

Scorecard - Hydro Ottawa Limited

9/24/2014

Performance Outcomes	Performance Categories	Measures	2009	2010	2011	2012	2013	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	98.70%	100.00%	100.00%	100.00%	100.00%	↑	90.00%	
		Scheduled Appointments Met On Time	99.30%	100.00%	97.30%	97.40%	97.40%	↓	90.00%	
		Telephone Calls Answered On Time	69.00%	82.10%	82.90%	82.50%	82.20%	↑	65.00%	
	Customer Satisfaction	First Contact Resolution						85.2%		
		Billing Accuracy						99.6%		
		Customer Satisfaction Survey Results						90%		
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Public Safety [measure to be determined]								
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	1.05	1.05	2.44	1.31	1.64	↑	at least within 1.05 - 2.44	
		Average Number of Times that Power to a Customer is Interrupted	0.82	0.77	1.40	1.13	1.36	↑	at least within 0.77 - 1.40	
	Asset Management	Distribution System Plan Implementation Progress						105%		
	Cost Control	Efficiency Assessment						3	3	
		Total Cost per Customer ¹	\$524	\$536	\$529	\$569	\$579			
	Total Cost per Km of Line ¹	\$28,797	\$29,776	\$28,793	\$31,107	\$33,222				
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 Annual Peak Demand Savings (Percent of target achieved) ²			15.00%	19.00%	26.40%		85.26MW	
		Net Cumulative Energy Savings (Percent of target achieved)			38.00%	66.00%	88.70%		374.73GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	100.00%	100.00%			
		New Micro-embedded Generation Facilities Connected On Time					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)	1.24	1.45	1.43	1.18	1.07			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.26	1.22	1.32	1.37	1.64			
		Profitability: Regulatory Return on Equity		Deemed (included in rates)	8.57%	9.42%	9.42%			
			Achieved	7.86%	9.41%	7.80%				

Legend:

-  up
-  down
-  flat
-  target met
-  target not met

Notes:
 1. These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information.
 2. The Conservation & Demand Management net annual peak demand savings do not include any persisting peak demand savings from the previous years.

Management Discussion and Analysis for Year 2013

Service Quality

Customer Satisfaction

Safety

System Reliability

The Scorecard values of 1.64 and 1.36, respectively, are within Hydro Ottawa's historical trends.

Asset Management

The Distribution System Plan (“DSP”) outlines Hydro Ottawa’s forecasted capital expenditures, over the next five (5) years, required to maintain and expand Hydro Ottawa’s electricity system to serve its current and future customers. The “Distribution System Plan Implementation Progress” measure is intended to assess Hydro Ottawa’s effectiveness at planning and implementing the DSP. Currently, Hydro Ottawa measures the planned capital budget against actual capital expenditures. The 2013 measure indicates that Hydro Ottawa exceeded its planned projects by 5%, due to plant failure, aging infrastructure, and extreme weather events.

Cost Control

The “Efficiency Assessment” is a measure intended to rank utilities’ ability to manage costs. Utilities whose actual costs are lower than their predicted costs (determined by a computer model) are considered more efficient. Efficiency rankings are divided into five groups based on the difference between the utility’s actual and predicted costs. Hydro Ottawa’s ranking of 3 is indicative of an utility operating at expected levels.

Conservation & Demand Management

Connection of Renewable Generation

Financial Ratios

The "Total Debt to Equity Ratio" indicates a trend for increasing leverage results from necessary investment in renewal of aging infrastructure and system growth.

The "Achieved Return on Equity" (ROE) in 2013 was below the deemed ROE included in rates. Under the Incentive Rate Making model, the annual electricity distribution formula increase for 2013 of 1.08% did not keep pace with contractual and inflationary cost increases.