

Scorecard - Newmarket-Tay Power Distribution Ltd.

Performance Outcomes	Performance Categories	Measures	2014	2015	2016	2017	2018	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%	99.77%	100.00%		90.00%		
		Scheduled Appointments Met On Time	96.50%	98.00%	99.80%	99.91%	99.99%		90.00%		
		Telephone Calls Answered On Time	84.90%	84.00%	81.80%	76.64%	70.86%		65.00%		
	Customer Satisfaction	First Contact Resolution	85%	92%	90%	90	93.7				
		Billing Accuracy	99.98%	99.98%	99.99%	99.95%	99.95%		98.00%		
		Customer Satisfaction Survey Results	92%	94%	91%	91	A				
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		82.00%	82.00%	81.00%	82.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	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	0.68	0.58	0.42	0.42	0.66			0.59	
		Average Number of Times that Power to a Customer is Interrupted ²	0.79	0.67	0.57	0.54	0.78			0.51	
	Asset Management	Distribution System Plan Implementation Progress	80%	99%	100%	120	103				
	Cost Control	Efficiency Assessment	2	2	2	2	2				
		Total Cost per Customer ³	\$566	\$579	\$600	\$621	\$657				
		Total Cost per Km of Line ³	\$23,340	\$23,801	\$24,893	\$25,943	\$28,067				
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		22.68%	38.69%	64.35%	87.00%			47.06 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	100.00%					
		New Micro-embedded Generation Facilities Connected On Time	100.00%	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)	2.66	2.70	2.74	2.35	1.41				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.61	0.74	0.67	0.66	1.23				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.66%	9.66%	9.66%	9.66%	9.66%			
			Achieved	8.88%	8.51%	8.01%	2.41%	11.19%			

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 2015-2020 Conservation First Framework. 2018 results are based on the IESO's unverified savings values contained in the March 2019 Participation and Cost Report.

Legend:

5-year trend
 up down flat

Current year
 target met target not met

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9/15/2019

Performance Outcomes	Performance Categories	Measures	2014					2015					2016					2017					2018					Trend		Target		
			Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	Industry	Distributor	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%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	90.00%	90.00%		
		Scheduled Appointments Met On Time	96.50%	96.00%	98.00%	99.00%	99.80%	99.91%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	90.00%	90.00%	
		Telephone Calls Answered On Time	84.90%	84.00%	81.80%	76.64%	70.86%	90	93.7	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
		First Contact Resolution	85%	92%	90%	90%	93.7	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved, and distributors deliver on system reliability and quality objectives.	Safety	Customer Satisfaction Survey Results	92%	94%	91%	91	A	82.00%	82.00%	81.00%	81.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	82.00%	
		Level of Compliance with Ontario Regulation 22/04	C	C	C	C	C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Serious Electrical Incident Index	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
		Average Number of Hours that Power to a Customer is Interrupted	0.68	0.58	0.42	0.42	0.66	0.79	0.67	0.54	0.54	0.78	0.78	0.59	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	
System Reliability System Reliability	Asset Management	Average Number of Times that Power to a Customer is Interrupted	0.79	0.67	0.54	0.54	0.78	0.78	0.59	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	
		Distribution System Plan Implementation Progress	80%	99%	100%	100%	103	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
		Efficiency Assessment	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
		Total Cost per Customer	\$566	\$579	\$600	\$621	\$657	\$23,340	\$23,801	\$24,893	\$25,943	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	\$28,067	
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	Total Cost per Km of Line	\$23,340	\$23,801	\$24,893	\$25,943	\$28,067	22.68%	38.69%	64.35%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	87.00%	
		Net Cumulative Energy Savings	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
		Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Financial Performance Financial viability is maintained, and savings from operational efficiencies are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	2.66	2.70	2.74	2.35	1.41	2.66	2.70	2.74	2.35	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.61	0.74	0.67	0.66	1.23	0.61	0.74	0.67	0.66	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23	
		Profitability: Regulatory Return on Equity	9.66%	9.66%	9.66%	9.66%	9.66%	8.88%	8.51%	8.01%	2.41%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	
		Profitability: Regulatory Return on Equity	9.66%	9.66%	9.66%	9.66%	9.66%	8.88%	8.51%	8.01%	2.41%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	11.19%	

Legend: 5-year trend: up, down, flat. Current year: target met, target not met.

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2018 Scorecard Management Discussion and Analysis (“2018 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 2018 Scorecard MD&A:

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

Scorecard MD&A - General Overview

In June 2017, Newmarket-Tay Power Distribution Ltd. (“NTPower”) and Midland Power Utility Corporation (“MPUC”), filed an application with the Ontario Energy Board (the “OEB”) (EB-2017-0269) asking for approval for NTPower to purchase and amalgamate with MPUC. On August 23, 2018, the OEB issued its Decision and Order in respect of the application. In its Decision, the OEB granted the requested approvals and for the amalgamated NTPower and MPUC to continue as NTPower. It also approved a rebasing deferral period of 10 years. Prior to the amalgamation, MPUC and NTPower each filed their respective Reporting and Record Keeping Requirements (“RRR”) data and utility scorecards separately.

For the 2018 reporting year, NTPower filed its first set of RRR data as an amalgamated entity. NTPower presents its first annual Scorecard Management Discussion and Analysis for 2018 year. Note the historical data shown for years 2014-2017 inclusive is data for NTPower without MPUC data. The data shown under 2018 is the amalgamated data. Reliability Distributor Targets shown are the historical pre-amalgamation targets up to and including 2017. NTPower is also presenting the amalgamated financial results effective September 7, 2018.

NTPower continues to succeed in Customer Focus, Operational Effectiveness, Public Policy Responsiveness, as well as Financial Performance. In 2019, NTPower plans to continuously meet or exceed industry targets within the scorecard performance outcomes.

NTPower’s management team is engaging customers and experts to develop NTPower’s long-term strategic vision. These efforts are informing the development of a strategic plan to best support the changing needs of customers, while safely and reliably meeting their electricity needs in the face of all perils including climate change and cyber threats.

Service Quality

- **New Residential/Small Business Services Connected on Time**
In 2018, NTPower connected all of its new service customers within the five-day timeframe set by the OEB. This marks the 8th year consecutively that NTPower has achieved over 99%; exceeding the OEB standard of 90%. Meeting customers' expectations is a priority for NTPower. Maintaining adequate resources enables NTPower to be responsive to customers' needs.
- **Scheduled Appointments Met On Time**
NTPower met 99.99% of scheduled appointments in 2018 and continues to consistently exceed the OEB industry standard metric of 90% for Scheduled Appointments Met on Time
- **Telephone Calls Answered On Time**
NTPower continues to exceed the OEB industry standard for answering telephone calls on time. NTPower is replacing its aged phone system to improve on its metric for answering telephone calls on time.

Customer Satisfaction

- **First Contact Resolution**
NTPower strives to ensure customers' needs are promptly addressed and resolved within the first contact. In 2018, NTPower demonstrated a first contact resolution of 94%. There is a continued effort to be customer focused and drive this result for further improvement in the future.
- **Billing Accuracy**
In 2018, there were 526,124 bills issued with 99.95% accuracy, exceeding the OEB's prescribed target of 98%. NTPower has developed a more rigorous bill audit process to monitor billing accuracy results and identify further enhancement opportunities within its billing processes.
- **Customer Satisfaction Survey Results**
NTPower engaged a third party to conduct the Customer Satisfaction Survey and gather feedback. The annual results enable management to make informed decisions and enhancements to improve customer satisfaction and better inform management's decision making. NTPower attained an 'A' result in 2018. The survey provides customers an opportunity to respond to a range of topics including: overall satisfaction with NTPower, reliability, customer service, outages and billing. The customer feedback collected is incorporated into NTPower's strategic planning process and forms the basis of plans to improve customer satisfaction and meet the changing needs of customers.

Safety

- **Public Safety**
 - **Component A – Public Awareness of Electrical Safety**
NTPower executes a survey to measure the level of awareness of key electrical safety precautions among the public within its service territory. The key electrical safety precaution questions identified by the OEB are:
 - Likelihood to “call before you dig”
 - Impact of touching a power line
 - Proximity of an overhead power line
 - Danger of tampering with electrical equipment
 - Proximity to downed power line
 - Actions taken in vehicle in contact with wires

NTPower engaged a third-party agent to survey the level of public awareness of safety precautions. Survey results were based on a random telephone survey of 400 respondents of the general public located in Newmarket and Tay service areas. The data is statistically weighted based on the Canadian census figures for age, gender and region. NTPower scored 82% on the OEB’s Public Safety Awareness Index Score with results indicating that a majority of the public have a good awareness of key public electrical safety issues.

NTPower continues to promote continued education, awareness and application of good safety practices around powerlines. Public and worker safety is a core value of NT Power.

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

In 2018, NTPower achieved full compliance with Ontario Regulation 22/04 (“O.Reg.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. An audit is performed to determine the status of compliance (Non-Compliant (N/C), Needs Improvement (N/I), or Compliant (C)).

- **Component C – Serious Electrical Incident Index**
No public serious electricity incidents occurred during the year.

System Reliability

- NTPower continues to achieve an exceptionally high level of service availability and mitigate the average frequency and average number

of hours that power is interrupted to a customer. It should be noted that the former MPUC was amalgamated with NTPower in September 2018, therefore reliability metrics Distributor Targets for the amalgamated NTPower were not established for 2018 and are being developed for 2019. The Distributor Targets shown are the historical pre-amalgamation distributor target.

- **Average Number of Hours that Power to a Customer is Interrupted**
The Average number of Hours that an NTPower customer was interrupted is in 2018 is 0.66 and is significantly better than the industry average 2.59 metric.
- **Average Number of Times that Power to a Customer is Interrupted**
In 2018, the average number of times power to NTPower customers was interrupted was 0.78. The average frequency that an NTPower customer was interrupted is approximately half that of the industry average.

Asset Management

- **Distribution System Plan Implementation Progress**

The metric that NTPower had chosen to most effectively reflect their performance in Distribution System Plan (“DSP”) Implementation Progress, is the ratio of actual total capital expenditures made in a calendar year, over the total amount of DSP planned capital expenditures for that calendar year. While there was no DSP for the former MPUC, the MPUC planned capital expenditures were added to the DSP planned capital expenditures to derive the 103% of NTPower DSP completed for 2018.

Cost Control

- **Efficiency Assessment**

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

In 2018, NTPower maintained its Group 2 position, meaning that actual costs were 10 to 25% below its predicted costs. Group 2 is considered better than average efficiency – in other words, NTPower’s costs are lower than the average cost range for distributors in the Province of Ontario. NTPower will continue to manage the OM&A and capital costs driving the efficiency ranking of the LDC.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of the company’s capital and operating costs and dividing this cost figure by the total number

of customers that NTPower serves. The cost performance result for 2018 is \$657/customer.

NTPower will continue to replace distribution assets proactively along a carefully managed timeframe and in a manner that balances system risks and customer rate impacts as demonstrated in the DSP. NTPower strives to implement productivity and improvement initiatives to help offset some of the costs associated with future system improvement and enhancements. Customer engagement initiatives will continue to ensure customers have an opportunity to share their viewpoint on NTPower's spending plans.

- **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 circuit-kilometers of powerlines that NTPower operates to serve its customers. NTPower's 2018 rate is \$28,067 per km of line.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

The conservation programs are designed to be delivered by utilities to their customers to reduce the Provincial energy usage by 7 TWh by 2020. NTPower was allocated 47.06 GWh of this target, which is to be achieved between the 2015-2020 target period.

NTPower with the support of customers successfully achieved 87% of the energy usage reduction target. These combined savings were 60% from the business sector and 40% from the residential sector. This achievement is attributable to NTPower's active engagement in the community to promote the conservation programs and provide high quality customer service. NTPower is a Customer First member – a collaborative that shares best practices and fosters synergies to create cost-effective and customer-focused delivery of conservation programs for partnered LDC's.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (CIAs) within timelines in accordance with Ontario Regulation 326/09. In 2018, NTPower had no CIAs related to renewable generation to complete.

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

In 2018, NTPower connected all micro-embedded Generation Facilities on-time.

Financial Ratios

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

The current ratio is an indicator of financial health with a ratio greater than one indicating that the company is in a good position to pay its short-term debts and financial obligations. The higher the value, the more "liquid" and the larger the margin of safety to cover the company's short-term debts and financial obligations.

NTPower's 2018 current ratio is 1.41 indicating a strong liquidity position.

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

Debt-to-Equity Ratio is an indicator of a company's financial leverage. 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 high debt to equity ratio may indicate that a company may have difficulty generating sufficient cash flows to make its debt payments.

NTPower's 2018 debt to equity ratio is 1.23 and is lower than the OEB's ratio of 1.5 as stated above. This enables NTPower to manage financing requirements for infrastructure investment due to growth and development of the distribution system.

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

Regulatory rate of return on equity (ROE) calculation is based on the revenue and cost structure approved in the Cost of Service application within an allowable range of +/- 3%. If a distributor is outside that +/- 3% range, it could trigger a regulatory review of the distributor's revenues and costs structure. NTPower's current OEB approved expected (deemed) regulatory return on equity is 9.66%.

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

NTPower's regulatory return on equity for 2018 was 11.19% which is within the OEB's +/- 3% range of deemed return on equity of 9.66%.

Note to Readers of 2018 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.