

Scorecard - Canadian Niagara Power Inc.

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	86.70%	94.70%	97.70%	95.70%	93.10%		90.00%		
		Scheduled Appointments Met On Time	97.70%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	83.80%	85.10%	83.40%	84.60%	82.60%		65.00%		
	Customer Satisfaction	First Contact Resolution									
		Billing Accuracy									
		Customer Satisfaction Survey Results					80.84%				
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	2.55	0.90	1.82	1.89	3.22			at least within 0.90 - 2.55	
		Average Number of Times that Power to a Customer is Interrupted	2.99	1.27	1.63	2.21	2.72			at least within 1.27 - 2.99	
	Asset Management	Distribution System Plan Implementation Progress									
	Cost Control	Efficiency Assessment				4	4				
		Total Cost per Customer ¹	\$666	\$715	\$727	\$679	\$726				
		Total Cost per Km of Line ¹	\$18,625	\$19,893	\$20,204	\$18,790	\$20,275				
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			8.00%	8.00%	26.60%			4.07MW	
		Net Cumulative Energy Savings (Percent of target achieved)			30.00%	46.00%	64.50%			15.81GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time					0.00%				
		New Micro-embedded Generation Facilities Connected On Time					97.78%		90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.00	0.77	0.65	0.33	0.34				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	2.40	2.68	2.97	2.53	2.30				
		Profitability: Regulatory Return on Equity			Deemed (included in rates)	8.01%	8.01%	8.93%			
				Achieved	7.21%	9.42%	6.71%				

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

The data is collected through the Company's customer information and automated telephone systems. All three measures are trending well above the OEB industry requirements.

Customer Satisfaction

The customer satisfaction rating is gathered via an annual telephone survey of residential customers conducted by an independent third party. The survey provides for a statistically relevant sample size with a 95% confidence interval.

Safety

System Reliability

The frequency and duration of outages are recorded through an automated SCADA system managed in the Company's Operations Control Center. The increase in 2013 is due to more frequent and severe weather events impacting both frequency and duration of interruptions. The system reliability measures recorded for 2009, 2010 and 2011 do not reflect the combined service territories of Fort Erie, Port Colborne and Gananoque. The correct system reliability measures for these combined three service territories are: 2009, SAIDI - 1.82, SAIFI - 2.18; 2010, SAIDI - 1.36, SAIFI - 1.69; 2011, SAIDI - 2.41, SAIFI - 1.80. The system reliability measures for 2012 and 2013 accurately reflect the combined three service territories of Fort Erie, Port Colborne and Gananoque.

Asset Management

Cost Control

Historical cost measures are reflective of the fact that 80% of CNPI's service territory is located in rural areas, subject to more severe weather due to its location on the shore of Lake Erie with its prevailing winds and lake effect precipitation, and the operation and maintenance of several distribution substations.

Conservation & Demand Management

The Company continues to actively promote the OPA Province wide CDM programs in its service territory.

Connection of Renewable Generation

Financial Ratios

Canadian Niagara Power Inc. includes both regulated distribution and transmission operations which are managed on a combined basis for liquidity and capital structure purposes. The combined 2013 liquidity current ratio is 0.83. The combined 2013 leverage ratio (total debt to total equity ratio) is 1.16. The calculations are based on the 2013 audited financial statements.