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**November 25, 2016**

**VIA RESS AND COURIER**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**RE: EB-2016-0160 Hydro One Networks Inc. ("Hydro One") Transmission Rates  
Application – Response to Undertaking J2.2**

Hydro One's response to Undertaking J2.2 is enclosed.

Yours truly,

**McCarthy Tétrault LLP**

Per:



For: Gordon M. Nettleton

GMN

**UNDERTAKING – J2.2**

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**Undertaking**

Highlight the differences between the draft scorecard presented to stakeholders on April 27, 2016 and the proposed scorecard in the application

**Response**

Please see Attachment 1.

## Proposed Transmission Regulatory Scorecard - Hydro One Networks Inc.

Performance Outcomes	Performance Categories	Measures	Historical Years					Trend
			2011	2012	2013	2014	2015	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	Satisfaction with Outage Planning Procedures (% Satisfied)	Note 1	78	Note 1	86	92	▲
	Customer Satisfaction	Customer: Delivery Point (DP) Performance Standard Outliers as % of Total DPs	13.8	10.8	12.8	11.8	Note 2	▲
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Customer Satisfaction	Overall Customer Satisfaction in Corporate Survey (% Satisfied)	85	76	81	77	85	-
	Safety	Recordable Incident Rate (# of recordable injuries/illnesses per 200,000 hours worked)	3.7	2.3	2.5	1.8	1.7	▲
System Reliability	System Reliability	T-SAIFI-S (Ave. # Sustained Interruptions per Delivery Point)	0.60	0.61	0.57	0.60	0.59	-
		T-SAIFI-M (Ave. # Momentary Interruptions per Delivery Point)	0.60	0.65	0.69	0.48	0.50	▲
		T-SAIDI (Ave. Minutes of Interruptions per Delivery Point)	127.9	71.5	66.0	36.6	44.3	▲
		System Unavailability (%)	0.50	0.48	0.37	0.48	0.66	▼
Asset Management	Asset Management	Unsupplied Energy (minutes)	21.6	14.0	20.9	12.2	11.8	▲
		In-Service Capital Additions (% of OEB approved plan)	95	75	90	106	85	▲
Cost Control	Cost Control	CapEx as % of Budget	78	81	73	90	106	▲
		Total OM&A and Capital per Gross Fixed Asset Value (%)	9.8	8.6	7.6	8.4	9.0	▲
		Sustainment Capital per Gross Fixed Asset Value (%)	2.6	2.8	3.3	4.2	4.6	Note 3
		OM&A per Gross Fixed Asset Value (%)	3.4	3.0	2.7	2.7	2.9	▲
Public Policy Responsiveness Transmitters deliver on obligations mandated by government. (e.g. in legislation and in regulatory requirements imposed further to Ministerial directives to the Board)	Connection of Renewable Generation	% on time completion of renewables connection impact assessments	100	100	100	100	100	-
	Market Regulatory Compliance	NERC/NPCC Reliability Standards Compliance - Number of High Impact Violations (Note 4) - Number of Medium/Low Impact Violations (Note 4)	N/A	N/A	N/A	20	2	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Regional Infrastructure	Regional Infrastructure Planning progress - % Deliverables met	N/A	N/A	N/A	100	100	
	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	0.24	0.29	0.80	0.69	0.13	
		Leverage: Total Debt (includes short-term & long-term debt) to Equity Ratio	1.27	1.22	1.10	1.16	1.39	
		Profitability: Regulatory Deemed (included in rates) (%)	9.66	9.42	8.93	9.36	9.30	
		Return on Equity Achieved (%)	10.95	12.41	13.22	13.12	10.93	

Note 1: Customer Satisfaction survey not done in 2011 and 2013.

Note 2: Results will be available in July 2016.

Note 3: In 2014 strategic decision made to increase sustainment capital.

Note 4: Results from 2011 to 2013 are excluded due to a lack of consistent data compared to 2014 and 2015.

**Legend:**  
▲ up  
▼ down  
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