

# ENSURING VALUE FOR CUSTOMERS

The ability of our businesses to deliver on commitments and obligations to customers helps determine Capstone's capacity to maximize long-term cash flow.



Bristol Water works with customers and communities to encourage responsible water use, thereby conserving a precious resource while keeping prices down.

## 2<sup>nd</sup>

Place achieved by Bristol Water out of 21 water companies on Ofwat's Service Incentive Mechanism (SIM) for the regulatory year ended March 31, 2012.

Creating value for shareholders and value for our business' customers are two sides of the same coin.

Our businesses deliver essential services upon which people — and even life itself — depend. Clean, safe drinking water. Efficient, dependable heating in cold weather. And reliable electricity to illuminate homes and businesses and power the economy.

Simply, the ability of our businesses to deliver on their commitments or obligations to customers determines Capstone's capacity to maximize long-term cash flow. Our businesses aim to achieve excellence in their operations while providing exemplary service and often collaborating with customers and other stakeholders towards common goals, whether it is working to conserve water or improve biodiversity or providing support to the electrical grid during times of emergency.

Bristol Water supplies water to more than 1.2 million people and businesses. During the year, Bristol Water achieved a strong top-quartile ranking on the industry regulator's customer service measure, which gathers information through customer satisfaction surveys and quantitative data related to complaints. Strong customer service performance not only enhances a customer's day-to-day experience but also helps to foster lasting customer support and can result in an increased revenue allowance for Bristol Water in the next regulatory review period.

Bristol Water also achieved the lowest level of water leakage in the company's history, lowering water loss to 44 megalitres per day, which was approximately

15% below Bristol Water's targeted level. This accomplishment required significant additional effort by Bristol Water's team but reduced the risk of needing to impose water supply restrictions following sustained dry weather in the Bristol region during the spring. Efficient use of water helps protect the environment and conserves a precious resource while keeping prices down.

Closer to home, Cardinal, which commenced operations in 1994, is one of the largest gas cogeneration facilities in Ontario. It is also the newest power generation facility on the 115 kilovolt electrical grid in eastern Ontario.

Every year, Cardinal reliably generates enough electricity to power about 126,000 Ontario households. But the facility's value proposition is multifaceted, extending well beyond the electrical outlet to include industrial and social benefits.

Cardinal also provides cost-effective steam, compressed air and electricity to Ingredion Canada Incorporated, its industrial host and one of Canada's principal producers and suppliers of corn-based food ingredients and industrial products, for use in its manufacturing processes. Together, Cardinal and Ingredion employ 230 people, pay significant property taxes and actively support numerous community causes.

By striving to meet customers' needs every day, our businesses are safeguarding Capstone's financial performance, delivering ancillary benefits to the community, enhancing our company's reputation and directly contributing to value for shareholders.

**“OUR BUSINESSES AIM TO ACHIEVE EXCELLENCE IN THEIR OPERATIONS WHILE PROVIDING EXEMPLARY SERVICE AND OFTEN COLLABORATING WITH CUSTOMERS TOWARDS COMMON GOALS.”**