prior year. The average annual increase over the reporting period is 3.3%. The increase is in line with the increase in predicted costs as per the PEG Report, thereby continuing to position Oshawa Power in Cohort 2.

**Conservation & Demand Management**

As of March 21, 2019, Ontario Bill 87 came into effect which discontinued the delivery of the Conservation First Framework (CFF) by local utilities. The directive, given by the Minister of Energy, saw the implementation of an Interim Framework, centrally-delivered by the Independent Electricity System Operator (IESO) as of April 1, 2019. OPUC’s efforts in 2019 therefore focused on managing the provincially-mandated CFF Wind-down process, while also facilitating conservation program applications where allowable.

Under the 2015 to 2020 CFF, Oshawa Power was assigned an energy savings target of 73 GWh. The achievement of this energy
efficiency target was governed via an Energy Conservation Agreement (ECA). The IESO periodically issued updates to the ECA and Oshawa Power regularly committed to the updated terms. As of March 21, 2019, the ECA between Oshawa Power and the IESO has been terminated as per ministerial directive noted earlier.

The following section describes the net cumulative energy savings that were achieved in each of 2015 (the preparatory year for the CFF), 2016, 2017, 2018 and 2019. Please note that the savings for 2018 and 2019 are “Gross Unverified” savings as the IESO no longer provides “Net Cumulative Energy Savings” reports to LDCs, following the cancellation of CFF through Ontario Bill 87 in early 2019, cited above.

- **Cumulative Persisting Energy Savings based on the IESO’s April 15, 2019 Participation and Cost Report:**
  - 15,609 MWh in 2015 (net, verified);
  - 14,018 MWh in 2016 (net, verified);
  - 29,431 MWh in 2017 (net, verified);
  - 5,389 MWh in 2018 (gross, unverified);
  - 5,321 MWh in 2019 (gross, unverified).

Note: the IESO no longer provided Cost and Participation Reports beyond April 2019, therefore total results are unknown. Oshawa Power’s cumulative total energy savings for the CFF as of December 31, 2019, based on reporting available, was 69,768 MWh, or 95% of the multi-year target. Prior to the cancellation of the CFF, Oshawa Power was projected to exceed our 2020 conservation targets.

In 2019, OPUC signed-on to collaborate with various other LDCs across Ontario to deliver the Business Refrigeration Incentive program, which was not included in the IESO’s central delivery mandate. Results from this program will be shared in 2021.

### Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**
  Electricity distributors are required to conduct Connection Impact Assessments (CIAs) for renewable generation facilities >10kW within 60 days of receiving a complete application from the Generator. In 2019, Oshawa Power had two CIA connection requests for renewable generation facilities >10kW. All were connected on time as per OEB guidelines.

- **New Micro-embedded Generation Facilities Connected On Time**
  In 2019, Oshawa Power had no new micro-embedded generation facility (microFIT and net-meter projects of less than 10 kW) connection requests. The IESO announced on December 1, 2017 that the 2017 quota for microFIT contracts had been reached. This effectively ends the subsidy program implemented in 2009 to foster the growth of a domestic solar industry.

  Results for 2018 and older show that Oshawa Power connected microFITs 100% of the time in accordance with the Distribution System
Code; significantly exceeding the 90% target set out for microFITs. Oshawa Power works closely with its customers to make the process simple and transparent for customers and their contractors to ensure the project is connected on time.

### Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**
  The current ratio is an indicator of a company’s ability to repay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. Generally, 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. Oshawa Power’s current ratio for 2019 is 1.25. Oshawa Power monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements.

- **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. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. Oshawa Power’s debt to equity ratio for 2019 was 1.15 compared with 1.21 in 2018. Oshawa Power continues to be below the OEB’s deemed capital structure, as the trend from 2014 to 2018 illustrates a debt to equity ratio of less than 1.5.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  Oshawa Power’s current distribution rates were approved by the OEB and include an expected regulatory return on equity (ROE) of 9.00%, which is based on the OEB’s deemed capital structure of 60% debt and 40% equity as noted earlier. 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. The regulated return for the year 2019 is 9.00%.

- **Profitability: Regulatory Return on Equity – Achieved**
  Oshawa Power’s ROE for 2019 was 9.14%, compared with a regulatory ROE of 9.00% for the same period. For 2019, Oshawa Power earned a higher return than the approved rate, however; results are within the expected ROE range set out by the OEB.
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.