Scorecard - Fort Frances Power Corporation

9/24/2018

Performance Outcomes	Performance Categories	Measures		2013	2014	2015	2016	2017	Trend	Target: Industry	Target: 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		100.00%	100.00%	100.00%	100.00%	100.00%	➲	90.00%	
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	98.90%	100.00%	⇩	90.00%	
		Telephone Calls Answered On Time		100.00%	94.30%	94.30%	97.70%	96.90%	⇩	65.00%	
	Customer Satisfaction	First Contact Resolution			98.6%	99.0%	99.40%	100.00%			
		Billing Accuracy			99.27%	99.59%	98.26%	99.46%	⇩	98.00%	
		Customer Satisfaction Survey Results		90%	90%	88.5%	88.5%	89.3%			
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				79.35%	79.35%	78.51%			
		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]		0.13	1.18	0.33	0.33	0.12	⇩		0.47
		Average Number of Times that Power to a Customer is Interrupted [2]		0.30	1.17	0.67	0.35	0.18	⇧		0.46
	Asset Management	Distribution System Plan Implementation Progress		100%	71.4%	49.8%	97.5%	159.3%			
	Cost Control	Efficiency Assessment		3	3	3	3	3			
		Total Cost per Customer [3]		$622	$638	$660	$688	$665			
		Total Cost per Km of Line [3]		$30,237	$31,495	$32,382	$32,194	$30,793			
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]				6.37%	20.50%	49.20%			4.00 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time									
		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)		3.38	4.15	5.28	4.48	4.95			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.00	0.00	0.00	0.00	0.00			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	0.00%	0.00%	0.00%	0.00%	0.00%			
			Achieved	14.47%	0.05%	1.88%	-2.52%	-2.42%			

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 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.

Legend:

5-year trend
⇧ up ⇩ down ➲ flat

Current year
target met target not met

Scorecard - Fort Frances Power Corporation

9/14/2018

Performance Outcomes	Performance Categories	Measures		2013	2014	2015	2016	2017	Trend	Target: Industry	Target: 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		100.00%	100.00%	100.00%	100.00%	100.00%	➲	90.00%	
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	98.90%	100.00%	⇩	90.00%	
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Current year
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2017 Scorecard Management Discussion and Analysis ("2017 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 2017 Scorecard MD&A:

https://www.oeb.ca/oeb/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

Scorecard MD&A - General Overview

- The Fort Frances Power Corporation (FFPC) is a municipally owned local distribution company serving the residents and businesses of the Town of Fort Frances. FFPC is currently licensed to distribute electricity within the confines of the municipal boundaries of the community. The utility is one of the last local distribution companies in Ontario to operate under the principle of "Power at Cost", which was the philosophy under which the province was electrified. The residents and small businesses of Fort Frances enjoy the benefits of a 1905 Historic Power Agreement that the utility administers on their behalf, and in order to safeguard this agreement, the utility operates under a rate-minimization model (0% rate-of-return or in other words "Not-for-Profit") for the sole benefit of the community, for whom it exists.

  FFPC's rate minimization objectives are balancing distribution system maintenance and reinvestments with providing customers with a safe and reliable supply of electricity at the lowest possible rates. The utility's strategy is to match capital distribution system reinvestments to the rate at which assets are deteriorating, to maintain their current safe and reliable state perpetually. FFPC is currently in year-four of a five-year investment plan entitled "Distribution System Plan" ("DSP") that aims to reinvest $2,014,645 into its asset base over the five-year planning horizon. At the end of 2017, year-four of five, FFPC has achieved a reinvestment level of 76.1%, and is well position to achieve 100% by the end of 2018.

  The utility is also in the process of requesting to defer rebasing its rates for a minimum of two-years to 2020, as revenue levels still slightly exceed expenditure levels, and as such there is no need to request increasing the utility's distribution rates as it operates as a not-for-profit entity. FFPC is very pleased with the results of its 2017 Scorecard, and with its five-year performance history. The utility has been able to realize operational cost savings through the deployment of innovation and technology.

  In closing, 2017 was a very good year for FFPC, with solid performance achieved across all performance categories of Customer Focus, Operational Effectiveness, Public Policy Responsiveness and Financial Performance, as well as with the achievement of meeting or exceeding all performance targets contained within the scorecard.

Service Quality

- **New Residential/Small Business Services Connected on Time**
  In 2017, FFPC connected 100% of 26 eligible low-voltage residential and small business customers (those utilizing connections under 750 Volts) to its distribution system within the five-day timeline prescribed by the Ontario Energy Board (OEB). FFPC has achieved 100% for this performance metric for the last five years, exceeding the OEB-mandated threshold of 90% in each year.

- **Scheduled Appointments Met On Time**
  In 2017, FFPC received 782 appointment requests to conduct work such as meter reads, service disconnections and reconnections. Of these, 72 required the customer or their representative to be present. FFPC was able meet the date and time of all 72 appointments scheduled, thereby scoring 100% for the "Scheduled Appointments Met on Time" performance metric. The majority of all appointment requests received are requested to occur on an "as soon as possible" basis, and they are usually completed within one to two business days from the time that the request is received by the utility. Over the last five years, FFPC has been able to exceed the industry standard target of meeting 90% of its appointment obligations. As the utility has a fairly compact service territory, staff are able to drive to any customer location within the utility's licensed service territory within 15 minutes.

- **Telephone Calls Answered On Time**
  During FFPC's regular hours of operation all incoming customer telephone calls are answered in a traditional manner, in that a customer service representative answers and routes all calls, as opposed to incoming calls being routed through an automatic routing service (For service in English Press "1", etc.) before speaking to a customer service representative. The utility has an automatic telephone call routing service available to its customers for afterhours calls, or as a backup in the event that the volume of incoming calls exceed the utility's simultaneous call answering capability. Throughout 2017 FFPC received 2,516 qualifying telephone calls from customers in regards to their electrical service or other energy related needs. Of these telephone calls, the utility was able to answer 2,438 of them within 30 seconds. For 2017, FFPC achieved a performance level of 96.9% for the "Telephone Calls Answered On Time" performance measure, exceeding the industry target of 65%.

Customer Satisfaction

- **First Contact Resolution**

  Specific customer satisfaction measurements have not been defined across the industry. The Ontario Energy Board (OEB) has instructed all electricity distributors to review and develop measurements in these areas and to begin tracking them by July 1, 2014 so that information can be reported as of 2014. The OEB plans to review information provided by electricity distributors over the next few years and implement commonly defined measures in the future. As a result, each electricity distributor may have different measurements of performance until such time that the OEB provides specific direction regarding a commonly defined measure.

  First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

  FFPC devised a methodology that a customer inquiry is resolved at first contact if the inquiry does not need to be escalated from front line staff to upper management for resolution. The measure is calculated by subtracting the number of escalated inquiries from the total number of inquiries and then dividing the difference by the total number of inquiries.

  For the 2017 calendar year FFPC's Percent First Contact Resolution was 100%, with no customer inquiries requiring escalation to upper management for processing.

- **Billing Accuracy**

  Prior to July 2014, a standard measurement for billing accuracy had not been defined across the industry. After consultation with some electricity distributors, the Ontario Energy Board (OEB) prescribed a measurement of billing accuracy that must be used by all electricity distributors effective October 1, 2014.

  Throughout 2017 FFPC issued 45,525 customer bills achieving a billing accuracy level of 99.46%, exceeding the prescribed industry standard of 98%.

  The utility has developed and deployed a standalone bill calculator that is used to spot check customer bills being generated from its actual billing system. Any discrepancies found indicate a potential billing problem, enabling the utility to not release bills until the billing system error is rectified. The standalone bill calculator has been invaluable for ensuring bills issued to customers are accurate.

- **Customer Satisfaction Survey Results**

  The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results performance 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.

  In 2017 FFPC conducted its third extensive bi-annual customer satisfaction survey. The survey specifically asked customers "Overall, how satisfied are you with the services provided by the Fort Frances Power Corporation (FFPC)?" The scoring for this question was a range of 1 to10, where 1 denoted "Not at all satisfied", 5 denoted "Neither Satisfied or Dissatisfied", and 10 denoted "Extremely Satisfied". The utility polled 100% of its customer base and received responses from 14.4% (540 out of 3,751 customers responded) of it, which is a large portion of its customer base making the results statistically significant. The utility then took the average score for the results obtained for this question to assess Customer Satisfaction, which resulted in a score of 89.3%. Customer satisfaction is up slightly from the 88.5% rating received in 2015.

Safety

- **Public Safety**

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

    In spring of 2018, FFPC conducted its second Public Awareness of Electrical Safety survey and received responses from 496 respondents. The survey was based on a standard question set that was utilized by all utilities to allow for meaningful comparisons across the industry. FFPC's public scored 78.51% on this survey, which is turn is the utility's performance score on the scorecard. The survey focused on the following six key areas of public safety and the respective score for each area was:

    - Likelihood to "call before you dig": Score: 79.5%
    - Impact of touching a power line: Score: 97.5%
    - Proximity to overhead power lines: Score: 40.8%
    - Danger of tampering with electrical equipment: Score: 95.8%
    - Proximity to downed power lines: Score: 67.3%
    - Actions taken in vehicle in contact with wires: Score: 90.5%

The following table illustrates the level of public knowledge by age demographic:

Age Demographic	% of Survey Respondents	Overall Score %
18 - 24	5.6	66.4
25 - 34	12.9	78
35 - 44	17.5	76
45 - 54	16.9	77.4
55 - 64	25.6	80.8
65+	21.4	82.6

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Based on the survey results, the largest opportunity for enhancing public knowledge lies in the focus areas of safe proximity to overhead and downed power lines for the 18 to 24 age demographic.

- **Component B – Compliance with Ontario Regulation 22/04**
  Over the last five years, FFPC was found to be in full compliance with Ontario Regulation 22/04 (Electrical Distribution Safety). The regulation establishes safety requirements and objectives for the design, construction, and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service.

- **Component C – Serious Electrical Incident Index**
  FFPC is pleased to report a long standing accident and injury free history with both the general public and its employees. FFPC believes that all work related injuries can be prevented, and is committed to the safety of the general public and its employees. The five-year incident rate history of “0” for the Number of General Public Incidents is a good illustration of the utility’s commitment to safety.

System Reliability

The utility's 2017 bi-annual Customer Satisfaction Survey indicated that overall customers are very happy with the reliability of their electricity. When asked *"How satisfied are you with the reliability of the electricity being supplied to you?",* FFPC received an average score 9.2 out of 10, where 1 denoted "Not at all satisfied", 5 denoted "Neither Satisfied or Dissatisfied", and 10 denoted "Extremely Satisfied". Throughout 2017 customers experienced power interruptions caused by utility scheduled outages, tree contacts with power lines, lightning, defective equipment, and foreign interference such as squirrels contacting power lines. The following table summarizes the impact of outages by the standard outage codes defined by the Ontario Energy Board:

OEB Outage Cause Code	Customer Hours of Outage by Cause	% Customer Hours of Power Interruption
0 - Unknown/Other	27	6.14%
1 - Scheduled Outage	15	3.37%
2 - Loss of Supply	0	0.00%
3 - Tree Contacts	64	14.53%
4 - Lightning	1	0.32%
5 - Defective Equipment	317	72.57%
6 - Adverse Weather	0	0.00%
7 - Adverse Environment	0	0.00%
8 - Human Element	0	0.00%
9 - Foreign Interference	13	3.07%
Total	437	100.00%

Overall FFPC's electrical distribution system performed very well in 2017, achieving the lowest outage duration and frequency scores over the last five-years. When comparing FFPC's performance to that reported by industry, FFPC consistently outperform industry.

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

  This performance metric compares the performance of FFPC's electrical distribution system relative to itself over the last five years (five year average), and as such is not a comparison relative to other distributors or industry in general. For 2017, the utility's performance target was 0.47 hours. In 2013, as part of the utility's customer satisfaction survey, customers where asked *"How many hours in a year do you expect to be without electricity?".* The average response received was 4.4 hours, which in turn FFPC adopted as its internal target for meeting customer expectations. For 2017, FFPC's average number of hours that power to a customer was interrupted was 0.12 hours, which exceeds its OEB target of 0.47 hours, exceeds customers' expectation of 4.4 hours, and outperformed the 4.67 hours reported by industry.

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

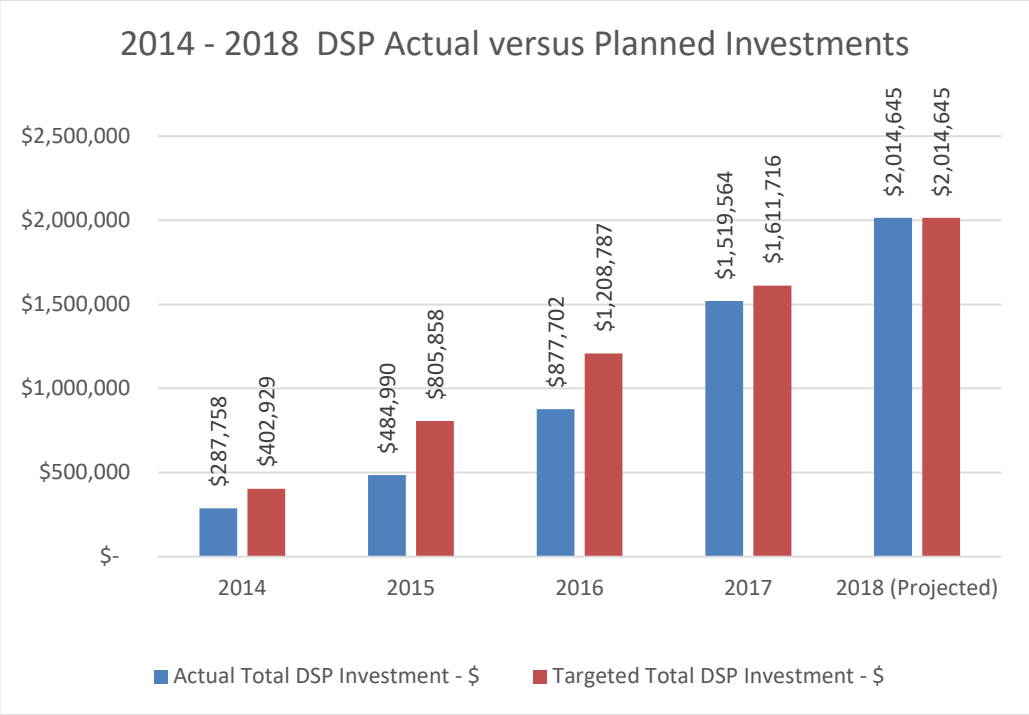
  This performance metric compares the performance of FFPC's electrical distribution system relative to itself over the last five years (five year average), and as such is not a comparison relative to other distributors or industry in general. For 2016, the utility's performance target was 0.46 times. In 2013, as part of the utility's customer satisfaction survey, customers where asked *"How many unplanned power outages do you expect to happen at your home in a typical year?".* The average response received was 2.9 times, which in turn FFPC adopted as its internal target for meeting customer expectations. For 2017, FFPC's average number of times that power to a customer was interrupted was 0.18 times, which exceeds the OEB target of 0.46 times, exceeds customers' expectation of 2.9 times, and outperformed the 2.08 times reported by industry.

Asset Management

- **Distribution System Plan Implementation Progress**

  "Distribution System Plan Implementation Progress" was a new performance measure instituted by the OEB starting in 2013. Consistent with other new measures, utilities were given an opportunity to define it in the manner that best fits their organization. FFPC's Distribution System Plan (DSP) outlines the utilities' 5 year forecasted capital expenditures (from 2014 to 2018) that are required for the upkeep of the electrical distribution system, and for meeting the needs of current and future customers. The "Distribution System Plan Implementation Progress" measure is intended to assess the utility's effectiveness at planning and implementing the DSP. FFPC measures the progress of its DSP implementation as a ratio of the actual total capital expenditures made in a calendar year over the total amount of planned capital expenditures for that calendar year per the DSP.

  FFPC is progressing well with the completion of the approved programs and projects contained within the five-year DSP, and is on track to achieve 100% completion of the entire investment plan by the end of 2018. For 2017, the utility's ratio of actual to planned capital expenditures was 159.3%, which helped to compensate for the 71.4% and 49.8% achieved in 2014 and 2015 respectively. FFPC's annual capital investment target as per its DSP is $402,929 or $2,014,645 over the five-year planning horizon. The following diagram illustrates FFPC's actual versus planned investment progress over the 2014 to 2018 planning horizon (2018 is projected).



Cost Control

There are some unique cost control related aspects for FFPC that need to be taken into consideration when assessing cost control performance measures. The utility is the custodian of a 1905 Historic Power Agreement on behalf of the community whom it serves, as well as it owns and operates a High Voltage Transformer Station that performs a “transmission” function. The administration of both of these additional business aspects are deeply entrenched into the day-to-day operation of the utility, and administrative costs related to running them are currently not segregated from regular distribution related administration expenses. FFPC estimates that on a typical year more than 10% of its operating costs are related to administering these additional business aspects. This operating model has resulted in Fort Frances Power Corporations’ customers paying among the lowest rates for electricity in Ontario for decades. A face value comparison of FFPC’s reported OM&A costs to industry is misleading, as higher OM&A costs do not necessarily correlate to higher rates for electricity paid by consumers.

The utility is currently working Pacific Economics Group LLP and an external cost allocation expert firm to resolve the issue of segregating OM&A costs by attempting to devise a suitable cost splitting mechanism. Once the new mechanism is implemented, FFPC’s OM&A cost comparison with industry will be “apples-to-apples”.

- **Efficiency Assessment**

  The total costs for Ontario local electrical distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. Electrical distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2017, for the fifth year in a row, FFPC was placed in Group 3, where a Group 3 distributor is defined as having actual costs within +/- 10 percent of predicted costs. Group 3 is considered "average efficiency" or in other words, FFPC's costs are within the average cost range for distributors in the Province of Ontario. In 2017, 45% (29 out of 65 distributors) of Ontario distributors were ranked as "average efficiency"; 34% were ranked as "more efficient"; and 21% were ranked as "least efficient".

  The segregation of OM&A expenses as previously discussed could have a material impact on FFPC's cohort rating and it is anticipated that the rating will improve the utility ranking from "average efficiency" to "more efficient".

- **Total Cost per Customer**

  Total cost per customer is calculated as the sum of FFPC's capital and operating costs and dividing this amount by the total number of customers that the utility serves. FFPC's 2017 cost per customer was $665, which is a slight decrease of $23 from the $668 reported for 2016.

  In 2017, the utility purchased a new Microsoft Dynamics Great Plains enterprise management software solution for processing Accounts Payables, Accounts Receivables, Payroll, Inventory, Purchasing, as well as General Ledger/Accounting. The system has been instrumental in streamlining processes, reducing the duplication of efforts, and enabling the transition to paperless workflows. FFPC estimates that the utility realized in excess of $50,000 sustainable annual operating cost savings from this initiative alone. The savings helped to offset the impact of rising operating costs and ultimately led to the OM&A cost reduction achieved.

  FFPC will continue to look for new innovations that lead to sustainable customer savings in order to continue to mitigate rising operating costs.

- **Total Cost per Km of Line**

  This measure uses the same total cost that is used in the Cost per Customer calculation discussed above. The Total cost is divided by the kilometers of line that FFPC operates to serve its customers. In 2017 FFPC's rate per kilometer of line was $30,793 which is a slight decrease from the 2016 rate of $32,194 per kilometer. The reduction is directly linked to the OM&A expenditures reduction achieved in 2017.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

  Over the 2011 to 2014 horizon, FFPC achieved 118.4% of its cumulative energy savings target of 3.64 GWh, realizing 4.31 GWh of energy savings. The overachievement will make it difficult for the utility to achieve its mandated 2015 to 2020 net cumulative energy saving target as much of the "low hanging fruit" has already been harvested. The utility also faces the challenge of achieving its cumulative energy savings target without the potential for retrofitting large industrial customers, as the utility does not have any large industrial customers within its customer base. During the 2011 to 2014 horizon Fort Frances became one of the first communities in all of Ontario to retrofit essentially all municipal streetlights to LED fixtures, with the associated energy savings contributing to the 2011 to 2014 cumulative energy savings target, whereas most LDCs will see these energy savings contribute to their 2015 to 2020 cumulative energy savings target. Despite these challenges, FFPC was able to achieve 49.2% of its 2015 to 2020 cumulative energy savings target of 4 GWh at the end of 2017.

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. Throughout 2013 to 2017 FFPC did not receive any large renewable generation applications, and as such did not conduct any Connection Impact Assessments.

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

  FFPC did not receive any new micro-embedded generation facilities connection requests in 2016 or 2017 and as such this performance metric was left blank for the last two years. FFPC has a perfect track record of connecting all of its existing micro-embedded generation facilities within the prescribed timeline, exceeding the 90% target for this performance measure.

Financial Ratios

FFPC's operating strategy is different from most Ontario LDCs, in that the utility operates under the "Power at Cost" model, which was the philosophy under which the province was electrified in the early 1900's. In other words, the utility does not make a profit on the portion of the bill that it controls. This operating strategy is often referred to as a "rate-minimization" model, as any profits made are ultimately returned to the consumer through reduced rates. Under this model, FFPC has paid off all of its debt, similar to a homeowner paying off their mortgage, in order to not have to pay interest charges and pass these interest charges on to its customers.

Under the current provincial rate setting framework utilities are allowed to make a return of 9.0% on their equity. This profit is often used to pay dividends to shareholders. FFPC has elected a return on equity of 0%, as it does not intend to make a profit and does not pay dividends to its shareholder. These principals allow for the lowest possible rates for the benefit of consumers.

- **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.

  FFPC's liquidity ratio increased slightly from 4.48 in 2016 to 4.95 in 2017. The long-term objective for FFPC is to keep this ratio well above 1, in order to be able to continue to fund its own capital reinvestments so that its customers do not have to pay interest fees on borrowed money.

- **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 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.

  As discussed above, FFPC's operating strategy is to minimize consumer rates by avoiding or paying off its debt. As a result of not having any debt, FFPC's five-year Total Debt to Equity Ratio is "0" and no associated interest charges were passed on to its customers over this time frame.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  FFPC's distribution rates were approved by the OEB when the utility rebased its rates under the Renewed Regulatory Framework for Electricity in 2014, and include an expected (deemed) regulatory return on equity of 0%. The elected 0% rate of return supports FFPC's operating model of "Power at Cost". 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 an OEB led regulatory review of the distributor's revenue and cost structures.

- **Profitability: Regulatory Return on Equity – Achieved**
  FFPC's Regulatory Return on Equity achieved in 2017 was -2.42%, which is within the +/-3% range allowed by the OEB, and close to the target of 0%. The utility's profitability is also very much in line with its operating strategy. It should be noted that although the Regulatory Return of Equity was negative, FFPC did end the year with positive retained earnings (revenues collected were slightly higher than expenses incurred).

Note to Readers of 2017 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.