

Scorecard - Halton Hills Hydro Inc.

Performance Outcomes	Performance Categories	Measures	2014	2015	2016	2017	2018	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	100.00%	100.00%	100.00%	100.00%	100.00%		90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	99.98%		90.00%		
		Telephone Calls Answered On Time	89.70%	93.10%	94.40%	95.85%	96.63%		65.00%		
	Customer Satisfaction	First Contact Resolution	100%	99.99%	99.98%	99.99	99.98%				
		Billing Accuracy	99.95%	99.96%	99.84%	99.77%	99.89%		98.00%		
		Customer Satisfaction Survey Results	90%	90%	88%	88%	95%				
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%	83.00%	85.00%	85.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C			C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000			0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.63	2.58	1.38	1.65	1.48			1.32	
		Average Number of Times that Power to a Customer is Interrupted ²	1.33	3.02	1.65	1.13	1.60			1.61	
	Asset Management	Distribution System Plan Implementation Progress	On-track	On-track	Over budget	Over-budget	123.38%				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$701	\$744	\$770	\$763	\$794				
		Total Cost per Km of Line ³	\$9,886	\$10,490	\$10,557	\$10,295	\$10,860				
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		17.78%	33.84%	63.29%	77.00%			30.94 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%	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)	1.09	0.95	0.91	1.08	0.46				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.04	1.07	1.13	1.31	1.88				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.82%	8.82%	9.19%	9.19%	9.19%			
			Achieved	12.91%	6.70%	6.76%	6.98%	7.07%			

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 2015-2020 Conservation First Framework. 2018 results are based on the IESO's unverified savings values contained in the March 2019 Participation and Cost Report.

Legend:

5-year trend
 up down flat

Current year
 target met target not met

2018 Scorecard Management Discussion and Analysis (“2018 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 2018 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

Halton Hills Hydro Inc. (“HHHI”) is a progressive electric distribution utility which owns and operates the electricity distribution system within its licensed service area (281 square kilometres extending mainly to the municipal boundaries of the Town of Halton Hills, of which 255 square kilometres or 91% is a rural distribution system).

HHHI’s Mission Statement, “*provide Halton Hills with Electricity Distribution Excellence in a safe and reliable manner*”, is supported by eight strategic objectives:

- Safety
- Reliability
- Competitive Rates
- Financial Metrics
- Conservation
- Environment
- Community Focus
- Smart Grid Implementation

HHHI management undertakes an annual review of its business strategy and objectives. The purpose of this review is to ensure a direct alignment between the OEB’s Renewed Regulatory Framework for Electricity Distributors (RRFE) and HHHI’s strategic objectives.

HHHI places a strong focus on providing customers with distribution excellence. HHHI has continuously exceeded the OEB’s minimum standards. In most areas measured, HHHI has met or exceeded its controllable internal and OEB targets in 2018.

Service Quality

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

In 2018, HHHI connected 100% of 678 (2017 – 541, 2016 – 589) eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five-day timeline prescribed by the Ontario Energy Board (OEB). 2018 is the ninth (9th) straight year that HHHI has maintained 100% and is consistently above the OEB-mandated threshold of 90%. The 2018 connections are an increase of 25% over 2017. HHHI maintains its dedication to distribution system excellence through efficient crew scheduling, thereby allowing HHHI to connect customers within the five (5) day window and in fact, usually within one (1) day of all requirements being completed.

- **Scheduled Appointments Met On Time**

HHHI scheduled 5,624 appointments with its customers in 2018 (2017 – 5,803, 2016 – 5668) to complete work requested by customers including disconnections for upgrades, customer service meetings, reconnections, trench inspections and locates. Unfortunately, HHHI did not meet the internal target of 100% instead recording 99.98% for 2018, but still significantly exceeded the industry target of 90%. HHHI continues to maintain its commitment to customer service by maintaining its high target for scheduled appointments.

- **Telephone Calls Answered On Time**

In 2018, HHHI Customer Care agents received 17,165 (2017 – 20,379, 2016 – 25,007) calls from its customers. The year 2018 again saw fewer calls than any of the previous six (6) years. An increase in available web-based forms and lack of collections/disconnections during the winter has contributed to the lower number of customer calls. An agent answered a call in thirty (30) seconds or less 96.63% of the time. A comparison of the past five (5) years shows HHHI performance has steadily increased from the 2014 measure. These results significantly exceed the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

First Contact Resolution can be measured in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful and comparable information across electricity distributors. The process that HHHI used for first contact resolution resulted in three (3) unresolved first contacts. The unresolved issues included collection agreements that were not met by the customer, unsafe underground connections and stray voltage. Of these three (3) incidents, HHHI was able to find a resolution to the stray voltage. The OEB deemed HHHI to be compliant in the other two (2) cases and no further action was required by HHHI.

Given the number of contacts (17,165) in 2018, the first contact resolution percentage is 99.98% (2017 – 99.99%, 2016 – 99.98%).

HHLI defines First Contact Resolution as a measure of customer calls satisfied without escalation. Starting in 2015, all escalated calls from Customer Care were directed to the Customer Care Supervisor (CCS). The CCS determines whether the escalation is due to no resolution or if the customer is not willing to accept the resolution (i.e. customer has a high bill, confirms consumption but still wants to discuss with the CCS). If the CCS determines that the call was not resolved, then a specific call type is entered into HHLI's Customer Information System and summarized for reporting. All OEB complaints are included as unresolved first contacts.

- **Billing Accuracy**

In 2018, HHLI issued 277,895 bills (2017 – 271,641, 2016 – 245,642) and achieved a billing accuracy of 99.89% (2017 – 99.77%, 2016 – 99.84%). This compares favourably to the prescribed OEB target of 98%.

HHLI continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. At this time the OEB is allowing electricity distributor's discretion as to how they implement this measure.

Customer satisfaction is an important measure of customer loyalty and trust. In an environment where the electricity sector receives a high amount of attention in the media, maintaining customer satisfaction is a priority for HHLI. HHLI engages our customers throughout the year at community events, online through social media and through bill inserts and website messaging. HHLI strives to maintain customer satisfaction through ongoing efforts to communicate relevant and timely customer information.

In 2012, 2014, 2016 and 2018 HHLI engaged a third party to conduct customer satisfaction surveys. These customer satisfaction surveys provide information that supports discussions surrounding improving customer service at all levels and departments within HHLI. The survey asks customers questions on a wide range of topics, including: overall satisfaction with HHLI, reliability, customer service, outages, billing and corporate image. In addition, HHLI provides input to this third party to enable them to develop questions that will aid in gathering data about customer expectations and needs. This data is then incorporated into HHLI's planning process and forms the basis of plans to improve customer satisfaction and meet the needs of customers. The final report on these customer satisfaction surveys evaluates the level of customer satisfaction and identifies areas of improvement. It also helps identify the most effective means of communication.

The overall results of the 2018 Customer Service Survey reported 95% of customers were “very or fairly” satisfied and is above the National and Ontario average of 91%.

Safety

- **Public Safety**

The Ontario Energy Board (OEB) introduced the Safety measure in 2015. This measure looks at safety from a customers' point of view as safety of the distribution system is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index.

Safety for HHHI employees and the community is HHHI's number one priority, always. HHHI actively promotes the ESA's safety messaging through our website and social media, including annual participation in Powerline Safety Week. As well, HHHI has an ongoing education program in local public schools to educate children on the importance of electrical safety and energy conservation.

Our Contractor Compliance program ensures that subcontractors adhere to the same levels of safety as HHHI. HHHI's Empower safety program ensures ongoing staff understanding and compliance with safety policies, training and procedures.

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

The Public Awareness of Electrical Safety measure is determined by public survey. The purpose of the survey is to monitor the effort and impact LDCs are having on improving public electrical safety for the Distribution Network. This public safety survey is intended to be conducted every two (2) years. This survey differs from HHHI's customer satisfaction survey in that it targets the general public regardless of whether they were an LDC customer. The questions on the survey are standardized across the province.

HHHI's Public Awareness of Electrical Safety survey result was 85% and was conducted in early 2018. This result was a 2% improvement over the previous Safety survey in 2015.

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

The past eight (8) annual Ontario Regulation 22/04 Audits have concluded that HHHI is compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by our strong commitment to safety, and adherence to company procedures & policies. Ontario Regulation 22/04 - Electrical Distribution Safety establishes objective based electrical safety requirements 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**

HHHI has had zero (0) Serious Electrical Incidents and works diligently with staff and the public to maintain the highest degree of safety and education.

System Reliability

The OEB had undertaken to standardize the System Reliability reporting related to the removal of Major Event incidents. As a result of the OEB's undertaking, five (5) year historical system reliability was restated using the new standardized methodology as part of the 2016 reliability submissions. Historically, HHHI removed any event HHHI defined as a Major Event and therefore, was not included in the original numbers reported. The new methodology uses a calculated daily threshold based on a five (5) year historical average. As required, HHHI and all other LDCs restated their System Reliability measures to provide for a consistent definition and calculation of Major Events. This consistent information will allow for more accurate benchmarking across the province.

HHHI had no Major Events in 2018.

HHHI is an embedded distributor to Hydro One and as such, will experience loss of supply. Loss of Supply is not a variable that HHHI can alter in an effort to improve reliability.

For the purposes of the Scorecard reporting, Major Events and Loss of Supply are excluded from the reported numbers.

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

HHHI experienced a total of 35,039 customer hours of outages in 2018. The longest outages were a result of defective equipment and adverse weather. These two causes accounted for 81% of total outage time with only two (2) incidents accounting for 55% of the total outage time.

Defective equipment – On December 27, 2018, HHHI experienced a broken porcelain switch that fell and came into contact with a steel cross arm resulting in a pole fire that enveloped three (3) feeder lines that were on the same pole, triggering the breaker protection. Due to the situation where three (3) feeder lines were impacted at once, this incident contributed to 33% (1/3) of the total hours of outages. While full restoration was completed within ninety (90) minutes, the total outage was great due to the number of customers affected. HHHI had indicated that defective porcelain switches and insulators were an issue in the 2016 Distribution System Plan. HHHI proactively replaces (as opposed to run to failure) porcelain switches and insulators when possible and will continue with this practice until the switches have all been replaced.

Adverse Weather – In May 2018, HHHI experienced a severe wind storm that caused galloping lines and broken poles. The storm was throughout HHHI's territory and lasted for an extended period of time. HHHI attempted to re-close tripped switches but as the wind continued for an extended period, most reclosed switches tripped immediately after re-closure. Due to the duration and size of the wind storm, this incident contributed to 22% (1/5) of the total hours of outages. Methods of mitigating future galloping lines include increased tension on the lines and reducing span lengths between poles. HHHI has been proactively reducing span lengths when rebuilding rural pole lines with the expected result of few outages related to galloping lines.

All other outages amount to less outage hours than just the above described two (2) incidents. If the two (2) incidents were removed from the reporting, the SAIDI would be 0.63.

As the 2014-2015 years of SAIDI have been restated, HHHI would like to further explain the reason for the “bump” in the number reported for 2015. In 2015, HHHI had multiple pole fires over the course of two (2) days due to salt spray. HHHI had removed these from the reporting as a Major Event due to the number of customers affected and the duration of the outage (over 10% of customers). As each of these pole fires were considered separate incidents and were over a couple of days, the new methodology, using a calculated daily threshold, indicated these pole fires did not qualify as a Major Event and therefore should be included in the reporting. Had the salt spray incidents been deemed a Major Event, the SAIDI reported would have decreased from 2.58 to 1.67.

In an effort to decrease the duration of outages, HHHI continues to work towards a more automated and integrated distribution system. Substation reclosers, SCADA remote operated switches, SCADA wireless faulted circuit indicators and automated switches enable the Control Room to locate faulted portions of the system quicker, dispatch crews more efficiently and effectively and remotely sectionalize faulted sections allowing crews to focus their time on repairing the fault, instead of manually sectionalizing before beginning repairs.

In addition to the automation, HHHI continues to optimize its Control Room partnership with Oakville Hydro Distribution Inc. by increasing the availability of distribution system maps. Additionally, HHHI has provided each line truck with a tablet that will enable operational crews to access the up to date mapping and to ensure information provided to the Control Room and crews is consistent.

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

In 2018, HHHI had a total of 106 outage incidents. HHHI’s greatest frequency of outages in 2018 was a result of scheduled outages and defective equipment.

Scheduled Outages – Thirty-two (32), or 30%, were related to Scheduled outages. Scheduled outages are used to allow operation crews to work safely when constructing and performing maintenance on lines. Customers are always notified ahead of time by hand delivered letter providing the date, start time and expected duration of the outage.

Defective Equipment – As described above, HHHI had indicated that defective porcelain switches and insulators were an issue in the 2016 Distribution System Plan. HHHI proactively replaces (as opposed to run to failure) porcelain switches and insulators when possible and will continue with this practice until the switches and insulators have all been replaced. In addition, HHHI experienced outages related to transformer and ancillary equipment failure. HHHI’s policy is to run these assets to failure. There were ten (10) incidents that included a transformer or its ancillary equipment. It should be noted that even though transformer and ancillary equipment failures accounted for 10% of the total incidents in 2018, the greatest number of customers affected by any one failure was a total of twenty-five (25) customers.

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Asset Management

- **Distribution System Plan Implementation Progress**

HHHI's estimated total capital expenditures for 2016 to 2018 as presented in HHHI's 2016 Cost of Service Distribution System Plan (DSP) total is \$22,905,031. HHHI's capital additions for 2016 to 2018 totalled \$28,259,826 (net of contributed capital and construction work in progress). HHHI is currently at 123% of its DSP.

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 (5) groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2018, for the seventh (7th) year in a row, HHHI was placed in Group 1 where a Group 1 distributor is defined as having actual costs (opposite of excess but not shortage) of predicted costs. Group 1 is considered the "Most Efficient". Prior to 2012, the OEB benchmarked LDCs by comparing similar distributors and using OM&A unit cost per customer.

Since the benchmarking has changed to a solely econometric approach, HHHI has consistently placed in the top six (6) in the province. The updated methodology includes weighting factors for costs associated with overhead versus underground infrastructure in addition to the inclusion of both capital and OM&A costs

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of HHHI's capital and operating costs and dividing this cost figure by the total number of customers that HHHI serves. The cost performance result for 2018 is \$794/customer (2017 - \$763, 2016 - \$770).

Similar to all distributors in the province, HHHI has experienced increases in its total costs required to deliver quality and reliable services to customers. Province wide programs such as Time of Use pricing, growth in wage and benefits costs for employees, as well as investments in aggressive line clearing programs, new information systems technology, cyber-security and the renewal and growth of the distribution system, have all contributed to increased operating and capital costs. HHHI will continue to replace distribution assets proactively along a carefully managed timeframe in a manner that balances system risks and customer rate impacts as demonstrated in HHHI's 2016 rate application. Additionally, HHHI completed a number of capital projects that enhanced reliability and efficiencies related to the building of HHHI's new municipal Transformer Station. Customer engagement initiatives will continue in order to ensure customers have an opportunity to share their viewpoint on HHHI's capital spending plans.

HHHI has actively engaged staff through the Creative and Critical Thinking initiative to find additional cost efficiencies throughout the LDC. A new program that HHHI began in 2017 focussed on “**Relentless Incrementalism**”. Relentless incrementalism – small steps that make a difference and help pave the way for more significant change – involves all staff members examining processes and procedures and implementing changes that would create cost savings, efficiencies or benefit customers.

- **Total Cost per Km of Line**

Total cost per km of Line is calculated as the sum of HHHI’s capital and operating costs and dividing this cost figure by the total kilometer of line. The 2018 total km of lines in HHHI’s distribution system was 1,641 km (2017 – 1,645, 2016 - 1,613 km). The cost performance result for 2018 is \$10,860/km of line (2017 – 10,295, 2016 - \$10,557).

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Conservation & Demand Management

- **Net Cumulative Energy Savings**

Up until March 21, 2019, LDCs had been delivering conservation programs under the Conservation First Framework (CFF). The CFF required the IESO to coordinate, support and fund the delivery of Conservation and Demand Management (CDM) programs through LDCs to achieve a total of seven (7) TWhs of reductions in electricity consumption between January 1, 2015 and December 31, 2020. LDCs could deliver their CDM obligations through use of IESO province-wide programs and/or their own (or regional) programs (both of which are IESO funded); and were permitted to do so individually or in a joint plan with one or more LDCs. HHHI entered into a Joint CDM Plan with Milton Hydro and Burlington Hydro to deliver 30.94 net GWh in total energy savings over the CFF.

On March 21, 2019, the Minister of Energy, Northern Development and Mines introduced Bill 87 – *Fixing the Hydro Mess Act*, which, among other regulatory initiatives, refocused and uploaded electricity conservation programs to the IESO. The Minister issued a Ministerial Directive terminating the CFF and the Energy Conservation Agreements (ECAs) with LDCs.

Upon termination of the CFF, the IESO was directed to provide centralized delivery of a reduced scope of programs under an Interim Framework. The following programs were cancelled outright, generally as of April 1, 2019:

- Heating and Cooling Program
- Deal Days (Instant Discount)
- Residential New Construction Program
- Business Refrigeration Incentive Program
- High Performance New Construction Program
- Existing Building Commissioning Program
- Audit Funding Program
- Monitoring & Targeting Program

The following programs continue, and will be delivered centrally by the IESO, from April 1, 2019 to December 31, 2020:

- Retrofit
- Small Business Lighting
- Process and Systems Upgrade Program
- Home Assistance Program (already run by IESO)
- Local Indigenous Programs
- Energy Performance Program
- Energy Manager Program

HHHI will continue to deliver its PoolSaver Program locally through to December 31, 2020.

Cancellation of the ECA relieved HHHI of its obligation to deliver its 30.94 GWh savings target, although HHHI was on track to exceed its target. To the end of 2018, HHHI had achieved 77% of its six (6) year target.

Connection of Renewable Generation

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

With the end of the Feed-in-Tariff program, Connection Impact Assessments (CIAs) request reporting is no longer required after 2016.

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

In 2018, HHHI connected thirty-four (34) new micro-embedded generation facilities (microFIT projects of less than 10 kW) 100% of time within the prescribed time frame of five (5) business days. The minimum acceptable performance level for this measure is 90% of the time. HHHI's workflow to connect these projects is very streamlined and transparent for customers. HHHI works closely with its customers and their contractors to tackle any connection issues to ensure the project is connected on time. It is expected that with the end of the Feed-in-Tariff program, micro-embedded generation connection requests will be minimal in the future.

Financial Ratios

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

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

HHHI's Liquidity for 2018 is 0.46 (2017 – 1.08). The change is the result of recognizing the construction loan for the new transformer station as a current liability. Upon completion of construction, the construction loan will be termed out and reflected accordingly on the balance sheet.

- **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. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

HHHI's 2018 debt to equity ratio is 1.88 as compared to the 2017 value of 1.31.

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

HHHI's distribution rates were approved by the OEB in the 2018 Incentive Rate Mechanism Application (EB-2017-0045), effective May 1, 2018, and included an expected (deemed) regulatory return on equity of 9.19%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor's revenues and costs structure by the OEB.

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

In 2018, HHHI's achieved regulatory return on equity was 7.07% (2017 – 6.98%, 2016 – 6.76%), which is within the +/- 3% range allowed by the OEB.

Note to Readers of 2018 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.