Empirical Research in Support of Incentive Rate-Setting: 2015 Benchmarking Update

Report to the Ontario Energy Board

July 2016

Pacific Economics Group Research, LLC

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1. Introduction

In 2013, as part of the IRM-4 proceeding EB-2010-0379, the Ontario Energy Board (OEB) issued a report titled "Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors"[1] (Board Report) in which it set forth the framework for setting rate adjustment formulas for local distribution companies (LDCs or "distributors"). The Board Report provides the OEB's final determination on its policies and approaches to the distributor rate adjustment parameters and the benchmarking of electricity distributor total cost performance for the 2014 to 2018 rate-year period. This 2015 Benchmarking Update for distributors' stretch factor assignments is in relation to the 2017 rate year.

According to the Board Report, rates will be indexed by a formula "which is used to adjust the distribution rates to reflect expected growth in the distributors' input prices (the inflation factor) less allowance for appropriate rates of productivity and efficiency gains (the X-factor)."[2] The productivity part of the X-Factor is the same for all LDCs. The efficiency gains part of the X-Factor is called the stretch factor and can vary by company. This stretch factor reflects the potential for incremental productivity gains by a given LDC under incentive regulation which in turn depends on an individual distributor's level of cost efficiency.

These stretch factor assignments are based on the results of a statistical cost benchmarking study designed to make inferences on individual distributors' cost efficiency. An econometric model is used to predict the level of cost associated with each distributor's operating conditions. Distributors that had actual cost that was lower than that predicted by the model were assigned lower stretch factors than those that did not. The October 18, 2013 report by Pacific Economics Group (PEG) titled "Productivity and Benchmarking Research in Support of Incentive Rate Setting in Ontario" describes the model used to produce the benchmarking results. The work was subsequently updated to include 2013 data in July of 2014[3] and 2014 data in July

[1] Issued on November 21, 2013 and corrected on December 4, 2013.

[2] Board Report, page 5.

[3] "Empirical work in Support of Incentive Rate Setting: 2013 Benchmarking Update".

of 2015. This report presents updated benchmarking results and associated stretch factors that include 2015 data.

Section 2 of this report discusses the methodology used for the 2015 update. Section 3 discusses the data used. Section 4 presents the benchmarking results and updated stretch factors. Section 5 discusses additional resources available to distributors to validate the results contained in this report.

2. Benchmarking Methodology

The model used to determine the cost efficiency of distributors is based on econometrics. Distributor cost in this model is estimated as a function of business conditions faced by each distributor. These business conditions include the number of customers served and the price of inputs such as labor and capital. The parameters of this model establish the relationship between each business condition and distributor cost. These parameters were estimated using Ontario LDC data from 2002-2012.

The model can make a prediction of each distributor's cost given its business conditions by multiplying the company's business condition variables by the model parameters and summing the results[4]. The distributor's actual cost is then compared to that predicted by the model. The percentage difference between actual and predicted cost is the measure of cost performance. Companies with larger negative differences between actual and predicted costs are considered to be better cost performers and therefore eligible for lower stretch factors. A

[4] The table of parameters published in the PEG report was for the full sample. When making predictions of cost for each company, the econometric program estimated the model without including the subject of benchmarking in the sample. Therefore, there exist 73 different sets of parameters which are very similar to each other. For ease of presentation, the PEG report did not present the parameters specific to each distributor. These company-specific parameters are necessary for the 2013 calculations and are contained within the working papers associated with this report.

detailed description of the econometric model including estimation technique and other technical details are contained in sections 6 and A2.1 of the PEG report.

The econometric model used to obtain the updated stretch factors is identical to the model described in the PEG report. The OEB intentionally decided not to update the parameters of the econometric model to include future data. The goal was to establish a fixed benchmark that would allow companies a fair opportunity to demonstrate improved cost performance and earn a lower stretch factor. The parameters from the previous model were combined with each company's data – including 2013, 2014, and 2015 data - to produce 2015 predicted cost. The rationale for this decision is discussed in the Board Report and in a memorandum by PEG that also makes some corrections to the 2012 results.[5] The PEG memorandum contains the corrected final results of the 2010-2012 benchmarking model used in this update. The tables from the 2014 report updating the benchmarking results also required minor changes to make them consistent with the final calculations. The final results are reflected in this report.

In order to apply the 2015 values to the model parameters, the data must be transformed to be consistent with how the data were specified for the estimated econometric model. One example of a transformation is that many of the explanatory variables were expressed as logarithms prior to the model being estimated. The PEG report describes the details of the estimation process in section A2.1. The spreadsheet model and associated documentation discussed in section 5 contain the calculations leading to the cost benchmarking results.

The purpose of the benchmarking work is to evaluate the total cost incurred by each distributor. Table 1 shows the formulas used to calculate the measure of total cost used in PEG's benchmarking analysis. As described in the PEG benchmarking report, adjustments were undertaken with the purpose of standardizing cost in order to facilitate more accurate cost comparisons among distributors. These adjustments included the treatment of high voltage and low voltage costs.

The variables used to explain total cost are the same as in the previous PEG report. They include outputs such as customers, kWh deliveries, and capacity. Prices for capital and OM&A along with other business conditions such as customer growth and average length of lines are also included. A complete discussion of the explanatory variables can be found in section 6 of

[5] Available on the OEB website in the file "PEG_Memorandum_OEB on_corrections_20131220.pdf"+

the PEG report and the documents discussed in section 5. The explanatory variables are used to explain the level of cost incurred by each LDC. Cost that is not explained by the variables is deemed to be due to management performance.

3. Benchmarking Data

The source of the cost and output data used in the calculations is from the distributors as reported in the reporting and record-keeping requirements (RRR) filings. The study assumes that the data as reported by the distributors conforms to accounting policies and procedures described in the Accounting Procedures Handbook and other instructions contained within the RRR filing system. It is also assumed that the LDCs have taken ownership of the data provided to the OEB and significant revisions are not anticipated.[6] On March 31, 2015, the OEB established new requirement for certification of the electricity distributors' RRRs. To underscore the importance that the OEB places on the accuracy and integrity of distributor reporting, particularly in the context of the new performance based regulatory framework, the OEB required that any RRR filing with the OEB be certified by an executive signing officer of the company (e.g., Chief Executive Officer, Chief Financial Officer). The new executive certification was required for both quarterly and annual RRR filings.

Data sources apart from the RRR are related to input prices. OEB-approved rates of return were obtained from OEB Staff. The source for other input price data was Statistics Canada. The input price indexes used were the same as those used in PEG's original study with one exception. Statistics Canada no longer calculates the Electric Utility Construction Price Index (EUCPI). The growth in the GDPIPI (FDD) was used to escalate the EUCPI values used the calculations.

The update was done in the same manner as the original work and the previous update with a few exceptions. The first is that the OEB has improved the quality of the guidance given to distributors related to capital additions data. As a result, improved data are available for 2013,

[6] The Ontario Energy Board (OEB) released the Report of the Board on Scorecard (EB-2010-0379) on March 5, 2014 (the "Scorecard Report") states that: '*While the Board will create consistent Scorecard reports for distributors, ownership of the data and Scorecard resides with the distributor.*'

2014 and 2015. PEG has accordingly relied upon these newly-available capital additions data instead of inferring these data from changes in gross plant[7]. The second exception is related to the treatment of deferred smart meter OM&A expenses. In the original PEG report, an adjustment was made for the estimated amount of amortization that was included in the reported OM&A expenses as a result of clearing amounts from account 1556. In 2014, OEB staff had advised that due to improved reporting requirements, this adjustment is no longer necessary. A recent survey of LDC disposition of account 1556 amounts has confirmed this.

The merger of Hydro One Networks and Norfolk Power Distribution was another issue that required special treatment for 2015. Where required, previous values for capital quantity and business conditions were aggregated for use with the 2015 data for the combined company. Previous benchmarking results for 2013, and 2014 were combined for the two distributors. This work was necessary in order to calculate 2013-2015 average cost performance for the combined company.

This report also addresses the impact of data revisions by LDCs. As part of its procedures to improve data quality, OEB staff invited distributors to submit corrections to previously provided data. It was determined that already established benchmarking results for prior years would not be modified as a result of the new data. However, any revised data used by the model have been incorporated into the databases. As a result, the updated work for the current year's benchmarking study may show modestly different results for 2014 performance. The revised 2014 results are presented in this report only for information purposes to show the impact of the data changes, but were not used to calculate the new 2013-2015 average cost performance used to determine the 2017 stretch factors. In addition to the data revisions, one

[7] This improvement in data quality also extends to the collection of smart meter capital additions. The previous study estimated capital additions for distribution capital exclusive of meters for the period 2006-2012 in order to be able to isolate the accounting treatment of smart meters. The capital expenditures on smart meters were gathered for each company via a supplemental data request. These capital expenditures were then used as a proxy for capital additions and added to the total. A recent survey of the composition of the reported gross capital additions has revealed that some distributors have included amounts cleared from account 1555. The capital additions data for these companies has been adjusted to remove the cleared smart meter capital additions to avoid double counting.

formula used in the 2014 calculations was corrected. The revised results are similar to those calculated earlier and would not have led to any change to previously determined stretch factors.

Several tables are included at the end of this report. Table 1 describes the calculation of total cost. Table 2 shows each distributor's growth in total cost from 2014 to 2015. Tables 3 (A) presents the 2015 benchmarking results and a comparison to prior years' results. Table 3 (B) summarizes the impact of data revisions discussed above. Table 4 presents average cost performance and associated stretch factors. Table 5 presents the companies assigned to each cohort.

As can be seen on Table 2, average cost growth was 3.88% and median cost growth was slightly lower at 3.36%. OM&A cost grew by only 2.59% on average while capital cost grew by 4.48%. The overall growth in cost was modestly higher than experienced from 2013-2014.

The econometric model estimates LDCs' costs as a function of distributor output, input price growth, and other business condition variables beyond management control. It will also produce a prediction of the level of cost consistent with these business conditions and thus "explain" some of the observed cost level. As described in the PEG benchmarking report, changes not accounted for by these factors are deemed to be due to management performance. The parameter estimates measure the cost impact of the different business conditions and are presented on Table 16 of the PEG benchmarking report.

The first of the cost drivers is output quantity. The model uses three measures for the quantity of distributor output. The first is the number of customers served and the second is kWh delivered. The third is a proxy for the capacity of the distribution system. The capacity variable is described in the PEG report and is equal to the largest peak load experienced as of the current year of data. For example, the 2012 value for the capacity variable is equal to largest reported system summer or winter kW in all the years 2002-2012. Therefore, for 2013, this capacity variable only increased if the distributor's kW demand in that year exceeded kW demand in every year between 2002 and 2012. Of the three output variables, the model estimates that the number of customers has the largest impact on cost, followed by the system capacity variable. The kWh delivered was the least important of the output variables. For the average company, the number of customers was found to be a more important cost driver than the other two combined. For each 1% change in number of customers, cost was estimated to change by 0.44%.

The second group of cost drivers were the input prices for capital and OM&A. For the average company, the cost impact of changes in the capital price was found to be almost twice as important as that for OM&A. For every 1% change in capital price, the impact on total cost was about 0.63%. The corresponding impact for changes in the OM&A price was 0.37%. The relevant indexes were updated to include 2015 data. For the OM&A price, the growth in average weekly earnings and that for the GDP implicit price index for final domestic demand ("GDPIPI (FDD)") were calculated. The 2015 growth in the OM&A price index is calculated as 70% times average weekly earnings growth plus 30% times GDPIPI (FDD) growth. The 2014 values for the OM&A price index from the previous report were escalated by the growth that occurred in 2015.

The capital price calculation is based upon an asset price index, an economic depreciation rate, and a rate of return. The asset price index was the Electric Utility Construction Price Index as calculated by Statistics Canada. As this index is no longer available, the previous values are escalated by an alternate index. The index chosen was the GDPIPI (FDD) which is the same index used to represent all non-labour price inflation in the Board-approved inflation measure formula[8]. The depreciation rate is fixed at 4.59% consistent with the previous work. The rate of return is a weighted average of the rates for return on equity, long term debt, and short term debt as approved by the OEB. Because these values are available for January and May of each year, a weighted average was taken of the two values. The weight given to the January value (4/12) assumes that the first value was in effect from January 1 to April 30. The weight given to the May (8/12) assumes that it was in effect starting May 1. The capital price used to calculate total cost is also used as an explanatory variable. Therefore, any changes in the rate of return that affect the cost calculation will also affect the price calculation which will in turn "explain" the observed changes in cost.

The last group of cost drivers consists of other business condition variables. The first was the percentage of customers added over the last ten years. The second was the average km of distribution line. In each case these variables were updated to include 2015 data. For each 1% change in line length, total cost was estimated to increase by 0.29%. The model also contains a time trend that accounts for changes in cost over time that are not accounted for by the

[8] The weight given to the non-labour index in the inflation formula includes capital cost.

other cost drivers. This variable estimates that cost should rise by 1.7% per year for reasons not identified by other variables in the model.

4. Benchmarking Results and Updated Stretch Factors

Table 3 (A) presents a summary of benchmarking results for each distributor from 2011-2015. The first three columns contain the annual results for 2012, 2013, and 2014. The average of these three results was used to determine the 2016 stretch factor published in July 2015. The 2015 cost performance results are then presented and a new three-year average of the 2013-2015 cost performance is calculated to determine the 2017 stretch factor. This updated average cost performance is used to assign updated stretch factors to distributors.

The last column presents the difference between the updated average cost performance and that calculated previously. All but six distributors had average cost performance that changed by less than 5%.

The average actual cost performance of the 71 LDC benchmarked was better than predicted by the model by 1.14% in 2011, 0.06% in 2013, 2.51% in 2014, and 2.61% in 2015. It was worse than predicted by 0.67% in 2012. Part of the 2012 performance can be explained by the impact of previously deferred accounting smart meter OM&A expenses included in measured cost. Average 2013-2015 cost performance for the industry improved by 1.09% relative to 2012-2014 levels. This improvement in average performance is due to the overall cost performance improvement in 2015 and given that the 2012 inferior performance is excluded from the new three-year average.

As part of its procedures to improve data quality, OEB staff invited distributors to submit corrections to previously provided data. OEB Staff reviewed and considered the data corrections requests and PEG evaluated the data provided in response to the data request to identify any warranted corrections. The revised data were incorporated into the databases and the 2014 results were recalculated to demonstrate the impact. Table 3 (B) shows the impact of LDC data revisions on 2014 cost performance.

Updated stretch factors are assigned based on a three-year average of actual less predicted cost over the 2013-2015 period. As discussed in the Board Report, distributors that averaged

25% or more below cost received the lowest stretch factor of 0%. Those that averaged between 10% and 25% below cost received a stretch factor of 0.15%. Those within 10% of predicted cost received a stretch factor of 0.30%. Those distributors that had cost in excess of 10% to 25% of that predicted received a stretch factor of 0.45%. Any distributors that had cost in excess of 25% were assigned the highest stretch factor of 0.60%.

Table 4 presents a summary of the current and previous years' cost performance results and corresponding stretch factors. The assigned stretch factor for almost every company was not affected by the 2015 update. A total of ten companies have been assigned different stretch factors. Of these, seven now have lower stretch factors and three have higher stretch factors. Table 5 presents the updated stretch factor assignments in the format of Appendix D of the Board report.

Many more distributors changed stretch factors with this update than have in the past. One reason for the greater number of changes is that the relatively poor measured performance in 2012 has been dropped from the new three-year average (i.e., 2013-2015). A second reason is that LDCs on average have maintained the performance gains achieved in 2014 and in some cases improved upon that in 2015. The last reason is that many of the LDCs that changed stretch factors were quite close to the threshold criteria for changing cohorts as a result of the previous update and only modest changes in performance were required.

5. Validation and Other Supporting Documents

As part of their reporting requirements, distributors are asked to validate the numbers contained in their scorecard. Many distributors had difficulty understanding and validating the results contained in previous benchmarking reports. As part of its process improvement initiative, OEB Staff commissioned additional work to make these calculations more accessible and transparent. In collaboration with a committee of industry members, the working papers and documentation were upgraded with the purpose of making them a tool to assist LDCs in validating their benchmarking results. The result was an enhanced benchmarking Spreadsheet

Model and a User's Guide which are available on the OEB's website[9]. A webinar and training session were also held to assist the industry in using these new tools.

This spreadsheet model was updated to include 2015 data and produces the updated benchmarking results contained in this report. The updated Spreadsheet Model builds on the previous version by adding additional worksheets related to the 2015 calculations. The format of the additional sheets is identical to those provided earlier and the User's Guide will be applicable to the new worksheets. The guide is intended to serve as a tool for distributors to the end of the IRM 4 term. It should also be noted that improved forecasting worksheets will become available soon. These will support the Board's new filing requirements for LDCs seeking new rates. Those wishing to forecast future cost performance may wish to find and use the improved documents instead of those included in the Spreadsheet Model.

[9] The spreadsheet model and users guide are available in the Measuring Performance of Electricity Distributors section of the OEB's website

Table 1

Calculation of 2015 Total Cost

Variable	Reference	Formula	Source
Total Cost		= OM&A + Capital Cost	Formula
OM&A		= A+B+C+D+E+F+G-I+J	Formula
2014 Operation	A		RRR
2014 Maintenance	B		RRR
2014 Billing and Collection	C		RRR
2014 Community Relations	D		RRR
2014 Administrative and General Expenses	E		RRR
2014 Insurance Expense	F		RRR
2014 Advertising Expenses	G		RRR
Adjustments to OM&A			
2014 Smart Meter	H		Data Request
2014 HV Adjustment	I		RRR
2014 LV Adjustment	J		Hydro One Networks
Capital			
2013 Asset Price Index	K		PEG Report Working Papers
2013 Capital Price	L		PEG Report Working Papers
2013 Capital Quantity	M		PEG Report Working Papers
2013 Capital cost	N		PEG Report Working Papers
2014 Asset Price Index	O	=K x (GDPPI-FDD 2015 / GDPPI-FDD 2014)	Formula, Statistics Canada
2014 Capital Additions	P		RRR
2014 HV Capital Additions	Q		RRR
2014 Quantity of Capital Additions	R	=(P-Q) / O	Formula
Depreciation Rate	S	Fixed at 4.59% for All Years	PEG Report
2014 Capital Quantity	T	= M - S x M + R	Formula
2014 Rate of Return	U	= 4 months @ 6.56% + 8 months @ 6.48	OEB Staff
2014 Capital Price	V	=U x K + S x O	Formula
2014 Capital Cost	W	= V x T	Formula

Table 2

Total Cost by Distributor: 2014 vs. 2015

	OM&A Cost			Capital Cost			Total Cost		
	2014	2015	Percent Change	2014	2015	Percent Change	2014	2015	Percent Change
Algoma Power Inc.	11,031,281	11,595,831	5.0%	12,133,431	13,006,079	6.9%	23,164,712	24,601,909	6.0%
Atikokan Hydro Inc.	825,680	1,025,877	21.7%	504,594	520,642	3.1%	1,330,274	1,546,519	15.1%
Bluewater Power Distribution Corporation	11,467,313	11,951,307	4.1%	11,563,039	12,094,039	4.5%	23,030,353	24,045,346	4.3%
Brant County Power Inc.	3,605,386	3,053,613	-16.6%	3,427,827	3,604,631	5.0%	7,033,213	6,658,245	-5.5%
Brantford Power Inc.	8,559,999	8,836,881	3.2%	10,999,115	11,200,080	1.8%	19,559,114	20,036,961	2.4%
Burlington Hydro Inc.	16,711,821	17,198,232	2.9%	23,355,611	23,858,572	2.1%	40,067,432	41,056,804	2.4%
Cambridge And North Dumfries Hydro Inc.	14,116,772	14,084,888	-0.2%	19,261,333	20,221,458	4.9%	33,378,105	34,306,346	2.7%
Canadian Niagara Power Inc.	9,120,471	9,169,775	0.5%	12,476,445	13,164,599	5.4%	21,596,916	22,334,375	3.4%
Centre Wellington Hydro Ltd.	2,042,974	2,106,952	3.1%	2,163,672	2,309,342	6.5%	4,206,646	4,416,294	4.9%
Chapleau Public Utilities Corporation	712,902	709,664	-0.5%	186,972	193,096	3.2%	899,874	902,761	0.3%
Collus PowerStream Corp.	4,574,789	4,712,043	3.0%	3,880,589	4,045,440	4.2%	8,455,378	8,757,483	3.5%
Cooperative Hydro Embrun Inc.	567,325	613,272	7.8%	486,277	484,185	-0.4%	1,053,602	1,097,457	4.1%
E.L.K. Energy Inc.	2,191,873	2,585,912	16.5%	2,363,041	2,418,720	2.3%	4,554,914	5,004,632	9.4%
Enersource Hydro Mississauga Inc.	50,285,453	58,060,012	14.4%	90,091,164	96,497,716	6.9%	140,376,617	154,557,727	9.6%
Entegrus Powerlines Inc.	8,803,869	8,867,629	0.7%	12,764,635	13,451,018	5.2%	21,568,504	22,318,647	3.4%
Enwin Utilities Ltd.	22,773,168	23,151,257	1.6%	36,334,282	37,815,580	4.0%	59,107,450	60,966,837	3.1%
Erie Thames Powerlines Corporation	5,588,421	5,682,216	1.7%	5,912,627	6,406,220	8.0%	11,501,048	12,088,436	5.0%
Espanola Regional Hydro Distribution Corporation	1,243,153	1,434,729	14.3%	744,110	730,417	-1.9%	1,987,263	2,165,145	8.6%
Essex Powerlines Corporation	6,639,108	6,658,006	0.3%	8,371,806	8,878,761	5.9%	15,010,914	15,536,766	3.4%
Festival Hydro Inc.	5,001,586	5,095,654	1.9%	7,918,709	8,043,549	1.6%	12,920,295	13,139,203	1.7%
Fort Frances Power Corporation	1,562,510	1,575,629	0.8%	887,033	885,390	-0.2%	2,449,543	2,461,019	0.5%
Greater Sudbury Hydro Inc.	14,850,227	13,121,322	-12.4%	15,984,783	16,535,028	3.4%	30,835,010	29,656,350	-3.9%
Grimsby Power Incorporated	2,772,130	2,874,146	3.6%	3,341,434	3,539,179	5.7%	6,113,565	6,413,324	4.8%
Guelph Hydro Electric Systems Inc.	13,774,320	14,875,578	7.7%	18,058,058	19,106,176	5.6%	31,832,379	33,981,754	6.5%
Haldimand County Hydro Inc.	7,467,454	7,564,017	1.3%	7,699,770	8,587,759	10.9%	15,167,224	16,151,776	6.3%
Halton Hills Hydro Inc.	5,201,623	5,780,049	10.5%	9,894,897	10,542,343	6.3%	15,096,520	16,322,392	7.8%
Hearst Power Distribution Company Limited	969,120	1,218,971	22.9%	333,833	345,673	3.5%	1,302,953	1,564,645	18.3%
Horizon Utilities Corporation	56,905,306	61,775,706	8.2%	69,205,749	73,044,736	5.4%	126,111,055	134,820,442	6.7%
Hydro 2000 Inc.	440,682	517,394	16.0%	149,884	149,840	0.0%	590,567	667,233	12.2%
Hydro Hawkesbury Inc.	944,391	894,852	-5.4%	486,981	541,313	10.6%	1,431,371	1,436,164	0.3%
Hydro One Brampton Networks Inc.	25,548,449	26,810,797	4.8%	66,581,113	70,423,423	5.6%	92,129,562	97,234,221	5.4%
Hydro One Networks Inc. (includes Norfolk)	592,224,124	529,290,910	-11.2%	711,978,077	706,792,807	-0.7%	1,304,202,201	1,236,083,718	-5.4%
Hydro Ottawa Limited	75,953,201	76,651,196	0.9%	123,288,977	135,941,262	9.8%	199,242,178	212,592,457	6.5%
InnPower	5,190,664	5,396,319	3.9%	6,876,469	8,869,333	25.4%	12,067,133	14,265,653	16.7%
Kenora Hydro Electric Corporation Ltd.	1,908,790	2,227,470	15.4%	1,172,151	1,211,508	3.3%	3,080,941	3,438,978	11.0%
Kingston Hydro Corporation	6,133,832	6,534,223	6.3%	7,661,944	7,809,654	1.9%	13,795,776	14,343,877	3.9%
Kitchener-Wilmot Hydro Inc.	14,798,493	14,237,678	-3.9%	28,468,894	30,164,841	5.8%	43,267,387	44,402,520	2.6%
Lakefront Utilities Inc.	2,306,656	2,180,798	-5.6%	2,197,896	2,340,228	6.3%	4,504,552	4,521,027	0.4%
Lakeland Power Distribution Ltd.	5,324,798	5,369,253	0.8%	4,506,267	4,725,380	4.7%	9,831,066	10,094,634	2.6%
London Hydro Inc.	31,012,257	33,285,766	7.1%	42,016,345	44,523,701	5.8%	73,028,603	77,809,466	6.3%
Midland Power Utility Corporation	2,328,114	2,390,722	2.7%	2,440,018	2,439,700	0.0%	4,768,132	4,830,423	1.3%
Milton Hydro Distribution Inc.	8,489,860	9,832,673	14.7%	15,351,857	16,658,228	8.2%	23,841,717	26,490,901	10.5%
Newmarket-Tay Power Distribution Ltd.	7,826,753	7,157,789	-8.9%	11,895,671	13,192,043	10.3%	19,722,424	20,349,832	3.1%

Table 2

Total Cost by Distributor: 2014 vs. 2015

	OM&A Cost			Capital Cost			Total Cost		
	2014	2015	Percent Change	2014	2015	Percent Change	2014	2015	Percent Change
Niagara Peninsula Energy Inc.	16,436,186	16,150,052	-1.8%	22,078,192	23,134,791	4.7%	38,514,378	39,284,843	2.0%
Niagara-On-The-Lake Hydro Inc.	2,069,966	2,227,069	7.3%	4,055,402	4,135,356	2.0%	6,125,368	6,362,425	3.8%
North Bay Hydro Distribution Limited	6,149,168	6,012,467	-2.2%	9,674,089	10,173,641	5.0%	15,823,257	16,186,108	2.3%
Northern Ontario Wires Inc.	2,507,163	2,293,522	-8.9%	1,387,521	1,397,137	0.7%	3,894,684	3,690,659	-5.4%
Oakville Hydro Electricity Distribution Inc.	16,768,977	17,379,030	3.6%	31,195,312	31,963,823	2.4%	47,964,288	49,342,853	2.8%
Orangeville Hydro Limited	3,224,243	3,280,264	1.7%	3,519,682	3,567,774	1.4%	6,743,925	6,848,039	1.5%
Orillia Power Distribution Corporation	4,473,442	4,427,205	-1.0%	3,684,614	3,832,291	3.9%	8,158,056	8,259,496	1.2%
Oshawa PUC Networks Inc.	10,490,056	11,377,239	8.1%	17,947,690	19,136,503	6.4%	28,437,746	30,513,742	7.0%
Ottawa River Power Corporation	2,867,905	2,770,875	-3.4%	2,399,009	2,440,395	1.7%	5,266,914	5,211,270	-1.1%
Peterborough Distribution Incorporated	8,381,000	7,951,782	-5.3%	12,818,120	13,322,415	3.9%	21,199,119	21,274,198	0.4%
Powerstream Inc.	81,488,867	87,218,390	6.8%	161,026,007	172,054,363	6.6%	242,514,874	259,272,753	6.7%
PUC Distribution Inc.	10,634,034	10,829,422	1.8%	12,111,959	12,514,935	3.3%	22,745,993	23,344,357	2.6%
Renfrew Hydro Inc.	1,218,576	1,313,914	7.5%	1,155,129	1,180,431	2.2%	2,373,705	2,494,345	5.0%
Rideau St. Lawrence Distribution Inc.	1,921,553	2,100,784	8.9%	1,070,649	1,107,872	3.4%	2,992,202	3,208,656	7.0%
Sioux Lookout Hydro Inc.	1,549,444	1,399,313	-10.2%	865,948	875,854	1.1%	2,415,392	2,275,167	-6.0%
St. Thomas Energy Inc.	3,911,993	3,793,637	-3.1%	4,814,330	4,962,107	3.0%	8,726,323	8,755,744	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	13,592,911	13,874,655	2.1%	17,418,698	18,243,153	4.6%	31,011,609	32,117,808	3.5%
Tillsonburg Hydro Inc.	2,466,576	2,468,045	0.1%	2,096,975	2,105,998	0.4%	4,563,551	4,574,042	0.2%
Toronto Hydro-Electric System Limited	228,241,694	228,941,345	0.3%	491,640,605	529,658,269	7.4%	719,882,298	758,599,613	5.2%
Veridian Connections Inc.	25,228,244	25,547,095	1.3%	40,872,122	42,801,102	4.6%	66,100,366	68,348,197	3.3%
Wasaga Distribution Inc.	2,805,827	2,804,267	-0.1%	2,683,425	2,726,146	1.6%	5,489,253	5,530,413	0.7%
Waterloo North Hydro Inc.	13,122,197	12,148,950	-7.7%	28,695,634	30,096,101	4.8%	41,817,831	42,245,051	1.0%
Welland Hydro-Electric System Corp.	6,003,761	6,172,834	2.8%	4,862,068	5,007,650	3.0%	10,865,829	11,180,484	2.9%
Wellington North Power Inc.	1,700,706	1,644,603	-3.4%	1,244,762	1,301,376	4.4%	2,945,468	2,945,979	0.0%
West Coast Huron Energy Inc.	1,656,072	1,721,457	3.9%	1,324,033	1,404,851	5.9%	2,980,105	3,126,308	4.8%
Westario Power Inc.	5,149,478	5,196,668	0.9%	7,170,085	7,430,581	3.6%	12,319,563	12,627,249	2.5%
Whitby Hydro Electric Corporation	10,310,518	11,079,403	7.2%	15,854,816	17,161,497	7.9%	26,165,333	28,240,900	7.6%
Woodstock Hydro Services Inc.	3,907,210	3,957,009	1.3%	7,653,724	7,716,824	0.8%	11,560,933	11,673,832	1.0%
Average			2.59%			4.48%			3.88%
Median			1.82%			4.45%			3.36%

Table 3 (A)

Summary of Cost Performance Results

	Cost Performance							
	2011	2012	2013	2014	2015	2012-2014	2013-2015	Difference from 2012-2014
Algoma Power Inc.	68.1%	66.4%	71.2%	68.1%	70.6%	68.6%	70.0%	1.4%
Atikokan Hydro Inc.	7.7%	32.9%	11.6%	-4.9%	9.7%	13.2%	5.5%	-7.7%
Bluewater Power Distribution Corporation	1.7%	6.4%	5.9%	0.3%	0.8%	4.2%	2.3%	-1.9%
Brant County Power Inc.	22.4%	11.5%	5.5%	-3.6%	-13.6%	4.5%	-3.9%	-8.4%
Brantford Power Inc.	-2.5%	4.7%	0.7%	-3.6%	-6.1%	0.6%	-3.0%	-3.6%
Burlington Hydro Inc.	-7.1%	-9.0%	-7.5%	-9.4%	-10.3%	-8.6%	-9.0%	-0.4%
Cambridge And North Dumfries Hydro Inc.	-7.8%	-3.3%	0.5%	-1.9%	-3.6%	-1.6%	-1.7%	-0.1%
Canadian Niagara Power Inc.	15.6%	10.0%	13.8%	12.9%	13.0%	12.2%	13.2%	1.0%
Centre Wellington Hydro Ltd.	-4.9%	0.4%	0.4%	-3.1%	-1.2%	-0.8%	-1.3%	-0.5%
Chapleau Public Utilities Corporation	14.8%	24.0%	20.5%	27.7%	23.9%	24.1%	24.0%	0.0%
Collus PowerStream Corp.	-9.5%	-1.2%	-12.3%	-14.2%	-14.2%	-9.2%	-13.6%	-4.3%
Cooperative Hydro Embrun Inc.	-16.9%	-26.4%	-18.9%	-29.7%	-33.2%	-25.0%	-27.3%	-2.3%
E.L.K. Energy Inc.	-26.2%	-25.4%	-33.2%	-44.9%	-34.7%	-34.5%	-37.6%	-3.1%
Enersource Hydro Mississauga Inc.	-16.1%	-9.5%	-10.7%	-13.9%	-8.2%	-11.4%	-11.0%	0.4%
Entegrus Powerlines Inc.	-13.4%	-10.9%	-12.5%	-16.7%	-17.3%	-13.4%	-15.5%	-2.2%
Enwin Utilities Ltd.	16.8%	23.9%	10.3%	10.9%	9.9%	15.0%	10.3%	-4.6%
Erie Thames Powerlines Corporation	14.4%	3.9%	7.9%	7.0%	7.0%	6.3%	7.3%	1.0%
Espanola Regional Hydro Distribution Corporation	-21.8%	-15.5%	-19.3%	-25.4%	-20.4%	-20.1%	-21.7%	-1.6%
Essex Powerlines Corporation	-17.1%	-12.6%	-17.2%	-12.7%	-13.5%	-14.2%	-14.5%	-0.3%
Festival Hydro Inc.	18.0%	20.2%	19.6%	16.6%	14.0%	18.8%	16.8%	-2.1%
Fort Frances Power Corporation	10.5%	11.7%	6.4%	5.6%	5.1%	7.9%	5.7%	-2.2%
Greater Sudbury Hydro Inc.	14.1%	16.7%	4.8%	14.9%	8.0%	12.2%	9.3%	-2.9%
Grimsby Power Incorporated	-18.6%	-9.6%	-16.9%	-17.3%	-17.0%	-14.6%	-17.0%	-2.5%
Guelph Hydro Electric Systems Inc.	14.7%	-2.0%	0.8%	-4.8%	-3.8%	-2.0%	-2.6%	-0.6%
Haldimand County Hydro Inc.	-24.1%	-18.7%	-23.7%	-23.6%	-21.4%	-22.0%	-22.9%	-0.9%
Halton Hills Hydro Inc.	-24.9%	-27.5%	-35.7%	-31.3%	-28.2%	-31.5%	-31.7%	-0.2%
Hearst Power Distribution Company Limited	-30.1%	-28.4%	-33.1%	-22.4%	-7.4%	-28.0%	-21.0%	7.0%
Horizon Utilities Corporation	-13.7%	-6.9%	-5.5%	-5.3%	-2.1%	-5.9%	-4.3%	1.6%
Hydro 2000 Inc.	-12.2%	-0.8%	-1.0%	-15.3%	-6.2%	-5.7%	-7.5%	-1.8%
Hydro Hawkesbury Inc.	-59.4%	-55.8%	-51.1%	-64.3%	-68.1%	-57.1%	-61.2%	-4.1%
Hydro One Brampton Networks Inc.	-7.4%	-9.2%	-5.7%	-3.3%	-2.9%	-6.0%	-4.0%	2.1%

Table 3 (A)

Summary of Cost Performance Results

	Cost Performance							
	2011	2012	2013	2014	2015	2012-2014	2013-2015	Difference from 2012-2014
Hydro One Networks Inc.	57.3%	58.7%	27.3%	29.8%	20.3%	38.6%	25.8%	-12.8%
Hydro Ottawa Limited	-2.6%	7.8%	8.5%	12.7%	15.2%	9.6%	12.1%	2.5%
InnPower	-6.2%	-2.4%	-2.8%	-2.8%	8.5%	-2.7%	1.0%	3.6%
Kenora Hydro Electric Corporation Ltd.	-4.6%	-5.2%	-11.2%	-11.0%	-3.9%	-9.1%	-8.7%	0.4%
Kingston Hydro Corporation	2.2%	2.4%	3.7%	-3.6%	-3.1%	0.8%	-1.0%	-1.8%
Kitchener-Wilmot Hydro Inc.	-22.8%	-20.7%	-19.3%	-19.0%	-22.3%	-19.7%	-20.2%	-0.5%
Lakefront Utilities Inc.	-12.5%	-18.7%	-7.4%	-16.0%	-22.1%	-14.0%	-15.2%	-1.1%
Lakeland Power Distribution Ltd.	-10.0%	-6.4%	-0.9%	-1.9%	-7.6%	-3.1%	-3.5%	-0.4%
London Hydro Inc.	-10.1%	-11.1%	-11.0%	-12.8%	-9.9%	-11.7%	-11.3%	0.4%
Midland Power Utility Corporation	17.0%	19.6%	18.6%	15.2%	13.8%	17.8%	15.9%	-1.9%
Milton Hydro Distribution Inc.	-3.0%	-37.6%	-4.5%	-4.0%	2.7%	-15.4%	-1.9%	13.4%
Newmarket-Tay Power Distribution Ltd.	-21.0%	-19.5%	-19.5%	-18.6%	-19.3%	-19.2%	-19.1%	0.1%
Niagara Peninsula Energy Inc.	5.2%	10.2%	1.1%	7.7%	4.5%	6.4%	4.5%	-1.9%
Niagara-On-The-Lake Hydro Inc.	6.5%	2.7%	-0.7%	-2.8%	-6.6%	-0.3%	-3.4%	-3.1%
North Bay Hydro Distribution Limited	5.5%	5.8%	5.4%	8.2%	7.0%	6.5%	6.9%	0.4%
Northern Ontario Wires Inc.	-35.7%	-25.8%	-21.5%	-32.6%	-42.2%	-26.6%	-32.1%	-5.5%
Oakville Hydro Electricity Distribution Inc.	12.4%	10.6%	13.8%	8.7%	6.9%	11.0%	9.8%	-1.2%
Orangeville Hydro Limited	1.6%	0.8%	0.1%	-4.0%	-7.6%	-1.0%	-3.8%	-2.8%
Orillia Power Distribution Corporation	-1.9%	-3.7%	-4.7%	-5.3%	-8.0%	-4.6%	-6.0%	-1.4%
Oshawa PUC Networks Inc.	-18.0%	-14.5%	-17.4%	-18.1%	-14.9%	-16.7%	-16.8%	-0.1%
Ottawa River Power Corporation	2.7%	0.0%	4.3%	-6.9%	-9.3%	-0.9%	-4.0%	-3.1%
Peterborough Distribution Incorporated	15.6%	13.2%	14.5%	14.5%	11.0%	14.1%	13.3%	-0.7%
Powerstream Inc.	-6.4%	1.2%	3.0%	5.6%	8.1%	3.3%	5.6%	2.3%
PUC Distribution Inc.	-5.2%	13.4%	22.7%	14.6%	16.2%	16.9%	17.8%	0.9%
Renfrew Hydro Inc.	18.3%	18.3%	15.7%	10.4%	10.6%	14.8%	12.2%	-2.6%
Rideau St. Lawrence Distribution Inc.	-13.8%	-6.7%	-7.2%	-8.1%	-4.8%	-7.4%	-6.7%	0.6%
Sioux Lookout Hydro Inc.	-1.4%	7.2%	2.9%	6.2%	-4.3%	5.4%	1.6%	-3.8%
St. Thomas Energy Inc.	-4.5%	6.8%	-0.3%	-6.3%	-10.3%	0.1%	-5.6%	-5.7%
Thunder Bay Hydro Electricity Distribution Inc.	8.0%	-2.8%	8.2%	7.4%	8.6%	4.2%	8.1%	3.8%
Tillsonburg Hydro Inc.	10.7%	12.2%	19.5%	4.4%	-0.5%	12.0%	7.8%	-4.2%
Toronto Hydro-Electric System Limited	47.7%	45.1%	48.4%	49.9%	51.5%	47.8%	49.9%	2.1%

Table 3 (A)

Summary of Cost Performance Results

	Cost Performance							
	2011	2012	2013	2014	2015	2012-2014	2013-2015	Difference from 2012-2014
Veridian Connections Inc.	-4.5%	2.4%	-4.5%	-3.0%	-2.7%	-1.7%	-3.4%	-1.7%
Wasaga Distribution Inc.	-46.3%	-37.8%	-41.6%	-41.6%	-45.6%	-40.3%	-42.9%	-2.6%
Waterloo North Hydro Inc.	6.4%	4.3%	10.6%	11.0%	8.2%	8.6%	9.9%	1.3%
Welland Hydro-Electric System Corp.	-16.2%	-10.4%	-15.2%	-17.3%	-18.7%	-14.3%	-17.0%	-2.8%
Wellington North Power Inc.	18.0%	12.8%	17.7%	14.2%	11.8%	14.9%	14.6%	-0.3%
West Coast Huron Energy Inc.	16.0%	34.8%	41.4%	32.8%	33.5%	36.3%	35.9%	-0.4%
Westario Power Inc.	-0.2%	-1.4%	2.2%	-4.2%	-6.0%	-1.1%	-2.6%	-1.5%
Whitby Hydro Electric Corporation	-3.0%	-7.0%	-5.7%	-6.8%	-2.6%	-6.5%	-5.0%	1.5%
Woodstock Hydro Services Inc.	32.9%	29.0%	25.9%	23.0%	19.5%	25.9%	22.8%	-3.2%
Average	-1.14%	0.67%	-0.06%	-2.51%	-2.61%	-0.63%	-1.73%	-1.09%

Table 3 (B)

Summary of the Impact of Revisions on Cost Performance Results

	2014 Cost Performance			2012-2014 Average Cost Performance		
	As Previously Calculated	As Revised	Difference	As Previously Calculated	As Revised	Difference
Algoma Power Inc.	68.1%	68.5%	0.4%	68.6%	68.7%	0.1%
Atikokan Hydro Inc.	-4.9%	-4.9%	0.0%	13.2%	13.2%	0.0%
Bluewater Power Distribution Corporation	0.3%	0.4%	0.0%	4.2%	4.2%	0.0%
Brant County Power Inc.	-3.6%	-3.2%	0.4%	4.5%	4.6%	0.1%
Brantford Power Inc.	-3.6%	-3.5%	0.2%	0.6%	0.6%	0.1%
Burlington Hydro Inc.	-9.4%	-9.0%	0.4%	-8.6%	-8.5%	0.1%
Cambridge And North Dumfries Hydro Inc.	-1.9%	-2.0%	-0.1%	-1.6%	-1.6%	0.0%
Canadian Niagara Power Inc.	12.9%	13.6%	0.8%	12.2%	12.5%	0.3%
Centre Wellington Hydro Ltd.	-3.1%	-1.8%	1.3%	-0.8%	-0.3%	0.4%
Chapleau Public Utilities Corporation	27.7%	27.7%	0.0%	24.1%	24.1%	0.0%
Collus PowerStream Corp.	-14.2%	-13.8%	0.4%	-9.2%	-9.1%	0.1%
Cooperative Hydro Embrun Inc.	-29.7%	-29.5%	0.1%	-24.98%	-24.94%	0.0%
E.L.K. Energy Inc.	-44.9%	-45.3%	-0.4%	-34.5%	-34.7%	-0.1%
Enersource Hydro Mississauga Inc.	-13.9%	-13.9%	0.0%	-11.4%	-11.4%	0.0%
Entegrus Powerlines Inc.	-16.7%	-16.7%	0.0%	-13.4%	-13.4%	0.0%
Enwin Utilities Ltd.	10.9%	10.7%	-0.2%	15.0%	14.9%	-0.1%
Erie Thames Powerlines Corporation	7.0%	6.8%	-0.2%	6.3%	6.2%	-0.1%
Espanola Regional Hydro Distribution Corporation	-25.4%	-25.3%	0.1%	-20.1%	-20.0%	0.0%
Essex Powerlines Corporation	-12.7%	-12.7%	0.0%	-14.2%	-14.2%	0.0%
Festival Hydro Inc.	16.6%	16.7%	0.1%	18.8%	18.9%	0.0%
Fort Frances Power Corporation	5.6%	7.9%	2.3%	7.9%	8.7%	0.8%
Greater Sudbury Hydro Inc.	14.9%	15.8%	0.8%	12.2%	12.4%	0.3%
Grimsby Power Incorporated	-17.3%	-17.3%	0.0%	-14.6%	-14.6%	0.0%
Guelph Hydro Electric Systems Inc.	-4.8%	-4.8%	0.1%	-2.0%	-2.0%	0.0%
Haldimand County Hydro Inc.	-23.6%	-23.6%	0.0%	-22.0%	-22.0%	0.0%
Halton Hills Hydro Inc.	-31.3%	-31.3%	0.0%	-31.5%	-31.5%	0.0%
Hearst Power Distribution Company Limited	-22.4%	-22.4%	0.0%	-28.0%	-28.0%	0.0%

Table 3 (B)

Summary of the Impact of Revisions on Cost Performance Results

	2014 Cost Performance			2012-2014 Average Cost Performance		
	As Previously Calculated	As Revised	Difference	As Previously Calculated	As Revised	Difference
Horizon Utilities Corporation	-5.3%	-4.8%	0.5%	-5.9%	-5.8%	0.2%
Hydro 2000 Inc.	-15.3%	-14.6%	0.7%	-5.7%	-5.5%	0.2%
Hydro Hawkesbury Inc.	-64.3%	-64.3%	0.0%	-57.1%	-57.1%	0.0%
Hydro One Brampton Networks Inc.	-3.3%	-3.4%	-0.1%	-6.0%	-6.1%	0.0%
Hydro One Networks Inc.	29.8%	30.1%	0.3%	38.6%	38.7%	0.1%
Hydro Ottawa Limited	12.7%	12.7%	0.0%	9.6%	9.7%	0.0%
InnPower	-2.8%	-2.4%	0.4%	-2.7%	-2.5%	0.1%
Kenora Hydro Electric Corporation Ltd.	-11.0%	-11.0%	0.0%	-9.1%	-9.1%	0.0%
Kingston Hydro Corporation	-3.6%	-2.9%	0.7%	0.8%	1.0%	0.2%
Kitchener-Wilmot Hydro Inc.	-19.0%	-20.8%	-1.8%	-19.7%	-20.3%	-0.6%
Lakefront Utilities Inc.	-16.0%	-17.7%	-1.6%	-14.0%	-14.6%	-0.5%
Lakeland Power Distribution Ltd.	-1.9%	-1.9%	0.0%	-3.1%	-3.1%	na
London Hydro Inc.	-12.8%	-12.4%	0.4%	-11.7%	-11.5%	0.1%
Midland Power Utility Corporation	15.2%	16.9%	1.8%	17.8%	18.4%	0.6%
Milton Hydro Distribution Inc.	-4.0%	-4.0%	0.0%	-15.4%	-15.4%	0.0%
Newmarket-Tay Power Distribution Ltd.	-18.6%	-18.6%	0.0%	-19.2%	-19.2%	0.0%
Niagara Peninsula Energy Inc.	7.7%	7.9%	0.1%	6.4%	6.4%	0.0%
Niagara-On-The-Lake Hydro Inc.	-2.8%	-3.4%	-0.6%	-0.3%	-0.5%	-0.2%
North Bay Hydro Distribution Limited	8.2%	8.4%	0.1%	6.5%	6.5%	0.0%
Northern Ontario Wires Inc.	-32.6%	-32.7%	-0.1%	-26.6%	-26.6%	0.0%
Oakville Hydro Electricity Distribution Inc.	8.7%	8.8%	0.1%	11.0%	11.1%	0.0%
Orangeville Hydro Limited	-4.0%	-4.0%	0.0%	-1.0%	-1.0%	0.0%
Orillia Power Distribution Corporation	-5.3%	-5.3%	0.0%	-4.6%	-4.6%	0.0%
Oshawa PUC Networks Inc.	-18.1%	-17.8%	0.3%	-16.7%	-16.6%	0.1%
Ottawa River Power Corporation	-6.9%	-3.7%	3.2%	-0.9%	0.2%	1.1%
Peterborough Distribution Incorporated	14.5%	14.9%	0.5%	14.1%	14.2%	0.2%
Powerstream Inc.	5.6%	5.3%	-0.2%	3.3%	3.2%	-0.1%

Table 3 (B)

Summary of the Impact of Revisions on Cost Performance Results

	2014 Cost Performance			2012-2014 Average Cost Performance		
	As Previously Calculated	As Revised	Difference	As Previously Calculated	As Revised	Difference
PUC Distribution Inc.	14.6%	16.8%	2.3%	16.9%	17.6%	0.8%
Renfrew Hydro Inc.	10.4%	10.4%	0.0%	14.8%	14.8%	0.0%
Rideau St. Lawrence Distribution Inc.	-8.1%	-7.6%	0.5%	-7.4%	-7.2%	0.2%
Sioux Lookout Hydro Inc.	6.2%	6.2%	0.0%	5.4%	5.4%	0.0%
St. Thomas Energy Inc.	-6.3%	-6.3%	0.0%	0.1%	0.1%	0.0%
Thunder Bay Hydro Electricity Distribution Inc.	7.4%	8.8%	1.4%	4.2%	4.7%	0.5%
Tillsonburg Hydro Inc.	4.4%	4.4%	0.0%	12.0%	12.0%	0.0%
Toronto Hydro-Electric System Limited	49.9%	49.9%	0.0%	47.8%	47.8%	0.0%
Veridian Connections Inc.	-3.0%	-2.5%	0.5%	-1.7%	-1.5%	0.2%
Wasaga Distribution Inc.	-41.6%	-41.6%	0.0%	-40.3%	-40.3%	0.0%
Waterloo North Hydro Inc.	11.0%	11.6%	0.6%	8.6%	8.8%	0.2%
Welland Hydro-Electric System Corp.	-17.3%	-17.1%	0.2%	-14.3%	-14.2%	0.1%
Wellington North Power Inc.	14.2%	14.8%	0.5%	14.9%	15.1%	0.2%
West Coast Huron Energy Inc.	32.8%	32.9%	0.1%	36.3%	36.4%	0.0%
Westario Power Inc.	-4.2%	-4.2%	0.0%	-1.1%	-1.1%	0.0%
Whitby Hydro Electric Corporation	-6.8%	-6.3%	0.5%	-6.5%	-6.4%	0.2%
Woodstock Hydro Services Inc.	23.0%	23.3%	0.3%	25.9%	26.1%	0.1%

Table 4

Summary of Stretch Factor Assignments

	2012-2014		2013-2015		Change in Stretch Factor
	Benchmarking Performance	Stretch Factor	Benchmarking Performance	Stretch Factor	
Algoma Power Inc.	68.6%	0.60	70.0%	0.60	NO
Atikokan Hydro Inc.	**13.2%**	**0.45**	**5.5%**	**0.30**	**YES**
Bluewater Power Distribution Corporation	4.2%	0.30	2.3%	0.30	NO
Brant County Power Inc.	4.5%	0.30	-3.9%	0.30	NO
Brantford Power Inc.	0.6%	0.30	-3.0%	0.30	NO
Burlington Hydro Inc.	-8.6%	0.30	-9.0%	0.30	NO
Cambridge And North Dumfries Hydro Inc.	-1.6%	0.30	-1.7%	0.30	NO
Canadian Niagara Power Inc.	12.2%	0.45	13.2%	0.45	NO
Centre Wellington Hydro Ltd.	-0.8%	0.30	-1.3%	0.30	NO
Chapleau Public Utilities Corporation	24.1%	0.45	24.0%	0.45	NO
Collus PowerStream Corp.	**-9.2%**	**0.30**	**-13.6%**	**0.15**	**YES**
Cooperative Hydro Embrun Inc.	**-25.0%**	**0.15**	**-27.3%**	**0.00**	**YES**
E.L.K. Energy Inc.	-34.5%	0.00	-37.6%	0.00	NO
Enersource Hydro Mississauga Inc.	-11.4%	0.15	-11.0%	0.15	NO
Entegrus Powerlines	-13.4%	0.15	-15.5%	0.15	NO
Enwin Utilities Ltd.	15.0%	0.45	10.3%	0.45	NO
Erie Thames Powerlines Corporation	6.3%	0.30	7.3%	0.30	NO
Espanola Regional Hydro Distribution Corporation	-20.1%	0.15	-21.7%	0.15	NO
Essex Powerlines Corporation	-14.2%	0.15	-14.5%	0.15	NO
Festival Hydro Inc.	18.8%	0.45	16.8%	0.45	NO
Fort Frances Power Corporation	7.9%	0.30	5.7%	0.30	NO
Greater Sudbury Hydro Inc.	**12.2%**	**0.45**	**9.3%**	**0.30**	**YES**
Grimsby Power Incorporated	-14.6%	0.15	-17.0%	0.15	NO
Guelph Hydro Electric Systems Inc.	-2.0%	0.30	-2.6%	0.30	NO
Haldimand County Hydro Inc.	-22.0%	0.15	-22.9%	0.15	NO
Halton Hills Hydro Inc.	-31.5%	0.00	-31.7%	0.00	NO
Hearst Power Distribution Company Limited	**-28.0%**	**0.00**	**-21.0%**	**0.15**	**YES**
Horizon Utilities Corporation	-5.9%	0.30	-4.3%	0.30	NO
Hydro 2000 Inc.	-5.7%	0.30	-7.5%	0.30	NO
Hydro Hawkesbury Inc.	-57.1%	0.00	-61.2%	0.00	NO

Table 4

Summary of Stretch Factor Assignments

	2012-2014		2013-2015		Change in Stretch Factor
	Benchmarking Performance	Stretch Factor	Benchmarking Performance	Stretch Factor	
Hydro One Brampton Networks Inc.	-6.0%	0.30	-4.0%	0.30	NO
Hydro One Networks Inc.	38.6%	0.60	25.8%	0.60	NO
Hydro Ottawa Limited	**9.6%**	**0.30**	**12.1%**	**0.45**	**YES**
InnPower	-2.7%	0.30	1.0%	0.30	NO
Kenora Hydro Electric Corporation Ltd.	-9.1%	0.30	-8.7%	0.30	NO
Kingston Hydro Corporation	0.8%	0.30	-1.0%	0.30	NO
Kitchener-Wilmot Hydro Inc.	-19.7%	0.15	-20.2%	0.15	NO
Lakefront Utilities Inc.	-14.0%	0.15	-15.2%	0.15	NO
Lakeland Power Distribution	-3.1%	0.30	-3.5%	0.30	NO
London Hydro Inc.	-11.7%	0.15	-11.3%	0.15	NO
Midland Power Utility Corporation	17.8%	0.45	15.9%	0.45	NO
Milton Hydro Distribution Inc.	**-15.4%**	**0.15**	**-1.9%**	**0.30**	**YES**
Newmarket-Tay Power Distribution Ltd.	-19.2%	0.15	-19.1%	0.15	NO
Niagara Peninsula Energy Inc.	6.4%	0.30	4.5%	0.30	NO
Niagara-On-The-Lake Hydro Inc.	-0.3%	0.30	-3.4%	0.30	NO
North Bay Hydro Distribution Limited	6.5%	0.30	6.9%	0.30	NO
Northern Ontario Wires Inc.	-26.6%	0.00	-32.1%	0.00	NO
Oakville Hydro Electricity Distribution Inc.	**11.0%**	**0.45**	**9.8%**	**0.30**	**YES**
Orangeville Hydro Limited	-1.0%	0.30	-3.8%	0.30	NO
Orillia Power Distribution Corporation	-4.6%	0.30	-6.0%	0.30	NO
Oshawa PUC Networks Inc.	-16.7%	0.15	-16.8%	0.15	NO
Ottawa River Power Corporation	-0.9%	0.30	-4.0%	0.30	NO
Peterborough Distribution Incorporated	14.1%	0.45	13.3%	0.45	NO
Powerstream Inc.	3.3%	0.30	5.6%	0.30	NO
PUC Distribution Inc.	16.9%	0.45	17.8%	0.45	NO
Renfrew Hydro Inc.	14.8%	0.45	12.2%	0.45	NO
Rideau St. Lawrence Distribution Inc.	-7.4%	0.30	-6.7%	0.30	NO
Sioux Lookout Hydro Inc.	5.4%	0.30	1.6%	0.30	NO
St. Thomas Energy Inc.	0.1%	0.30	-5.6%	0.30	NO
Thunder Bay Hydro Electricity Distribution Inc.	4.2%	0.30	8.1%	0.30	NO

Table 4

Summary of Stretch Factor Assignments

	2012-2014		2013-2015		Change in Stretch Factor
	Benchmarking Performance	Stretch Factor	Benchmarking Performance	Stretch Factor	
Tillsonburg Hydro Inc.	**12.0%**	**0.45**	**7.8%**	**0.30**	**YES**
Toronto Hydro-Electric System Limited	47.8%	0.60	49.9%	0.60	NO
Veridian Connections Inc.	-1.7%	0.30	-3.4%	0.30	NO
Wasaga Distribution Inc.	-40.3%	0.00	-42.9%	0.00	NO
Waterloo North Hydro Inc.	8.6%	0.30	9.9%	0.30	NO
Welland Hydro-Electric System Corp.	-14.3%	0.15	-17.0%	0.15	NO
Wellington North Power Inc.	14.9%	0.45	14.6%	0.45	NO
West Coast Huron Energy Inc.	36.3%	0.60	35.9%	0.60	NO
Westario Power Inc.	-1.1%	0.30	-2.6%	0.30	NO
Whitby Hydro Electric Corporation	-6.5%	0.30	-5.0%	0.30	NO
Woodstock Hydro Services Inc.	**25.9%**	**0.60**	**22.8%**	**0.45**	**YES**

Table 5

Stretch Factor Assignments by Group

Group I	Group II	Group III		Group IV	Group V
Stretch Factor = 0%	Stretch Factor = 0.15%	Stretch Factor = 0.30%		Stretch Factor = 0.45%	Stretch Factor = 0.60%
Cooperative Hydro Embrun Inc.	**Collus Power Corporation**	**Atikokan Hydro Inc.**	**Milton Hydro Distribution Inc.**	Canadian Niagara Power Inc.	Algoma Power Inc.
E.L.K. Energy Inc.	Enersource Hydro Mississauga Inc.	Bluewater Power Distribution Corporation	Niagara Peninsula Energy Inc.	Chapleau Public Utilities Corporation	Hydro One Networks Inc.
Halton Hills Hydro Inc.	Entegrus Powerlines	Brantford Power Inc.	Niagara-On-The-Lake Hydro Inc.	Enwin Utilities Ltd.	Toronto Hydro-Electric System Limited
Hydro Hawkesbury Inc.	Espanola Regional Hydro Distribution Corporation	Brant County Power Inc.	North Bay Hydro Distribution Limited	Festival Hydro Inc.	West Coast Huron Energy Inc.
Northern Ontario Wires Inc.	Essex Powerlines Corporation	Burlington Hydro Inc.	**Oakville Hydro Electricity Distribution Inc.**	**Hydro Ottawa Limited**	
Wasaga Distribution Inc.	Grimsby Power Incorporated	Cambridge And North Dumfries Hydro Inc.	Orangeville Hydro Limited	Midland Power Utility Corporation	
	Haldimand County Hydro Inc.	Centre Wellington Hydro Ltd.	Orillia Power Distribution Corporation	Peterborough Distribution Incorporated	
	Hearst Power Distribution Company Limited	**Greater Sudbury Hydro Inc.**	Ottawa River Power Corporation	PUC Distribution Inc.	
	Kitchener	Erie Thames Powerlines Corporation	Powerstream Inc.	Renfrew Hydro Inc.	
	Lakefront Utilities Inc.	Fort Frances Power Corporation	Rideau St. Lawrence Distribution Inc.	Wellington North Power Inc.	
	London Hydro Inc.	Guelph Hydro Electric Systems Inc.	Sioux Lookout Hydro Inc.	**Woodstock Hydro Services Inc.**	
		Horizon Utilities Corporation	St. Thomas Energy Inc.		
	Newmarket	Hydro 2000 Inc.	**Tillsonburg Hydro Inc.**		
	Oshawa PUC Networks Inc.	Hydro One Brampton Networks Inc.	Thunder Bay Hydro Electricity Distribution Inc.		
	Welland Hydro-Electric System Corp.	Innisfil Hydro Distribution Systems Limited	Veridian Connections Inc.		
		Kenora Hydro Electric Corporation Ltd.	Waterloo North Hydro Inc.		
		Kingston Hydro Corporation	Westario Power Inc.		
		Lakeland Power Distribution Ltd.	Whitby Hydro Electric Corporation		