

Scorecard - St. Thomas Energy 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%	100.00%	100.00%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
		Telephone Calls Answered On Time	82.60%	83.80%	76.50%	68.20%	74.60%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution			100%	100%	100%				
		Billing Accuracy				99.91%	92.74%	↓	98.00%		
		Customer Satisfaction Survey Results			A A A+	B+ A A	B+ A 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							83.00%		
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	NI	NI	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	0.99	0.22	0.99	1.26	0.35	→		0.76	
		Average Number of Times that Power to a Customer is Interrupted ²	1.00	1.05	1.42	1.93	1.04	↑		1.19	
	Asset Management	Distribution System Plan Implementation Progress			100%	100%	100%				
	Cost Control	Efficiency Assessment			3	3	3				
		Total Cost per Customer ³	\$496	\$570	\$533	\$516	\$513				
		Total Cost per Km of Line ³	\$32,876	\$37,496	\$33,412	\$33,823	\$33,419				
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							12.26%	17.51 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%	→	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.38	1.41	1.42	1.17	1.09				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.92	1.00	0.83	0.77	0.71				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.58%	9.58%	9.58%	9.58%	9.30%			
			Achieved	7.31%	1.31%	7.1%	9.36%	11.64%			

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

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](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

Scorecard MD&A - General Overview

Overview for St. Thomas Energy Inc. (“STEI”)

STEI is a licensed electricity distributor operating pursuant to license ED-2002-0523, and distributes electricity to approximately 17,100 customers in the City of St. Thomas. STEI’s franchise area is primarily contained within the municipal boundaries of the city of St. Thomas and is about 33 square km in area. STEI is largely an urban service territory. STEI’s distribution system is supplied by Hydro One Networks Inc. primarily from the Edgware TS at a voltage level of 27.6 kV.

STEI is committed to providing and maintaining a reliable electricity supply to its rate payers. Equally important is the continued safety of STEI’s workforce; as of December 31, 2015 STEI achieved the milestone of 20.1 years without a lost time injury. STEI is also committed to maintaining exceptional customer service. STEI provides CustomerConnect, an on-line customer web portal as a means to improve customer communications and relationship. CustomerConnect provides customers with web access to a wide variety of self-serve options such as access their bill, payment and consumption histories, log service calls, review and pay accounts, and submit meter readings.

STTE is ISO 9001 and OHSAS 18001 compliant. ISO 9001 is the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. OHSAS 18001 is an Occupation Health and Safety Assessment Series for health and safety management systems. It is intended to help an organization to control occupational health and safety risks. It was developed in response to widespread demand for a recognized standard against which to be certified and assessed.

STEI also works collaboratively with other utilities to provide Conservation and Demand Management (CDM) programs to assist customers with load reduction. These initiatives contribute to the excellent results shown for Customer Satisfaction Survey results and CDM program uptake.

STEI works closely with the local social agency, St Thomas-Elgin Ontario Works. St Thomas Elgin Ontario Works (“OW”) provides financial and employment assistance to people in financial need. OW and STEI staff work together almost daily to resolve collection type issues and concerns of customers. These efforts are taken on to provide services to our low-income customers.

Service Quality

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

STEI continues to provide a high level of service to connect customers on time. STEI achieved 100% of connections being made on time for the fourth year in a row. There were 193 new services (< 750 V) connected within the 5 working day target established by the OEB. STEI will endeavor to continue providing his reliable level of customer service.

- **Scheduled Appointments Met On Time**

The OEB’s DSC requires that an electricity distributor offer to schedule an appointment within a window of time that is no greater than four hours. A distributor must achieve this target 90% of the time. For 2015 STEI achieved a 99.33% of scheduled appointments on time.

STEI scheduled 451 appointments with its customers in 2015 to complete work requested by customers or the customer’s representative resulting in 99.33% of scheduled appointment being completed on time which exceeds the industry target of 90%. STEI’s staff are aware of the obligations and are committed to exceeding the requirements for making appointments with our customers.

STEI has met 100% of the scheduled appointments for the four previous years. This is an excellent result considering that the number of appointments varies significantly from year to year. The numbers of appointments scheduled from 2011 to 2015 are:

- 2011 - 1106
- 2012 - 440
- 2013 - 401
- 2014 - 503
- 2015 - 451

- **Telephone Calls Answered On Time-**

STEI exceeded the OEB target of 65% as it achieved 74.6% for 2015. This result is a significant improvement over our 2014 result as in 2014 there were some staffing vacancies.

As noted in the 2014 MD&A, during the later part of 2014 STEI reviewed workflow responsibilities and operational activities in an effort to determine if OEB telephone call target could be achieved while maintaining customer service levels at a reduced cost. STEI determined that the lower staffing level could not sustain acceptable service delivery and the staffing vacancies were filled, resulting in improved results. The return to traditional customer service staffing levels has had a positive impact on customer support.

Customer Satisfaction

- **First Contact Resolution**

This performance measure is not defined by the OEB. In the absence of pre-determined OEB methodology, STEI has determined that first contact resolution to be any items that have been escalated to the OEB in which Board staff has confirmed STEI's resolution.

Additionally, in response to the STEI's 2014 3rd party customer survey, 77% of respondents considered problems resolved as compared to the Ontario benchmark of 61% and an 86% Customer Experience Performance rating as compared to an Ontario rating of 79%.

- **Billing Accuracy**

For 2015, STEI achieved a result of 92.74% which did not meet the OEB target of 98%.

In February of 2015, 15,072 customers were overbilled approximately \$2.00 each for a total of \$30,726.49 for flat rate Smart Meter Incremental Charges. There was no significant impact to our customers as we did not have to do any cancel / rebills to fix this and this amount was embedded within the 'Delivery' line. STEI was able to apply a credit entry to each affected customer so the next bill would pick up the credit.

The error resulted from Flat Rates in the NorthStar system that had a start effective date of 2013-01-01 but did not have a correct 'end effective date' (i.e. End Effective date was 2999-12-31), which made them active again once we were past the 2015-01-01 end effective date

on that rate. There was a Start Effective Date of 2014-01-01 and End Effective Date of 2015-01-01 so the charge ended for the 2014 start date but not for the 2013 start date.

St Thomas Energy has since revised its process of reviewing start and end effective dates on certain rate setups. We have also ended the practice of pushing out an End Effective Date to 2999.

This one incident is the main contributor to STEI's performance, excluding this one incident STEI would report Billing Accuracy result of 99.98%

- **Customer Satisfaction Survey Results**

STEI surveyed its customers every two years since 2002 up until 2014, as a means to assess the level of customer satisfaction. STEI continues to have excellent Customer Satisfaction results. In the 2014 survey conducted by UtilityPulse, the customer satisfaction ratings were B+, A, A, for Customer Care, Company Image and Management Operations respectively. These ratings exceed the Ontario and National averages. The findings are based on telephone interviews with 407 respondents who pay or look after the electricity bill. The sample of the phone numbers was drawn randomly to ensure each number on the list has an equal opportunity of being included in the poll. The sample was stratified so that 85% of the interviews were conducted with residential customers and 15% with commercial customers.

STEI did not do this survey in 2016 because the Public Awareness of Electrical Safety Survey was done. STEI will conduct its next customer survey in the spring of 2017.

Safety

- **Public Safety**

On May 13, 2015, the OEB issued a letter to electricity distributors regarding the implementation of a public safety measure for the 2014 Scorecard. The OEB amended section 2.1.19 (d) of the Electricity Reporting & Record Keeping Requirements (RRR) to include the definitions for the public safety measure and performance targets. In its letter, the OEB stated that the scorecard public safety metric will have the following components:

- Component A - Public Awareness of Electrical Safety
- Component B - Compliance with Ontario Regulation 22/04
- Component C - Serious Electrical Incident Index

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

STEI recorded a Public Safety Awareness Index Score of 83%, based upon responses to six most frequent incidents involving utility equipment over the last decade.

1. Likelihood to call before you dig;
2. Impact of touching a power line;
3. Proximity to overhead power lines;
4. Danger of tampering with electrical equipment;
5. Proximity to downed power lines; and
6. Actions taken in a vehicle contact with wires

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

Annual Audit and Due Diligence Inspections (DDI) form part of Component B.

The Annual Audit is performed by an ESA-approved independent auditor; the primary focus is to assess the extent of compliance of LDCs to Ontario Regulation 22/04, *Electrical Distribution Safety*, and specifically to measure whether the distributor has appropriate processes in place to comply with the safety standards set out in the Regulation and whether the distributor generally adheres to these processes.

The Due Diligence Inspections “DDI’s” compliment the annual audit report. The DDI’s primary emphasis is to ensure the construction in the field is in accordance with a plan, work instruction, and/or standard design. The DDI inspection are performed by ESA inspectors.

In 2015 STEI was compliant with the Annual Audit with an opportunity for improvement to ensure third party attachments have records of inspection completed in a timely manner. STEI will be working closer with this particular third-party joint user organization to receive records of inspection on a timelier basis in future.

The 2015 DDI revealed a few instances of Needs Improvement issues related to Plan/Standard design and work instruction. The issues were addressed during the DDI process. STEI is keen to continue improvement in every way.

As a community LDC, STEI remains committed to all aspects of public and worker safety (including compliance with Ontario Regulation 22/04, and using the Annual Audit and Due Diligence Inspections as the catalysts for continuous improvement

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

STEI is very pleased to report that there are **no** serious electrical incidents to report for 2015. In addition to the prescribed

Minimum Inspection Requirements (as set forth in Appendix C of the OEB's Distribution System Code), it annually carries out infrared inspection to identify thermal anomalies condition on electrical equipment within the selected area (1/3 of the assets) and promptly addresses any issue identified

System Reliability

In 2015 STEI significantly improved its SAIDI rating with CEA's Electric Power System Reliability Assessment to the 2nd lowest rating up from 9th in both 2013 and 2014. STEI's 2015 SAIFI rating has also improved when compared to the 2014 and 2013 assessments.

Equipment failure was the major cause of service interruption in 2015. This single major incident was an arrester that failed and interrupted power to a major portion of the City; this incident accounted for approximately 64% of the entire customer hours of interruption for 2015. Two underground cable faults contributed to another 10% of the customer interruption.

To control outages and to provide quicker restoration time STEI maintains a three year rolling tree-trimming program, whereby one-quarter of the city is trimmed annually. This schedule contributes to less tree contact during storm conditions. STEI also conducts annual infra-red testing on all primary overhead conductor, overhead transformers and switches. STEI also maintains a three year rolling inspection of all overhead conductors, switches and pad-mounted transformers. The result has been a reduction in the number of outages caused by defective equipment from 14 in 2014 to 6 in 2015.

STEI will continue monitoring outage cause and frequencies of event to identify trends to develop an action if needed to improve reliability and safety.

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

In 2015 STEI significantly reduced the average number of hours that a customer was interrupted as STEI's System Average Interruption Duration Index, "SAIDI" without loss supply, was 0.35 hours, which is a decrease of 0.9084 from previous year.

As noted in 2014, the 2014 SAIDI was negatively impacted by an incident where a contractor fell a large tree into the power lines and took out a major portion of the City. This incident accounted for approximately 51% of the entire 2014 customer hours of interruption

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

In 2015 STEI's SAIFI decreased by 0.8966 from the previous year primarily due to the decline in the number of unplanned outages from 38 in 2014 to 22 in 2015.

Asset Management

- **Distribution System Plan Implementation Progress**

STEI has developed a long-term Distribution System Plan (DSP) that supports the cost-effective planning and operation of a reliable and sustainable distribution system to provide value to STEI customers. The DSP will be optimized in an on-going basis to align the asset performance with public & worker safety, customer service requirements and system reliability.

In 2015, STEI reported 109% spending of its forecasted capital expenditure. These capital expenditures included 2014 carry-over projects and increased customer driven projects, as a result approximately 61% of the planned 2015 DSP projects has been completed.

The 2015 DSP as forecasted in 2014 included \$200 thousand annually for customer driven work. The amount of commercial activity has been significantly higher. The amount of customer driven work for 2014 was \$408 thousand and \$719 thousand in 2015. STEI is experiencing a similar trend in 2016 as of July 31, 2016 STEI has completed \$314 thousand of customer driven work.

The impact on the DSP is that internal resources are not available to complete planned DSP system projects which results in projects being deferred and the carry-over of the 2014 work into 2015. Management continues to monitor project timelines, assess project risks and manage cash flow. It is anticipated that some of the DSP capital projects will be deferred beyond the original five year DSP plan.

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.

The following outlines the five groups which distributors can be allocated.

1. Cohort I (Stretch Factor = 0.00%) – Actual costs are 25% or more below predicted costs;
2. Cohort II (Stretch Factor = 0.15%) - Actual costs are 10% to 25% or more below predicted costs;
3. Cohort III (Stretch Factor = 0.30%) – Actual costs are within +/- 10% of predicted costs;

4. Cohort IV (Stretch Factor = 0.45%) – Actual costs are within 10% to 25% or more above predicted costs; and
5. Cohort V (Stretch Factor = 0.60%) – Actual costs are within 25% or more above predicted costs.

Per the 2015 Benchmarking Update issued July 2016. In 2016, STEI was once again placed in Group 3, where a Group 3 distributor is defined as having actual costs within +/- 10 percent of predicted costs. STEI 2013-2015 actual costs were 5.6% less than the predicted costs.

Group 3 is considered “average efficiency” – in other words, STEI’s costs are within the average cost range for distributors in the Province of Ontario. In 2015, 50% (36 distributors) of the Ontario distributors were ranked as “average efficiency”; 28% were ranked as “more efficient”; 22% were ranked as “less efficient”.

- **Total Cost per Customer**

Total cost per customer and per kilometer are computed by Pacific Economics Group Research, LLC “PEG” in a cost model. The model adjusts costs reported in distributor’s financial statements in order to benchmark sector costs performance.

STEI’s total cost per customer is calculated as the sum of STEI’s capital and operating costs, as reported in the PEG report, divided by the number of metered customers. The capital costs in the following table do not represent the capital additions reported in STEI’s financial statements.

	2014	2015
OM&A	3,911,993	3,793,637
Capital	4,814,330	4,962,107
Total OM&A and Capital	8,726,323	8,755,744
Customers	16,918	17,072
OM&A Cost per Customer	231.23	222.21
Capital Cost per Customer	284.57	290.66
Total cost per Customer	515.80	512.87

STEI’s total cost per customer for 2015 of \$512.87 is \$2.97 or 0.6% less than the 2014 cost per customer amount of \$515.80.

2015 OM&A cost per customer of \$222.21 is \$9.02 or 3.9% less than the 2014 OM&A cost per customer amount of \$231.23. STEI

experienced a decrease in its total OM&A costs required to deliver quality and reliable services to customers despite inflationary and wage and benefit increases. The 2014 OM&A included an actuarial loss of approximately \$150 thousand. When this amount is excluded from 2014, STEI was able to maintain 2014 OM&A cost levels in 2015

2015 capital cost per customer of \$290.66 is \$6.09 or 2.1% higher than the 2014 capital cost per customer amount of \$284.57. The increase from 2015 to 2014 is mainly attributed to increased investment in STEI's infrastructure and increased customer driven projects.

STEI continues to look for operational efficiencies and increasing effectiveness. STEI continues to assess optimizing asset performance at a reasonable cost in consideration of; customer expectations, system reliability, technology innovation and public and employee safety. As noted in 2014, STEI is implementing a geographical information system ("GIS") and new financial subsystems that will eventually interface with the Customer Information System ("CIS").

STEI continues to invest in the conversion of its 2,400 V system with the modern 27.6 kV system. Replacing this system enhances STEI's system reliability, decreases access to customer backyard and provide greater safety to STEI customers and employees. The conversion plan also reduces the number substations. STEI is also party to a Mutual Assistance Plan between eight distributors and is a member of two additional collaborative groups, Utility Collaborative Services Group ("UCS") and CustomerFirst initiative. STEI derives a variety of benefits from these collaborative groups such as shared systems and incorporating lessons learned from various projects.

- **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 STEI operates to serve its customers.

STEI's 2015 Total Cost per km of Line of \$33,419 is \$404 or 1.2% less than the 2014 Total Cost per km of Line amount of \$33,823. STEI's cost reduction is attributed to the items provided in the total cost per customer narrative, increased customers and increased km of line.

STEI's km of line increased by 1.6% from 258 kms in 2014 to 262 kms in 2015.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

St. Thomas Energy Inc. (STEI) is committed to helping our customers understand their energy consumption by offering programs that enable them to become more energy efficient. As an electrical distributor, STEI has a conservation target of 17.51 Gigawatt hours over the next six years. STEI has achieved 147% of the 2015 Annual Conservation target and 12% of the 2015-2020 Conservation First Framework target. This achievement was made possible by the strong participation of local commercial customers in our retrofit and energy efficient lighting programs. Residential customers also participated in saveONenergy coupon events opting to change out lights in their own homes to more energy efficient ones as well purchasing other energy efficient equipment. The combined efforts of all such programs and participants from both residents and businesses made the achievement of substantial energy savings possible.

St. Thomas Energy Inc. also believes that partnerships are a key component to our overall success. To help meet STEI's conservation goals under the Conservation First Framework that was introduced in 2015 by the Independent Electricity System Operator (IESO), STEI is working with other Utilities in the province through a collaborative group called CustomerFirst to design and deliver cost effective conservation programs for our customers. By working together, CustomerFirst utilities will find efficiencies in the delivery of conservation and this will lead to cost savings for electricity customers.

As a member of CustomerFirst, STEI is part of a joint Conservation (CDM) Plan that has been approved by the IESO. The joint plan will achieve 141,877 MWh of savings which is equal to the combined targets that were allocated to each CustomerFirst member under the new framework.

STEI is committed to providing our customers with cost effective conservation programs to help them save electricity and lower their electricity bills. All sectors and customer types are covered in the joint plan and customers will have access to multiple province-wide, local and pilot programs. The joint CDM plan includes four pilot programs that will be developed and launched to meet the local needs of our customers. In 2015, CustomerFirst received approval from the IESO to deliver a pilot residential program designed to assist residential customers with electrical heating. The program will be available to customers in the STEI service area beginning the fall of 2016.

Through the CustomerFirst joint CDM Plan, STEI will continue to work collaboratively with the other CustomerFirst utilities to find efficiencies and reduce costs. The group will be sharing resources and working together in all areas of CDM including sales, marketing, customer and project support to provide value to ratepayers.

Connection of Renewable Generation

STEI supports the renewable generation programs in Ontario and as of December 31, 2015 there were 46 microFIT projects (≤ 10 kW) connected representing 402.15 kW of generation and another 5 projects pending for 2016 representing 50 kW of generation. There are two larger solar projects (>10 kW) connected for another 600 kW.

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

There were no requests for connection impact assessments during 2015.

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

STEI connected 100% of the seventeen generation facilities on time.

Financial Ratios

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

As an indicator of financial health, a current ratio that is greater than 1.0 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.

STEI’s current ratio decreased from 1.17 in 2014 to 1.09 in 2015. This is not indicative of a decline in financial performance but rather a timing difference related to an intercompany payables and cash and cash equivalents. When the timing difference of the intercompany increase is removed from STEI’s 2014 current assets and liabilities the 2015 current ratio increases to 1.16.

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

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 debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure.

STEI's actual debt to equity structure is 41.5% debt and 58.5% equity or 0.71

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

STEI's 2015 distribution rates were approved by the OEB in the 2015 Cost of Service Application and include an expected (deemed) regulatory return on equity of 9.30%.

The OEB allows a distributor to earn within +/- 300 bps 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**

STEI's achieved regulated rate of return (based upon the deemed equity) for 2015 was 11.64%, which is within the +/- 300 bps range allowed by the OEB. STEI's 2014 rate of return was 9.36% and 2013 rate of return was 11.61%.

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.