

Scorecard - COLLUS PowerStream Corp.

Performance Outcomes	Performance Categories	Measures	2012	2013	2014	2015	2016	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	98.20%	98.00%	70.90%	73.70%	68.90%		65.00%		
	Customer Satisfaction	First Contact Resolution			99%	99.68	99.06				
		Billing Accuracy			99.94%	99.98%	99.96%		98.00%		
		Customer Satisfaction Survey Results			A	A	71.8				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness				84.00%	84.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	NI	C	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
	Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.000			0.000	
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.51	0.10	0.03	2.36	1.54			0.46	
		Average Number of Times that Power to a Customer is Interrupted ²	0.21	0.73	0.63	0.88	0.84			0.62	
	Asset Management	Distribution System Plan Implementation Progress			In progress	In progress	90.75				
	Cost Control	Efficiency Assessment	3	3	3	2	2				
		Total Cost per Customer ³	\$531	\$500	\$512	\$528	\$541				
Total Cost per Km of Line ³		\$24,270	\$23,849	\$24,260	\$24,739	\$26,084					
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴				9.71%	25.02%			16.86 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%						
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	100.00%		90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.42	1.25	1.10	1.40	1.29				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.49	1.41	1.27	1.41	1.26				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.01%	8.98%	8.98%	8.98%	8.98%			
			Achieved	0.10%	8.40%	11.21%	10.86%	10.03%			

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 fixed 5-year (2010 to 2014) average distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.

3. A benchmarking analysis determines the total cost figures from the distributor's reported information.

4. The CDM measure is based on the new 2015-2020 Conservation First Framework.

Legend:

5-year trend up down flat

Current year target met target not met

2016 Scorecard Management Discussion and Analysis (“2016 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2016 Scorecard MD&A:

<http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf>

Scorecard MD&A - General Overview

Collus PowerStream has successfully achieved productivity and efficiency objectives to better serve our customers. In 2015 and 2016, Collus PowerStream achieved an efficiency assessment of 2 which was assigned based on a three-year average of actual less predicted costs from a benchmarking study commissioned by the Ontario Energy Board. Utilities that average between 10% and 25% below predicted costs are assigned this efficiency factor.

In 2016, Collus PowerStream exceeded all performance targets except for its SAIFI and SAIDI in the system reliability section of the scorecard. In 2015 and continuing into 2016, Collus PowerStream saw a significant increase in the number and duration of scheduled outages because of a major project initiated by Bell Canada who was installing Bell Fibre throughout Collus PowerStream’s service territory. A sizable portion of our utility distribution assets were upgraded from capital contributions from Bell, which is a positive advantage to the utility from the Bell project.

Aging distribution infrastructure continues to be the primary challenge facing utilities today. Like most utilities in Ontario, Collus PowerStream must replace aging infrastructure at an accelerated pace to meet this challenge. In addition, vegetation control, including tree trimming activities, were continued in the year to reduce the vulnerability of the distribution system to external uncontrollable events, such as weather.

Collus PowerStream continues to focus on providing excellent customer service. We offer “customer connect” to assist our customers with interactive information that will permit them to better monitor and control their electricity consumption and allow access to billing history and other reports. Collus PowerStream makes every effort to engage its customers on a regular basis to ensure we are aware of your needs and that you are receiving the best value for your money. Collus PowerStream remains committed to provide its customers with the most reliable service at the least possible cost.

Collus PowerStream will continue its efforts to improve its overall scorecard performance results in the coming years. This performance improvement is expected because of continued investment in both our infrastructure and in our response to your needs.

Service Quality

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

In 2016, Collus PowerStream connected 130 low-voltage connections under 750 volts. 9 were commercial / small business and 121 were residential. Collus PowerStream considers “New Services Connected on Time” as an important form of customer engagement as it is the utilities first opportunity to meet and/or exceed its customer’s expectations, which in turn affects the level of customer satisfaction within a utility’s territory. Consistent with prior years, Collus PowerStream connected 100% of these customers on time, which significantly exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Collus PowerStream expects this trend to continue into the foreseeable future.

- **Scheduled Appointments Met On Time**

Collus PowerStream scheduled 313 appointments in 2016 to connect services, disconnect services, or otherwise complete work requested by its customers. This represents an increase of approximately 40% over 2015, which is driven primarily by new service connections, service upgrades or issues surrounding power quality. Collus PowerStream considers “Scheduled Appointments Met” as an important form of customer engagement as customer presence is required for all types of appointments. Consistent with prior years, Collus PowerStream met 100% of these appointments on time, which significantly exceeds the Ontario Energy Board’s mandated target of 90% for this measure. Collus PowerStream expects this trend to continue into the foreseeable future.

- **Telephone Calls Answered On Time**

In 2016, Collus PowerStream received 23,897 qualified incoming calls from its customers (over 95 calls per business day). The number of qualified incoming calls answered within 30 seconds was 16,461. Collus PowerStream increased its ability to more accurately report this scorecard measure in 2014 with the implementation of a new phone call monitoring system, which explains the decrease between 2013 and 2014. Collus PowerStream considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. Customer service representatives answered 69% of eligible calls in 30 seconds or less, which exceeds the Ontario Energy Board mandated target of 65% for this measure. The measure is 4.80% lower than the previous year due to unanticipated staff leave which has since been rectified. Collus PowerStream expects the metric will be maintained between 70 and 75% for 2017.

Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution is a scorecard measure introduced by the Ontario Energy Board in 2014 as a measure of a distributor's effectiveness at satisfactorily addressing customer complaints. Collus PowerStream defines "First Contact Resolution" as the number of customer inquiries that are not resolved by the first contact at the utility, resulting in the inquiry being escalated to an alternate contact at the utility, typically a supervisor or a manager. This includes all customer inquiries that are made to a customer service representative whether by telephone, letter, e-mail, or in person. Collus PowerStream considers the ability to address customer inquiries quickly and accurately to be an essential component of customer satisfaction. For the year 2016, Collus PowerStream received 22,173 inquiries from its customers, of which 99% were successfully resolved during first contact. Collus PowerStream expects this trend to continue in future years.

- **Billing Accuracy**

Billing Accuracy is a scorecard measure introduced by the Ontario Energy Board in 2014, and is defined as the number of accurate bills issued expressed as a percentage of total bills issued. Collus PowerStream considers timely and accurate billing to be an essential component of customer satisfaction. For 2016, Collus PowerStream issued 198,077 customer bills and achieved a billing accuracy of 99.98%, which exceeds the Ontario Energy Board mandated target of 98%.

- **Customer Satisfaction Survey Results**

The Customer Satisfaction Survey was a new scorecard measure introduced by the Ontario Energy Board for the 2014 year. Distributors are required to conduct their survey on a biennial basis. Collus PowerStream considers this customer satisfaction survey to be a useful tool for engaging the customer to get a better understanding of their wants and needs with respect to the provision of electricity services and for identifying areas that may require improvement.

For the two-year reporting period 2016/2017, Collus PowerStream retained RedHead Media Solutions Inc. to conduct their individual survey and received a customer satisfaction index score of 71.8% overall. The 'Request for Proposal (RFP)' for the survey was prepared by Cornerstone Hydro Electric Concepts Inc. (CHEC) and 13 of its (then) 15-member Local Distribution Companies (LDCs) in Ontario participated with RedHead Media Solutions. This statistical survey, with a 95% confidence level, canvassed a number of key areas including power quality and reliability, price, billing and payment, communications, and the overall customer service experience. The survey is comprised of approximately 400 randomly selected interviews of Collus PowerStream customers among the low volume customer base (residential customers and general service under 50kW customers). For the 2014/2015 reporting period, Collus PowerStream engaged Utility Pulse to conduct their individual utility specific customer satisfaction survey with a 95% confidence level and received a rating of "A" on its customer satisfaction survey.

Safety

- **Public Safety**

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

In 2015 a new scorecard measure began for public awareness of electrical safety. Distributors are expected to demonstrate the impact of their public education efforts through biennial surveying of adults residing in their service territory. The performance target for public awareness of electrical safety will be established once three years of data is gathered from the distributors. Collus PowerStream's ESA Public Safety Awareness Index Score is 83.9% for the 2015/2016 years. This falls within the very tight spectrum of index scores processed for twelve CHEC LDCs that participated via Redhead Media Solutions of 81.5% to 84.6%. The question scoring and index methodologies were prescribed by the ESA/OEB. The survey has standardized questions for a statistically representative sample of a distributor's service territory's population. Collus PowerStream shows strong dedication to public awareness for electrical safety through various public awareness sessions such as, education sessions for elementary students, attendance at public events and specific electrical training for emergency workers. This trend is expected to continue into the foreseeable future or even possibly improve with the increased use of web technologies and social media.

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

In 2016 Collus PowerStream was fully compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety, and the adherence to our company procedures & policies. This trend is expected to continue into the foreseeable future.

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

In 2016 Collus PowerStream had ZERO fatalities and ZERO serious incidents within its service territory. This trend is expected to continue into the foreseeable future.

System Reliability

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

In 2016 Collus PowerStream saw a substantial decrease in the number of hours in which its customers experienced interrupted power from previous year. Going from 2.36 hours in 2015 to 1.54 hours in 2016. This 35% improvement is still considered high and falls outside the 5-year average for Collus PowerStream for interrupted power.

The high average is directly attributed to the need for “Scheduled” outages to safely accommodate a multi-year Bell Canada infrastructure renewal program within Collingwood. With the completion of the multi-year Bell Canada project in 3rd quarter 2016 it is anticipated Collus PowerStream will return to a more acceptable trend going forward.

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

In 2016 Collus PowerStream saw a slight decrease in the number of times in which its customers experienced interrupted power, from 0.88 times in 2015 to 0.84 times in 2016. With the completion of the multi-year Bell Canada project in 3rd quarter 2016 it is anticipated Collus PowerStream will return to more typical results going forward.

Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a new performance measure instituted by the Ontario Energy Board beginning in 2013. The Distribution System Plan (DSP) outlines Collus PowerStream’s forecasted capital expenditures over the next five (5) years, which are required to maintain and expand the utility’s electricity system to serve its current and future customers. The Distribution System Plan Implementation Progress measure is intended to assess Collus PowerStream’s effectiveness at planning and implementing these capital expenditures. Consistent with other new measures, utilities were given an opportunity to define this measure in the manner that best fits their organization. Thus, this measure may differ from other utilities in the Province. Collus PowerStream does not yet have a full distribution system plan in place and will therefore be using its Capital Asset Management Plan for 2013 to 2017 as a substitute for this measure. Collus PowerStream will implement its first full distribution system plan at its next regularly scheduled cost of service application, which is currently scheduled for 2018. At that time, the distribution plan covering 2018 to 2022 will supersede the current asset management plan. The 2018 to 2022 DSP is well underway and in a draft version currently posted on our website and available for public input before finalization. Collus PowerStream defines this measure for 2016 as the tracking of actual capital projects to planned capital projects, expressed as a percentage. For 2016, Collus PowerStream completed 90.75% of the capital projects planned and for the year including a number of projects carried forward from the previous two years. Collus PowerStream expects that with the finalization of the DSP for 2018 forward the trend will show an increase in project completion targets in the future.

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its three-year average performance. To determine a ranking, electrical distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2012 to 2014, Collus PowerStream was placed in Cohort 3 in terms of efficiency. Cohort 3 is considered average and is defined as having actual costs within +/- 10% of predicted costs. For 2015 and 2016, Collus PowerStream was placed in Cohort 2, in terms of efficiency. Cohort 2 is considered above average and is defined as having actual costs less than 10-25% of predicted costs. Collus PowerStream achieved 13.9% less than predicted costs for the 2014-2016 and 13.6% less than predicted costs for the 2013 to 2015 years. Overall our ranking has improved and the goal is to maintain our position within this group into future years.

- **Total Cost per Customer**

Total cost is calculated as the sum of a distributor's capital costs and OM&A costs, (including certain adjustments to make the costs more comparable between distributors, per reporting period) and dividing this cost figure by the total number of customers that Collus PowerStream serves. Similar to most distributors in the province, Collus PowerStream has experienced increases in its total costs required to deliver quality and reliable services to customers. Province wide programs such as Time of Use pricing, growth in wage and benefits costs for our employees, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs.

The total cost performance result for 2016 is \$541 per customer, which is a 2.5% increase over its 2015 result.
The total cost performance result for 2015 is \$528 per customer, which is a 3.1% increase over its 2014 result.
The total cost performance result for 2014 is \$512 per customer, which is a 2.4% increase over its 2013 result.

Going forward, utility costs are expected to keep pace with economic fluctuations; however, Collus PowerStream will continue to implement productivity and efficiency improvements to help offset some of the costs associated with distribution system enhancements, while maintaining the reliability and quality of its distribution system.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above. Based on this, Collus PowerStream's rate is \$26,084 per km of line, which is a 5% increase over its 2015 rate. In the prior year, Collus PowerStream's rate was \$24,739 per km of line, which was a 2% increase over its 2014 rate. Collus PowerStream's growth rate for its territory is considered to be relatively moderate. A moderate growth rate helps to contribute to Collus PowerStream's ability to fund future capital projects and operating costs. The cost per km of line is expected to slowly increase as capital and operating costs also increase. As we progress into the future, Collus PowerStream will continue to seek innovative solutions to help ensure cost/km of line remains competitive and within acceptable limits to our customers.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

The 2016 results reported in the OEB Scorecard (4.2 GWh, or 25.02% of the 6-year cumulative target of 16.9 GWh) are based on the IESO's formal evaluation of projects that were:

1. Completed by December 31st, 2016; and
2. Paid by March 31, 2017 (the evaluation cut-off date).

A number of projects completed by 2016 were paid after the March 31, 2017 cut-off date (due to longer timelines between project completion and project approval/payment) and as a result are not included in the OEB Scorecard results for 2016. Collus PowerStream anticipates additional net verified persisting energy savings will be attributed to 2016, as an adjustment to the 2016 results, in future verified results reports from the IESO. Therefore, this adjustment will increase the 2016 net verified results towards the six-year cumulative target.

A revised plan was filed in 2017 which continues to show positive trending and a strong project pipeline which is currently on pace to meet the 2020 framework target.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIA's) on all renewable generation connections within 60 days of receiving authorization from the Electrical Safety Authority. Collus PowerStream has developed and implemented an internal procedure to ensure compliance with this regulation. All CIA's are conducted internally by Collus PowerStream line staff.

In 2016, Collus PowerStream did not receive any CIA's.

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

Micro-embedded generation facilities consist of solar, wind, or other clean energy projects of less than 10 kW that are typically installed by homeowners, farms or small businesses. In 2016, Collus PowerStream connected 9 new micro-embedded generation facilities totaling 87.405 kW within its territory. 100% of these projects were connected within the prescribed timeframe of five (5) business days, which significantly exceeds the Ontario Energy Board's mandated target of 90% for this measure. Collus PowerStream's process for these projects is well documented and Collus PowerStream works closely with its customers and their contractors to ensure the customer's needs are met and/or exceeded. Collus PowerStream expects the trend for this measure to continue to exceed the mandated target for the foreseeable future.

Financial Ratios

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

As an indicator of financial health, a current ratio indicates a company's ability to pay its short term debts and financial obligations. Typically, a current ratio between 1 and 1.5 is considered good. If the current ratio is below 1, then a company may have problems meeting its current financial obligations. If the current ratio is too high (higher than 1.5) then the company may be inefficient at using its current assets or its short-term financing facilities. The current ratio decreased from 1.40 in 2015 to 1.29 in 2016. At the end of 2015 a \$1.4m loan advance was received for capital programs planned in 2016 which gave the cash in bank a high balance. For the 2016 year, there were no proceeds from long-term debt, however the current ratio remained strong at 1.29%.

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

The debt to equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. The Ontario Energy Board uses a capital structure of 60% debt and 40% equity (a debt to equity ratio of 60/40 or 1.5) when setting rates for an electricity utility. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that may be had through increased financial debt. In 2016, Collus PowerStream's debt to equity ratio was 1.26. Subsequent to year-end, Collus PowerStream obtained financing for \$3.1m which increased the debt to equity ratio to the deemed level by the Ontario Energy Board. Collus PowerStream expects its debt to equity ratio to remain close to the expected norm into the foreseeable future.

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

Return on equity (ROE) measures the rate of return on shareholder equity. ROE demonstrates an organization's profitability or how well a company uses its investments to generate earnings growth. Collus PowerStream's current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 8.98%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. If a distributor performs outside of this range, it may trigger a regulatory review of the distributor's financial structure by the OEB.

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

Collus PowerStream achieved a ROE of 10.03% in 2016, which is within the 8.98% +/-3% range allowed by the OEB (see above paragraph). This is indicative of a healthy financial organization. This trend is expected to continue into the foreseeable future.

The 0.10% result for 2012 was an anomaly year with a low net income, which was the result of the additional expenses incurred during the sale of 50% of the company's shares to PowerStream.

Note to Readers of 2016 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.