Scorecard - Cambridge and North Dumfries Hydro Inc.

9/29/2016

Performance Outcomes	Performance Categories	Measures		2011	2012	2013	2014	2015	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		99.40%	99.20%	99.30%	100.00%	100.00%	↑	90.00%	
		Scheduled Appointments Met On Time		99.90%	98.70%	99.50%	100.00%	91.70%	↓	90.00%	
		Telephone Calls Answered On Time		66.20%	88.10%	87.30%	83.00%	82.50%	↑	65.00%	
	Customer Satisfaction	First Contact Resolution					99.99%	99.99			
		Billing Accuracy					100.00%	99.99%	↓	98.00%	
		Customer Satisfaction Survey Results					'A' Rating	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						85.00%			
		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]		0.70	1.00	2.67	0.64	1.08	↑		1.20
		Average Number of Times that Power to a Customer is Interrupted [2]		1.30	1.43	2.35	1.33	1.36	↑		1.45
	Asset Management	Distribution System Plan Implementation Progress					Behind Plan	Behind Plan			
	Cost Control	Efficiency Assessment			3	3	3	3			
		Total Cost per Customer [3]		$571	$593	$624	$634	$646			
		Total Cost per Km of Line [3]		$26,301	$27,417	$28,714	$29,241	$29,524			
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]						18.16%			85.00 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%	100.00%	100.00%	100.00%			
		New Micro-embedded Generation Facilities Connected On Time				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)		2.06	3.00	2.32	0.76	2.10			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.62	0.59	0.57	0.91	1.10			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.85%	9.85%	9.85%	9.36%	9.36%			
			Achieved	9.57%	9.78%	7.80%	8.32%	10.00%			

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. This measure is under review and subject to change in the future.

Legend:

5-year trend: ↑ up ↓ down → flat

Current year: target met target not met

Appendix A – 2015 Scorecard Management Discussion and Analysis ("2015 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 2015 Scorecard MD&A:

http://www.ontarioenergyboard.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

Effective January 1, 2016, Cambridge and North Dumfries Hydro Inc. ("CND") and Brant County Power Inc. ("BCP") amalgamated pursuant to the provisions of the Business Corporations Act (Ontario), to continue as one corporation under the name Energy+ Inc. ("Energy+").

The Energy+ Inc. Scorecard represents the performance measures of the former CND for the year ended December 31, 2015, as well as its historical results for the preceding 4 years. The performance measures of the former BCP have been reported separately (see Scorecard Energy+ Inc. (Brant County Power).

We are pleased to provide the 2015 Performance Scorecard for Energy+ Inc.

2015 has been a significant year for Energy+ in terms of performance, and we are proud of the team's achievements. In addition to meeting or exceeding the performance targets as set out by the Ontario Energy Board for Service Quality, Customer Satisfaction, Safety, System Reliability, and Connection of Renewable Generation, Energy+ accomplished a number of key objectives aligned to our vision "Be the energy company most admired for its innovative people, reliable service, and outstanding performance":

- Acquisition and subsequent legal amalgamation to form "Energy+ Inc." on January 1, 2016;
- Integration of the operations to achieve the expected operating efficiencies and costs savings, including transitioning to one common platform for each of the Customer Information System and Enterprise Resource Planning systems;
- Transition to the new Energy+ website, including the mobile application;
- Implementation of the Outage Management System to improve customer communication and outage response times;
- Continued execution of the planned capital expenditure investments as outlined in the Distribution System Plan to ensure the continued reliability of our distribution system;

- Strong financial performance, with the achievement of $4.8MM in net income, representing a regulated rate of return of 10% to our shareholders, the City of Cambridge and the Township of North Dumfries;
- Energy+ received an ‘A Stable’ corporate credit rating from Standard & Poor’s (“S&P”) Rating Services, which demonstrates Energy+’s strong financial performance;
- Corporate refinancing initiative completed to secure long-term financing for the investment in BCP, as well as to finance the long-term capital expenditure program; and
- Development and approval of a long-term Conservation and Demand Management plan for our customers, based upon direction by the Ontario Government under the 2015-2020 Conservation First Framework to reduce electricity consumption across the Province by 7 terawatt-hours (TWh) or seven billion kilowatt-hours (kWh) by December 31, 2020.

Energy+ Inc. will continue to focus its efforts in 2016 on achieving operating efficiencies and demonstrating continuous improvement in its performance measures. Key objectives in 2016 include: (i) Improvement in the area of Asset Management, in particular the prioritization and long-term investment planning for the Brant Service territory, as well as continuing to deliver on the capital expenditure program as outlined in our Five Year Distribution System Capital Plan; (ii) Planning, implementation, and communication with customers with respect to the introduction of monthly billing effective January 1, 2017; and (iii) Extension of the Outage Management System to customers in the Brant Service territory.

Service Quality

A core value for Energy+ and its employees is to be Customer Focused. Energy+ is committed to providing excellent services and solutions for our customers, both anticipating and responding to their needs. Energy+ proved its commitment to customer service by exceeding the industry standards in all three of the service quality measures.

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

Energy+ connected approximately 338 new services for our customers, with 100% of the connections completed within 5 working days. This compares to 350 new services and 100% of connections completed within 5 working days in 2014. Energy+ has consistently exceeded the OEB’s guideline of 90% completion within 5 working days of the request being made.

- **Scheduled Appointments Met On Time**

Energy+ scheduled 9,237 customer appointments to complete work requested by customers, representing an increase of 537 appointments compared to 8,700 in 2014. Energy+ met 91.7% of these appointments on time. Although Energy+ has consistently exceeded the industry target of 90%, the percentage of appointments met on time in 2015 of 91.7% was lower than the 100% achieved in 2014. The decrease in the percentage of appointments met on time in 2015 was principally attributable to higher than expected increases in the volume of underground cable locate appointments, particularly in the months of March and April. Energy+ has subsequently arranged for additional contract resources to support the increased volumes of locates, when necessary.

- **Telephone Calls Answered On Time**

Energy+ received over 57,000 telephone calls in 2015, or an average of 219 calls per day. This represents an increase in call volumes of approximately 5% over 2014. The monthly average number of calls answered in 2015 was 4,750; from a high of 5320 answered in October to a low of 4,080 in February. In 2015, 82.5% of telephone calls were answered within 30 seconds, which is comparable to 83.0% achieved in 2014. Energy+ has consistently exceeded the industry standard of 65% year over year. Telephone response times fluctuate based on a number of factors including: number of calls, weather related calls, high electricity bills due to extreme weather, available call centre resources, events in the news that drive calls to the call centre, regulatory and rate changes displayed on customer bills, and payment arrangements. All of these factors can result in an increase in call volumes and increased time spent on each call with our customers.

Customer Satisfaction

- **First Contact Resolution**

Energy+ measures First Contact Resolution as the percentage of customer calls answered whereby the customer's initial request has been satisfied by the Customer Service Representative, as the first point of contact. Customer telephone calls that are not satisfied with the first contact are elevated to a second point of contact for resolution. All customer calls are logged through our telephone software, which allows Energy+ to identify the calls that required a second point of contact.

Energy+ is pleased to report that in 2015, 99.99% of calls received by our Customer Care department were resolved by the first telephone contact, with only 39 customer calls identified as requiring a second point of contact. This compares favourably to 42 calls in 2014.

The OEB does not provide for a specific measure for First Contact Resolution. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for this area in the future. As a result, each electricity distributor may have different measurements of performance until such time as the OEB provides specific direction regarding the commonly defined measure.

- **Billing Accuracy**

The OEB has prescribed a measurement of billing accuracy which must be used by all electricity distributors effective October 1, 2014. The measure is defined as the number of accurate bills issued expressed as a percentage of total bills issued. For the year ended December 31, 2015, Energy+ issued 336,935 bills and achieved a billing accuracy of 99.99%. This compared favourably to the prescribed OEB target of 98%. For the period from October 1, 2014 to December 31, 2014, Energy+ issued 84,380 bills and achieved a billing accuracy of 100%.

- **Customer Satisfaction Survey Results**

The OEB introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. At this time, the OEB is allowing electricity distributors discretion as to how they implement this measure. Over the last year, in consultation with electric utilities and other stakeholders, the OEB has been evaluating a Customer Satisfaction Survey to be used by all electricity distributors as the basis of measuring customer satisfaction. The survey will be designed to provide consistent questions to customers across the province, resulting in a comparable result for reporting on the Corporate Scorecard. The OEB approved Satisfaction Survey is scheduled for release in early 2017.

Since 2006, Energy+ has had a formal policy and procedure in place that outlines the processes for seeking feedback from customers, methods used to gather customer feedback, and how Energy+ will respond to the information obtained from customers. Energy+ continues to review these procedures in response to customer needs. Energy+ obtains customer feedback using various methods, including: (i) engaging the services of an external third party research organization; (ii) internally using Energy+ survey tools; (iii) collecting and evaluating suggestions made by customers when they interact with employees; and (iv) feedback obtained through various media channels including social media.

Energy+ conducts a biennial customer satisfaction survey using a third party research organization. The most recent customer satisfaction survey was conducted in 2014 by an independent third party, Simul Corporation. Simul Corporation conducted an independent, in depth, telephone survey of residential and general service <50 kW customers across the service territory. The survey canvasses customer satisfaction in the following key areas: power quality, reliability, price, investment priorities, billing, payments, communications, energy conservation and the overall customer service experience. Equally important, it provides the customer the opportunity to provide detailed input about what they believe Energy+ could do to improve the customer experience.

Energy+ is proud to report that based on our 2014 survey, our customers gave us an 'A' rating on our overall customer service, compared to the industry average of B+. The 'A' rating is consistent with the results achieved in 2012.

In 2016, Energy+ Inc. will be reaching out to customers to complete an online satisfaction survey. This will be the first survey of customers in its newly expanded service territory encompassing the County of Brant, City of Cambridge and Township of North Dumfries.

Energy+ is committed to customer engagement and satisfaction and will continue to communicate and solicit feedback from our customers to ensure we are achieving our mission of delivering solutions and value added services to our customers.

Safety

Public safety, and the health and safety of our employees is a core value. Energy+ is dedicated to pursuing excellence in safety and wellness and takes responsibility for our personal safety, the safety of each other and the safety of our customers and communities. We continuously work to strengthen our safety culture. Our employees and contractors are trained and equipped for the hazards that may be encountered while performing their duties. We encourage and promote safety and wellness at work, at home, and in the communities we serve.

In April 2015, Energy+ successfully achieved Level 2 of the Infrastructure Health & Safety Association (IHSA) Zero Quest Program. This award recognizes Energy+'s commitment to having a fully-integrated and maintained health and safety system and a strong focus on continual improvement. In April 2016, Energy+ subsequently achieved the Gold Level 3 Outcomes Safety Award from the IHSA.

- **Public Safety**

The public safety measures were new measures for 2014 and have been implemented by the OEB, based upon recommendations provided by the Electrical Safety Association ("ESA"), the agency overseeing electrical safety and inspections in Ontario. The public safety measure includes three components: (i) Public Awareness of Electrical Safety; (ii) Compliance with Ontario Regulation 22/04; and (iii) Serious Electrical Incident Index.

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

The public safety measure is intended to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. It measures the degree of effectiveness for distributor's activities on preventing electrical accidents and based upon a biennial survey (i.e. every second year) developed by the ESA in consultation with electricity distributors and the Electricity Distributors Association. This component of the public safety measure was introduced in the latter part of 2015 following a public consultation process. The performance target for this measure will be established by the OEB following three years of data collection.

Included in the survey is six core measurement questions which correspond to the six most frequent accidents involving utility equipment in Ontario over the last decade: (1) Likelihood to "call before your dig"; (2) Impact of touching a powerline; (3) Proximity to overhead powerline; (4) Danger of tampering with electrical equipment; (5) Proximity to downed powerline; and (6) Actions taken in vehicle in contact with wires.

Energy+, with the assistance of an experienced third party consultant UtilityPULSE, conducted a telephone survey among 400 members of the general public, 18 years or older, within our geographic service territory. The survey was conducted in accordance with the Scorecard Methodology and Implementation guide published by the OEB in November, 2015.

Energy+ is pleased to report that it achieved a Public Safety Awareness Index Score of 85% in its first year of the survey. This result indicates that the majority of the public have a good knowledge or have received information pertaining to the six core measurement questions within the survey. Energy+ Inc. will utilize the survey results to develop additional safety campaigns to focus on those areas where the level of safety awareness can be improved.

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

Energy+ is fully compliant with Ontario Regulation 22/04 ("OR 22/04"), the regulation that dictates the safe design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspections of construction before the electrical distribution system components are placed into service.

Energy+ is committed to ensuring a safe work place and compliance with all applicable regulations. Energy+ has appropriate systems, processes, and procedures in place for ensuring that work is carried out in accordance and in compliance with OR 22/04.

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

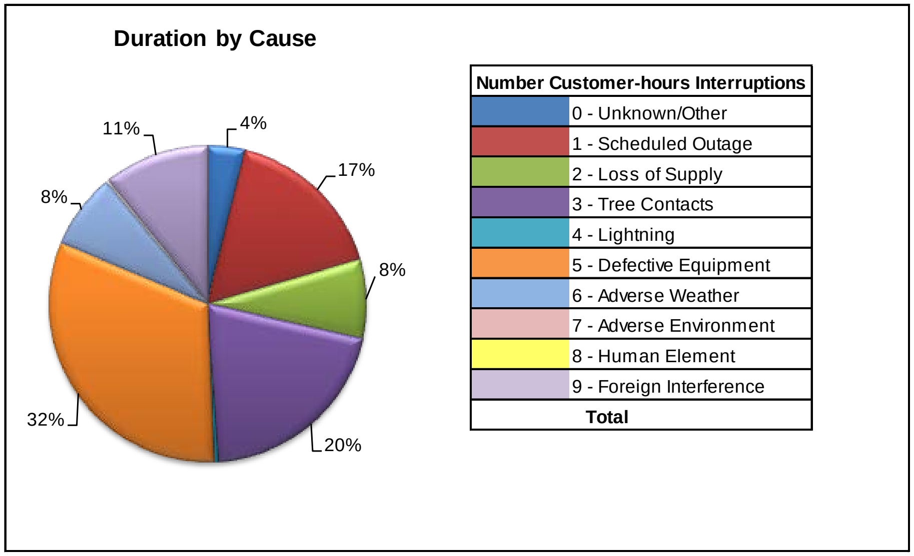
Energy+ is pleased to report that it did not experience any serious electrical incidents in the years 2011 to 2015, resulting in a Serious Electrical Incident Index of 0.000 in each of the years.

System Reliability

Yearly fluctuations in system reliability performance measures can result from variations in weather, such as extreme lightning, excessive snowfalls, and ice storms, as well as defective equipment, foreign interference such as animal contacts, and motor vehicle accidents.

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

This metric represents the average amount of time that electricity supply to a customer is interrupted per year, determined by dividing the total customer hours of all interruptions (excluding interruptions caused by upstream Loss of Supply events to the distributor) divided by the average number of customers served.



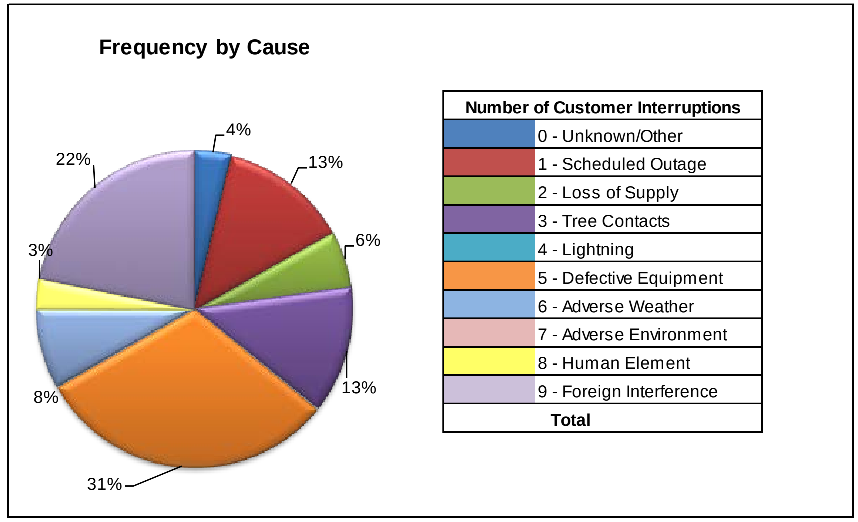
In 2015, the measure of Average Number of Hours that Power to a Customer is Interrupted was 1.08. The Scorecard illustrates with a green “target met” upward arrow, that Energy+’s performance is within the OEB defined acceptable target range of 1.2.

The measure in 2015 was higher than the 0.64 experienced in 2014 but lower than the range of 0.70 to 2.67 experienced in the period 2011-2013.

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

In 2015, the measure of Average Number of Times that Power to a Customer is Interrupted was 1.36, and within the target set for Energy+ of 1.45. The measure in 2015 was slightly higher than the 1.33 experienced in 2014. With the exception of 2013, the measure over the past five years has ranged from 1.30 to 1.43.

Customers will recall that the 2013 results reflect three very large storms in 2013, most notably the severe ice storm that hit southern and eastern Ontario on December 21st and 22nd, 2013.



As part of its 2014 Rate Application, Energy+ identified a number of investments required to replace end of life assets and reduce the outages caused by equipment failure (refer to Asset Management Plan Section of the Scorecard). Energy+ Inc. also committed to the implementation of an Outage Management System ("OMS").

In 2015, 32% of power outages (based on duration of the outage) were caused by defective equipment. In particular, two outage events in 2015 caused by broken porcelain insulators accounted for approximately 59% of the outages caused by defective equipment. Energy+'s Distribution System Plan identified the replacement of porcelain insulators as a priority system renewal project over the next several years.

As described more fully in the Asset Management section, Energy+ has invested approximately $8.9MM in 2014 and 2015, or approximately 35% of gross capital expenditures, in the renewal of its distribution system. It will take some time to realize and fully evaluate improvements in reliability due to Energy+'s investment in the replacement of end of life assets.

In April, 2015, Energy+ Inc. completed Phase 1 of the implementation of its Outage Management System, which is designed to increase efficiency in identifying, responding to, and shortening restoration times. In December, 2015, Energy+ completed Phase 2 of the OMS implementation with the launch of the Outage Map on the Energy+ corporate and mobile websites. The Outage Map provides customers with timely updates on the location of outages and restoration status.

In 2016, the OMS will be extended to include Energy+ customers in the Brant County service territory.

Asset Management

- **Distribution System Plan Implementation Progress**

Distribution system plan implementation progress is a new performance measure instituted by the OEB starting in 2013. Consistent with the other new measures, electricity distributors were given an opportunity by the OEB to define the measure in the manner that best fits their organization. The OEB may develop a standard in the future, based upon the methodologies that utilities use to define their measure.

The Distribution System Plan ("DSP"), approved by the OEB as part of its 2014 Cost of Service Application, outlines Energy+'s forecasted capital expenditures, over the next five years. These expenditures are required to maintain and expand the distributor's electricity system to serve its current and future customers. Energy+'s objective is to ensure that the future distribution system is designed to deliver power at the quality and reliability levels required by customers and to minimize the lifetime cost by balancing preventative maintenance, life-extending refurbishment, and end of life replacement.

The "Distribution System Implementation Progress" measure is intended to assess Energy+'s effectiveness at planning and implementing the DSP. Energy+ measures the progress of its DSP implementation based on the percentage of actual capital expenditures made, compared to the amount of planned capital expenditures per the DSP. The computation is performed on a cumulative basis over the five year term of the DSP. The percentage so determined is then converted based on the following scale:

>100% completed = Ahead of Plan **70% – 100% completed = On Plan** **<75% completed = Behind Plan**

As at the end of 2015, Energy+'s progress under the DSP has been assessed as "Behind Plan". Total cumulative capital expenditures over the period 2014-2015 were $20.11MM, or 67% compared to the planned capital expenditures of $30.08MM. This compares to progress at the end of 2014 which was at 62%.

The following table summarizes the actual capital expenditures by category, compared to the DSP:

	$MMs	
	Cumulative Actuals 2014-2015	Cumulative DSP 2014-2015
Distribution System Capital		
System Access	10.56	14.98
System Renewal	8.88	14.29
System Service	0.93	1.03
	20.36	30.30
Non-Distributions Sytem		
General Plant	4.87	5.99
Gross Capital Expenditures	25.23	36.28
Capital Contributions	(5.12)	(6.21)
Net Capital Expenditures	20.11	30.08

Nature of Expenditures by Category

- System Access Investments – modifications, including asset relocations, to a distributor's distribution system that a distributor is obligated to perform to provide a customer or group of customers with access to electricity services via the distribution system;
- System Renewal Investments – replacing and/or refurbishing system assets to extend the original service life of the assets and thereby maintain the ability of the distributor's distribution system to provide customers with electricity services;
- System Service Investments – modifications to a distributor's distribution system to ensure the distribution system continues to meet a distributor's operational objectives while addressing anticipated future customer service requirements;
- General Plant Investments – modifications, replacements, or additions to a distributor's assets that are not part of the distribution system, including land and buildings, tools and equipment, rolling stock, and electronic devices and software used to support day to day business and operations activities.

Distribution System Capital

Approximately $4.4MM of the variance, representing approximately 14% of the cumulative net capital expenditures planned over the period 2014-2015, was attributable to lower than expected system access investments. These planned investments are principally driven by customer demand for services, including new customers, expansion of existing services, and/ or modifications, including asset relocations. The timing of such expenditures can vary based on customer demand and scheduling.

Significant variances related to System Access projects include:

(i) Approximately $3.3MM attributable to the timing of the construction of the Franklin Boulevard Roundabouts in the City of Cambridge, due to changes in scheduling by the Region of Waterloo. This project commenced in 2015 and is continuing in 2016. The DSP expected the majority of the project to be undertaken in 2014 and 2015; and

(ii) Lower than expected residential and industrial customer growth.

Capital expenditures related to the renewal of the distribution system were $5.4MM lower than planned and was principally attributable to the timing of the planned rebuild projects. In 2015, Energy+ completed the Greenfield Rd. project that was initially planned for 2014 but was deferred to 2015 as the tendered costs to complete Phase 1 of this rebuild were 3.3 times higher for work to be completed in the fall of 2014, compared to the price for completion in 2015. Energy+ decided to delay the construction until 2015 as it would be more economical. Throughout 2014 and 2015, Energy+ has revised the timing of its rebuild projects based on resource availability, both internal and contractor resources, as well as the variance in contractor pricing based on the timing of the project.

Energy+'s 2016 capital expenditure program incorporates many of the system renewal projects that have been deferred from 2015 to 2016. Subsequent to the acquisition of BCP, Energy+ has also undertaken an Asset Condition Assessment and the preparation of a long-term capital expenditure plan for the Brant Service Territory. Energy+ is currently undertaking a review of the system access and system renewal investment requirements across all of its service territories to determine whether it is necessary to reprioritize its planned investments over the next few years.

General Plant

General plant capital expenditures were approximately $1.1MM lower than planned, principally explained by lower than expected investments in meter technology. Lower investments in meter technology were principally as a result of lower than expected customer demand for services. Investments in information systems technology over the past two years includes the Outage Management System, as well as upgrades to the Customer Information and Financial Systems to integrate the operations of the former CND and BCP as a result of the acquisition and subsequent amalgamation.

	$MMs		
	Cumulative Actuals 2014-2015	**Cumulative DSP 2014-2015**	**(Under)/Over**
Land and Buildings	0.30	0.16	0.14
Meters	0.47	1.87	(1.39)
Office Equipment and Furniture	0.07	0.13	(0.06)
Computer Hardware/Software	2.87	2.69	0.18
Vehicles	1.07	0.99	0.09
Tools & Equipment	0.08	0.16	(0.08)
	4.87	5.99	(1.11)

Cost Control

- **Efficiency Assessment**

The total costs for Ontario 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. Energy+ continues to be placed within Group 3, where a Group 3 distributor is defined as having costs within +/- 10 percent of predicted costs. Group 3 is considered “average efficiency” – in other words, Energy+ costs are within the average cost range for distributors in the Province of Ontario. In 2015, 51% (36 distributors) of the Ontario distributors were ranked as “average efficiency”; 28% were ranked as “more efficient”; 21% were ranked as “least efficient”.

Energy+’s vision “Be the energy company most admired for its innovative people, reliable service, and outstanding performance” is focused on achieving efficiencies and improving productivity, while providing value added services to our customers.

The acquisition of BCP, and the subsequent amalgamation, is expected to result in net annual savings of approximately $1.2 million to $1.5 million, including reductions in operations, maintenance and administration costs. The savings will be realized through cost synergies in areas such as: accounting, administration and customer service; reduction in corporate governance costs, with the consolidation of two Board of Directors to one; reduction in information technology (“IT”) costs as a result of combining key IT systems and reduction of third party support costs; and reduction in future regulatory costs associated with fulfilling regulatory requirements. In the longer-term, customers are expected to benefit from economies of scale as a result of this investment, as the expected savings will help to mitigate expected future increases in electricity costs.

In 2015, on a consolidated basis (which include the results of the former CND and BCP), Energy+ achieved net savings of approximately $0.1MM, representing reductions in overall operating costs of approximately $0.7MM, less $0.6MM in one-time operating and integration costs.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Energy+’s capital and operating costs and dividing this cost figure by the total number of customers that Energy+ serves. The cost performance result for 2015 is $646 per customer representing a 1.9% increase over 2014.

Energy+’s Total Cost per Customer has increased on average by 2.6% per annum over the period 2011 through 2015. Similar to most distributors in the province, Energy+ has experienced increases in its total costs required to deliver quality and reliable service to customers. Energy+'s cost structure has increased principally as a result of: (i) considerable change in the electricity distributor sector over this period, including the implementation of Smart Meters and Time of Use Pricing, requirements under the Green Energy Act, and mandated Conservation and Demand Management programs; (ii) rising wage and benefit costs for our employees; (iii) incremental staff to support province wide programs and increased regulatory requirements; (iv) investments in new information technology systems; and (v) the renewal and growth of the 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. The Total cost is divided by the kilometers of line that Energy+ operates to serve its customers. Energy+'s 2015 rate is $29,524 per Km of line, a 0.9% increase over 2014 and an average annual increase of 2.4% since 2011.

Energy+ has experienced a low level of growth in its service territory over the past five years, both in terms of number of customers and kilometers of lines. As a result, cost per customer and cost per Km of line have increased year over year with the increase in operating and capital expenditures. Utilities with low growth rates with upward cost pressures experience higher increases in cost per customer and cost per Km of line as compared to utilities with higher growth rates that are able to fund capital renewal and operating costs through customer growth.

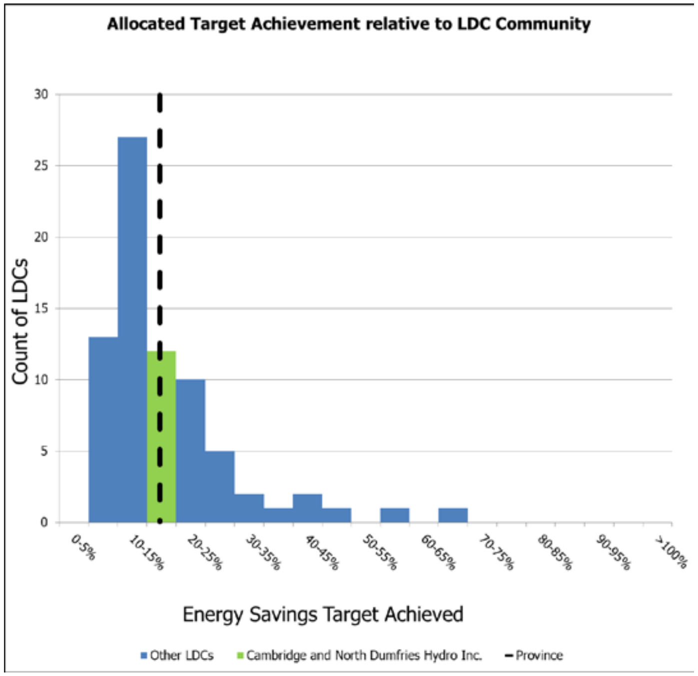
Conservation & Demand Management

In March, 2014, The Minister of Energy introduced the "Conservation First Framework". The Conservation First Framework is designed to reduce electricity consumption by 7 terawatt-hours (TWh) or seven billion kilowatt-hours (kWh) across the Province of Ontario by December 31, 2020. The implementation of the Conservation First Framework is intended to provide: (i) a streamlined approach for local electricity distribution companies to design province-wide and local saveONenergy programs for customers; (ii) includes an energy efficiency target based on achievable potential in the service territory; and (iii) the flexibility to allocate funding for conservation programs to deliver cost-effective programs to consumers. Energy+ filed its CDM Plan under the Conservation First Framework with the IESO in April 2015 and received approval in August 2015.

- **Net Cumulative Energy Savings (Percent of target achieved)**

Energy+'s net cumulative energy savings target for the Cambridge and North Dumfries service territory has been set at 85.00 GWh over the period 2015 to 2020. Following the amalgamation on January 1, 2016, Energy+'s combined target across its entire service territory is 100.95 GWh.

As at December 31, 2015, Energy+ has achieved 18.16% of its target in the Cambridge and North Dumfries service territory, as verified by the Independent Electrical System Operator ("IESO"). The following chart illustrates Energy+'s performance in comparison to the industry.



Source: IESO Final 2015 Annual Verified Results Report

In the first quarter of 2016, following the verification of additional conservation projects completed by Energy+ customers, Energy+ received confirmation that it has achieved 71.181 GWh or 70% of its overall target, resulting in a ranking of #1 in the Province.

Connection of Renewable Generation

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

Electricity distributors are required to conduct Connection Impact Assessments (“CIAs”) within 60 days of receiving authorization from the Electrical Safety Authority. In 2015, Energy+ completed 4 CIAs, a decrease of 10 over 14 completed in 2014. All CIAs have been completed within the prescribed time limit.

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

In 2015, Energy+ connected 47 new micro-embedded generation facilities (microFIT projects of less than 10 kW) compared to 52 in 2014. 100% of the connections were completed within the prescribed time frame of five business days. The minimum acceptable performance level for this measure is 90% of the time.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more ‘Liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

Energy+’s current ratio increased from 0.76 in 2014 to 2.10 in 2015. The improvement in the current ratio was a result of a reduction in short-term borrowings. As planned, in January 2015, Energy+ secured long term debt financing and repaid the $25MM in short-term debt that was incurred in the latter part of 2014 to finance the acquisition of BCP.

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

The OEB uses a deemed capital structure of 60% debt and 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 debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

In 2015, subsequent to the issuance of $50MM in long-term debt and the repayment of the $25MM short-term debt, Energy+'s debt to equity ratio was 1.10, which is within a healthy range of 1.0-1.25, and below the OEB's deemed capital structure. Energy+'s strong financial position is further supported by Standard & Poor's Rating Services rating of "A Stable".

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

Energy+'s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

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

Energy+'s return achieved in 2015 was 10.0%, an increase over the 8.32% return achieved in 2014. Energy+'s return on equity is well within the +/- 3% range allowed by the OEB. The average return over the past three years was 8.7%.

Note to Readers of 2015 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.