

Scorecard - Halton Hills Hydro Inc.

8/22/2022

Performance Outcomes	Performance Categories	Measures	2017	2018	2019	2020	2021	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%	99.98%	97.66%	100.00%	100.00%		90.00%		
		Telephone Calls Answered On Time	95.85%	96.63%	96.43%	95.91%	96.73%		65.00%		
	Customer Satisfaction	First Contact Resolution	99.99	99.98%	99.98%	100%	99.96%				
		Billing Accuracy	99.77%	99.89%	99.88%	99.90%	99.92%		98.00%		
		Customer Satisfaction Survey Results	88%	95%	95%	96%	96%				
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	85.00%	85.00%	83.00%	83.00%	79.00%				
		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	2	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	1.65	1.48	1.60	1.36	0.97			1.49	
		Average Number of Times that Power to a Customer is Interrupted ²	1.13	1.60	1.70	1.73	1.85			1.56	
	Asset Management	Distribution System Plan Implementation Progress	Over-budget	123.38%	114.56%	104.55%	113.4%				
	Cost Control	Efficiency Assessment	1	1	1	1	1				
		Total Cost per Customer ³	\$763	\$794	\$817	\$804	\$813				
		Total Cost per Km of Line ³	\$10,295	\$10,860	\$10,917	\$10,856	\$10,928				
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).	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time ⁴				100.00%	100.00%				
		New Micro-embedded Generation Facilities Connected On Time	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)	1.08	0.46	0.86	1.08	0.73				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.31	1.88	2.34	2.75	2.14				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	9.19%	9.19%	9.19%	9.19%	8.34%			
			Achieved	6.98%	7.07%	4.24%	2.65%	10.50%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).

2. 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. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend:

5-year trend
 up down flat
Current year
 target met target not met

2021 Scorecard Management Discussion and Analysis (“2021 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 2021 Scorecard MD&A:

http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.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 (8) 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 2021.

Service Quality

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

In 2021, HHHI connected 100% of 639 (2020 – 432) eligible low-voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five (5) day timeline prescribed by the Ontario Energy Board (OEB). 2021 is the twelfth (12th) straight year that HHHI has maintained 100% and is consistently above the OEB-mandated threshold of 90%. 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 891 appointments with its customers in 2021 (2020 – 719) to complete work requested by customers including disconnections for upgrades, customer service meetings, reconnections, and trench inspections. Due to COVID-19 restrictions and both internal and external business impacts related to COVID-19 in 2021, many appointments were indefinitely deferred. As a result of the locate issues and COVID-19, the number of appointments recorded was significantly less than historical. HHHI met the internal target of 100% for 2021, and 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 2021, HHHI Customer Care Representatives (CCRs) received 19,854 (2020 – 18,692) calls from its customers. The year 2021 saw a slight increase in the number of calls as compared to 2020. An increase in available web-based forms and renewed collection/disconnection actions after COVID-19 has contributed to the slight increase in number of customer calls. A CCR answered a call in thirty (30) seconds or less 96.73% of the time. A comparison of the past five (5) years shows HHHI performance has remained above 95%. These results significantly exceed the OEB-mandated 65% target for timely call response.

Customer Satisfaction

- **First Contact Resolution**

HHHI defines First Contact Resolution as a measure of customer calls satisfied without escalation. Starting in 2015, all escalated calls and emails from Customer Care were directed to the Customer Care Manager (CCM). The CCM 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 CCM). If the CCM determines that the call was not resolved, then a specific call type is entered into HHHI's Customer Information System and summarized for reporting. All OEB complaints are included as unresolved first contacts.

The process used by HHHI for reporting first contact resolution resulted in seven (7) unresolved first contacts in 2021 which is equivalent to 96.96% (2020 – 100%).

- Two (2) of the recorded instances related to complaints filed with the OEB. HHHI implemented temporary fixes to resolve the issue for the customers but is still awaiting direction from an enquiry submitted to the OEB.

- One (1) customer requested information about the HHHI specific electricity supply mix after being provided with the provincial supply mix.
- One (1) customer was displeased that he could not access real-time data from his smart meter to which HHHI explained the request was not currently available, however, the data is updated each day for the previous day.
- One (1) customer had an outage and did not see any estimated restoration times on social media and wanted to express his displeasure. HHHI determined that the outage was related to emergency work needed to replace a broken pole and the Control Room had not updated social media. This was addressed with the Control Room.
- One (1) customer had reported a “dead and rotten” tree that was close to hydro lines near his house. When the tree had not yet been cleared, the customer contacted their Counsellor at the Town of Halton Hills. HHHI reviewed the situation and scheduled the vegetation management contractor to remove the tree within the month.
- One (1) customer was upset about the “aggressive” tree trimming being performed by HHHI (note: this complaint was in relation to the solution to the above complaint). Information about safety and clearance requirements were supplied to the customer in addition to informing the customer that trimming is done to ensure safe distances from live wires first, followed by the health of the tree second and then aesthetics.

- **Billing Accuracy**

In 2021, HHHI issued 277,687 bills (2020 – 277,640) and achieved a billing accuracy of 99.92% (2020 – 99.90%). This compares favourably to the prescribed OEB target of 98%.

HHHI 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. Maintaining customer satisfaction is a priority for HHHI and delivering an excellent customer experience forms an important part of our culture. HHHI engages our customers throughout the year at community events, online through social media and through bill inserts and website messaging. HHHI strives to maintain customer satisfaction through ongoing efforts to communicate relevant and timely customer information.

HHHI has engaged a third party to conduct customer satisfaction surveys every two (2) years beginning in 2012. These customer satisfaction surveys provide information that supports discussions surrounding improving customer service at all levels and departments within HHHI. The survey asks customers questions on a wide range of topics, including: overall satisfaction with HHHI, reliability, customer service, outages, billing and corporate image. In addition, HHHI 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 HHHI’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 2020 Customer Service Survey reported 96% of customers were “very or fairly” satisfied and is the same as the National (96%) and above the Ontario average (95%).

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 being as safety of the distribution system is a high priority. The Safety measure is generated by the Electrical Safety Authority (ESA) and includes three (3) 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 awareness 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 79% and was conducted in early 2022. This result was a 4% decrease over the previous Safety survey in 2020. During the COVID-19 pandemic, HHHI was unable to provide its ongoing education programs in local public schools. Historically, students who attend the sessions share their electrical safety knowledge at home.

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

The past eleven (11) 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 and 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**

The utility must report on any serious electrical incidents involving its equipment and the general public. HHHI had zero (0) Serious Electrical Incidents in 2020 (the most recent reporting year).

HHHI continues to work diligently with staff and the public to maintain the highest degree of safety and education.

System Reliability

HHHI experienced two (2) Major Event outages in 2021.

On June 29, 2021, HHHI experienced a severe storm with heavy rain, strong winds and lightning which resulted in outages that qualified as a Major Event. The event was classified as unavoidable and disrupted normal business operations. The total number of customers affected by this outage was 7,769 or approximately 33% of HHHI's total customer base. This event consisted of damages to the HHHI distribution system itself and also loss of supply from Hydro One. The outage took 4.0 hours to restore 90% of the customers who experienced the outage.

On August 28, 2021, HHHI experienced a severe storm with strong winds and lightning which resulted in outages that qualified as a Major Event. The event was classified as unavoidable and disrupted normal business operations. The total number of customers affected by this outage was 9,376 or approximately 40% of HHHI's total customer base. The outage took 3 hours and 34 minutes to restore 90% of the customers who experienced the outage.

In response to the severity of the outages relating to lightning strikes, HHHI is installing lightning arrestors on certain critical components.

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 65,891 customer hours of outages in 2021. HHHI experienced two (2) Major Events in 2021 resulting from severe wind and lightning storms in June and August. When those outages are removed from the reporting, HHHI experienced 22,330 hours that power to a customer was interrupted. Due to the duration and size of the storms, these incidents contributed to 66% of the total hours of outages and qualified as Major Events. Major Events and Loss of Supply are outside the control of HHHI and thus are not included in the metric.

The average number of hours that power to a customer was interrupted was the lowest in six (6) years in 2021. The longest outages were a result of defective equipment and tree contacts. These two (2) causes accounted for 66% of total outage time (excluding Major Events).

Defective Equipment – HHHI experienced defective equipment failures resulting in 11,348 customer outage hours. Many of these incidents affected a small number of customers, however, one particular incident resulted in 8,488 outage hours on May 28, 2021. The May 28, 2021 incident involved the failure of a pole top during a wind event the resulted in a dead end insulator hold releasing, a phase conductor hitting the ground and a feeder lock out. This one (1) outage accounts for thirteen percent (13%) of all outages and seventy-five percent (75%) of defective equipment failures.

Tree Contact – HHHI experienced 3,792 customer outage hours related to tree contacts. Of particular note is the outage that occurred on October 25, 2021. The outage that affected 4,200 customers and contributed 2,089 outage hours when a tree came into contact with the 27.6kV line coming from a sub-transmission feeder. The outage itself was fairly short in duration (less than thirty (30) minutes to reenergize ninety-four percent (94%) of all customers), however, due to the high number of customers affected, this particular outage accounted for 55% of all tree contacts and 9% of all outages (excluding the Major Event).

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 and SCADA wireless faulted circuit indicators 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 operation. HHHI is in the process of providing of line crews with updated tablets 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 2021, HHHI had a total of 70,207 times that power to a customer was interrupted. When the incidents related to Major Events are removed, HHHI HHHI's had a total of 42,797 times that power to a customer was interrupted. Therefore, the two (2) Major Events that HHHI experienced in 2021 accounted for approximately thirty-nine percent (39%) of the total number of customer outages. Excluding the Major Events, the greatest frequency of outages in 2021 was a result of adverse weather, defective equipment and foreign interference.

Adverse Weather - There were 13,678 customer outages attributed to foreign interference which translates to thirty-two percent (32%) of all outages. Of the 13,678, there were 8,723 that were shorter than fourteen (14) minutes with 5,720 of those resulting in outages shorter than seven (7) minutes. The balance of the incidents (4,955) were related to a wind storm on December 11, 2021. While this December wind storm was severe and contributed to many outages for customers, it did not meet the threshold for a Major Event.

Defective Equipment - HHHI experienced defective equipment failures resulting in 8,681 customer outages. Many of these incidents affected a small number of customers, however, one particular incident resulted in 6,999 customer outages on May 28, 2021. The May 28, 2021 incident involved the failure of a pole top during a wind event that resulted in a dead end insulator hold releasing, phase conductor hitting the ground and a feeder lock out. This one outage accounted for sixteen percent (16%) of all outages and eighty-one percent (81%) of defective equipment failures.

Foreign Interference – There were 8,150 customer outages related to foreign interference in 2021. Foreign interference accounted for nineteen percent (19%) of all customer outages (excluding Major Events). While foreign interference may include dig in, vandalism and sabotage, the 8,150 customer outages experiences were a result of either animal contacts (7,361) or vehicle accidents (789). Animal contact outages accounted for seventeen percent (17%) of all non-Major Event outages and ninety percent (90%) of all foreign interference.

Asset Management

- **Distribution System Plan Implementation Progress**

HHHI's estimated total capital expenditures for 2021 as presented in HHHI's 2021 Cost of Service Distribution System Plan (DSP) total is \$5,466,824. HHHI's actual capital additions for 2021 totalled \$6,199,270 (net of contributed capital). HHHI is currently at 113.4% of its DSP. The additional costs are related to a more than anticipated number of system access requests, an increase in material costs due to inflation (transformers alone increased 15%), a change in scope to a combined heat and power project and the unanticipated need to replace support plant during a distribution feeder replacement.

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 2021, for the tenth (10th) 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 seven (7) 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 total cost performance result for 2021 is \$813 per customer (2020 - \$804). In 2021, HHHI saw a slight increase in the total cost per customer which can be attributed to the lower 2020 cost per customer related to the COVID-19 pandemic and decreased expenses related to limited in-person activities. It should be noted that the 2021 total cost per customer reflects a full year of operating and maintenance costs relating to HHHI's Municipal Transformer Station and incremental cybersecurity expenses. Additionally, the cost of materials used in capital and maintenance has also increased due to inflation.

HHHI continues to engage 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 kilometers of line. The 2021 total km of lines in HHHI's distribution system was 1,691 km (2020 – 1,671 km). The cost performance result for 2021 is \$10,928/km of line (2020

- \$10,856). In 2021, HHHI saw a slight increase in the total cost per kilometer which can be attributed to the lower 2020 cost per customer related to the COVID-19 pandemic and decreased expenses related to limited in-person activities. It should be noted that the 2021 total cost per km of line reflects a full year of operating and maintenance costs relating to HHHI's Municipal Transformer Station and incremental cybersecurity expenses. Additionally, the cost of materials used in capital and maintenance has increased due to inflation.

HHHI continues to engage 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.

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 for renewable generation are few. HHHI consistently achieves 100% of renewable generation connection impact assessments completed on time.

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

With the end of the Feed-in-Tariff program, micro-embedded generation connection request reporting is no longer required after 2018.

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 meet 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 2021 is 0.73 (2020 – 1.08). The main driver for the metric change is the increase in Trade Payables and Accrued Liabilities of \$2.398 million, along with a reduction in Trade Receivables and Unbilled Revenues of \$1.765 million.

- **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 2021 debt to equity ratio is 2.14 as compared to the 2020 value of 2.75. The main driver is recognition of unfunded fair value derivative gain of \$4,017,879. The potential replacement cost to the utility of the interest rate swaps, representing estimate fair value as presented on the balance sheet is \$1,467,930 (2020 - \$5,485,809).

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

HHHI's distribution rates were approved by the OEB in the 2021 Cost of Service Application (EB-2020-0026), effective May 1, 2021, and included an expected (deemed) regulatory return on equity of 8.34%. 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 2021, HHHI's achieved regulatory return on equity was 10.50% (2020 – 2.65%), which is within the +/- 3% of the OEB deemed percentage of 8.34%. The main drivers of the achieved regulatory return on equity include: the 'Adjusted Regulated Net Income' \$4,354,552 (2020 - \$1,084,887); the increase in 'Total Rate Base' \$103,678,654 (2020 - \$102,325,868); and the change to 'Regulated Deemed Equity' of \$41,471,462 (2020 - \$40,930,347).

Note to Readers of 2021 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.