



# **Ontario Energy Board Commission de l'énergie de l'Ontario**

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## **OEB STAFF SUMMARY OF COMMUNITY MEETING**

**EB-2017-0048**

**Hydro Hawkesbury Inc.**

**Application for 2018 Rates**

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**October 10, 2017**

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**ATTACHMENTS**

**SCHEDULE A: ONTARIO ENERGY BOARD PRESENTATION**

**SCHEDULE B: HYDRO HAWKESBURY PRESENTATION**

# 1 INTRODUCTION

Hydro Hawkesbury Inc. (HHI) filed a cost of service application with the Ontario Energy Board (OEB) on July 12, 2017 seeking approval for changes to the rates that HHI charges for electricity distribution, to be effective January 1, 2018. For a typical residential customer beginning January 1, 2018, the proposed increase was \$0.15 per month.

A Notice of Hearing was issued on August 22, 2017.

Further to the Notice of Hearing, the OEB hosted one community meeting on September 18, 2017 in the town of Hawkesbury, Ontario regarding HHI's 2018 application.

This is an OEB staff report summarizing the outcomes of this community meeting. This report will be placed on the public record of the OEB hearing of this application along with copies of any written presentations made at the meeting. This report includes a summary of comments, questions and concerns raised during the community meeting by customers who attended the meeting. This summary is intended to capture the range of perspectives that were shared, rather than to provide a verbatim transcript of the meeting.

Customers are also able to submit individual written letters of comment with the OEB, either during a community meeting or any other time during the course of the OEB's review of an application. The OEB places written letters of comment on the public record of the specific proceeding. All comments must be submitted to the OEB before the decision-makers in that case begin to consider their decision on the application. In making its decision, the OEB considers everything on the public record, including all comments when determining whether to grant the requests made by HHI in this application.

## 2 THE PROCESS

The OEB convenes community meetings in the service territories of local distribution companies that have applied to the OEB to change their rates through a cost of service proceeding.

Community meetings are part of the OEB's process of reviewing a rate application. The OEB has established a [Consumer Engagement Framework](#) to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision-making process.

Community meetings are hosted by OEB staff who inform customers about the role of the OEB in rate-setting and the processes involved. OEB representatives explain the various ways that customers can become involved in the adjudicative process. A copy of OEB staff's presentation is attached to this report as Schedule A.

To assist customers in better understanding the application, the utility makes a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. A copy of HHI's presentation is attached to this report as Schedule B.

Customers and municipal officials are also invited to make presentations outlining their thoughts on the utility's proposals.

Following the presentations, customers have the opportunity to ask questions of the OEB and the utility about the application and the regulatory process. The issues raised by customers in the community meetings are documented and used by OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application. Any verbal comments provided to OEB staff at the community meeting are summarized in this report with no attribution.

In addition to providing verbal comments to OEB staff, customers attending the meetings may express their concerns directly to the OEB by providing individual comments (with attribution) through an online form on the computers provided or by filling in a hard copy comment form, which is then submitted to the OEB by OEB staff.

### 3 SUMMARY OF THE MEETING

The HHI meeting was held at the Robert Hartley Sportsplex in Hawkesbury, Ontario on September 18, 2017 from 7:00 p.m. to 8:00 p.m. Approximately 11 customers attended the meeting to hear presentations from OEB staff and HHI. Prior to the presentations, OEB staff and HHI staff were available to informally talk to attendees and answer questions. OEB and HHI representatives responded to questions from attendees during and following the presentations.

The following OEB staff and HHI representatives attended the meeting:

#### OEB Staff

Kristi Sebalj, Registrar  
Birgit Armstrong, Project Advisor, Major Applications  
Sylvia Kovesfalvi, Manager, Community Relations & Outreach  
Lynn Ramsey, Senior Advisor, Public Affairs  
Mandy Uspech, Advisor, Community Outreach

#### Hawkesbury

Michel Poulin, General Manager  
Jacinthe Chabot, Accountant

The OEB and HHI presented at the meeting.

Meeting participants had questions related to the bill impacts. There was considerable confusion around the \$0.15 increase per month. Some customers thought this was a 15 cent increase on the commodity price, others thought Hawkesbury had applied for a 15% increase. This was the major concern raised at the meeting.

#### **Other Specific Concerns Raised**

- Bill Impacts – Clarification whether the bill increase of \$0.15/month is the total increase per month or per kWh. Questions regarding whether this increase pertains to all customer classes or just residential consumers also arose.
- IRM period – Clarification on how the OEB calculates rate increases in the years following this application.

- Rate Base –Consumers sought clarification whether the requested rate increase relates to a transformer station renewal project highlighted in Hydro Hawkesbury’s application.
- General comments were made in support of Hydro Hawkesbury’s need to invest capital in infrastructure projects, including a \$3.5million capital addition for a Hawkesbury’s transformer station renewal project. A customer noted that the infrastructure projects, particularly the new TS substation (in service since May 2017) will ensure reliability for Hawkesbury customers. The customer pointed out that Hawkesbury’s transformer stations were over 50 years old and that infrastructure renewal is necessary.
- Time of use pricing – Consumers inquired whether Hawkesbury customers have the ability yet to check their hourly consumption using Hydro Hawkesbury’s website.

**SCHEDULE A**  
**ONTARIO ENERGY BOARD PRESENTATION**  
**HYDRO HAWKESBURY INC.**  
**EB-2017-0048**  
**SEPTEMBER 18, 2017**



# Getting Involved In OEB's Review of Hydro Hawkesbury's Rate Application

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OEB Community Meeting

September 18, 2017



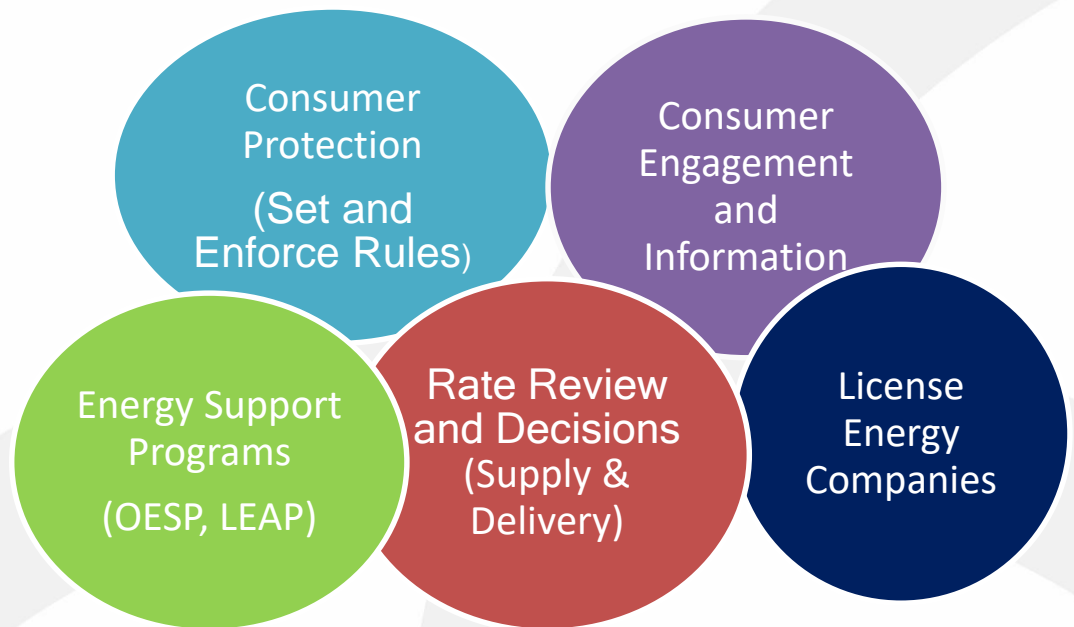
# Every Voice Matters

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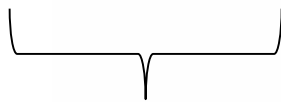
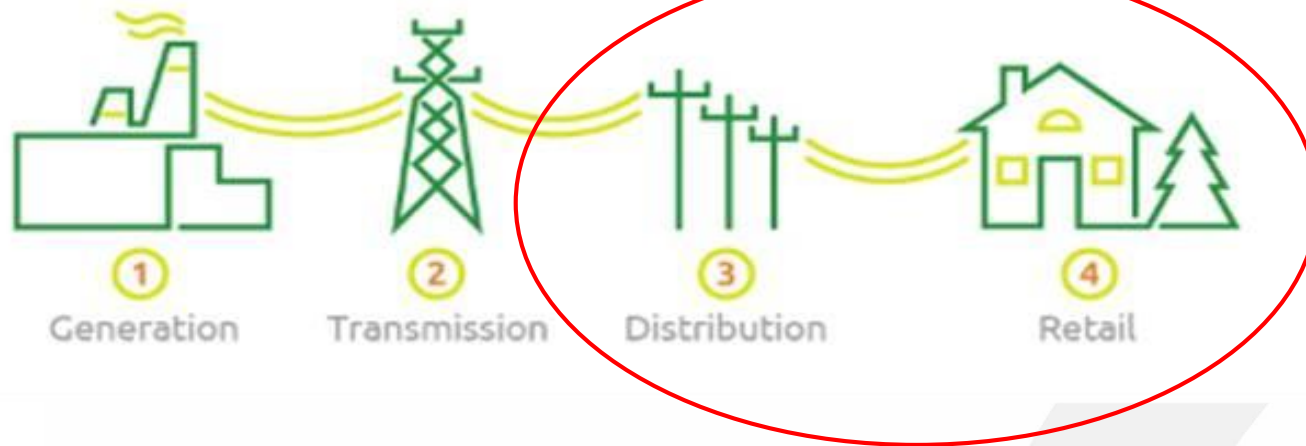
- The OEB wants to hear from you to ensure we take your concerns into account as we make a decision about this application.
- OEB Community Meetings are held to give you an opportunity to:
  - Learn more about your utility's costs and rate application
  - Find out how to get involved in the OEB's process
  - Provide your comments to us about your utility's application.

# OEB – Regulating Ontario's Energy Sector

- **The OEB is Ontario's independent energy regulator.** We work to ensure a sustainable, reliable energy sector that helps consumers get value from their natural gas and electricity services – for today and tomorrow.



# Reviewing Distribution Rates



Commodity



Delivery

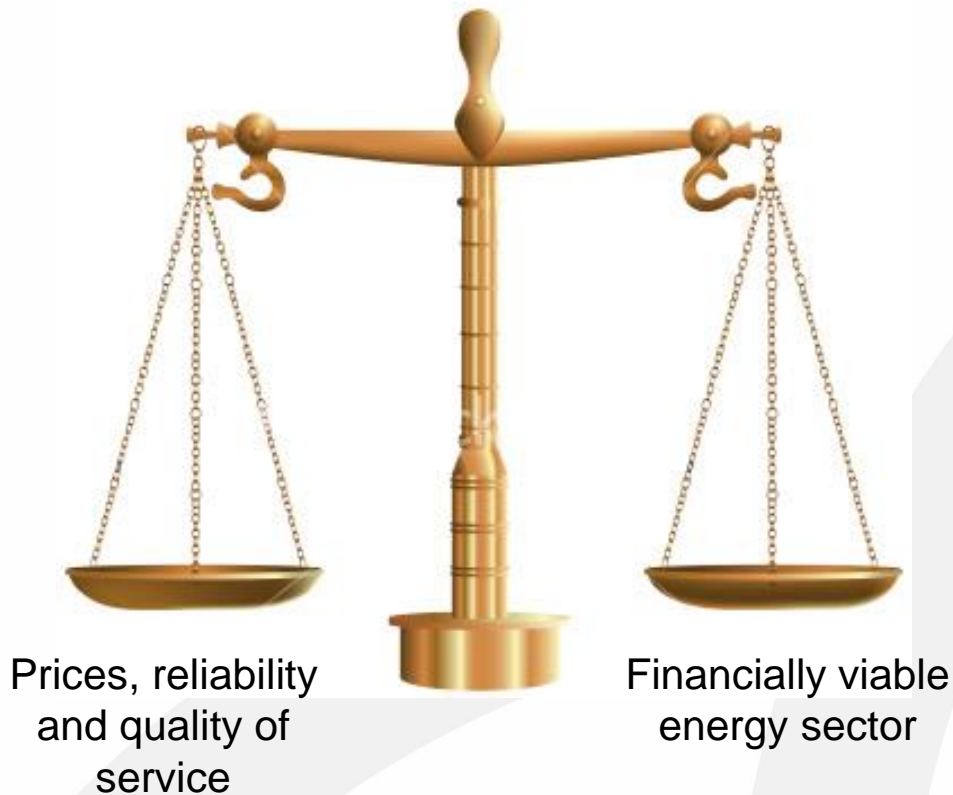
# Ontario's Fair Hydro Plan

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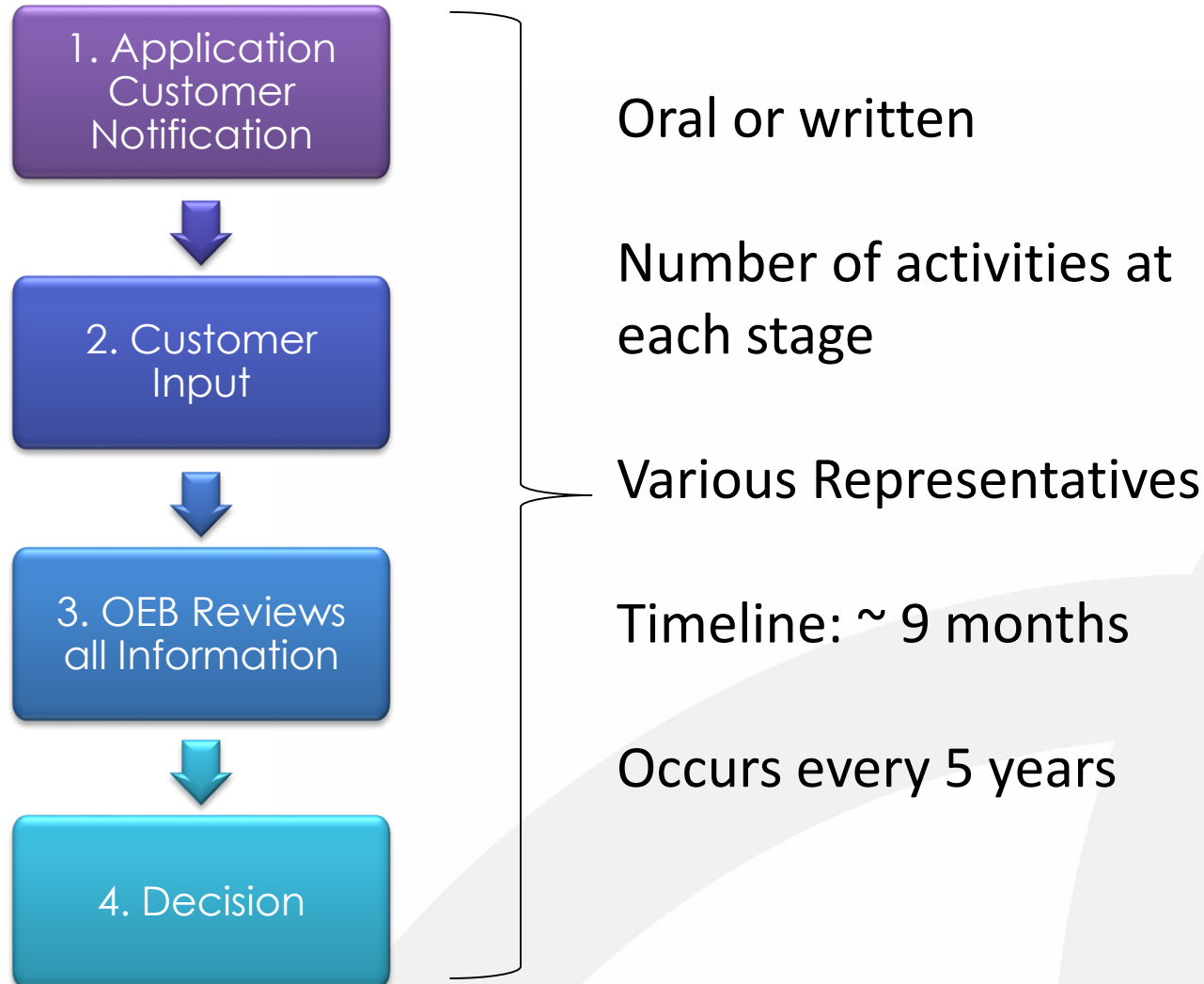
- The *Fair Hydro Act, 2017* came into effect on June 1, 2017.
- This Act, together with proposed new regulations, will enable the government to move forward with initiatives that it has stated will:
  - Lower electricity bills by 25% on average for all residential customers and hundreds of small business and farms
  - Hold increases to the rate of inflation for four years
  - Provide additional electricity bill relief for:
    - residential customers in rural and remote areas
    - on-reserve First Nations residential customers
  - Fund electricity-related programs such as OESP through taxes

# Delivering Value – Ensuring Reliability

The OEB's job is to align various objectives to ensure reliability



# Be Heard in the OEB's Process



# Be Heard in the OEB's Process



# What Can You Do?

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- OEB wants to hear from you. We encourage you to:
  - Ask questions
  - Provide comments (via post or email)
  - Attend or listen in on the hearings
  - Follow the proceedings
- Your voice helps the OEB do our job:

*Ensuring utilities deliver value by focusing on  
what matters most to you*

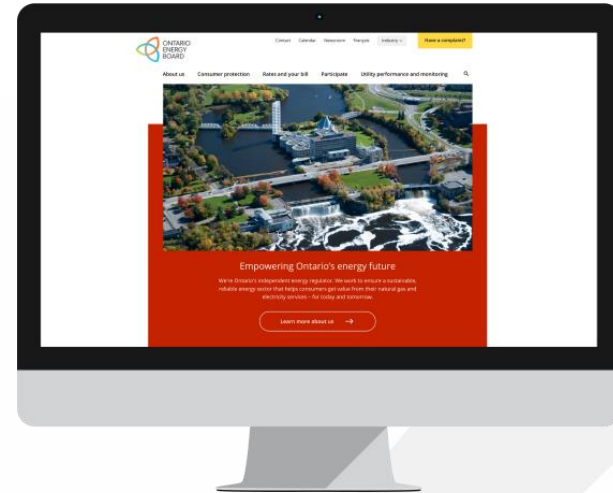


# Your Voice Matters – Thank You

Visit our  
website



**416-314-2455**  
**Toll Free 1-877-632-2727**



**www.oeb.ca**



**Twitter: @OntEnergyBoard**



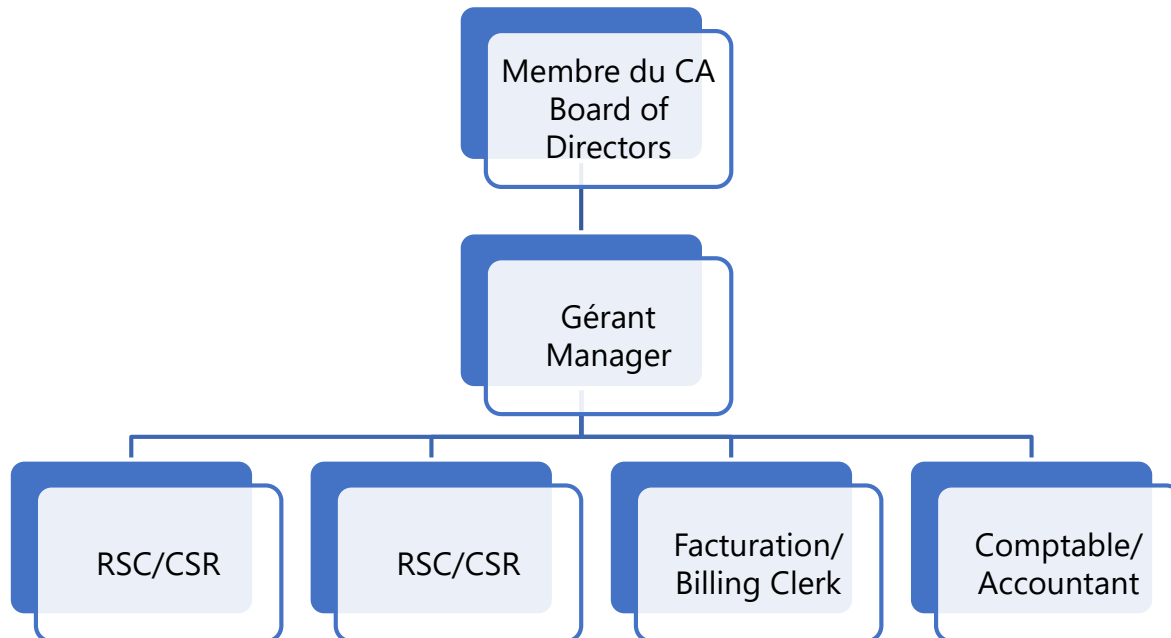
**Ontario Energy Board, 2300 Yonge Street,  
Suite 2701, Toronto, Ontario M4P 1E4**

**SCHEDULE B**  
**HYDRO HAWKESBURY INC. PRESENTATION**  
**HYDRO HAWKESBURY**  
**EB-2017-0048**  
**SEPTEMBER 18, 2017**

# 2018 Coût de Service / Cost of Service

## Hydro Hawkesbury Inc

# Hydro Hawkesbury Inc.



| Service Area           | Description of Applicant (as of end of 2016) |
|------------------------|--|
| Community Served       | Hawkesbury                                   |
| # of Metered Customers | 4836 Residential                             |
|                        | 609 General Service                          |
|                        | 87 Over 50                                   |
|                        | 9 USL  |
|                        | 72 Sentinel                                  |
|                        | 1197 Streetlights                            |
| Load provided by host  | Hydro One/IESO                               |

# Ce qui rend HHI différent des autres services publics / What makes HHI different than other utilities

- ▶ Contrôle locale.
- ▶ Les taux de livraison les plus bas en Ontario depuis 10 ans.
- ▶ Nous remettons en moyenne, des dividende de \$83,000 à la ville de Hawkesbury
- ▶ Nos profits sont réinvestie dans nos infrastructures.
- ▶ Local control.
- ▶ Lowest Delivery rates in Ontario in 10 years.
- ▶ We remit an average of \$83,000 in devidend each year to the Town of Hawkesbury.
- ▶ Our Profits are re-invested in HHI's Infrastructures.

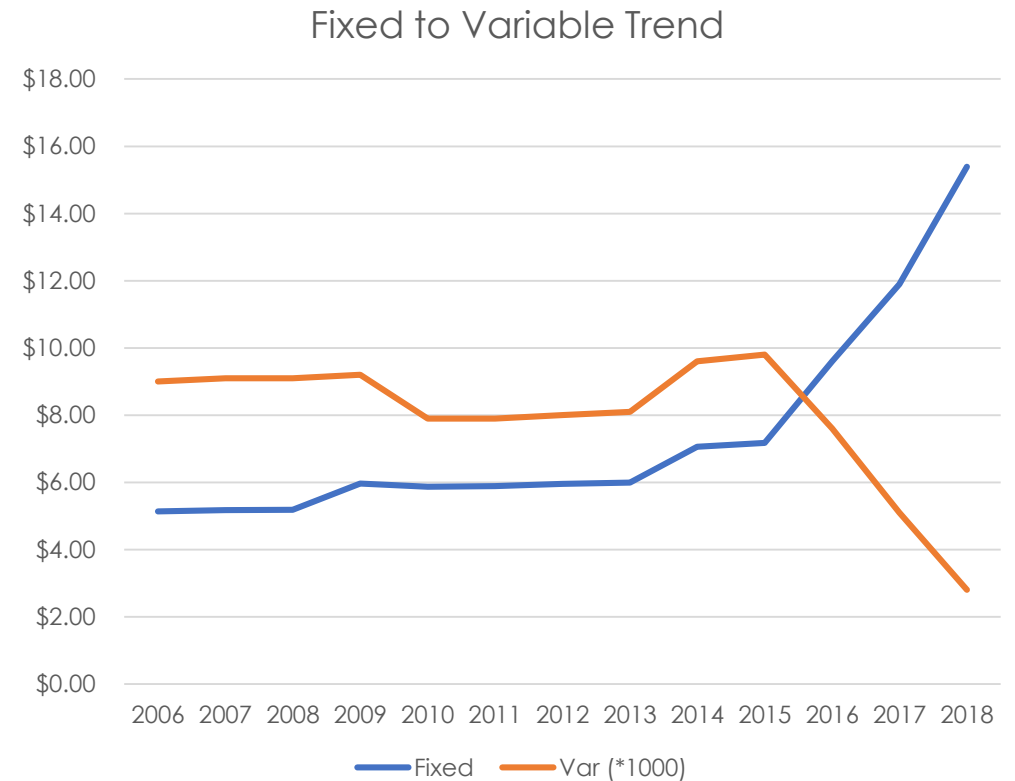
# Factures Typiques / Typical Bill Impacts

| RATE CLASSES / CATEGORIES<br>(eg: Residential TOU, Residential Retailer) | Units | Usage | HHI Distribution Revenues |         | HHI Total Bill           |         |
|--|-------|-------|---------------------------|---------|--------------------------|---------|
|  |       |       | Increase from 2017 Rates  |         | Increase from 2017 Rates |         |
|  |       |       | \$                        | %       | \$                       | %       |
| RESIDENTIAL SERVICE CLASSIFICATION – TOU                                 | kWh   | 339   | \$1.98                    | 14.53%  | \$1.02                   | 1.83%   |
| RESIDENTIAL SERVICE CLASSIFICATION - TOU                                 | kWh   | 750   | \$0.15                    | 0.951%  | -\$2.59                  | 2.13%   |
| GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - RPP             | kWh   | 2000  | -\$1.31                   | -4.70%  | -\$11.09                 | -3.64%  |
| GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)  | kW    | 240   | -\$135.73                 | -22.92% | -\$704.60                | -13.94% |
| UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Other)        | kWh   | 4600  | -\$6.28                   | -25.57% | -\$31.92                 | -4.86%  |
| SENTINEL LIGHTING CLASSIFICATION - Non-RPP (Other)                       | kWh   | 123   | \$379.54                  | 9.93%   | \$428.28                 | 9.87%   |
| STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)              | kW    | 313   | \$479.52                  | 15.31%  | \$625.35                 | 8.95%   |

# / Historique des Factures / History of Rates and Total Bill Impacts

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| 1000 kWh    | Fixed          | Variable        | Process                |
|-------------|----------------|-----------------|------------------------|
| <b>2006</b> | <b>\$5.13</b>  | <b>\$0.0090</b> | <b>Cost of Service</b> |
| 2007        | \$5.17         | \$0.0091        | IRM                    |
| 2008        | \$5.18         | \$0.0091        | IRM                    |
| 2009        | \$5.96         | \$0.0092        | IRM                    |
| <b>2010</b> | <b>\$5.87</b>  | <b>\$0.0079</b> | <b>Cost of Service</b> |
| 2011        | \$5.89         | \$0.0079        | IRM                    |
| 2012        | \$5.95         | \$0.0080        | IRM                    |
| 2013        | \$5.99         | \$0.0081        | IRM                    |
| <b>2014</b> | <b>\$7.06</b>  | <b>\$0.0096</b> | <b>Cost of Service</b> |
| 2015        | \$7.17         | \$0.0098        | IRM                    |
| 2016        | \$9.60         | \$0.0076        | IRM                    |
| 2017        | \$11.90        | \$0.0051        | IRM                    |
| <b>2018</b> | <b>\$15.39</b> | <b>\$0.0028</b> | <b>Cost of Service</b> |

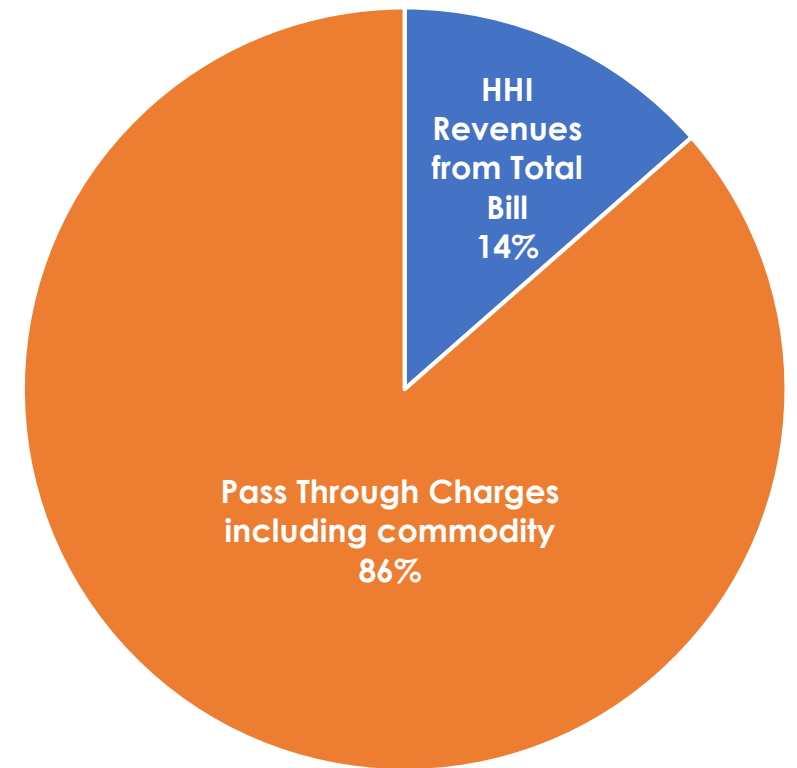


# Facture/ Bill

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| Bill Impacts Analysis                                    | 2017            | 2018            | \$Change       |
|--|-----------------|-----------------|----------------|
| Monthly Service Charge                                   | \$11.90         | \$15.39         | \$3.49         |
| Distribution Volumetric Rate                             | \$3.83          | \$2.10          | -\$1.73        |
| 110KV Refund Rate Rider                                  |                 | -\$1.61         | -\$1.61        |
| Standard Supply Service Charge                           | \$0.25          | \$0.25          | \$0.00         |
| <b>Sub-Total A (excluding pass through)</b>              | <b>\$15.98</b>  | <b>\$16.12</b>  | <b>\$0.15</b>  |
| Rate Riders for Variance Accounts (passthrough)          | \$4.50          | \$1.47          | -\$3.03        |
| Smart Meter Entity Charge                                | \$0.79          | \$0.79          |                |
| <b>Sub-Total B - Distribution (includes Sub-Total A)</b> | <b>\$21.26</b>  | <b>\$18.38</b>  | <b>-\$2.88</b> |
| RTSR - Network   | \$5.70          | \$6.03          | \$0.33         |
| RTSR - Line and Transformation Connection                | \$2.84          | \$3.17          | \$0.34         |
| <b>Sub-Total C - Delivery (including Sub-Total B)</b>    | <b>\$29.80</b>  | <b>\$27.59</b>  | <b>-\$2.21</b> |
| Wholesale Market Service Charge (WMSC)                   | \$2.85          | \$2.80          | -\$0.05        |
| Rural and Remote Rate Protection (RRRP)                  | \$1.66          | \$1.63          | -\$0.03        |
| TOU - Off Peak   | \$36.96         | \$36.96         |                |
| TOU - Mid Peak   | \$15.26         | \$15.26         |                |
| TOU - On Peak  | \$21.20         | \$21.20         |                |
| <b>Total Bill on TOU (before Taxes)</b>                  | <b>\$107.71</b> | <b>\$105.42</b> | <b>-\$2.29</b> |
| <b>HST</b>   | <b>\$14.00</b>  | <b>\$13.71</b>  | <b>-\$0.30</b> |
| <b>Total Bill (including HST)</b>                        | <b>\$121.72</b> | <b>\$119.13</b> | <b>-\$2.59</b> |

HHI Revenues from Total Bill





# 2016 Performance

| Compagnie/ Company                    | Provincial Ranking | OEB/PEG Predicted Costs (A) | Actual Costs (B) | Difference (A-B) | Efficacité/ Efficiency | Coût par client/ Cost per Customer | Coût par km /Cost per km of Line |
|---------------------------------------|--------------------|-----------------------------|------------------|------------------|------------------------|------------------------------------|----------------------------------|
| Hydro Hawkesbury Inc.                 | #1                 | \$ 2,906,844                | \$1,496,894      | (\$1,409,950)    | -66.40%                | \$271                              | \$21,694                         |
| Wasaga Distribution Inc.              | #2                 | \$8,994,081                 | \$5,738,095      | (\$3,255,986)    | -44.94%                | \$430                              | \$19,855                         |
| E.L.K. Energy Inc.                    | #3                 | \$7,276,174                 | \$4,904,503      | (\$2,371,671)    | -39.45%                | \$416                              | \$31,239                         |
|                                       |                    |                             |                  |                  |                        |                                    |                                  |
|                                       |                    |                             |                  |                  |                        |                                    |                                  |
| Hydro One Networks Inc.               | #65                | \$1,105,009,790             | 1,291,093,963    | \$186,084,172    | 15.60%                 | \$987                              | \$10,551                         |
| Chapleau Public Utilities Corporation | #68                | \$747,552                   | \$922,404        | \$174,852        | 21.00%                 | \$740                              | \$34,163                         |
| West Coast Huron Energy Inc.          | #69                | \$2,291,083                 | \$3,247,606      | \$956,523        | 34.97%                 | \$848                              | \$53,239                         |
| Toronto Hydro Electric Systems        | #70                | \$471,504,404               | \$795,760,801    | \$324,256,397    | 52.30%                 | \$1,044                            | \$27,819                         |

- HHI est l'utilité la plus productive depuis 2006 / HHI has been the most efficient utility in the province since 2006

# 2017-2018 Performance

|  | 2017          | 2018          |
|--|---------------|---------------|
| Actual Total Cost                        | \$1,843,842   | \$1,858,136   |
| Predicted Total Cost (using OEB metrics) | \$ 2,890,836  | \$3,029,427   |
| Difference                               | (\$1,046,994) | (\$1,171,291) |
| Percentage Difference (Cost Performance) | -45.0%        | -48.88%       |

# Les Priorités /Priorities

1. Amélioration du poste de distribution Rue Principale et ajout d'un transformateur, qui est entré en service au printemps 2017, est de s'assurer qu'une quantité suffisante d'électricité continuera d'alimenter la ville pour les années à venir.
  2. Remplacement des poteaux et des transformateurs car ils montrent signe de détérioration.
1. Main Street distribution station betterment and addition of a new transformer, which came into service in the Spring of 2017, is ensuring that an adequate supply of electricity will continue to power the city for years to come.
  2. Replacement of poles and transformers as they show sign of deterioration

# Poste 110 KV Rue Principale / 110KV Substation on Main Street

Un investissement important pour remplacer un transformateur ayant atteint la fin de leur espérance de vie et ainsi assurer l'approvisionnement en électricité à plus de 4,000 clients dans Hawkesbury. Nous avons ajouté un transformateur ayant la capacité des 2 existants et remplacer de l'équipement de protection qui dataient de plus de 50 ans. Les travaux sont conforme au Transmission System Code, aux exigence de Hydro One et de IESO.



An important investment in order to replace an end of life transformer and assure power reliability to more than 4,000 customers in Hawkesbury. HHI added a transformer with the capacity of the 2 existing transformers, some protection equipment over 50 years old. All work performed met the Ontario Transmission System Code, Hydro One and IESO requirements.

# Poste de distribution/ Substation

**2012:** Spécifications du projet, conception et approbation par le OEB pour la récupération des coûts.

**2013:** Problèmes de bassin d'huile qui ont causé des retards.

**2014:** Remboursement du recouvrement. **(268 428 \$)** parce que le poste de distribution n'était pas en service en 2012.

**2015:** Embauche Stantec pour examiner la gestion de nouveaux projets et plans.

**2016:** travaux en cours.

**Printemps 2017:** Le poste de distribution entre en service. HHI demande le recouvrement de montant total de **3,352M** dans ces tarifs.

**Jan 2018:** HHI demande de rembourser le reste du recouvrement des taux de 2014. **(304 488 \$)**

**2012:** Project Specs, Design & OEB approval for recovery of costs.

**2013:** Issues with oil containment which caused delays.

**2014:** Refund of over-collection. **(\$268,428)** because the Substation was not in service in 2012.

**2015:** Hire Stantec to review manage new project and plans.

**2016:** Work in progress.

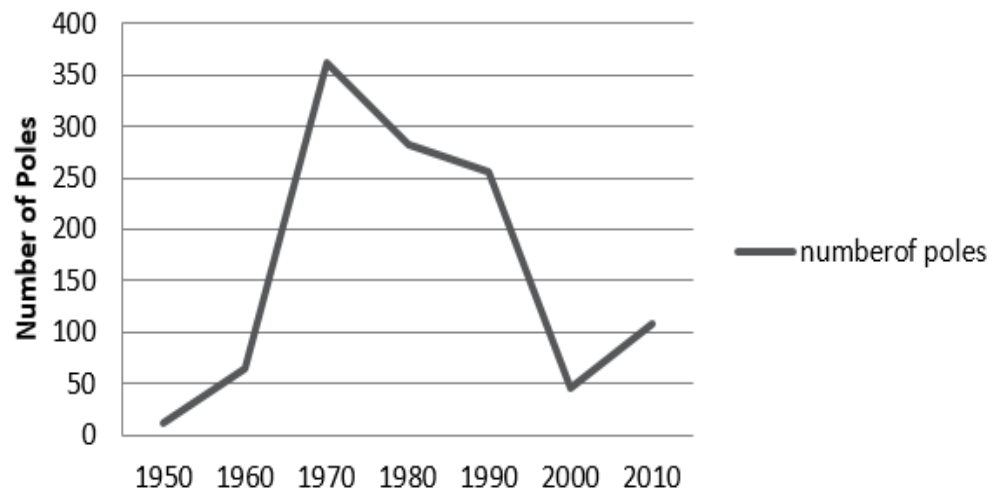
**Spring 2017:** The substation came into service. HHI asks the OEB for approval to recover **\$3,352M** in its rates.

**Jan 2018:** HHI asking to refund the remainder of the over-collection from its 2014 rates to its customers. **(\$304,488)**

*NOTE: HHI récupère, dans ses taux, le rendement de ces investissements en capital (environ 200 000 \$ par année.)*

# Remplacement des Poteaux / Pole Replacement

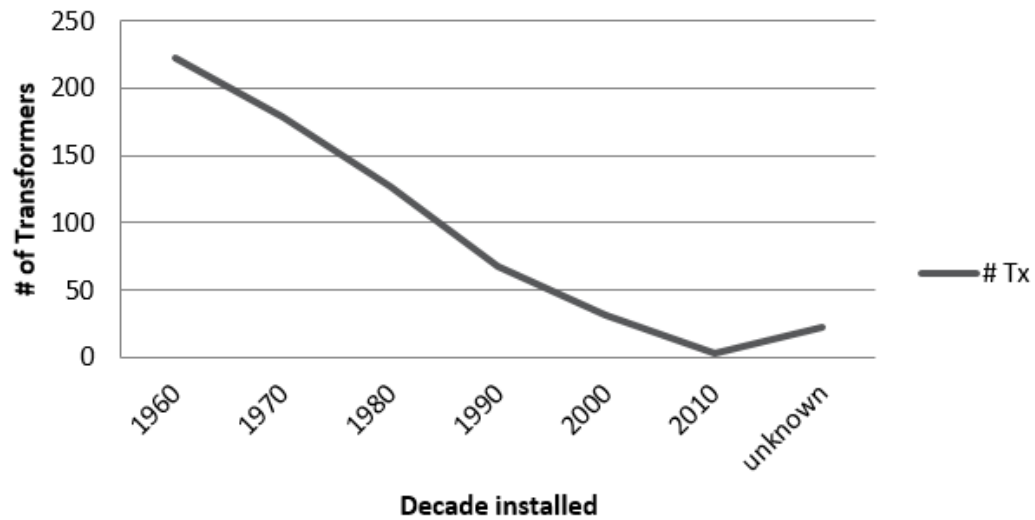
**Age of Pole Assets Distribution By  
Decade**



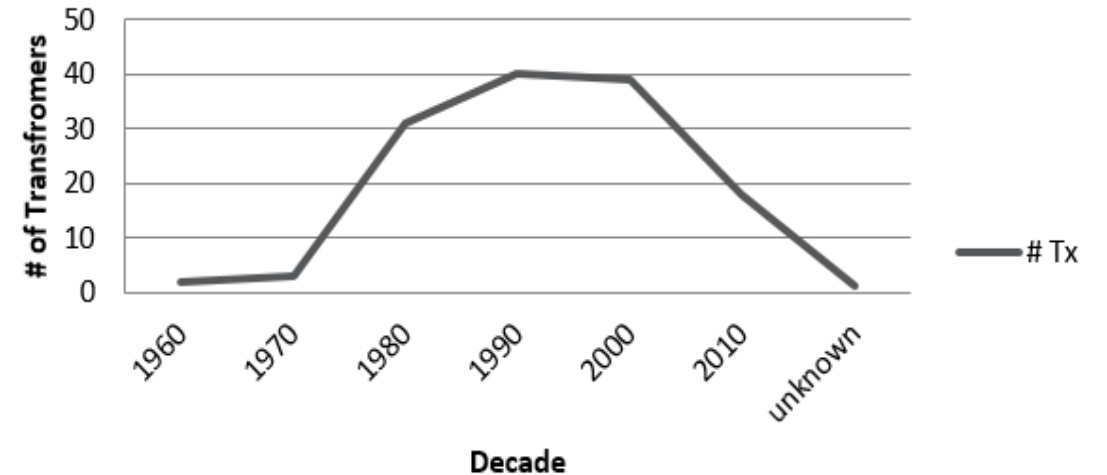
|             |             |             |             |              | Moyenne<br>Annuelle/<br>yearly average |              |   |
|-------------|-------------|-------------|-------------|--------------|--|--------------|---|
| 2013        | 2014        | 2015        | 2016        | TOTAL        |  |              |   |
| \$85,061.00 | \$24,310.00 | \$88,560.00 | \$69,572.00 | \$267,503.00 | \$ 66,875.75                           |              |   |
|             |             |             |             |              |  |              |   |
|             |             |             |             |              |  |              |   |
|             |             |             |             |              |  |              | Moyenne<br>Annuelle/<br>yearly<br>average |
| 2017        | 2018        | 2019        | 2020        | 2021         | 2022                                   | TOTAL        |   |
| \$60,000.00 | \$81,500.00 | \$87,700.00 | \$88,100.00 | \$ 88,100.00 | \$ 90,000.00                           | \$495,400.00 | \$ 82,566.67                              |

# Age des Transformateurs/ Transformers Age

**Overhead Transformer Age Distribution  
by Decade**



**Pad Mounted Transformer Age  
Distribution by Decade**



# Projets majeurs/ Major Projects

| 2014   | 2015                                    | 2016   | 2017  | 2018  |
|--|---|--|---|---|
| Repairs and inspection of the 43T1 transformer<br>\$42,750 | 44kV MS transformer repair<br>\$320,188 | 115 kV MTS new protection installation<br>\$59,244       | 115kV MTS upgrade<br>\$3,525,000                | Pole replacement<br>\$81,500                |
| Pole replacement<br>\$24,310                               | Pole replacement<br>\$88,560            | 44kV MS commissioning of rebuilt transformer<br>\$54,101 | Pole replacement<br>\$60,000                    | 3/0 Conductor upgrade<br>\$10,000           |
| Replace 3/0 primary wire<br>\$31,221                       |   | Pole replacement program<br>\$69,572                     | Porcelain insulator replacement<br>\$21,720     | Porcelain insulator replacement<br>\$17,930 |
|  |   | Line Conductor replacement<br>\$69,003                   | Software: North Star system upgrade<br>\$31,000 | Close Loops on u/g radial feeds<br>\$10,000 |
|  |   | Building<br>\$52,500                                     |   |   |

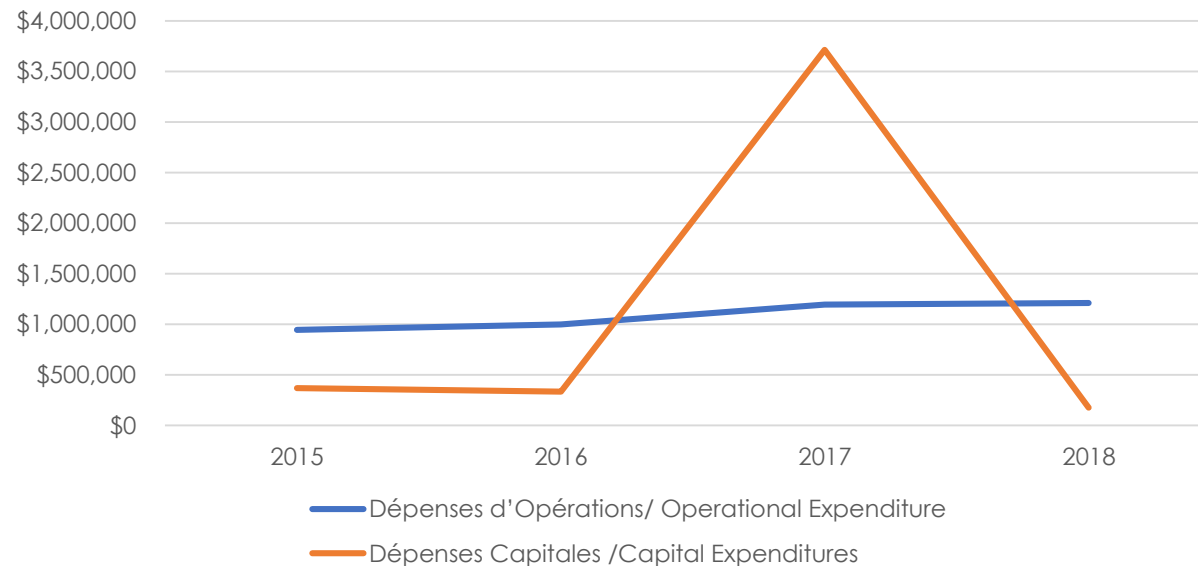


# Sommaire des Dépenses/Summary of Expenditures

15

|  | 2015      | 2016      | 2017        | 2018        |
|--|-----------|-----------|-------------|-------------|
| Dépenses d'Opérations/ Operational Expenditure | \$944,340 | \$996,817 | \$1,193,426 | \$1,210,114 |
| Dépenses Capitales /Capital Expenditures       | \$368,826 | \$334,608 | \$3,712,353 | \$175,830   |

Capital vs Operation Costs



# Raison principales des depenses d'Operations / Major Drivers of Operating Costs

16

## **2017 - an increase of \$196K.**

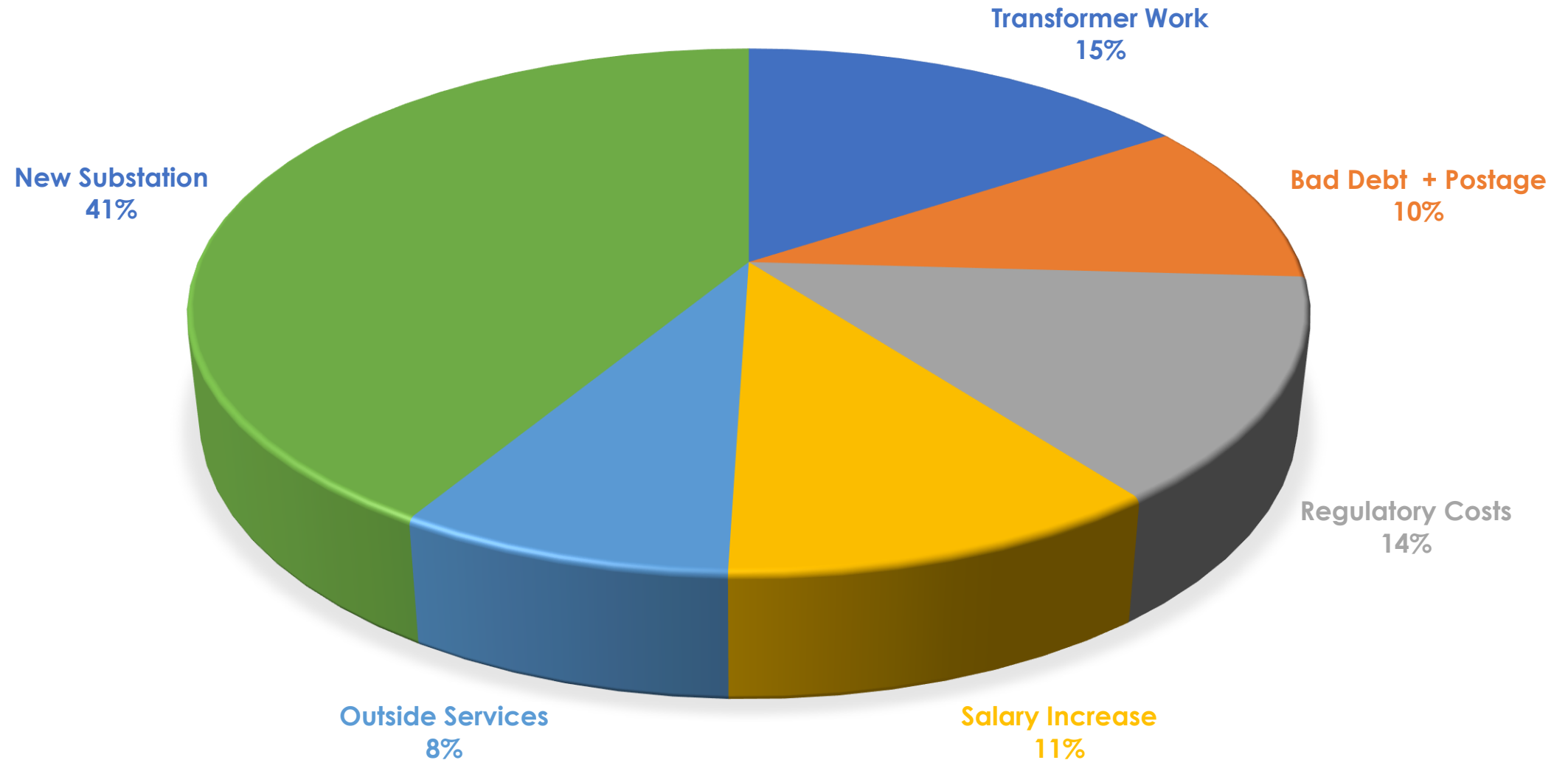
- ▶ Transformer Station Equipment - Operation Labour(36K + 12K)
- ▶ Bad Debt Expenses + Postage(31k)
- ▶ Regulatory Costs (15K)
- ▶ Salary Increase(33k)
- ▶ Outside Services(25k)
- ▶ Other Costs (32k)

## **2018 - an increase of \$27K**

- ▶ Transformer Station Equipment - Operation Labour(-20K)
- ▶ Bad Debt Expenses + Postage(same as 2017)
- ▶ Cost related to application, DSP and provision for an oral hearing(27K).
- ▶ Outside Services (-24K)
- ▶ Other Costs (34k)

## MAJOR CONTRIBUTORS TO RATE INCREASE 2018 (HHI DISTRIBUTION REVENUES ONLY)

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# Scorecard - Hydro Hawkesbury Inc.

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| Performance Outcomes  | Performance Categories             | Measures  | 2012                              | 2013     | 2014     | 2015        | 2016        | Trend  |
|---|------------------------------------|---|-----------------------------------|----------|----------|-------------|-------------|--------|
| <b>Customer Focus</b><br><br>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%     | ➡      |
|   |                                    | Scheduled Appointments Met On Time  | 97.80%                            | 97.40%   | 100.00%  | 100.00%     | 95.20%      | ↻      |
|   |                                    | Telephone Calls Answered On Time  | 99.90%                            | 100.00%  | 99.90%   | 99.90%      | 100.00%     | ↻      |
|   | Customer Satisfaction              | First Contact Resolution  |                                   |          | 94%      | 94%         | 94%         |        |
|   |                                    | Billing Accuracy  |                                   |          | 99.99%   | 99.99%      | 99.99%      | ➡      |
|   |                                    | Customer Satisfaction Survey Results  |                                   |          | 92%      | 92%         | 92%         |        |
| <b>Operational Effectiveness</b><br><br>Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.                         | Safety                             | Level of Public Awareness   |                                   |          |          | 78.00%      | 78.00%      |        |
|   |                                    | Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>                | C                                 | C        | C        | C           | C           | ➡      |
|   |                                    | Serious Electrical Incident Index      Number of General Public Incidents     | 0                                 | 0        | 0        | 0           | 0           | ➡      |
|   |                                    |   | Rate per 10, 100, 1000 km of line | 0.000    | 0.000    | 0.000       | 0.000       | ➡      |
|   | System Reliability                 | Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>  | 0.76                              | 1.09     | 0.13     | 0.28        | 1.39        | ↻      |
|   |                                    | Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>  | 0.69                              | 0.47     | 0.25     | 0.13        | 0.60        | ↻      |
|   | Asset Management                   | Distribution System Plan Implementation Progress                              |                                   |          | 46%      | In progress | In progress |        |
|   | Cost Control                       | Efficiency Assessment   | 1                                 | 1        | 1        | 1           | 1           |        |
|   |                                    | Total Cost per Customer <sup>3</sup>  | \$262                             | \$284    | \$260    | \$261       | \$271       |        |
|   |                                    | Total Cost per Km of Line <sup>3</sup>  | \$22,134                          | \$23,045 | \$21,050 | \$21,120    | \$21,694    |        |
| <b>Public Policy Responsiveness</b><br>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 <sup>4</sup>                                    |                                   |          |          | 14.68%      | 31.92%      |        |
|   | Connection of Renewable Generation | Renewable Generation Connection Impact Assessments Completed On Time          |                                   |          |          |             |             |        |
|   |                                    | New Micro-embedded Generation Facilities Connected On Time                    |                                   |          | 100.00%  |             |             |        |
| <b>Financial Performance</b><br><br>Financial viability is maintained; and savings from operational effectiveness are sustainable.  | Financial Ratios                   | Liquidity: Current Ratio (Current Assets/Current Liabilities)                 | 1.18                              | 0.97     | 0.95     | 1.00        | 0.90        |        |
|   |                                    | Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio | 0.31                              | 0.43     | 0.39     | 0.35        | 0.47        |        |
|   |                                    | Profitability: Regulatory Return on Equity                                    | Deemed (included in rates)        | 8.01%    | 8.01%    | 9.36%       | 9.36%       | 9.36%  |
|   |                                    |   | Achieved                          | 7.69%    | 1.00%    | 12.48%      | 19.72%      | 17.63% |

# Utility Income

|   | Actual           | Actual           | Actual           | Projected        | Projected        |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2014             | 2015             | 2016             | 2017             | 2018             |
| <b>Total Operating Revenues</b>           | <b>1,643,950</b> | <b>1,688,928</b> | <b>1,796,932</b> | <b>1,982,593</b> | <b>1,982,593</b> |
|   |                  |                  |                  |                  |                  |
| <b>Total Expenses</b>                     | <b>1,170,420</b> | <b>1,155,410</b> | <b>1,200,785</b> | <b>1,619,743</b> | <b>1,670,316</b> |
|   |                  |                  |                  |                  |                  |
| <b>Utility Income before Income Taxes</b> | <b>473,530</b>   | <b>533,518</b>   | <b>596,148</b>   | <b>385,798</b>   | <b>312,277</b>   |
| <b>Income Taxes</b>                       | <b>115,926</b>   | <b>125,340</b>   | <b>143,120</b>   | <b>23,703</b>    | <b>9,717</b>     |
|   |                  |                  |                  |                  |                  |
| <b>Utility Income</b>                     | <b>372,868</b>   | <b>423,304</b>   | <b>467,871</b>   | <b>362,095</b>   | <b>302,560</b>   |

# Customer Satisfaction Results; 84%

| Rating            | Responses to English survey |                | Responses to French Survey |                |           |                    |               |
|-------------------|-----------------------------|----------------|----------------------------|----------------|-----------|--------------------|---------------|
| Answer Options    | Response Percent            | Response Count | Response Percent           | Response Count | Max Value | Actual Total Value | %             |
| Excellent         | <b>47.22%</b>               | <b>51</b>      | <b>33.33%</b>              | <b>9</b>       | <b>4</b>  | <b>240</b>         |               |
| Good              | 45.37%                      | 49             | 62.96%                     | 17             | 3         | 198                |               |
| Fair              | 4.63%                       | 5              | 3.70%                      | 1              | 2         | 12                 |               |
| Poor              | 2.78%                       | 3              | 0.00%                      | 0              | 1         | 3                  |               |
| Answered question |                             | 108            |                            | 27             | 540       | 453                | <b>83.89%</b> |

# Sans l'Augmentation /Without this increase,

1. Manque d'investissement dans les infrastructures vieillissantes pourraient entraîner des coûts substantiels dans le futurs.
  2. Réduction de la fiabilité du système de distribution
  3. Problèmes potentiels de sécurité du système de distribution.
  4. Ne pas récupérer entièrement les coûts associés à la réglementation pourrait réduire notre capacité d'investissement dans le système de distribution et le service à la clientèle.
1. Lack of investment in aging infrastructure could lead to greater costs in the future
  2. Potential reduction in reliability of the system
  3. Potential safety concerns of the system.
  4. Failure to fully recover increased regulatory and other costs could reduce our ability to properly invest in our distribution system and customer service.

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