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2.7 EXHIBIT 4: OPERATING EXPENSES

2.7.1 Overview

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate WNH's distribution system assets, the costs associated with metering, billing, collecting from its customers, the costs associated with ensuring all stakeholders safety (public, employees etc.) and costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (IESO (formerly the OPA), Ministry of Energy, ESA etc.). Overall, these are on-going costs associated with providing distribution services in alignment with customers' expectations. WNH's 2016 Test Year Operating Costs are $13,679,334 including Operating, Maintenance and Administration (OM&A) and excluding LEAP and property taxes as summarized in Table 4-1 below.

WNH adopted the accounting changes for depreciation and capitalization policies in accordance with the Board's letter dated July 17, 2013. WNH has shown the impact of the expensing of overheads that were previously capitalized in order to present a normalized comparison between the years.

Table 4-1 Summary of OM&A Increases – 2011 Board Approved to 2016 Test Year

Expenses	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Distribution Expenses - Operation	3,877,535	3,567,713	4,464,684	6,122,581	6,246,577	5,876,324	5,799,381
Distribution Expenses - Maintenance	1,559,181	1,287,857	1,266,289	1,283,983	1,845,659	1,607,062	1,613,140
Billing and Collecting	2,075,189	2,208,871	2,940,036	2,632,182	2,615,114	2,702,873	2,902,731
Community Relations	236,777	164,146	202,478	193,918	163,854	147,200	142,200
Administrative and General Expenses	2,255,657	2,421,554	2,125,788	2,682,238	2,795,055	3,042,602	3,221,882
Total	**10,004,339**	**9,650,141**	**10,999,275**	**12,914,902**	**13,666,258**	**13,376,061**	**13,679,334**
Overhead Change Impact to OM&A	**-**	**-**	**-**	**2,458,160**	**2,204,651**	**2,314,937**	**2,303,326**
Total before MIFRS Overhead Impact	**10,004,339**	**9,650,141**	**10,999,275**	**10,456,743**	**11,461,607**	**11,061,124**	**11,376,007**

WNH followed Canadian Generally Accepted Accounting Principles (CGAAP) in 2011, 2012, and 2013. In 2013, the basis for accounting continues to be CGAAP, but with the inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2013 specifically relating to depreciation rates and capitalization policies. For the 2014, 2015 Bridge Year and 2016 Test Year WNH is reporting under Modified International Financial Reporting Standards.

Please refer to Table 4-2 for details on changes to OM&A costs since WNH's last Board approved Cost of Service Application in 2011 and the 2016 Test Year. The final column in Table 4-2 provides, for information purposes, a numerical reference to the WNH Strategic Imperatives associated with each OM&A cost category. Strategic Imperatives associated with these numerical references are set out in Exhibit 1. Table 4-2 is intended to present significant changes only.

Table 4-2: Overall Cost Trends

Item	$ Amount	Reference
2011 Board Approved OM&A (excluding LEAP)	10,039,282	
2016 Overhead Capitalization Change Impact to OM&A, Previously Capitalized	2,303,326	All
Remove 2016 Salary Costs in Overhead Change as included in Change Operating Portion of Salary/Wages	(1,640,792)	All
Increase in Operating Portion of Salary/Wages	1,182,422	All
Increase in Operating Portion of Benefits	455,115	All
Inflation on Non-Labour Items	673,371	All
Other Changes (net)	425,606	All
Property Taxes moved from Departments to Taxes Other than Income	(489,724)	7
Prudential Expense in Recoverable Expenses, in Interest in 2011 COS	111,208	7
Increase in Meter Reading Costs - Smart Meter Fees	207,336	3, 7, PP
Increase in Billing/Collection/Collection Revenue for Implementation of Monthly Billing	314,644	3, 7, PP
IT Expenses Charged to CDM	(59,259)	6, 7
Post Employment Benefits All Expensed in 2016/Previous Years' in Payroll Burden (Capital/OM&A/Recoverable)	156,800	All
2016 Test Year OM&A	**13,679,333**	

(PP - Public Policy Responsiveness)

The OM&A costs in the 2016 Test Year reflect the resourcing mix and investments required to meet customer and broader public policy requirements. Without this resourcing and investments, WNH will struggle to meet 2016 and future workloads.

Impact of Overhead Capitalization Changes

The inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2013 which specifically relate to depreciation rates and capitalization policies, has resulted in increased OM&A expenses. WNH adopted the changes effective 2013.

The overhead and depreciation changes are detailed in Exhibit 9 Deferral and Variance Accounts. The overhead changes have been reproduced in Table 4-3 below, with the addition of the budgeted 2016 impact of the Overhead Capitalization change. Overheads previously capitalized are now required to be expensed, thus, OM&A costs are increased.

Table 4-3 OM&A Overhead Capitalization Changes

Department	2013 Actual	2014 Actual	2015 Forecast	2016 Forecast
Engineering	1,226,152	1,100,602	1,026,570	1,025,099
Operations Administration	387,707	428,679	476,545	486,588
Purchasing & Inventory/Stores	299,596	217,948	349,835	336,732
Fleet	355,047	186,412	185,476	187,487
Loss Prevention	231,566	271,010	276,511	267,420
Remove Tax Portion of 2013 WIP CGAAP Overhead Difference Reference EB-2012-0161	(41,910)	-	-	-
Total Charges to OM&A due to Overhead Capitalization Changes	**2,458,160**	**2,204,651**	**2,314,937**	**2,303,326**

In order to calculate the impact of the Overhead Capitalization Change on OM&A WNH captured the total charges that were no longer able to be capitalized as a result of the change in policy. Each of the five departments shown above was captured in burden accounts.

The Engineering, Operations Administration and Loss Prevention departments no longer have any costs recorded in their department that can be capitalized.

Purchasing & Inventory/Stores and Fleet have a substantially smaller portion of their costs that are allowed to be captured in a burden account. Material markups and Fleet Equipment Hours are charged to Work Orders when material is issued or vehicles/equipment is used. These costs are charged to Operating, Recoverable and Capital Work Orders.

Calculation

The Engineering Department costs previously had been captured in a Burden Account and were 100% capitalized, all costs are now expensed in OM&A.

For each of the other four departments WNH determined the portion of their costs that would have gone to the OM&A under the previous policy. WNH then compared the total of each departments' costs recorded in OM&A under the new policies and removed the portion that would have gone to capital to determine the resulting variance due to the Overhead Policy Change.

As can be seen by Table 4-3, the impact on OM&A due to the Overhead Policy Change is significant, resulting in an increase of $2.3M which is 63% of WNH's total OM&A increase of $3.6M.

Salaries, Wages & Benefits

In order to isolate the change in salaries, wages and benefits, WNH removed these from the Overhead Capitalization Change in OM&A costs. Thus, theses costs will now be included in the change in salaries, wages and benefits as described in this section. Between 2011 and 2016, WNH has experienced a significant increase in its OM&A workload as a result of increased demand by its customers for services.

New provincial policy initiatives have been introduced over this timeframe as well, resulting in increased OM&A workloads. Some of these initiatives include new service rules for low income customers, LEAP, the new RRFE with its increased regulatory requirements, the introduction of Smart Meters and the supporting AMI system which must be managed on a daily basis, the conversion to Time-of-Use rates, renewable generator connection and settlement obligations, the introduction of mandatory conservation targets, increased customer engagement requirements on local and provincial industry issues and the introduction of Regional Planning. WNH has willingly embraced these initiatives and worked hard to implement them at minimal cost, without adversely impacting customer service.

WNH has had a modest increase of 3.82 in Full-Time Equivalent (FTE) Positions between 2011 Board Approved and the 2016 Year. There was also an increase of 3.28 FTE in Contract and Student Positions.

WNH hires approximately 3 years in advance of impending retirements of trades and technical staff in order to train and provide experience to new staff before existing staff leave. The continuity and transfer of knowledge does not entirely make up for the skills deficit WNH experiences when staff retires, but it does leave WNH in a position to still carry on effective operations.

WNH has been frustrated for some time in its ability to hire the necessary experienced trades and technical staff. For this reason WNH generally hires into training positions and develops its own staff. As a means of supporting this recruitment program, WNH hires 3-4 co-op apprentices and 3 co-op engineering students for each 4 month term. These opportunities provide apprentices and engineering students with valuable work experience, return value to WNH for the work they perform and provide WNH an opportunity to evaluate them as future employees. Those that are not recruited for permanent positions at WNH, leave having been introduced to the industry and with valuable work experience. Many have gone on to fill roles in the industry.

WNH's staffing levels have increased modestly over the last 5 years but have levelled off in the 2013 – 2015 time frames. This is due almost exclusively to the hiring of replacement staff due to upcoming retirements. Roughly 3-4% of staff retires in any given year; however WNH's workforce demographics have shown an elevated number of retirements in recent and upcoming years.

WNH has been managing significant employee turnover, as its workforce ages and retires, and as new workers take on new roles. In addition, WNH has 30% of its current workforce projected to retire within the next 5 years and 42% of its current workforce is projected to retire within the next 10 years.

While overall employee numbers have remained stable, wage and benefit increases have been a contributing factor to increased costs. WNH's unionized and non-unionized staff has received an average 2.75% increase over the 2011-2016 Test Year period. The union staff increases are within industry norms. Annual pay increases for non-union and management employees are based on the negotiated settlements for the unionized staff. The success of the business and operating a safe, efficient and reliable distribution system is based on the quality, expertise and dedication of staff. Staff must be fairly compensated for the work they perform recognizing the industry WNH works in. The majority of the change in benefit costs over this period is a result of increased total OMERS contribution costs. Total OMERS contribution costs have increased $503,142 or 79% above the 2011 Board Approved of $637,626 to the 2016 Test Year of $1,140,768. All these changes contribute to the increase of $1.6M from 2011 Board Approved to the 2016 Test Year in salaries, wages and benefits charged to OM&A programs.

Inflation on Non-Labour Items

WNH has calculated the Inflation on Non-Labour items based on the Board Approved Inflation Factor for 2011 – 2015 as reflected in Table 4-4. WNH used an inflation rate of 2% where the expense increase could not be specifically identified for non-wage related expenses, which is within the range of rates set out in Toronto Dominion Bank's October 2014 quarterly economic forecast.

Table 4-4 Inflation Factors

Year	IPI/Estimate
2011	1.3%
2012	2.0%
2013	1.6%
2014	1.7%
2015	2.0%
2016	2.0%

Property Taxes Moved from Departments to USoA # 6105 Taxes Other than Income Taxes

In WNH's 2011 Cost of Service Application (COS), Property Taxes for the Service Centre and Administration Building, the Transformer Stations and Municipal Substations were included in the individual departments. WNH has recorded these Property Taxes since 2011 in USoA # 6105 Taxes Other than Income Taxes to comply with the Accounting Procedures Handbook (APH). The APH states:

"6105 Taxes Other than Income Taxes
A. This account shall include the amounts of ad valorem, gross revenue or gross receipts taxes, "payments-in-lieu of taxes", capital taxes, payments equivalent to municipal and school taxes, ***property taxes****, property transfer taxes, franchise taxes, commodity taxes, and all other related taxes assessed by federal, provincial, municipal, or other local governmental authorities, except income taxes."* (Emphasis added.)

Property taxes in USoA 6105 in the 2016 Test Year are projected to be $489,724. This item is included in WNH's Revenue Requirement. It is recorded in a different account than it was in the 2011 Cost of Service.

Prudential Expense in Recoverable Expenses in 2016, in Interest in 2011 COS

WNH has reflected the Prudential Expense it incurs in posting a Prudential with the IESO in USoA 5685 Independent Market Operator Fees and Penalties. WNH had recorded this cost in USoA 6035 Other Interest Expense in its 2011 COS; however, WNH believes that this is an ongoing operating cost and should be included in recoverable expenses. WNH has adjusted the previously reported 2011 through 2013 Actual balances in order to have consistent treatment on this item. The amount of the Prudential Expense is projected to be $111,208 in the 2016 Test Year.

Increase in Meter Reading Costs - Smart Meter Fees

As a result of the implementation of smart meters WNH incurs new user fees to its Software Provider. The amount forecast in 2016 is $207,336.

Increase in Billing/Collection/Collection Revenue for Implementation of Monthly Billing

On April 17, 2015 the Board released *EB-2014-0198: Policy Review of Electricity Distributor's' Residential Customer Billing Practices and Performance: Notice of Amendment to the DSC.*

The Board has mandated monthly billing for all electricity distributors for Non-Seasonal Residential and General Service Less than 50 kW Customers effective December 31, 2016.

WNH has included the transition to monthly billing in this application. WNH is proposing an implementation date of December 31, 2016, thus, in order to capture these net costs it has proposed “normalized’ costs and revenues. WNH determined the annual costs, decrease in bad debts and additional collection charges to implement this initiative, multiplied it by four for the years 2017 through 2020 and divided by five years in order to normalize the net costs. The calculations are reflected in Table 4-5 below.

WNH also notes that in its calculation it has forecast an increase in the percentage of its customers on E-Billing to 15% from the current 6.8% of customers currently enrolled. WNH also incorporated the savings in envelopes, postage and bill folding/inserting the bills of $48,008 into the calculations of its incremental costs in Table 4-5.

Table 4-5 Incremental Costs to Implement Monthly Billing

Incremental Costs & Revenues to Implement Monthly Billing	Annual Increase due to Monthly Billing	Normalized Increase *
Billing Costs		
Material / Envelopes & bills	19,004	15,203
Corporate / Postage	203,049	162,440
Contracted Services / Bill fold and insert	21,783	17,426
Contracted Services / Digital Services	27,246	21,797
Contracted Services / E-Post services	9,628	7,702
Labour - .5 FTE	49,647	39,718
Total Billing Costs	**330,357**	**264,286**
Collection Costs & Revenue		
Envelopes & Bills	2,600	2,080
Postage	15,650	12,520
Payment processing	24,750	19,800
Labour - .5 FTE	49,647	39,718
Increase in Collection Charge Revenue	(19,700)	(15,760)
Total Collection Costs & Revenue	**72,947**	**58,358**
Bad Debt Reduction		
Reduction in Bad Debts	(10,000)	(8,000)
Total Bad Debt Reduction	**(10,000)**	**(8,000)**
Net Incremental Costs	**393,305**	**314,644**

** Annual increase proposed effective December 31, 2016, thus, to normalize multipled annual increase by 4 years (2017-2020) and divided by 5 year to Normalize*

IT Expenses Charged to CDM

WNH commenced allocating IT costs to its CDM Program. The costs are based on the number of WNH PCs being used by the CDM Program as a percentage of the WNH's Total PCs. In 2016 WNH has allocated $59,259 of its IT Costs to the CDM Program.

Post-Retirement Benefits

WNH notes for the years 2011 to 2014 the Total Post-Retirement Benefits Expense was recorded in the Payroll Burden, thus, it was allocated to Capital, Recoverable and OM&A. Commencing in 2015 in accordance with IFRS Requirements the total cost is included in Other Comprehensive Income in the Income Statement, the 2015 and 2016 Total Post-Retirement Benefits are recorded in WNH's 2016 Revenue Requirement in USoA 5645. The increase in OM&A in the 2016 Test Year as a result of this change was $156,800.

Business Environment Changes

WNH has experienced significant changes in its business environment since the last Cost of Service Application in 2011. Customers, or at least their expectations, have changed. Also WNH has had to adapt to respond to and/or implement multiple provincial policies. Customer expectations and provincial policies are discussed in detail in exhibit 1.

Changes within WNH

Between 2011 and 2014 WNH experienced significant turnover in staff positions. Retirement accounted for 18 positions, along with the expected retirement over the next 6 years of 45 positions. This means that in 10 years over 55% of the positions in WNH will have experienced, or will experience, turnover, strictly from retirement. Given the specialization of the industry, it can take several years for new staff to become proficient in completing tasks safely. Over this same period WNH increased resourcing in priority business areas including Engineering, Control Room, Stations and Powerline Maintainers. WNH has modernized its fleet and aerial devices, small tools and material inventories to make sure the proper tools and equipment are available when required. WNH has evolved its culture such that change can be more quickly accommodated without compromising safety.

Regulatory Application

Regulatory demands continue to increase with the increase in reporting, ensuring compliance in a complex environment and the completion of annual Incentive Rate Mechanism filings and Cost of Service Applications. The filing requirements for the 2016 cost of service application are quite different than those experienced in 2011. The 2016 Test Year is forecasted to increase by $92,380 from the 2011 Board Approved. The estimate for the 2011 Cost of Service Application was $160,000 amortized over four years at $40,000 per year. The estimate for the 2016 Cost of Service Application is $425,000 amortized over five years at $85,000 per year. This estimate includes incremental costs for preparing, processing and approval of the Application. New components and costs since 2011 include the development of a comprehensive Distribution System Plan, the need to engage customers on the value of the Rate Application and external regulatory and legal support. Details are provided in the Regulatory Section of this Exhibit and Table 4-37, Board Appendix 2-M. The difference between the $85,000 forecasted in the 2016 Test Year and the $40,000 included in the 2011 Board Approved year accounts for $45,000 of the increase. Lower Regulatory Consultant Costs are offset by increased permanent staffing to primarily account for the remaining difference.

2.7.2 Summary and Cost Driver Tables

OM&A Budgeting Process

WNH begins to prepare its annual budget plan in the second and third quarters for the following year and receives final approval from its Board of Directors in November. Developing the budget is a key process as it identifies past successes as well as future initiatives and projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support WNH's core business objectives as well as being prudent, financially sustainable and considering rate impacts to its customers.

WNH employs the following process:

1. The Management Team works collectively to look at higher level issues including changes in revenue, strategic initiatives either from within WNH or the industry, cost pressure from specific areas or performance concerns that must be considered by each Department. This step sets high level expectations for each department on cost control and efficiency improvement. Senior Management is always mindful of the costs of supplying services vs. the rate impact to its customers. Senior Management sets an overall spending total
2. Each department Supervisor then develops capital and operating plans with these issues or objectives in mind. The following directives are provided to each manager and supervisor to assist them with preparation:
    - Expenses are built from the bottom up, each department is expected to examine every line item to determine its annual needs
    - Significant variances in spending from prior years must be explained and documented
    - Review of department headcount based on requirement for staff and need for change

- Each department works with Finance to prepare a labour budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations
- Vehicle costs are forecasted and an hourly rate is determined based on the estimated run time per truck per working day in the fiscal year. Costs are then distributed over operations, recoverable and capital based on total labour hours budgeted. WNH notes that the MIFRS policy change regarding capitalization of overheads discussed above, has reduced the overheads capitalized and increased operations costs

3. Overhead rates are calculated for the Stores (excluding Fleet mentioned above), department and applied to the applicable departments in both operating and capital. Overhead rates for Stores are based on material issued; items purchased and contracted services for each functional area. WNH notes that the MIFRS policy change regarding capitalization of overheads discussed above has reduced the overheads capitalized and increased operations costs
4. The Executive of each Department reviews the budgets developed by its managers and supervisors, discusses rationale and any applicable changes are made
5. The Finance Department then completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify variances and issues for consideration
6. The Executive Team presents initial budget issues, significant business environmental changes and confirms overall strategic direction of the Budget at the September Board meeting

7. Each department presents its budget to the Executive Team, including the President & CEO. Discussions including variances, rationale and need occur at these meetings. The Executive Team will review the initial budget and make changes to balance cost control with achieving core objectives. In an effort to contain costs and explore efficiencies and still provide an acceptable level of reliability and customer service, the team looks in detail for discretionary costs and identifies cost areas that can be delayed or addressed with alternative approaches. This process results in OM&A costs with an adequate degree of assurance that WNH will be able to continue to serve its customers in a safe and reliable way
8. The Management Team makes a detailed submission to the Board on the proposed budget and formal approval is requested at the November Board meeting

The 2015 Bridge Year Forecast is based on estimates, no actual data is included. Both the 2015 Bridge Year and 2016 Test Year Forecasts go through this rigorous process.

Summary of Recoverable OM&A Expenses

WNH follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of WNH's OM&A expenses, excluding property taxes and LEAP for the 2011 Board Approved, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and the 2016 Test Year, is provided in Table 4-6, Board Appendix 2-JA. WNH is proposing to recover these costs through Distribution Rates of the 2016 test year. WNH has also provided Table 4-6A which removes the impact of the Overhead Capitalization Change in order to present variances, change and growth rates on a comparable basis to 2011 Board Approved and 2011 and 2012 Actual Costs.

WNH notes that it has included $42,000 for LEAP expense in its 2016 Test Year. WNH will adjust the amount to .12% of the final Service Revenue Requirement prior to the issuance of the Board's decision for its Application.

1 **Table 4-6 – Summary of Recoverable OM&A Expenses - Appendix 2-JA**

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Operations	$ 3,877,534	$ 3,567,713	$ 4,464,684	$ 6,122,581	$ 6,246,577	$ 5,876,324	$ 5,799,381
Maintenance	$ 1,559,180	$ 1,287,857	$ 1,266,289	$ 1,283,983	$ 1,845,659	$ 1,607,062	$ 1,613,140
SubTotal	**$ 5,436,715**	**$ 4,855,570**	**$ 5,730,973**	**$ 7,406,564**	**$ 8,092,236**	**$ 7,483,386**	**$ 7,412,521**
%Change (year over year)			18.0%	29.2%	9.3%	-7.5%	-0.9%
%Change (Test Year vs Last Rebasing Year - Actual)							52.7%
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ 2,940,036	$ 2,632,182	$ 2,615,114	$ 2,702,873	$ 2,902,731
Community Relations	$ 236,777	$ 164,146	$ 202,478	$ 193,918	$ 163,854	$ 147,200	$ 142,200
Administrative and General	$ 2,255,657	$ 2,421,554	$ 2,125,788	$ 2,682,238	$ 2,795,055	$ 3,042,602	$ 3,221,882
SubTotal	**$ 4,567,623**	**$ 4,794,571**	**$ 5,268,302**	**$ 5,508,338**	**$ 5,574,022**	**$ 5,892,675**	**$ 6,266,813**
%Change (year over year)			**9.9%**	**4.6%**	**1.2%**	**5.7%**	**6.3%**
%Change (Test Year vs Last Rebasing Year - Actual)							**30.7%**
Total	**$ 10,004,337**	**$ 9,650,141**	**$ 10,999,275**	**$ 12,914,902**	**$ 13,666,258**	**$ 13,376,061**	**$ 13,679,334**
%Change (year over year)			**14.0%**	**17.4%**	**5.8%**	**-2.1%**	**2.3%**

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Operations	$ 3,877,534	$ 3,567,713	$ 4,464,684	$ 6,122,581	$ 6,246,577	$ 5,876,324	$ 5,799,381
Maintenance	$ 1,559,180	$ 1,287,857	$ 1,266,289	$ 1,283,983	$ 1,845,659	$ 1,607,062	$ 1,613,140
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ 2,940,036	$ 2,632,182	$ 2,615,114	$ 2,702,873	$ 2,902,731
Community Relations	$ 236,777	$ 164,146	$ 202,478	$ 193,918	$ 163,854	$ 147,200	$ 142,200
Administrative and General	$ 2,255,657	$ 2,421,554	$ 2,125,788	$ 2,682,238	$ 2,795,055	$ 3,042,602	$ 3,221,882
Total	**$ 10,004,337**	**$ 9,650,141**	**$ 10,999,275**	**$ 12,914,902**	**$ 13,666,258**	**$ 13,376,061**	**$ 13,679,334**
%Change (year over year)			14.0%	17.4%	5.8%	-2.1%	2.3%

Expense	2011 Board Approved	2011 Actual	2011 Actual vs Approved	2012 Actual	2012 Actual vs 2011 Actual	2013 Actual	2013 Actual vs 2012 Actual	2014 Actual	2014 Actual vs 2013 Actual	2015 Bridge	2015 Bridge vs 2014 Actual	2016 Test	2016 Test vs 2015 Bridge
Operations	$ 3,877,534	$ 3,567,713	$ 309,821	$ 4,464,684	$ 896,971	$ 6,122,581	$ 1,657,897	$ 6,246,577	$ 123,996	$ 5,876,324	$ (246,257)	$ 5,799,381	$ (76,943)
Maintenance	$ 1,559,180	$ 1,287,857	$ 271,323	$ 1,266,289	$ (21,568)	$ 1,283,983	$ 17,694	$ 1,845,659	$ 561,676	$ 1,607,062	$ 323,079	$ 1,613,140	$ 6,078
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ (133,682)	$ 2,940,036	$ 731,165	$ 2,632,182	$ (307,854)	$ 2,615,114	$ (17,068)	$ 2,702,873	$ 70,691	$ 2,902,731	$ 199,858
Community Relations	$ 236,777	$ 164,146	$ 72,631	$ 202,478	$ 38,332	$ 193,918	$ (8,560)	$ 163,854	$ (30,064)	$ 147,200	$ (46,718)	$ 142,200	$ (5,000)
Administrative and General	$ 2,255,657	$ 2,421,554	$ (165,897)	$ 2,125,788	$ (295,766)	$ 2,682,238	$ 556,451	$ 2,795,055	$ 112,816	$ 3,042,602	$ 360,364	$ 3,221,882	$ 179,280
Total OM&A Expenses	**$ 10,004,337**	**$ 9,650,141**	**$ 354,197**	**$ 10,999,275**	**$ 1,349,134**	**$ 12,914,902**	**$ 1,915,628**	**$ 13,666,258**	**$ 751,356**	**$ 13,376,061**	**$ 461,159**	**$ 13,679,334**	**$ 303,273**
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)													
Total Recoverable OM&A Expenses	**$ 10,004,337**	**$ 9,650,141**	**$ 354,197**	**$ 10,999,275**	**$ 1,349,134**	**$ 12,914,902**	**$ 1,915,628**	**$ 13,666,258**	**$ 751,356**	**$ 13,376,061**	**$ 461,159**	**$ 13,679,334**	**$ 303,273**
Variance from previous year				$ 1,349,134		$ 1,915,628		$ 751,356		$ 461,159		$ 303,273	
Percent change (year over year)				14%		17%		6%		3%		2%	
Percent Change: Test year vs. Most Current Actual								0.10%					
Simple average of % variance for all years						41.75%							8.6%
Compound Annual Growth Rate for all years													7.2%
Compound Growth Rate (2014 Actual vs. 2011 Actuals)						9.09%							

Table 4-6A – Summary of Recoverable OM&A Expenses - Appendix 2-JA – Overhead Change

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Operations	$ 3,877,534	$ 3,567,713	$ 4,464,684	$ 6,122,581	$ 6,246,577	$ 5,876,324	$ 5,799,381
Maintenance	$ 1,559,180	$ 1,287,857	$ 1,266,289	$ 1,283,983	$ 1,845,659	$ 1,607,062	$ 1,613,140
Remove Overhead Capitalization Change for Comparability				$ (2,458,160)	$ (2,204,651)	$ (2,314,937)	$ (2,303,326)
SubTotal	**$ 5,436,715**	**$ 4,855,570**	**$ 5,730,973**	**$ 4,948,404**	**$ 5,887,585**	**$ 5,168,449**	**$ 5,109,195**
%Change (year over year)			18.0%	-13.7%	19.0%	-12.2%	-1.1%
%Change (Test Year vs Last Rebasing Year - Actual)							5.2%
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ 2,940,036	$ 2,632,182	$ 2,615,114	$ 2,702,873	$ 2,902,731
Community Relations	$ 236,777	$ 164,146	$ 202,478	$ 193,918	$ 163,854	$ 147,200	$ 142,200
Administrative and General	$ 2,255,657	$ 2,421,554	$ 2,125,788	$ 2,682,238	$ 2,795,055	$ 3,042,602	$ 3,221,882
SubTotal	**$ 4,567,623**	**$ 4,794,571**	**$ 5,268,302**	**$ 5,508,338**	**$ 5,574,022**	**$ 5,892,675**	**$ 6,266,813**
%Change (year over year)			**9.9%**	**4.6%**	**1.2%**	**5.7%**	**6.3%**
%Change (Test Year vs Last Rebasing Year - Actual)							**30.7%**
Total	**$ 10,004,337**	**$ 9,650,141**	**$ 10,999,275**	**$ 10,456,743**	**$ 11,461,607**	**$ 11,061,124**	**$ 11,376,007**
%Change (year over year)			**14.0%**	**-4.9%**	**9.6%**	**-3.5%**	**2.8%**

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Operations	$ 3,877,534	$ 3,567,713	$ 4,464,684	$ 6,122,581	$ 6,246,577	$ 5,876,324	$ 5,799,381
Maintenance	$ 1,559,180	$ 1,287,857	$ 1,266,289	$ 1,283,983	$ 1,845,659	$ 1,607,062	$ 1,613,140
Remove Overhead Capitalization Change for Comparability				$ (2,458,160)	$ (2,204,651)	$ (2,314,937)	$ (2,303,326)
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ 2,940,036	$ 2,632,182	$ 2,615,114	$ 2,702,873	$ 2,902,731
Community Relations	$ 236,777	$ 164,146	$ 202,478	$ 193,918	$ 163,854	$ 147,200	$ 142,200
Administrative and General	$ 2,255,657	$ 2,421,554	$ 2,125,788	$ 2,682,238	$ 2,795,055	$ 3,042,602	$ 3,221,882
Total	**$ 10,004,337**	**$ 9,650,141**	**$ 10,999,275**	**$ 10,456,743**	**$ 11,461,607**	**$ 11,061,124**	**$ 11,376,007**
%Change (year over year)			14.0%	-4.9%	9.6%	-3.5%	2.8%

Expense	2011 Board Approved	2011 Actual	2011 Actual vs Approved	2012 Actual	2012 Actual vs 2011 Actual	2013 Actual	2013 Actual vs 2012 Actual	2014 Actual	2014 Actual vs 2013 Actual	2015 Bridge	2015 Bridge vs 2014 Actual	2016 Test	2016 Test vs 2015 Bridge
Operations	$ 3,877,534	$ 3,567,713	$ 309,821	$ 4,464,684	$ 896,971	$ 6,122,581	$ 1,657,897	$ 6,246,577	$ 123,996	$ 5,876,324	$ (246,257)	$ 5,799,381	$ (76,943)
Maintenance	$ 1,559,180	$ 1,287,857	$ 271,323	$ 1,266,289	$ (21,568)	$ 1,283,983	$ 17,694	$ 1,845,659	$ 561,676	$ 1,607,062	$ 323,079	$ 1,613,140	$ 6,078
Remove Overhead Change for Comparability						$ (2,458,160)	$ (2,458,160)	$ (2,204,651)	$ 253,509	$ (2,314,937)	$ 143,223	$ (2,303,326)	$ 11,611
Billing and Collecting	$ 2,075,189	$ 2,208,871	$ (133,682)	$ 2,940,036	$ 731,165	$ 2,632,182	$ (307,854)	$ 2,615,114	$ (17,068)	$ 2,702,873	$ 70,691	$ 2,902,731	$ 199,858
Community Relations	$ 236,777	$ 164,146	$ 72,631	$ 202,478	$ 38,332	$ 193,918	$ (8,560)	$ 163,854	$ (30,064)	$ 147,200	$ (46,718)	$ 142,200	$ (5,000)
Administrative and General	$ 2,255,657	$ 2,421,554	$ (165,897)	$ 2,125,788	$ (295,766)	$ 2,682,238	$ 556,451	$ 2,795,055	$ 112,816	$ 3,042,602	$ 360,364	$ 3,221,882	$ 179,280
Total OM&A Expenses	**$ 10,004,337**	**$ 9,650,141**	**$ 354,197**	**$ 10,999,275**	**$ 1,349,134**	**$ 10,456,743**	**$ (542,532)**	**$ 11,461,607**	**$ 1,004,864**	**$ 11,061,124**	**$ 604,382**	**$ 11,376,007**	**$ 314,883**
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)													
Total Recoverable OM&A Expenses	**$ 10,004,337**	**$ 9,650,141**	**$ 354,197**	**$ 10,999,275**	**$ 1,349,134**	**$ 10,456,743**	**$ (542,532)**	**$ 11,461,607**	**$ 1,004,864**	**$ 11,061,124**	**$ 604,382**	**$ 11,376,007**	**$ 314,883**
Variance from previous year				$ 1,349,134		$ (542,532)		$ 1,004,864		$ 604,382		$ 314,883	
Percent change (year over year)				14%		-5%		10%		5%		3%	
Percent Change: Test year vs. Most Current Actual								-0.75%					
Simple average of % variance for all years						17.88%							5.4%
Compound Annual Growth Rate for all years													3.3%
Compound Growth Rate (2014 Actual vs. 2011 Actuals)						4.39%							

Cost Driver Tables

Following is a description of the primary drivers that have influenced the increase in WNH's OM&A expenditures since 2011, the date of the last Cost of Service Application up to and including the 2016 Test Year. Each driver is summarized by its net change year over year. WNH has provided comments on those variances greater than its materiality level of $175K.

Table 4-7, Board Appendix 2-JB provides a list of the cost drivers that affected OM&A year over year spending or where the cost driver is common or recurring expenditures that has impacted multiple years. In addition the year over year variances that exceed the materiality threshold have been included on pages 32 to 35 of this exhibit. The OM&A opening balance for the last Rebasing Year of $10,004,338 is equal to the 2011 Board Approved $10,039,283 less $34,944 for LEAP. The areas of this table highlighted were used to create the summary Table 4-2.

Table 4-7 – Cost Driver Table

OM&A	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Opening Balance	10,039,282	9,650,141	10,999,274	12,914,902	13,666,258	13,376,061
Impact of Overhead Capitalization Policy Change on OM&A			2,458,160	(253,509)	110,286	(11,611)
Remove Salary Costs in MIFRS Impact as included in Change in Operating Portion of Salary/Wages			(1,359,024)	(165,589)	(86,765)	(29,415)
Change in Operating Portion of Salary/Wages	(668,112)	359,479	1,179,769	198,869	129,204	(16,787)
Change in Operating Portion of Benefits	(79,978)	130,019	332,728	27,646	30,780	13,920
Increase in Overhead Distribution Lines and Feeders - Contractors	97,667					
Increase in General Administrative Expenses	105,045					
Change in Administrative Expense Transferred-Credit	79,712	(322,275)	335,127	61,388	(302,233)	133,022
Moved Property Taxes from Departments to Taxes Other than Income	(223,281)					
Inflation on Non-Labour Items	62,911	116,579	105,037	120,994	130,628	137,223
Prudential Expense in Recoverable in 2011-16, in Interest in 2011 COS	111,212					
Other Changes	98,101	150,133	34,855	249,861	(107,962)	(84,229)
Increase in Personal Protective Equipment	27,583					
Smart Meter Disposition Costs Recorded in 2012		277,681	(277,681)			
Change in Transformer Station Equipment - Operation Supplies and Expenses		59,224	(75,073)			
Change in Distribution Station Equipment - Operation Supplies and Expenses		75,616	(18,025)		(17,275)	(85,038)
Change in Bad Debts		428,969	(496,657)	(43,302)	17,678	(8,000)
Personal Protective Equipment Moved to Payroll Burden			(60,851)			
Change in Overhead Distribution Lines and Feeders - Operation Supplies and Expenses		73,709	(362,408)	322,891		
Change in Maintenance of Poles, Towers and Fixtures - Non Labour			(39,709)	118,873	(33,275)	
Change in Forestry Lines & Feeders Maintenance - Tree Trimming - Non-Labour			48,517	126,079	(142,531)	
Change in Underground Maintence Contracted Services - Non-Labour			(29,237)	59,068		
Increase in Meter Reading Costs - Smart Meter Fees			140,101			
Decrease in Outside Services Purchased				(71,914)		
Decrease in Maintenance of Structures - Non-Labour					(37,597)	
IT Expenses Charged to CDM					(59,548)	
Decrease in MS/DS Building Costs - Non-Labour					(38,674)	
Decrease in TS Building Costs - Non-Labour					(49,368)	
Post Employment Benefits All Expensed in 2015/Previous Years' in Payroll Burden to Cap/OM&A/Recvb					166,455	
Increase in Billing for Monthly Billing Costs						264,286
Increase in Collections for Monthly Billing Costs						74,118
Increase in Collection Revenue for Monthly Billing						(15,760)
Increase in Regulatory Costs for Annualized Rebasing Costs						85,000
Decrease in Billing & Administration Software Maintenance						(153,456)
Closing Balance	**9,650,141**	**10,999,274**	**12,914,902**	**13,666,258**	**13,376,061**	**13,679,334**

Summary Discussion of Cost Drivers

The inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2013 which specifically relate to depreciation rates and capitalization policies, has resulted in increased OM&A expenses. WNH adopted the changes effective 2013.

The overhead and depreciation changes are detailed in Exhibit 9 Deferral and Variance Accounts. The overhead changes have been reproduced in Table 4-3 above, with the addition of the budgeted 2016 impact of the Overhead Capitalization Change. As can be seen by Table 4-3, the impact on OM&A due to the Overhead Policy Change from 2013 to 2016 is significant, resulting in an increase of $2.30M which is 63% of WNH's total OM&A increase of $3.67M.

Further details have been provided on pages 4 and 5 above in this Exhibit describing the process to obtain the Capitalization Change impacts.

WNH removed the salary portion of the Overhead Capitalization Change Impacts as the change in these costs is included in the Change in the Operating Portion of Salary/Wages (see details below).

Change in Operating Portion of Salary/Wages

The changes in year over year employee compensation in OM&A is a result of increases in employee compensation including wages and benefits, resourcing required to deliver OM&A programs and changes in the allocation of labour hours between OM&A, recoverable and capital programs as a result of differing annual demands.

WNH calculated the change in the operating portion of salary/wages (labour) by applying the Operating Percentage of Total Labour in each year to the Total Salaries and Wages. The Total Salaries and Wages agree to Table 4-14 Appendix 2-K Employee Costs. WNH then compared the Operating Salary/Wages of each year to the previous year, in order to determine the change.

Resourcing

Every year there are challenges that require resourcing adjustments to deliver OM&A programs.

In general WNH has experienced increased demand for services around customer engagement and locates activities.

A number of provincial policy initiatives including amendments to customer service rules, especially around Low Income, Smart Meter deployment, Time of Use rate conversion, connection and settlement of renewable micro and larger generators, Renewed Regulatory Framework and customer engagement have all been incremental workloads for the business.

For the most part WNH has been able to handle this increased workload through efficiency improvements and prioritization of work activities. Please refer to Exhibit 1 under the section titled “Efforts to achieve cost reductions and productivity improvements in the Test Year” for details on efficiency measures implemented by the business. WNH works very hard to manage its staff complement levels however some small changes have been required to manage the workload.

WNH's 2011 Board Approved Full-Time Equivalent (FTE) complement was 125.02. This FTE calculation includes all Permanent Staff, Co-operative and Summer Students and Contract Positions, CDM personnel are excluded. The Students and Contract Positions were included in compliance with the Board's April 2, 2015 RRR Filing Guide directions which states: *"Contract staff on the distributor payroll should be included in the FTE count. The same goes for paid summer students, Co-ops and interns."* The student and contract positions are included in WNH's Revenue Requirement, however, CDM costs are not, thus, CDM personnel have been excluded from Table 4-8 below.

Table 4-8 FTE Comparison

Type	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test	2016 vs 2011 COS
Permanent FTE	120.05	114.32	114.26	119.20	117.98	122.81	123.87	3.82
Student/Contracts FTE	4.97	9.54	13.63	13.31	13.15	10.29	8.25	3.28
Total FTE	**125.02**	**123.86**	**127.88**	**132.50**	**131.12**	**133.11**	**132.12**	**7.10**

In 2011, WNH operated with 124 FTE staff and the 2016 Test Year requires a complement of 132. As expressed above WNH's staffing levels have increased over the last 5 years, however, has levelled off in the 2013 – 2016 time frames. This is due almost exclusively to the hiring of replacement staff due to upcoming retirements. Roughly 3-4% of staff retires in any given year; however WNH's workforce demographics have shown an elevated number of retirements in recent and upcoming years.

WNH hires approximately 3 years in advance of impending retirements of trades and technical staff in order to train and provide experience to new staff before existing staff leave. The continuity and transfer of knowledge does not entirely make up for the skills deficit WNH experiences when staff retires, but it does leave WNH in a position to still carry on effective operations.

Over the 2011-16 periods, many departments had offsetting FTE changes for a total change of 3.82 in Permanent FTE and 3.28 in Student/Contract FTE. Details are provided in the Employee Staffing Levels discussion in the Employee Compensation, Incentive Plan Expenses, and Pension Expense Section below. Table 4-15 provides detailed department changes.

In the period between the 2011 Board Approved and the Forecasted 2016 Staff the following changes occurs:

- Engineering and the Lines department require the addition of 2.00 and 2.59 FTE respectively. These additions include apprentices which are required to cover upcoming retirements. FTE's temporarily increase as a result of succession planning and the need for on the job training of new Apprentices
- The Control Room has decreased its FTE staff by 1.67 as they have fully trained the Apprentices that have been hired and these employees now may work on their own, Apprentices require full-time supervision, thus, requiring an additional person every time they work
- A Distribution Engineer is required in the Operations Administration area as a part of WNH's succession planning and will be a technical resource to assist the Line Department, the Control Room and the Purchasing and Stores Department with selected projects to ensure the safe and reliable operation of the WNH distribution system and fleet. This position will also be involved in assisting with technical research projects related to supporting the efficient operation and maintenance of the WNH Service Centre
- WNH has made the decision to maintain their fleet in-house to the extent possible, rather than outsourcing these activities, thus, the increase of 1.0 FTE was required
- Conversely WNH used sound business practice and outsourced their tree trimming activities, thus, decreasing the FTE in this area by 3.0 and reallocated 1.0 FTE to handle the increased locate volume

- In the Metering Area, the Meter Installer position was transferred to Customer Service, as well, WNH did not fill a position after a retirement, and thus, the FTE has decreased by 2.0
- Increased Administrative duties required an increase of .80 for an Executive Assistant
- The Regulatory Department will be adding a position; however, this replaces services previously provided by Regulatory Consulting
- Customer Service has been able to provide top notch customer service, as evidenced by the UtilityPULSE Survey results and the Customer Engagement activities described in this Application, with fewer staff. WNH has not filled positions when they became vacant and through attrition has decreased by 2.9 FTE
- Increased Billing and Settlement requirements, including TOU rates and the implementation of Smart Meters results in an increase of 2.5 FTE
- The implementation of Monthly Billing results in an increase of .5 FTE in the Billing Area and .5 FTE in the Collections Area
- The Student/Contract FTE complement has increased by 3.28 FTE. WNH has been frustrated for some time in its ability to hire the necessary experienced trades and technical staff. For this reason WNH generally hires into training positions and develops its own staff. As a means of supporting this recruitment program, WNH hires 4 Co-op Apprentices for 8 month terms and 3 Co-op Engineering Students for 4 month terms. These opportunities provide apprentices and engineering students with valuable work experience, return value to WNH for the work they perform and provide WNH an opportunity to evaluate them as future employees. Those that are not recruited for permanent positions at WNH, leave having been introduced to the industry and with valuable work experience.

Wages

WNH's overall compensation for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage and benefits package. WNH's workforce is comprised of both unionized and non-unionized management employees. In 2014 approximately 64% of WNH's workforce was unionized.

For more information about compensation please refer to the Compensation Section of this Exhibit.

WNH's Collective Agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually or semi-annually based on negotiated percentages as per the collective agreement. WNH's current collective agreement covers a three year period and expires on March 31, 2016. Wages and benefits are a result of a collaborative and negotiated process, based on factors such as recent settlements in the LDC sector including neighbouring LDC's. Beyond March 31, 2016, WNH has provided for an inflationary increase in union wages that is indicative of current wage settlements. Non-union management wage increases considered similarly to the Union wage increases.

Each job classification at Waterloo North Hydro has a basic job description and wage rate progression scale that increases from a base rate to a maximum rate. The Hay system is utilized by Waterloo North Hydro to evaluate job classifications and develop a wage rate progression scale. The Hay system is an industry standard job evaluation system used to develop and maintain pay structures by comparing similarities and differences in the content and value of jobs. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities and establishes a sound foundation for consistent pay administration. The Hay evaluation process includes a job analysis, job descriptions, job evaluation and job structure or ordering of jobs based on their relative value or content. Job evaluation factors include know how, problem solving, accountability and working conditions. Within each factor are a number of sub factors each with a defined number of points available. The points are assessed and totaled for each job and the Hay system divides the total range of points into an appropriate number of grades. This system uses a multi-factor approach to rate jobs relative to each other. A joint management/union team uses a defined process to determine overall job rating.

Annual pay increases for non-union and management employees are based on the negotiated settlements for the unionized staff. The Hay system is also used to evaluate non-union and management. A limited number of management staff receives an incentive pay after the annual audit has been completed. These payments are based on financial performance, safety achievements, customer service surveys, implementation of cost saving initiatives and completion of work programs that are incremental to normal operations but important for the business to achieve its corporate objectives. Total amounts paid out each year are well below the materiality threshold.

As shown in Table 4-9, Summary of Wage Increases by Year, the average increase for unionized, non-unionized and management employees is 2.75% per year.

Table 4-9 Summary of Wage Increases by Year

Union/Non-Union & Management		
Year	% Increase	% Cumulative Increase
April 2011	3.00%	3.00%
April 2012	3.00%	6.00%
April 2013	2.75%	8.75%
April 2014	1.75%	10.50%
October 2014	1.00%	11.50%
April 2015	2.50%	14.00%
April 2016*	1.50%	15.50%
October 2016*	1.00%	16.50%
Average Increase 2011-2016		2.75%

** Contract expires March 31, 2016, 2016 projections based on current wage settlements*

Change in Operating Portion of Benefits

Please refer to the Employee Compensation section of this Exhibit and Table 4-25 for further details on Benefit Cost changes. Increases in benefit and pension costs are primarily due to increases in OMERS Pension expenses. Pension contributions have increased due to the 2009 economic downturn which resulted in a funding deficit in the OMERS pension plan as well as additional OMERS administrative cost for staffing levels to meet operational demands. To eliminate the funding deficit, OMERS introduced contribution increases for both the employee and employer portion. Please refer to the following Table 4-10 for a summary of OMERS contribution changes.

Table 4-10 OMERS Rate Increases by Year

Year	YPME	NRA 65 Up to YMPE	Over YMPE
2011	48,300	7.40%	10.70%
2012	50,100	8.30%	12.80%
2013	51,100	9.00%	14.60%
2014	52,500	9.00%	14.60%
2015	53,918	9.00%	14.60%
2016	55,373	9.00%	14.60%

(NRA – Normal Retirement Age)(YMPE – Year's Maximum Pensionable Earnings)

The increase in the OMERS Rates is the primary driver of the change in Benefits year over year.

WNH has taken steps to mitigate other benefit cost increases by going out to the market to Health Providers for benefit costs and obtained a price. Health Benefits, Dental and Life Insurance have actually decreased over $10,000 from 2011 Actual to 2016 Forecasted. The LTD costs have increased $67,000 during this same period. WNH has worked diligently to contain these benefit costs.

WNH calculated the change in the operating portion of benefits by applying the Operating Percentage of Total Labour (see above) in each year to the Total Benefits. The Total Benefits agree to Table 4-14 Appendix 2-K Employee Costs. WNH then compared the Operating Benefits of each year to the previous year, in order to determine the change.

Employee Future Benefits

Employee future benefits fluctuate on the results of third party actuarial valuations. Please refer to the Employee Compensation section of this exhibit and Table 4-27 for further details on Employee Future Benefit cost changes.

Change in Administrative Expense Transferred - Credit USoA # 5625

WNH records the 15% Administration Charge it receives on all billable work in USoA #5625 Administrative Expense Transferred - Credit. This charge recovers administration costs, as well as a return and PILs. The major driver of this account are projects done by developers which can be cyclical in nature. The varying of the amount collected reflects the variability of the development work.

Property Taxes Moved from Departments to USoA # 6105 Taxes Other than Income Taxes

In WNH's 2011 COS Application Property Taxes for the Service Centre and Administration Building, the Transformer Stations and Municipal Substations were included in the individual departments. WNH has recorded these Property Taxes since 2011 in USoA # 6105 Taxes Other than Income Taxes to comply with The Accounting Procedures Handbook (APH). The APH states:

"6105 Taxes Other than Income Taxes
A. This account shall include the amounts of ad valorem, gross revenue or gross receipts taxes, "payments-in-lieu of taxes", capital taxes, payments equivalent to municipal and school taxes, ***property taxes****, property transfer taxes, franchise taxes, commodity taxes, and all other related taxes assessed by federal, provincial, municipal, or other local governmental authorities, except income taxes."* (Emphasis added.)

Inflation on Non-Labour Items

WNH has calculated the Inflation on Non-Labour items based on the Board Approved Inflation Factor for 2011 – 2015 as reflected in Table 4-4 above. WNH used an inflation rate of 2% for 2015 and 2016 where the expense increase could not be specifically identified for non-wage related expenses, which is within the range of rates set out in Toronto Dominion Banks's October 2014 quarterly economic forecast.

Smart Meter Disposition Costs Recorded in 2012

WNH received approval (*EB-2012-0266*) for disposition and recovery of costs related to the Smart Meter implementation for Capital and OM&A costs effective November 1, 2012. The APH required that all Smart Meter Operating Costs for the period 2008 – 2011, which were recorded in a Deferral Account, be recorded in 2012. This created a variance in 2012. In 2013 – 2016 the Smart Meter Costs were recorded in their function areas/departments, thus, in 2013 this variance shows as reversing and material Smart Meter related costs will be shown separately.

Bad Debts

In 2012 the variance is primarily driven by the requirement to write off a Bad Debts Expense of $460,000 for one GS > 50 kW customer. In subsequent years', WNH's Bad Debt Expense returned to its normal low level.

Change in Overhead Distribution Lines and Feeders - Operation Supplies and Expenses

WNH had accrued Railway Crossing Fees in the amount of $296,396 in previous years', however, in 2013 it was determined that these would not be payable and these fees were reversed.

Increase in Billing/Collection Revenue for Implementation of Monthly Billing

On April 15, 2015 the Board provided a News Release titled *OEB's Monthly Billing Initiative to Benefit 1.9M Electricity Customers*. The Board announced that by the end of 2016, all electricity distributors in Ontario will be required to bill their Non-Seasonal Residential and General Service Less than 50 kW Customers on a monthly basis effective December 31, 2016.

WNH has included the transition to monthly billing in this application. WNH is proposing an implementation date of December 31, 2016, thus, in order to capture these net costs it has proposed “normalized’ costs and revenues. WNH determine the annual costs, decrease in bad debts and additional collection charges to implement this initiative, multiplied it by four for the years 2017 through 2020 and divided by five years in order to normalize the net costs. The calculations are reflected in Table 4-5 above. WNH also notes that in its calculation it has forecast an increase in the percentage of its customers on E-Billing to 15% from the current 6.8% of customers presently enrolled. With the implementation of new software WNH is able to provide this service to customers without additional costs. WNH also incorporated the savings in envelopes, postage and bill folding/inserting the bills of $48,008 into the calculations of its incremental costs in Table 4-5.

Cost Driver Variances Year over Year

2011 Board Approved vs. 2011 Actual

The material variances from the 2011 Board Approved to the 2011 Actual include:

- Property Taxes moved from departments to USoA # 6105 Taxes Other than Income Taxes – in 2011 commenced recording its property taxes in USoA # 6105 to comply with the Accounting Procedures Handbook. Details are provided in this Exhibit on pages 30. In WNH’s 2011 COS the property taxes were included in the departments, thus, in OM&A. The amount of the change in 2011 was $223,281 and is included in WNH’s Revenue Requirement
- In the 2011 Approved Filing $5.48M was included in Operating Salaries and Wages, in the 2011 Actual it decreased to $4.81M. The change was due to an increased allocation to capital projects in 2011 in comparison to the 2011 COS

2012 Actual vs. 2011 Actual

The material variances from the 2011 Actual to the 2012 Actual include:

- In 2012 $5.17M of salaries and wages was expensed, in comparison to $4.81M in 2011. The increase of $359,459 is a result of the increased total salary and wage, the percentage allocated to OM&A remained constant
- In 2012 WNH collected an additional $322,275 in the 15% Administration Charge that it receives on all billable work and records in USoA # 5625 Change in Administrative Expense Transferred. Further details are provided on page 29 in this Exhibit. Billable work varies from year to year, as does the 15% Administration Charge
- WNH received approval (*EB-2012-0266*) for disposition and recovery of costs related to the Smart Meter implementation for Capital and OM&A costs effective November 1, 2012. The APH required that all Smart Meter Operating Costs for the period 2008 – 2011, which were recorded in a Deferral Account, be recorded in 2012. This created a variance in 2012 of $277,681
- In 2012 WNH was required to write off a Bad Debts Expense of $460,000 for one GS > 50 kW customer which was the driver of the $428,969 variance

2013 Actual vs. 2012 Actual

The material variances from the 2012 Actual to the 2013 Actual include:

- The overhead capitalization policy change, as detailed on page 35 of this Exhibit, resulted in an increase of $2,458,160 in OM&A, these costs were previously capitalized
- The changes in year over year employee compensation in OM&A is a result of increases in employee compensation including wages and benefits, resourcing required to deliver OM&A programs and changes in the allocation of labour hours

between OM&A, recoverable and capital programs as a result of differing annual demands. Further details are provided on pages 22-29 in this Exhibit. The primary driver in 2013 resulted from an increase in the percentage of salary and wages charged to OM&A. The increase in 2013 was $1,179,769. The corresponding change in benefits allocated to OM&A was $332,728 as the 'benefits follow the hours', benefits are attached to the capital, operating or recoverable work that the original hours were charged to

- In order to isolate salary changes in each year, WNH removed these changes that were included in the overhead capitalization variance of $2,458,160, in the amount of $1,359,024
- In 2013 WNH had a decrease of $335,127 in the 15% Administration Charge that it receives on all billable work and records in USoA # 5625 Change in Administrative Expense Transferred. Further details are provided on page 29 in this Exhibit. Billable work varies from year to year, as does the 15% Administration Charge
- Smart Meter Disposition Costs for 2008 – 2011 were recorded in 2011 as per Board Direction, details are provided above. In 2013 Smart Meter Costs were recorded in their functional areas/departments, thus, in 2013 this variance of $277,681 shows as reversing
- Bad Debts returned to a normal level in 2013, from a large write off in 2012, thus, there was a decrease of $496,657
- There was a decrease in Overhead Distribution Lines and Feeders – Operation Supplies and Expenses of $362,408 primarily related to Railway Crossing Fees of $296,396 that WNH had previously accrued, however, in 2013 it was determined that these would not be payable and these fees were reversed

2014 Actual vs. 2013 Actual

The material variances from the 2013 Actual to the 2014 Actual include:

- The amount charged to OM&A as a result of the overhead capitalization policy change decreased $253,509 in 2014 from 2013.
- The operating portion of salary and wages increased $198,869, primarily driven by salary and wage increases.
- The Railway Crossing Fees that WNH reversed for $296,396 in 2013 and no subsequent activity took place regarding these fees created a decrease in Overhead Distribution Lines and Feeders – Operation Supplies and Expenses.

2015 Bridge vs. 2014 Actual

The material variances from the 2014 Actual to the 2015 Bridge include:

- In 2015 WNH has forecast to collect an additional $302,233 in the 15% Administration Charge that it receives on all billable work and records in USoA # 5625 Change in Administrative Expense Transferred. Further details are provided on page 29 in this Exhibit. Billable work varies from year to year, as does the 15% Administration Charge. This increase is driven by increased System Access activity forecasted.

2016 Test vs. 2015 Bridge

The material variances from the 2016 Test to the 2015 Bridge include:

- The Board is proposing mandatory monthly billing for all Non-Seasonal Residential and General Service < 50 kW customers effective December 31, 2016. WNH has included the transition to monthly billing in this Application. Details are provided on page 31-32 of this Exhibit. The increase in the Billing Department is forecasted in 2016 at $264,286 as a result of this transition.

OM&A Cost per Customer and Full-Time Equivalent

Included in Tables 4-11A-B, Board Appendix 2-L is a summary of the OM&A Cost per Customer and per Full-Time Equivalent (FTE). The FTE agree to those shown in Table 4-14, Board Appendix 2-K Employee Costs. The number of Customers is based on an annual average for each rate class. The number of FTEs is the average for each of the years.

Changes in OM&A expense in relation to change in capitalization policy

WNH's capitalization policy changed is response to the Board's July 17, 2013 letter requiring overhead capitalization changes. A detailed description of WNH's overhead and capitalization policies can be found in Exhibit 2 along with Board Appendix 2-D. WNH's auditors have reviewed and accepted WNH's capitalization methods.

The details of the Overhead Capitalization Change impact are discussed above on pages 4-5 and WNH has provided context for this impact by presenting Table 4-11B splitting WNH's OM&A increase from the 2011 Board Approved amount to the 2016 Forecast Test Year.

WNH has presented Table 4-11 in two ways:

- Table 4-11A includes all OM&A Costs and all FTE, including Students and Contract Staff
- Table 4-11B includes OM&A Costs split to reflect the MIFRS Impact and all FTE Staff including Students and Contract Staff.

Table 4-11A Recoverable OM&A Cost per Customer and per FTE - All OM&A Costs and all FTE including Students and Contract Staff

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting Basis	CGAAP	CGAAP	CGAAP	RCGAAP	MIFRS	MIFRS	MIFRS
Average Number of Customers	51,934	52,284	53,022	53,799	54,444	55,019	55,654
Total Recoverable OM&A from Appendix 2-JB	$ 10,039,282	$ 9,650,141	$ 10,999,275	$ 12,914,902	$ 13,666,258	$ 13,376,061	$ 13,679,334
OM&A cost per customer	$ 193.31	$ 184.57	$ 207.45	$ 240.06	$ 251.01	$ 243.12	$ 245.79
Average Number of FTEs	122.71	124.44	125.87	130.19	131.81	132.12	132.62
Customers/FTEs	423.23	420.15	421.23	413.23	413.04	416.44	419.66
OM&A Cost per FTE	81,813.90	77,548.15	87,383.97	99,198.62	103,679.31	101,244.63	103,149.74

Table 4-11B Recoverable OM&A Cost per Customer and per FTE - OM&A Costs Reflecting MIFRS Impact and all FTE including Students and Contract Staff

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting Basis	CGAAP	CGAAP	CGAAP	RCGAAP	MIFRS	MIFRS	MIFRS
Average Number of Customers	51,934	52,284	53,022	53,799	54,444	55,019	55,654
Total Recoverable OM&A from Appendix 2-JB	$ 10,039,282	$ 9,650,141	$ 10,999,275	$ 12,914,902	$ 13,666,258	$ 13,376,061	$ 13,522,535
Remove IFRS Impact				(2,458,160)	(2,204,651)	(2,314,937)	(2,303,326)
Total Recoverable before IFRS Impact	$ 10,039,282	$ 9,650,141	$ 10,999,275	$ 10,456,743	$ 11,461,607	$ 11,061,124	$ 11,219,209
OM&A cost per customer before MIFRS Impact	$ 193.31	$ 184.57	$ 207.45	$ 194.37	$ 210.52	$ 201.04	$ 201.59
Average Number of FTEs	122.71	124.44	125.87	130.19	131.81	132.12	132.62
Customers/FTEs	423.23	420.15	421.23	413.23	413.04	416.44	419.66
OM&A Cost per FTE before MIFRS Impact	81,813.90	77,548.15	87,383.97	99,198.62	103,679.31	101,244.63	101,967.39

2.7.3 Program Delivery Costs with Variance Analysis

Materiality Threshold

In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. WNH's materiality threshold is calculated as .5% of proposed distribution revenue requirements for distributors with a revenue requirement of greater than $10 million and less than or equal to $200 million. The materiality threshold as per Table 4-13 is calculated at $177,062 and WNH has adopted a threshold of $175,000 for variance analysis (see Exhibit 1 Table 1-17).

WNH has a variety of programs activities and initiatives that are imperative to continue to provide reliable and affordable service to customers and ultimately to provide customer satisfaction. In Table 4-13, Board Appendix 2-JC, WNH has identified its programs and major functions on a comparative basis from 2011 Board Approved to the 2016 Test Year. These programs contribute to achieving the new Renewed Regulatory Framework performance outcomes of Customer Focus, Operational Effectiveness, and Public & Regulatory Responsiveness. This shows the alignment of WNH's direct costs and the management of the costs associated with the outcomes. An analysis is provided below on all material variances that exceed the materiality threshold for the 2016 Test year versus 2014 Actual and 2016 Test Year versus 2011 Board Approved adjusted for LEAP.

Table 4-13 OM&A Programs Table - Appendix 2-JC

Programs	Programs (Strategic Imperatives) #	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test	2016 Test vs 2014 Actual	2016 Test vs 2011 Board Approved
Reporting Basis		CGAAP	CGAAP	CGAAP	RCGAAP	RCGAAP	MIFRS	MIFRS		
Operations										
Control Room	1, 2, 3, 5, 6, 7	1,252,456	1,282,296	1,423,426	1,109,305	1,213,241	899,134	898,928	(314,313)	(353,528)
Structure/Station	1, 3, 7	840,207	479,423	855,470	797,266	1,018,843	977,776	841,771	(177,072)	1,564
Supervision/Miscellaneous/Overhead Change Impact	All	306,733	290,369	347,901	2,978,061	2,569,784	2,665,572	2,650,249	80,465	2,343,516
Overhead/Underground/Meters	1, 5, 6, 7, 9	1,478,139	1,515,625	1,837,887	1,237,949	1,444,710	1,333,842	1,408,433	(36,277)	(69,706)
									-	-
Sub-Total		**3,877,534**	**3,567,713**	**4,464,684**	**6,122,581**	**6,246,577**	**5,876,324**	**5,799,381**	**(447,196)**	**1,921,847**
Maintenance										
Structure/Station Expenses	1,3, 7	169,203	119,538	161,743	56,232	153,656	74,779	52,648	(101,008)	(116,555)
Miscellaneous/Overhead Change Impact	All	-	76,600	-	414,992	480,473	565,019	576,135	95,662	576,135
Overhead/Underground/Meters	1, 5, 6, 7, 9	944,262	731,184	841,701	515,273	779,909	676,571	689,337	(90,572)	(254,925)
Vegetation Management	1, 2, 3, 5, 6, 7, 9	445,716	360,535	262,845	297,486	431,620	290,693	295,020	(136,600)	(150,696)
									-	-
Sub-Total		**1,559,180**	**1,287,857**	**1,266,289**	**1,283,983**	**1,845,659**	**1,607,062**	**1,613,140**	**329,157**	**53,960**
Customer Service										
Billing/Supervision	1, 4, 5, 6	1,324,934	1,399,462	1,583,125	1,702,731	1,516,555	1,620,636	1,791,175	274,620	466,241
Meter Reading	3, 5, 6, 7	146,568	167,960	265,115	255,545	353,658	344,611	347,805	(5,853)	201,237
Collections	3, 5, 6, 7	503,687	545,412	566,790	548,282	662,579	637,626	671,751	9,172	168,064
Bad Debts	3, 5, 6, 7	100,000	96,037	525,006	125,624	82,322	100,000	92,000	9,678	(8,000)
Community Relations	3, 5, 6, 7, 8	236,777	164,146	202,478	193,918	163,854	147,200	142,200	(21,654)	(94,577)
Sub-Total		**2,311,966**	**2,373,017**	**3,142,514**	**2,826,100**	**2,778,967**	**2,850,073**	**3,044,931**	**218,831**	**732,965**
Administration										
Finance/Executive/IT/General/Administration Credit Transferred	All	1,236,026	1,519,922	1,191,928	1,602,395	1,671,027	1,477,928	1,617,045	(53,983)	381,018
Regulatory	3, 5, 6, 7	471,686	407,174	340,959	388,409	486,810	487,824	564,066	77,256	92,380
Other Services Purchased	4, 5, 6, 7	547,945	494,458	592,901	691,434	637,217	1,076,850	1,040,771	403,554	492,826
Sub-Total		**2,255,657**	**2,421,554**	**2,125,788**	**2,682,238**	**2,795,055**	**3,042,602**	**3,221,882**	**539,643**	**966,225**
Total		**10,004,338**	**9,650,141**	**10,999,275**	**12,914,902**	**13,666,258**	**13,376,061**	**13,679,334**	**640,435**	**3,674,996**

Variance Analysis - Programs

Operations - Control Room

2016 Test Year vs 2014 Actual – Decrease of ($314,313)

WNH added three new Control Room Apprentices in 2013 and an additional one in early 2014. When an Apprentice is hired, they cannot work alone until fully trained, the training period is approximately 4 years. During the first two years of an apprenticeship, a qualified Control Room Operator must always be present, thus, two salaries are paid for each hour of coverage. In 2015 all of the Apprentices are trained and able to work on a shift alone, thus, reducing the costs of staffing the Control Room. This is anticipated to continue into the 2016 Test Year, thus, costs have been reduced between 2014 and 2016.

2016 Test Year vs 2011 Board Approved – Decrease of ($353,528)

In the 2011 Board Approved Costs WNH also had a number of Apprentice System Operators, thus, incurring double costs for each hour of coverage as discussed above. In 2016 it is forecast that all of the Apprentices will be trained and able to work on a shift alone, thus, reducing the costs of staffing the Control Room. This accounts for the decrease between the 2011 Board Approved amount and the Forecasted 2016 Test Year Costs.

Operations – Structure/Stations

2016 Test Year vs 2014 Actual – Decrease of ($177,702)

The nature of maintenance of structure and stations is cyclical, depending on the maintenance schedules. The decrease in 2016 compared to 2014 is primarily due a decrease in maintenance and operating costs of Distribution Station Equipment.

Operations - Supervision/Miscellaneous/Overhead Capitalization Change/MIFRS Impact

2016 Test Year vs 2011 Board Approved – Increase of $2,343,516

The impact of the inclusion of accounting changes in accordance with the Board's letter dated July 17, 2013 specifically relating to depreciation rates and capitalization policies resulted in an increase in this program by $1,909,780. The remaining increases are a result of increased Locate Activity from the Province-Directed One Call Program. Locate activity has increased by 58% since 2011 and has resulted in additional costs of $165,000 in the 2016 Test Year over the 2011 Board Approved Amount. The Health, Safety and Environment department labour has increased by approximately $50,000 for increased administrative staff to assist with new programs which emphasize employee health and environmental sustainability.

Maintenance - Miscellaneous/Overhead Capitalization Change Impact

2016 Test Year vs 2011 Board Approved – Increase of $576,135

The impact of the inclusion of accounting changes in accordance with the Board's letter dated July 17, 2013 specifically relating to depreciation rates and capitalization policies resulted in an increase in this program by $393,547. The remaining increases are related to the hiring of a Distribution Engineer in the Operations Administration as part of WNH's succession plan and this position will be a technical resource to the Line Department, Control Room and Purchasing and Stores and Miscellaneous non-material items.

Distribution - Overhead/Underground/Meters

2016 Test Year vs 2011 Board Approved – Decrease of ($254,925)

The 2011 Board Approved amount had a loadbreak switch maintenance project budgeted for $130,000, however, the scope of the work changed and instead of maintenance it was required to replace several loadbreak switches, a capital item and other non-material items.

Billing/Supervision

<u>2016 Test Year vs 2014 Actual – Increase of $274,620</u>

On February 5, 2015 the Board released *EB-2014-0198: Policy Review of Electricity Distributor's' Residential Customer Billing Practices and Performance: Notice of Proposal.*

The Board is proposing mandatory monthly billing for all electricity distributors for Non-Seasonal Residential and General Service Less than 50 kW Customers effective December 31, 2016.

WNH has included the transition to monthly billing in this application. WNH is proposing an implementation date of December 31, 2016, thus, in order to capture these net costs it has proposed “normalized’ costs and revenues. Table 4-5 above details these calculations. The ‘normalized’ costs in 2016 were $264,286.

<u>2016 Test Year vs 2011 Board Approved – Increase of $466,241</u>

As discussed above, WNH has included the transition to monthly billing in this application. WNH is proposing an implementation date of December 31, 2016, thus, in order to capture these net costs it has proposed "normalized' costs and revenues. Table 4-5 above details these calculations. The normalized billing costs in 2016 were $264,286.

An additional 1.5 FTE has been added to this department to handle the increasing workload which includes TOU billing, Smart Meters and Monthly Billing.

Meter Reading

<u>2016 Test Year vs 2011 Board Approved – Increase of $201,237</u>

WNH commenced paying Smart Meter Fees to its Software Vendor after its implementation. In 2016 these fees are forecast to be $207,336.

Collections

<u>2016 Test Year vs 2011 Board Approved – Increase of $168,064</u>

As discussed above, WNH has included the transition to monthly billing in this application. WNH is proposing an implementation date of December 31, 2016, thus, in order to capture these net costs it has proposed "normalized' costs and revenues. Table 4-5 above details these calculations. The normalized billing costs in 2016 are $78,118.

A position that was budgeted in Meters in the 2011 COS Application was transferred to the Collections Department as a CSR Collections position. In addition to a .5 FTE was budgeted to handle the implementation of monthly billing.

Finance/Executive/IT/General/Administration Credit Transferred

<u>2016 Test Year vs 2011 Board Approved – Increase of $381,018</u>

Increased administration work required the addition of an Administration Executive Assistant, as well as increased Finance activities required the addition of a .5 FTE.

Other Services Purchased

<u>2016 Test Year vs 2014 Actual – Increase of $403,554</u>

In accordance with the requirements of IFRS WNH has recorded its 2016 Post Employment Expense of $391,999 in OM&A. In years' prior to 2015 WNH recorded these costs in its payroll burden and it had been allocated to Capital, Recoverable and OM&A.

<u>2016 Test Year vs 2011 Board Approved – Increase of $492,826</u>

In accordance with the requirements of IFRS WNH has recorded its 2016 Post Employment Expense of $391,999 in OM&A. In years' prior to 2015 WNH recorded these costs in its payroll burden and it had been allocated to Capital, Recoverable and OM&A.

2.7.3.1 Employee Compensation Breakdown

Compensation Philosophy

Overview

Waterloo North Hydro's overall compensation philosophy for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage and benefits package. Waterloo North Hydro's workforce is comprised of both unionized and non-unionized management employees.

Unionized Employees

The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trade workers. They are represented by the International Brotherhood of Electrical Workers Local 636.

Waterloo North Hydro's Collective Agreement with unionized staff provides for annual pay increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. The current collective agreement commenced on April 1, 2013 and will expire on March 31, 2016. Waterloo North Hydro reviewed a number of different settlements over the 2011-2013 period before commencing negotiations. On average the increases with these agreements in 2012 was between 2.75% and 3.0%. Waterloo North Hydro's negotiated annual wage increase is 2.75% for 2013, a split settlement of 1.75% for six months and 1.0% for six months for 2014 and 2.5% for 2015.

Non-Union / Management Employees

Annual pay increases for non-union and management employees are based on the negotiated settlements for the unionized staff. The Hay system is also used to evaluate non-union and management positions. A limited number of management staff receive an incentive pay after the annual audit has been completed. These payments are based on financial performance, safety achievements, customer service surveys, implementation of cost saving initiatives and completion of work programs that are incremental to normal operations but important for the business to achieve its corporate objectives. Total amounts paid out each year are well below the materiality threshold.

Benefits

The negotiated benefit package is designed to address the health and welfare of Waterloo North Hydro's employees and is consistent across the organization for both unionized and non-union/management employees. The components of the benefit package includes medical and dental insurance, a company sponsored retirement plan (OMERS), long-term disability, leave policies and health and safety protection as detailed in the Table 4-25 below.

Copies of Waterloo North Hydro's benefit packages are included in Attachment 4-1.

Staffing and Compensation

WNH's employee complement, compensation and benefits are set out in Table 4-14A, Board Appendix 2-K below. Table 4-14A, Board Appendix 2-K does not include WNH's Board of Directors, however, it does include Contract Staff and Co-operative and Summer Students as required in the Board's RRR April 2, 2015 Filing Guide.

The number of employees is based on the computation of the number of full-time equivalent (FTE) positions throughout each of the fiscal years. A position that was added in a particular calendar year is counted as a portion of an FTE in that calendar year based on the start date of the position.

The salaries and wages amounts include all salaries and wages paid, inclusive of incentive pay for management, overtime, vacations, floater holidays, sick leave, bereavement leave, union meetings and other miscellaneous paid leave.
The benefits amount include the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and WNH's costs for providing extended health care, dental, long-term disability and life insurance and health and safety protection for its employees.

Table 4-14A Employee Costs Appendix 2-K, All Staff including Contract & Students

	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Average Number of Employees (FTEs including Part-Time)							
Management (including executive)	21.8	20.9	20.0	20.3	20.1	20.0	20.0
Non-Management (union and non-union)	96.2	96.3	94.2	96.5	98.5	100.4	103.3
Total	**118.0**	**117.2**	**114.3**	**116.7**	**118.6**	**120.4**	**123.3**
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	$ 2,163,047	$ 2,166,756	$ 2,421,207	$ 2,296,358	$ 2,422,684	$ 2,355,212	$ 2,410,225
Non-Management (union and non-union)	$ 6,414,419	$ 7,128,301	$ 7,360,115	$ 8,216,673	$ 8,361,667	$ 8,689,109	$ 8,843,442
Total	**$ 8,577,467**	**$ 9,295,057**	**$ 9,781,322**	**$ 10,513,031**	**$ 10,784,352**	**$ 11,044,321**	**$ 11,253,667**
Total Benefits (Current + Accrued)							
Management (including executive)	$ 449,060	$ 432,849	$ 485,446	$ 561,497	$ 623,915	$ 548,639	$ 545,873
Non-Management (union and non-union)	$ 1,361,001	$ 1,646,521	$ 1,796,540	$ 1,986,371	$ 1,955,868	$ 2,093,122	$ 2,176,262
Total	**$ 1,810,061**	**$ 2,079,370**	**$ 2,281,986**	**$ 2,547,868**	**$ 2,579,783**	**$ 2,641,761**	**$ 2,722,135**
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$ 2,612,108	$ 2,599,605	$ 2,906,653	$ 2,857,855	$ 3,046,600	$ 2,903,851	$ 2,956,098
Non-Management (union and non-union)	$ 7,775,420	$ 8,774,822	$ 9,156,654	$ 10,203,044	$ 10,317,535	$ 10,782,231	$ 11,019,703
Total	**$ 10,387,528**	**$ 11,374,427**	**$ 12,063,308**	**$ 13,060,899**	**$ 13,364,135**	**$ 13,686,082**	**$ 13,975,801**

Employee Staffing Levels

Table 4-15 summarizes the number of FTE at Year-End since 2011. These numbers will differ from Tables in 4-11 and 4-14 as these tables present Average FTE, rather than the Year End FTE in Table 4-15. The number of new positions since 2011 and drivers is provided in Table 4-16.

Table 4-15- FTE by Department

Department	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test	2016 vs 2011 Actual	2016 vs 2011 Approved
Operations									
Operations Administration/Clerical/Distribution Engineer	5.00	4.08	4.17	5.00	5.00	6.00	6.00	1.92	1.00
Lines	34.33	32.18	30.49	32.86	33.26	35.00	36.92	4.74	2.59
Purchasing & Stores	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Fleet	1.00	1.00	1.50	2.00	2.00	2.00	2.00	1.00	1.00
Control Room	8.67	7.92	8.17	7.00	5.72	7.00	7.00	(0.92)	(1.67)
Building Maintenance	2.00	1.00	1.79	2.00	1.88	2.00	2.00	1.00	-
Tree Trimming/Locate	3.00	2.33	2.00	1.75	1.00	1.00	1.00	(1.33)	(2.00)
Engineering/Stations									
Engineering/Administration/GIS	17.00	16.34	18.71	18.55	19.21	18.61	19.00	2.66	2.00
Stations/Protections & Controls	9.00	8.33	8.67	10.84	10.67	10.25	9.00	0.67	-
Meters	6.00	5.00	5.00	4.58	3.75	4.00	4.00	(1.00)	(2.00)
Finance/Administration									
Finance	4.95	4.95	4.83	4.95	5.39	5.45	5.45	0.50	0.50
Executive/Adminstration	2.60	2.60	2.60	2.60	3.27	3.40	3.40	0.80	0.80
Regulatory	1.00	0.67	-	0.35	1.00	1.00	2.00	1.33	1.00
Customer Service	7.00	6.92	5.33	5.71	4.33	4.10	4.10	(2.82)	(2.90)
Billing/Collections/Settlement	9.50	12.00	12.00	12.00	12.67	14.00	13.00	1.00	3.50
IT	5.00	5.00	5.00	5.00	4.83	5.00	5.00	-	-
Loss Prevention	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Contract, Co-op and Summer Students									
Contract, Co-op and Summer Students	4.97	9.54	13.63	13.31	13.15	10.29	8.25	(1.29)	3.28
Total FTE	**125.02**	**123.86**	**127.89**	**132.50**	**131.13**	**133.11**	**132.12**	**8.26**	**7.10**

Table 4-16 New Positions Since 2011

Driver	Department	2016 vs 2011 Approved
Succession Planning - Apprentices to Cover Upcoming Retirements / Students - Potential Future Hires / Distribution Engineer - Operations	Lines	2.58
	Engineering/Administration/GIS	2.00
	Contract, Co-op and Summer Students	3.28
	Distribution Engineer	1.00
Training of Apprentices Complete	Control Room	(1.67)
Efficiencies in In-House vs Outsource	Tree Trimming/Locate	(2.00)
	Fleet	1.00
Efficiencies and Function Change	Meters	(2.00)
	Customer Service	(2.90)
Increase in Billing & Collections/Settlement/Regulatory/Administrative Requirements	Finance	0.50
	Executive/Adminstration	0.80
	Regulatory	1.00
	Billing/Collections/Settlement	3.50
Total Change		**7.10**

WNH’s 2011 Cost of Service Application and Settlement included a total complement of 120.5 FTE Permanent Employees and 4.97 FTE Contract and Student Employees for a Total FTE Complement of 125.02. The actual complement in 2011 was 114.32 Permanent FTE, 9.54 Contract and Student FTE for a total of 123.86 FTE. WNH has diligently worked at re-structuring of responsibilities, introducing efficiencies, succession planning and the ability to recruit and integrate new people into the business. Every position is considered whether it needs to be filled upon the leaving of any employees. The 2016 Test Year includes a complement of 132.12 FTE representing an increase of 7.10 FTE over 2011 Board Approved or an increase of 8.26 FTE over 2011 Actual.

Changes in Staff Levels

<u>Driver: Succession Planning - Apprentices to Cover Upcoming Retirements / Students - Potential Future Hires / Distribution Engineer - Operations</u>

As discussed in this Exhibit, WNH is experiencing a high number of retirements, an issue common to others in the industry. WNH in its succession planning has added 2.58 FTE in Apprentices in the Lines Department; 2.00 FTE in Apprentices in the Engineering Department, a Distribution Engineer will be added in Operations and 3.28 FTE in Contract/Student Staff have been added since the 2011 Board Approved FTE. WNH has hired Apprentices who must be trained prior to these retirements and WNH's philosophy of hiring Co-operative Students is documented in this Exhibit.

Driver: Training of Apprentices Complete

As is reflected in Table 4-15 the Control Room FTE has varied during the period 2011 to 2016. This is a result of hiring Apprentices to be fully trained upon upcoming retirements. During the first two years of their apprenticeship period, the Apprentices must always be supervised, thus, two staff will be working during any one hour of Control Room coverage. Commencing in 2015 all Apprentices will be trained to the point they are able to work independently, thus, WNH has experienced a reduction of 1.67 FTE between the Forecast 2016 Test Year and the Board Approved 2011 FTE.

Driver: Efficiencies in In-House vs Outsource

WNH examines all positions to determine the most efficient method of providing the function in terms of cost and the service to the customer. WNH had determined that it is most efficient to maintain/repair its fleet with 2.00 FTE employees, rather than outsourcing some of the work to a third party. Conversely, WNH has determined the most efficient and customer service friendly basis of providing tree trimming services is through a third party contractor. WNH has increased the frequency of planned trimming in urban areas to every 2 years instead of every 3 years to increase its reliability and reduce its exposure to tree limbs falling on lines and causing customer outages. In using third party contractors this increase has been accommodated. The benefit of using a larger contingent of contract staff allows all tree trimming work to be scheduled during winter months when there are no leaves on the trees. When using in-house staff the work was done year round. This resulted in less customer satisfaction when trees were trimmed when the leaves were on the trees.

Driver: Efficiencies and Function Change

As stated above, WNH reviews any position that becomes vacant to see if the position should be filled, or whether efficiencies implemented allow the department to maintain its service on a reduced FTE basis. The Meter Department had a retirement that was not filled. In addition, a Meter Installer position that was budgeted in the 2011 COS Application in Meters was moved as a CSR Collections position within the Collections Department. As well, in the Customer Service Area, WNH has not filled positions vacant through retirement or staff turnover and is able to maintain its customer service as evidenced by the 96% Customer Service rating WNH received on its UtilityPULSE survey which is found in Exhibit 1, Attachment 1-7.

Increase in Billing & Collections/Settlement/Regulatory/Administrative Requirements

As discussed in the Efficiencies and Function Change section above, a Meter Installer position that was budgeted in the 2011 COS Application in Meters was moved as a CSR Collections position within the Collections Department. New requirements including Smart Meters, TOU Billing, the Implementation of Monthly Billing and increased Administrative duties have resulted in an increase of 2.80 FTE from the 2011 Board Approved to the Forecast 2016 Test Year. The Regulatory Department is adding one FTE, however, the work functions in this area were previously provided by using Regulatory Consultants.

WNH has made controlling staff complement a priority and implemented efficiencies to handle existing and incremental workload. The 2016 test year complement of 132.12 FTE including Contract and Student staff is the minimum number of staff required to deliver its work program including the increasing burden of supporting provincial initiatives including Smart Meters, TOU Billing and Customer Engagement. At the same time WNH has experienced increased demand for many of its core business activities and assumed new responsibilities including eBilling and Low Income Customer Services rules. All of this new workload has been managed essentially by a small increase in the employee complement.

Employee Demographics

As per table 4-17 below WNH's more significant employee challenge has been managing employee turnover primarily due to retirements. Turnover occurs when employees retire or leave the organization. Through the 2011-2014 period, WNH experienced 16% turnover in staff positions, solely due to retirements. Between 2015 and 2020, WNH will experience a further 39% turnover in staff solely due to retirement. Thus, in this ten year period WNH will experience a 55% turnover in staff solely due to retirements. The focus during this entire period has been and will be on recruiting staff, training and development, building a cohesive and highly functional team, gaining experience and confidence with equipment and routines and working productively and safely. The turnover was especially significant in Lines, Control Room and Customer Service Areas. Given that the industry has highly specialized and complex job functions, it can take a few years to become efficient and to work safely. New staff and those staff promoted within the organization have risen to the challenge of meeting the increasing and changing workload. WNH's worker safety record was not compromised through this period.

WNH has provided in Table 4-17 a summary of the actual Permanent Staff turnovers in the 2011 to 2014 period and the number of those that were due to retirement. Additionally the number of additional retirements anticipated for the period 2015 to 2020 is reflected.

Table 4-17 Summary of Turnover in Employees

Turnovers	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Turnover - Permanent - Actual	10	6	10	11						
Permanent Turnover # due to Retirement	**5**	**3**	**6**	**4**	**11**	**5**	**9**	**4**	**10**	**6**
Totals in Period	**18**				**45**					
% of Retirements vs 2011 COS FTE in Period	16%				39%					
% of Retirements vs 2011 COS FTE 2011 - 2020	**55%**									

Succession Planning

There is potential for 39% of the existing staff complement to retire by 2020. These retirements could cause further ripples in the organization as many of the retirements will be in all areas of the organization. Table 4-18 outlines employee demographics by department, these demographics are presented by position, rather than by FTE. WNH is preparing for this change and has developed and continues to develop a succession plan. The turnover of the past years has resulted in the average length of service years declining.

Table 4-18 Employee Demographics

Department *	Management/Non-Union		Union	
	Avg. Age	Avg. Length of Service	Avg. Age	Avg. Length of Service
Operations	49.01	18.43	38.50	9.03
Engineering/Stations/Metering	37.40	6.87	47.52	15.69
Finance/Administration	51.23	12.64	49.52	13.75

** Contract/Students not included; Date of Information at March 2015*

Change in Workforce Year over Year

Please note the data presented in Tables 4-19 through 4-23 are FTE, only variances greater than one have been explained below.

2012 Actual vs 2011 Actual FTE

Table 4-19 - 2012 Actual vs 2011 Actual FTE

Department	2011 Actual	2012 Actual	2012 vs 2011 Actual
Operations			
Operations Administration/Clerical/Distribution Engineer	4.1	4.2	0.1
Lines	31.9	30.5	(1.4)
Purchasing & Stores	3.0	3.0	-
Fleet	1.0	1.5	0.5
Control Room	7.9	8.2	0.3
Building Maintenance	1.0	1.8	0.8
Tree Trimming/Locate	2.3	2.0	(0.3)
Engineering/Stations			
Engineering/Administration/GIS	16.3	18.7	2.4
Stations/Protections & Controls	8.3	8.7	0.3
Meters	5.0	5.0	-
Finance/Administration			
Finance	5.0	4.8	(0.1)
Executive/Adminstration	2.6	2.6	-
Regulatory	0.7	-	(0.7)
Customer Service	6.9	5.3	(1.6)
Billing/Collections/Settlement	12.0	12.0	-
IT	5.0	5.0	-
Loss Prevention	1.0	1.0	-
Contract, Co-op and Summer Students			
Contract, Co-op and Summer Students	9.5	13.6	4.1
Total FTE	**123.6**	**127.9**	**4.3**

Staffing in the Lines Department may vary depending on the cycle of Apprentices being fully trained, retirements and staffing Apprentices to be fully trained upon the retirements. The Lines Department had a small decrease of 1.4 FTE in 2012 over 2011 due to the net of retirements and hiring of Apprentices.

As discussed above in this Exhibit Engineering also hires Apprentices to be fully trained by the time retirements occur. In 2012 Engineering increased its Apprentice complement and will maintain this level through 2016. A Customer Service Representative filled a new Engineering Clerk position to support the increased administration functions associated with increased growth and demands in engineering activity.

Through efficiencies WNH was able to fulfill its Customer Service and Billing obligations with fewer resources. The FTE decrease in the Customer Service Department was as a result of a maternity leave position was not being filled and a Customer Service Representative transferred to a new Engineering Clerk position as discussed above, this position also was not filled.

In addition, as detailed above (reference) Waterloo has increased its Co-operative Student complement in the Lines and Engineering departments. This is reflected in the increase in the Contract/Student FTE.

2013 Actual vs 2012 Actual FTE

Table 4-20 - 2013 Actual vs 2012 Actual FTE

Department	2012 Actual	2013 Actual	2013 vs 2012 Actual
Operations			
Operations Administration/Clerical/Distribution Engineer	4.2	5.0	0.8
Lines	30.5	32.9	2.4
Purchasing & Stores	3.0	3.0	-
Fleet	1.5	2.0	0.5
Control Room	8.2	7.0	(1.2)
Building Maintenance	1.8	2.0	0.2
Tree Trimming/Locate	2.0	1.8	(0.3)
Engineering/Stations			
Engineering/Administration/GIS	18.7	18.6	(0.2)
Stations/Protections & Controls	8.7	10.8	2.2
Meters	5.0	4.6	(0.4)
Finance/Administration			
Finance	4.8	5.0	0.1
Executive/Adminstration	2.6	2.6	-
Regulatory	-	0.4	0.4
Customer Service	5.3	5.7	0.4
Billing/Collections/Settlement	12.0	12.0	-
IT	5.0	5.0	-
Loss Prevention	1.0	1.0	-
Contract, Co-op and Summer Students			
Contract, Co-op and Summer Students	13.6	13.3	(0.3)
Total FTE	**127.9**	**132.5**	**4.6**

Staffing in the Lines Department may vary depending on the cycle of Apprentices being fully trained, retirements and staffing Apprentices to be fully trained upon the retirements. The Lines Department had an increase of 2.4 FTE in 2013 over 2012 due to the net of retirements and hiring of Apprentices.

Staffing in the Control Room decreased in 2013 due to the retirement of a Control Room Operator that was not filled in 2013.

Stations/Protections & Controls increased their FTE complement in 2013 by 2.2 FTE as they hired three additional staff in advance of retirements in this department. The three staff were hired throughout the year, resulting in an increase of 2.2 FTE.

2014 Actual vs 2013 Actual FTE

Table 4-21 - 2014 Actual vs 2013 Actual FTE

Department	2013 Actual	2014 Actual	2014 vs 2013 Actual
Operations			
Operations Administration/Clerical/Distribution Engineer	5.0	5.0	-
Lines	32.9	33.3	0.4
Purchasing & Stores	3.0	3.0	-
Fleet	2.0	2.0	-
Control Room	7.0	5.7	(1.3)
Building Maintenance	2.0	1.9	(0.1)
Tree Trimming/Locate	1.8	1.0	(0.8)
Engineering/Stations			
Engineering/Administration/GIS	18.6	19.2	0.7
Stations/Protections & Controls	10.8	10.7	(0.2)
Meters	4.6	3.8	(0.8)
Finance/Administration			
Finance	5.0	5.4	0.4
Executive/Adminstration	2.6	3.3	0.7
Regulatory	0.4	1.0	0.6
Customer Service	5.7	4.3	(1.4)
Billing/Collections/Settlement	12.0	12.7	0.7
IT	5.0	4.8	(0.2)
Loss Prevention	1.0	1.0	-
Contract, Co-op and Summer Students			
Contract, Co-op and Summer Students	13.3	13.1	(0.2)
Total FTE	**132.5**	**131.1**	**(1.4)**

A Control Room Operator left in 2014 and was not replaced.

A Customer Service Supervisor retired and it was determined to not replace the position. In addition, an employee on Maternity Leave returned for a portion of the year, then transferred to the Engineering Department as its Executive Assistant, this position was not replaced.

2015 Bridge vs 2014 Actual FTE

Table 4-22 - 2015 Bridge vs 2014 Actual FTE

Department	2014 Actual	2015 Bridge	2015 Bridge vs 2014 Actual
Operations			
Operations Administration/Clerical/Distribution Engineer	5.0	6.0	1.0
Lines	33.3	35.0	1.7
Purchasing & Stores	3.0	3.0	-
Fleet	2.0	2.0	-
Control Room	5.7	7.0	1.3
Building Maintenance	1.9	2.0	0.1
Tree Trimming/Locate	1.0	1.0	-
Engineering/Stations			
Engineering/Administration/GIS	19.2	18.6	(0.6)
Stations/Protections & Controls	10.7	10.3	(0.4)
Meters	3.8	4.0	0.3
Finance/Administration			
Finance	5.4	5.5	0.1
Executive/Adminstration	3.3	3.4	0.1
Regulatory	1.0	1.0	-
Customer Service	4.3	4.1	(0.2)
Billing/Collections/Settlement	12.7	14.0	1.3
IT	4.8	5.0	0.2
Loss Prevention	1.0	1.0	-
Contract, Co-op and Summer Students			
Contract, Co-op and Summer Students	13.1	10.3	(2.9)
Total FTE	**131.1**	**133.1**	**2.0**

A Distribution Engineer is required in the Operations Administration area as a part of WNH’s succession planning and will be a technical resource to assist the Line Department, the Control Room and the Purchasing and Stores Department with selected projects to ensure the safe and reliable operation of the WNH distribution system and fleet. This position will also be involved in assisting with technical research projects related to supporting the efficient operation and maintenance of the WNH Service Centre.

As discussed above, WNH is required to hire Apprentices in anticipation of upcoming retirements. Three Lines Apprentices will be hired in September 2015 and these positions account for 1.0 FTE total and three Lines Apprentices hired during 2014 will work a full year in 2015, while they worked only a part year in 2014.

The reduction of 2.9 FTE for the Contract, Co-operative and Summer Student staff are primarily related to two Control Room Contract Positions which are no longer needed. The Apprentices hired in previous years' will be fully trained and able to work on their own.

2016 Test vs 2015 Bridge FTE

Table 4-23 – 2016 Test vs 2015 Bridge FTE

Department	2015 Bridge	2016 Test	2016 Test vs 2015 Bridge
Operations			
Operations Administration/Clerical/Distribution Engineer	6.0	6.0	-
Lines	35.0	36.9	1.9
Purchasing & Stores	3.0	3.0	-
Fleet	2.0	2.0	-
Control Room	7.0	7.0	-
Building Maintenance	2.0	2.0	-
Tree Trimming/Locate	1.0	1.0	-
Engineering/Stations			
Engineering/Administration/GIS	18.6	19.0	0.4
Stations/Protections & Controls	10.3	9.0	(1.3)
Meters	4.0	4.0	-
Finance/Administration			
Finance	5.5	5.5	-
Executive/Adminstration	3.4	**3.4**	-
Regulatory	1.0	**2.0**	1.0
Customer Service	4.1	4.1	-
Billing/Collections/Settlement	14.0	13.0	(1.0)
IT	5.0	5.0	-
Loss Prevention	1.0	**1.0**	-
Contract, Co-op and Summer Students			
Contract, Co-op and Summer Students	10.3	8.3	(2.0)
Total FTE	**133.1**	**132.1**	**(1.0)**

The Lines Department will hire two Apprentices during 2016 in anticipation of future retirements. WNH will also hire a Lines Supervisor to replace a retiring Supervisor. In addition the three Line Apprentices hired in 2015 will have a full FTE each in 2016, whereas in 2015 they were only an FTE for a partial year.

The Stations/Protections & Controls Department has a retirement during 2015, thus, the full effect is reflected in 2016 and primarily responsible for the decrease in FTE.

The Regulatory Department will increase by one FTE, however, they will no longer be using Regulatory Consulting Services to assist the department, thus, overall costs are relatively neutral.

The Billing/Collections/Settlement department will decrease by one FTE with the retirement of the Billing System Analyst. WNH has determined that this position will not be replaced.

Two Contract Engineering Technologist Positions will no longer be needed in 2016 as Apprentices hired in prior years' will be fully trained.

Annual Wages and Benefit Increases

Annual Wages

A summary of annual and cumulative wage increases is shown on Table 4-24 below:

Table 4-24 Summary of Wage Increases by Year

Union/Non-Union & Management		
Year	**% Increase**	**% Cumulative Increase**
April 2011	3.00%	3.00%
April 2012	3.00%	6.00%
April 2013	2.75%	8.75%
April 2014	1.75%	10.50%
October 2014	1.00%	11.50%
April 2015	2.50%	14.00%
April 2016*	1.50%	15.50%
October 2016*	1.00%	16.50%
Average Increase 2011-2016		2.75%

** Contract expires March 31, 2016, 2016 projections based on current wage settlements*

Benefit Program Costs

A detailed summary of benefit program costs are presented in Table 4-25.

Statutory deductions have increased 17% between the 2011 Actual Year and the 2016 Test Year a result of complement increasing from 125 to 132 FTE, rate increases, and wage increases.

Company benefits have increased almost 36% over the same time frame mainly a result of OMERS increases. Health benefits have decreased by (.7%) since 2011 a result of WNH going out to the market for a quote and was able to secure a decrease in costs.

Table 4-25 Benefit Expenses

Benefit	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Statutory						
CPP	292,999	312,435	340,338	348,499	354,879	359,865
EI	125,262	141,968	156,153	156,146	170,755	171,201
EHT	220,413	228,369	231,986	234,147	213,643	218,529
WSIB	97,439	102,165	108,608	110,146	109,099	110,718
Total Statutory	**736,113**	**784,937**	**837,086**	**848,938**	**848,377**	**860,314**
Company						
OMERS	671,212	804,522	933,351	1,033,890	1,085,007	1,140,768
Health	384,700	375,260	372,103	393,830	387,238	381,864
LTD	128,547	170,529	184,031	177,241	187,827	195,456
Dental	222,930	237,191	225,329	233,186	204,193	201,662
Life Insurance	41,074	50,478	51,705	47,905	52,617	54,755
Total Company	**1,448,463**	**1,637,980**	**1,766,519**	**1,886,051**	**1,916,882**	**1,974,505**
Benefits Prior to EFB	**2,184,576**	**2,422,917**	**2,603,605**	**2,734,989**	**2,765,259**	**2,834,819**
Employee Future Benefits	**353,720**	**354,006**	**311,773**	**312,951**	**366,569**	**391,999**
Total Benefit Costs	**2,538,296**	**2,776,923**	**2,915,378**	**3,047,940**	**3,131,828**	**3,226,818**

OMERS Pension Plan

WNH employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDC's participate in, therefore the pension benefit provided to WNH's employees is consistent with that of other LDC's. The plan is a contributory defined benefit pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. WNH's pension premium information for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4-26 below. For the 2015 Bridge and 2016 Test Year, WNH assumed OMERS rates of 9% on earnings up to CPP earning limits and 14.6% on earnings over CPP earnings limit as per OMER's newsletter "OMERS 2015 Contribution Rates Announced" dated June 26, 2014.

Table 4-26 OMERS Pension Expense

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
OMERS Costs	671,212	804,522	933,351	1,033,890	1,085,007	1,140,768

The increases in OMERS premiums from 2011 through 2016 are explained by the increase in pension contribution rates as well as the increase in staff complement.

Post-Retirement Benefits

WNH provides a post-employment benefit life insurance and health care plan to all active full-time employees under the age of 65 through a group defined benefit plan. Life insurance, extended health, and dental benefits are provided to retired employees. Health and dental coverage ceases when the retiree reaches age 65; life insurance coverage continues for life, except for employees hired after March 17, 2004 for whom no coverage is provided.

Post-employment benefits are recorded on an accrual basis. The accrued benefit obligations and current service cost are calculated using the projected benefit method prorated on service and based on assumptions that reflect Management's best estimates. Under this method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs from the plan amendments are amortized on a straight line basis over the average remaining service period of the employee's active at the date of amendment. For historical years 2011 – 2014 actuarial gains and losses are recognized in the year in which they are incurred through the burden account which is then distributed between Capital, Recoverable and OM&A.

AFE Actuarial Consulting completed an Actuarial Valuation Report on January 27, 2015 that detailed the benefit expense for fiscal 2014 and plan obligation under CICA 3461. At December 2014, the unamortized loss included as part of the overall liability was $295,274. A copy of the actuarial valuation report is provided in Attachment 4-2.

WNH used the estimate of the benefit expense and plan-obligation on the basis of IFRS IAS 19 as on December 31, 2014 and extrapolated the-results for the 2015 Bridge Year and 2016 Test Year. The same employee data, methodology and assumptions that were used in the December 31, 2014 actuarial valuation report under CICA 3461 were used for this extrapolation. WNH does not anticipate significant changes therefore this information will be used upon transition.

WNH recognizes that under IFRS (Transition date of January 1, 2015), all re-measurements which would include actuarial gains and losses would go through Other Comprehensive Income. For rate setting purposes WNH has included the future forecast costs in OM&A. At December 2014, the Net Benefit Liability was $4,095,717 which included $295,274 of unamortized loss; WNH has recognized this loss through burdens.

WNH's post-retirement benefit information for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4-27 below.

Table 4-27 – Post-Retirement Benefits Expense

Item	2011 Actual *	2012 Actual *	2013 Actual *	2014 Actual *	2015 Bridge **	2016 Test **
Reporting Basis	CICA 3461	CICA 3461	CICA 3461	CICA 3461	IAS 19	IAS 19
Premiums Paid	204,822	212,426	203,422	207,491	211,640	215,873
Change in Liability Account	183,022	154,028	(82,588)	102,334	204,497	176,126
Total Post-Retirement Benefits	**387,844**	**366,454**	**120,834**	**309,825**	**416,137**	**391,999**

** Included in Payroll Burden and allocated to Capital, Recoverable and OM&A*

*** In accordance with IFRS Requirements recorded in Other Comprehensive Income on the Income Statement*

WNH notes for the years 2011 to 2014 the Total Post-Retirement Benefits Expense was recorded in the Payroll Burden, thus, it was allocated to Capital, Recoverable and OM&A. In accordance with IFRS Requirements the total cost is included in Other Comprehensive Income in the Income Statement and the 2016 Total Post-Retirement Benefits above is recorded in WNH's 2016 Revenue Requirement in USoA 5645.

2.7.3.2 SHARED SERVICES and CORPORATE COST ALLOCATION

WNH currently provides Street Light services to the City of Waterloo (COW), the Township of Wellesley (WELL) and the Township of Woolwich (WOOL) and provides services to its Parent Company, Waterloo North Hydro Holding Company. A summary of the transactions and pricing methodology used to assign costs for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual and projections for the 2015 Bridge Year and 2016 Test Year, are shown in the following Tables 4-28 and 4-29 in the format of the Board Appendices 2-N .

Shared Services to Affiliates

In 2009 WNH commenced allocating a portion of its corporate administration, finance, audit, consulting, directors' fees, directors insurance, meetings and administration expenses as detailed in Table 4-28 below, to its parent company, Waterloo North Hydro Holding Corporation (WNHHC).

Table 4-28 Shared Services and Corporate Cost Allocation – Appendix 2-N

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2011 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	70,957	467,893
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	5,400	27,000
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	72,000	78,460

Year: 2012 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	73,640	484,011
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	5,300	26,500
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	64,118	66,872

Year: 2013 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	71,947	475,405
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	1,500	1,500
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	62,364	63,555

Year: 2014 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	77,114	499,474
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	7,794	37,500
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	64,243	64,713

Year: 2015 Bridge

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	91,221	576,140
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	9,000	30,000
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	78,820	80,307

Year: 2016 Test

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	WNHHC	Corporate Administration & Finance	Fully-Allocated Cost	93,203	589,353
WNH	WNHHC	Audit, Legal & Consulting	Fully-Allocated Cost	8,000	30,000
WNH	WNHHC	Directors' Fees, Insurance, Meeting & Admin Fees	Fully-Allocated Cost	78,840	80,347

The pricing methodology used was cost based, as is demonstrated above that a percentage of the total cost of those specific services that was allocated to the parent company. The Fully-Allocated Cost basis was selected as it is representative of the time devoted to providing these services. The Fully-Allocated Cost basis was developed based on average estimated time spent by WNH staff who provide management and administrative services to the Parent Company. Expenditures included in audit, legal & consulting and directors' fees and insurance are directly charged and billed to the Parent Company and therefore are not included in WNH's OM&A; WNH administers the payment of the invoices.

Variances between 2016 and 2011 fall below WNH's materiality level.

SERVICES PROVIDED TO AFFILIATES

WNH provides street lighting maintenance and construction services to its three municipalities which are shareholders' of WNH's Parent Company, WNHHC as detailed below in Table 4-29.

The level of services can vary each year, primarily due to the level of construction activity occurring that require these services. WNH provided street light maintenance to the three municipalities on a fully allocated cost-based price. The fully allocated cost-base included actual materials, labour and burdens, truck time and allocated overheads and was the same rate charged to third parties. WNH applies a 15% Administration Charge to all of these street light transactions which recovers administration costs, return and PILs.

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Table 4-29 Charges to Affiliates for Services Provided

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2011 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	187,684	187,684
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	197,244	197,244
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	14,803	14,803
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	-	-
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	64,579	91,695
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	86,663	86,663
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	82,646	82,646

Year: 2012 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	253,740	253,740
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	202,653	202,653
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	17,257	17,257
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	18,101	18,101
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	35,169	35,169
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	152,198	152,198
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	101,868	101,868

Year: 2013 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	195,038	195,038
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	58,872	58,872
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	15,360	15,360
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	38,460	38,460
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	46,937	46,937
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	92,967	92,967
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	67,145	67,145

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Year: **2014 Actual**

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	203,276	203,276
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	78,505	78,505
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	16,463	16,463
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	41,314	41,314
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	51,734	51,734
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	95,613	95,613
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	73,036	73,036

Year: **2015 Bridge**

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	157,000	157,000
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	124,918	124,918
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	40,000	40,000
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	34,232	34,232
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	12,000	12,000
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	363,039	363,039
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	109,679	109,679

Year: **2016 Test**

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WNH	COW	Street Light Maintenance Costs *	Fully-Allocated Cost	157,000	157,000
WNH	COW	Street Light Construction Costs *	Fully-Allocated Cost	568,502	568,502
WNH	WELL	Street Light Maintenance Costs *	Fully-Allocated Cost	40,000	40,000
WNH	WELL	Street Light Construction Costs *	Fully-Allocated Cost	92,187	92,187
WNH	WOOL	Street Light Maintenance Costs *	Fully-Allocated Cost	12,000	12,000
WNH	WOOL	Street Light Construction Costs *	Fully-Allocated Cost	134,828	134,828
WNH*	COW/WELL/WOOL	15% Administration Fee on St Lt Mtce & Construction	Fully-Allocated Cost	150,678	150,678

** WNH Charges a 15% Administration Fee which covers Administrative Costs, Return & PILs, the recovery is recorded in USoA 5625 Administrative Expense Transferred - Credit*

Corporate Cost Allocations

WNH does not have any Board of Director-related costs for affiliates included in its OM&A costs.

Table 4-30 below identifies variances of the 2016 Test Year versus 2011 Board Approved and 2014 Actual for services provided to affiliates. Material variances have been explained below.

Table 4-30 Summary of Affiliate Products and Services – Appendix 2-N

Item	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Services Provided by WNH	468,690	781,976	924,043	650,589	709,092	1,019,910	1,335,238

2016 Test Year versus 2011 Board Approved

WNH's services provided to its affiliates are projected to increase by $866,548 in the 2016 Test Year over the 2011 Board Approved. The increase is primarily related to an increase in Street Light Construction activities of $787,462. 2016 will be a heavy year for urban rebuild which will also involve Street Lighting, in 2011 construction activity was centered in the rural areas with fewer street lights.

2016 Test Year versus 2014 Actual

WNH's services provided to its affiliates are projected to increase by $626,147 in the 2016 Test Year over the 2014 Actual. Higher Street Light Construction activities of $580,086 are the primary driver of the increase. 2016 will be a heavy year for urban rebuild which will also involve Street Lighting, an increase over the activity in 2014.

Reconciliation of Revenues from Affiliates

WNH's services provided to its affiliates outline in Board Appendix 2-N are reconciled as recorded in USoA accounts in Table 4-31 below. The services are recorded as a reduction to OM&A cost. Considerable effort is made by WNH to ensure affiliates are charged properly and do not receive any benefits as a result of their affiliation.

Table 4-31 Reconciliation of Revenues from Affiliates

Item	Source Account	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Appendix 2-N Summary on Table 4-28		**781,976**	**924,043**	**650,589**	**709,092**	**1,019,910**	**1,335,238**
Exhibit 4 Reduction to OM&A	5605 - Executive Salaries and Expenses & 5615 - General Administrative Salaries and Expenses	69,901	72,157	71,038	75,065	86,721	88,603
	5630 - Outside Services Employed	5,400	5,300	1,500	7,794	9,000	8,000
	5665 - Miscellaneous Expenses	73,056	65,600	63,272	66,291	83,320	83,440
	Recoverable Work Order - Revenue = Cost, Net to $0 Street Light Maintenance & Construction	550,974	679,118	447,633	486,905	731,190	1,004,518
	5625 - Administrative Expense Transferred-Credit - 15% Administration Charge on Street Light Maintenance / Construction	82,646	101,868	67,145	73,036	109,679	150,678
Total		**781,976**	**924,043**	**650,589**	**709,092**	**1,019,910**	**1,335,238**

2.7.3.3 Purchases of Non-Affiliate Services

WNH's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy outlines authorization levels, requirements and approvals necessary to appropriately purchase goods and services from suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that the procurement activities of WNH follow legal, ethical, and professional standards in accordance with the Supply Chain Management Association's Code of Ethics. WNH's Purchasing Policy does identify certain circumstances where a competitive bid process is not followed. WNH confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 18, 2014, WNH has provided a copy of its Purchasing Policy as Attachment 4-3.

The Tables 4-32 to 4-35 below illustrates WNH's purchases by vendor for 2011-2014, where actual expenditures exceeded the $175,000 materiality threshold calculated for this application. The table also identifies the method of selecting the vendor. WNH anticipates using the same vendors for 2015 and 2016; however, WNH continually searches for new suppliers.

Table 4-32 Products and Services of Non Affiliates – 2011

Supplier	Service Product	Procurement Method	Transaction Amount >$175,000
Able-One Systems Inc	Computer Equipment / Repairs & Maintenance	Quote	422,891
Bethlehem Trenching	Construction Services	Tender	565,175
Dyna-Co Construction Limited	Construction Services	Tender	403,772
Guelph Utility Pole Company Limited	Poles	Annual Pricing	442,289
Nexans Canada Inc	Wire	Tender	1,126,798
Moloney Electric Inc	Transformers	Quote	681,806
Ogilvy Renault	Legal Services	Quote	176,287
The Mearie Group	Insurance / Training	Sole Provider	178,050
S & C Electric Canada Ltd	Line Hardware	Quote	223,819
Westburne Ontario	Line Hardware / TS Equipment	Quote	330,790
Sun Life Assurance Company of Canada	Benefit Provider	Tender	805,526
D L Hannon Inc	Construction Services	Tender	1,427,967
Badger Daylighting Inc	Construction Services	Tender	212,628
Survalent Technology Corp	SCADA / OMS / Software Support	Tender	304,311
Melloul-Blamey Construction Inc	New Building Construction	Tender	15,203,744
Siemens Canada Ltd	TS Equipment Upgrade Services	Tender	390,580
HD Supply Power Solutions	Pole Line Hardware	Quote	1,337,501
KTI Ltd	Meters	Tender	264,072
ABB Inc	Transformers	Quote	605,088
A & W High Voltage Contracting Ltd	Construction Services	Tender	227,820
Sonepar Canada Inc	CDM Services - Small Business Lighting	Tender	250,806
McCallum Sather	New Building Architect	Tender	278,770
Thomas & Betts Ltd	Underground Hardware	Quote	187,754
Hy-Grade Precast Concrete	New Building - Concrete	Tender	182,076
Eclipse Technology Solutions	Corporate Telephone Support	Tender	197,964
Grand & Toy	Furniture & Fixtures - New Building	Tender	465,169
Southwest Power Corp	Construction Services	Tender	197,565
Canada Post Corporation	Postage	Sole Provider	215,275

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Table 4-33 Products and Services of Non Affiliates – 2012

Supplier	Service Product	Procurement Method	Transaction Amount >$175,000
Able-One Systems Inc	Computer Equipment / Repairs & Maintenance	Quote	190,758
Bethlehem Trenching	Construction Services	Tender	586,731
Dyna-Co Construction Limited	Construction Services	Tender	649,550
Guelph Utility Pole Company Limited	Poles	Annual Pricing	595,489
Laprairie Incorporated	Line Hardware	Quote	285,763
Nexans Canada Inc	Wire	Tender	1,581,952
Moloney Electric Inc	Transformers	Quote	895,967
S&C Electric Canada Ltd	Line Hardware	Quote	193,435
Westburne Ontario	Line Hardware / TS Equipment	Quote	462,171
Sun Life Assurance Company of Canada	Benefit Provider	Tender	844,852
Rogers Business Solutions	SCADA Equipment	Sole Provider	262,793
The Mearie Group	Insurance / Training	Sole Provider	217,052
DL Hannon Inc	Construction Services	Tender	1,853,599
Badger Daylighting Inc	Construction Services	Tender	354,381
Colonial Tree Service	Tree Trimming Services	Tender	265,246
Donovan Insurance Brokers Inc	Insurance	Tender	183,653
Melloul-Blamey Construction Inc	New Building Construction	Tender	3,000,433
G & W Canada Corporation	Underground Hardware	Quote	212,700
Municipal Electric Association	Fleet & Liability Insurance	Sole Provider	192,681
HD Supply Power Solutions	Pole Line Hardware	Quote	1,490,724
KTI Ltd	Meters	Tender	205,614
ABB Inc	Transformers	Quote	475,883
Thomas & Betts Ltd	Underground Hardware	Quote	253,800
Canada Post Corporation	Postage	Sole Provider	238,670
Conestoga Rovers & Associates	Consulting Services	Quote	275,185
Ground Force Environmental Inc	Ground Testing and Clean Up Services	Quote	689,570
Eaton Industries (Canada) Company	TS Equipment / Station Parts	Quote	511,858
Altruck International Truck Centres	Vehicles	Tender	320,134

1 **Table 4-34 Products and Services of Non Affiliates – 2013**

Supplier	Service Product	Procurement Method	Transaction Amount >$175,000
Bel Volt Sales Ltd	Line Hardware	Quote	186,462
Bethlehem Trenching	Construction Services	Tender	348,833
Dyna-Co Construction Limited	Construction Services	Tender	680,644
Guelph Utility Pole Company Limited	Poles	Annual Pricing	557,050
Nexans Canada Inc	Wire	Tender	1,462,851
Moloney Electric Inc	Transformers	Quote	621,369
S&C Electric Canada Ltd	Line Hardware	Quote	220,230
Westburne Ontario	Line Hardware / TS Equipment	Quote	291,839
Sun Life Assurance Company of Canada	Benefit Provider	Tender	855,951
Posi-Plus Technologies Inc	Vehicles	Tender	525,173
The Mearie Group	Insurance / Training	Sole Provider	202,376
D L Hannon Inc	Construction Services	Tender	1,903,598
Badger Daylighting Inc	Construction Services	Tender	351,346
Colonial Tree Service	Tree Trimming Services	Tender	322,046
Timberland Equipment Ltd	Stringing Equipment and Tools	Quote	343,146
Gary Kraemer Electric	Construction Services	Tender	195,637
G & W Canada Corporation	Underground Hardware	Quote	304,913
Down Under Pipe and Cable Locating	Contracted Services - Locates	Tender	245,092
GE Multilin	TS Equipment Upgrade Services / SCADA Services	Quote	215,231
Municipal Electric Association	Fleet & Liability Insurance	Sole Provider	203,923
Anixter	Wire	Quote	185,514
HD Supply Power Solutions	Pole Line Hardware	Quote	1,233,987
KTI Ltd	Meters	Tender	246,619
ABB Inc	Transformers	Quote	565,206
Sonepar Canada Inc	CDM Services - Small Business Lighting	Tender	177,904
Canada Post Corporation	Postage / E-Post	Sole Provider	274,831
Conestogo Mechanical Inc	Building Maintenance / Improvements	Quote	193,353
Folmur Construction (2004) Ltd	Construction Services	Tender	341,972

Table 4-35 Products and Services of Non Affiliates – 2014

Supplier	Service Product	Procurement Method	Transaction Amount >$175,000
Bel Volt Sales Ltd	Line Hardware	Quote	221,779
Bethlehem Trenching	Construction Services	Tender	381,583
Dyna-Co Construction Limited	Construction Services	Tender	553,976
Guelph Utility Pole Company Limited	Poles	Annual Pricing	494,114
Nexans Canada Inc	Wire	Tender	1,228,201
Moloney Electric Inc	Transformers	Quote	985,562
S&C Electric Canada Ltd	Line Hardware	Quote	761,256
Westburne Ontario	Line Hardware / TS Equipment	Quote	256,837
Sun Life Assurance Company of Canada	Benefit Provider	Tender	881,407
Posi-Plus Technologies Inc	Vehicles	Tender	414,194
D L Hannon Inc	Construction Services	Tender	2,055,675
Badger Daylighting Inc	Construction Services	Tender	390,024
Colonial Tree Service	Tree Trimming Services	Tender	359,503
Util Assist	CDM Services - Peak Saver Plus	Quote	210,777
Noramco Wire & Cable	Wire	Quote	595,091
G & W Canada Corporation	Underground Hardware	Quote	792,061
Down Under Pipe and Cable Locating	Contracted Services - Locates	Tender	279,393
Anixter	Wire	Quote	209,394
HD Supply Power Solutions	Pole Line Hardware	Quote	1,213,207
ABB Inc	Transformers	Quote	336,911
Sensus Canada Inc	MDMR Services	Tender	278,658
Canada Post Corporation	Postage / E-Post	Sole Provider	362,611
Altruck International Truck Centres	Vehicles	Tender	223,602
Brantco Construction	Construction Services	Tender	195,540
G & B Cable Contracting Inc	Construction Services	Tender	295,884

2.7.3.4 One-Time Costs

WNH has included one-time cost or non-annual costs of $85,000 in its 2016 Test Year revenue requirement, based on a five year recovery until the next cost of service application. The costs are identified in Table 4-36 below.

Table 4-36 One-time Costs

One-Time Cost	Total Cost	2016 Test Year
Cost of Service Application	425,000	85,000

Cost of Service Application

WNH estimates that the total incremental costs associated with the Cost of Service Application will be $425,000, details are described in Regulatory section of this Exhibit, Table 4-37, and Board Approved Appendix 2-M. One fifth of this amount has been included in the 2016 Test Year.

2.7.3.5 Regulatory Costs

WNH will add one permanent staff in 2016; the work was previously accomplished by using Regulatory Consultants. The Regulatory Department is primarily responsible for preparing Regulatory Filings and Rate Applications, completing audits, ensuring regulatory and legislative compliance and providing input to the various regulatory agencies. The Department also performs all accounting functions with regards to any Regulatory accounts.

WNH's other regulatory expenses include annual assessment fees paid to the OEB, cost awards for hearings, proceedings and other matters before the regulatory body and costs associated with consultants providing regulatory compliance assistance.

WNH will incur significant costs for preparing, processing and approval of this Application. The costs include consulting and legal fees, incremental expenses related to preparing the Application, and Intervenor/OEB Cost Awards as identified in Table 4-37, Board Appendix 2-M. WNH's Consulting Services identified in Table 4-37 include legal expenses since WNH is billed on a total basis from the consulting firm for both services. The total cost for this application is forecasted to be $425,000. WNH has forecasted $305,000 for Consultants; an additional $100,000 was forecasted for Customer Engagement Consulting and Incremental Costs in preparation of this Application of $10,000. OEB and Intervenor expenses have been forecasted at $110,000. WNH requests approval of these costs to be recovered over a five year period. Therefore, in the 2016 Test Year, WNH has included $85,000 in OM&A.

Table 4-37 Regulatory Costs Appendix 2-M

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? 2	2011 Board Approved	Most Current Actuals 2014	2015 Bridge	Annual % Change	2016 Test	Annual % Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	5655		Ongoing	$ 180,000	$ 188,933	$ 197,000	4.27%	$ 200,000	1.52%
2	OEB Section 30 Costs (Applicant-originated)	5655		Ongoing	$ 40,000					
3	OEB Section 30 Costs (OEB-initiated)	5655		Ongoing	$ 10,000	$ 6,454	$ 6,500	0.71%	$ 7,000	7.69%
4	Legal costs for regulatory matters			Ongoing	$ 5,000	$ -				
5	Consultants' costs for regulatory matters	5655		Ongoing	$ 143,000	$ 141,580	$ 162,000	14.42%	$ -	-100.00%
6	Operating expenses associated with staff resources allocated to regulatory matters	5655		Ongoing	$ 83,686	$ 109,843	$ 122,324	11.36%	$ 272,066	122.41%
7	Intervenor costs			Ongoing	$ 10,000	$ -	$ -			
8	**Sub-Total Ongoing Costs**				**$ 471,686**	**$ 446,810**	**$ 487,824**	**9.18%**	**$ 479,066**	**-1.80%**
9	Consultants'/Legal costs for regulatory matters			One-time	$ 105,000				$ 305,000	
10	Incremental operating expenses associated with other resources allocated to this application. 1			One-time					$ 10,000	
11	OEB/Intervenor costs	5655		One-time	$ 55,000				$ 110,000	
12	**Sub-Total One-Time Costs**				**$ 160,000**	**$ -**	**$ -**		**$ 425,000**	
13	**2011 COS Expensed Over 4 Years**				**$ 40,000**	**$ 40,000**	**$ -**			
14	**2016 COS Expensed Over 5 Years**								**$ 85,000**	
15	**Total One-Time During the Year**				**$ 40,000**	**$ 40,000**	**$ -**		**$ 85,000**	
11	Sub-total - Ongoing Costs 3		$ -		$ 471,686	$ 446,810	$ 487,824	9.18%	$ 479,066	-1.80%
12	Sub-total - One-time Costs 4		$ -		$ 40,000	$ 40,000	$ -	-100.00%	$ 85,000	
13	**Total**		**$ -**		**$ 511,686**	**$ 486,810**	**$ 487,824**	**0.21%**	**$ 564,066**	**15.63%**

Please fill out the following table for all one-time costs related to this cost of service application to be amortized over the test year plus the IRM period.

	Item	2014 Actual	2015 Bridge	2016 Test	Total COS	Amortized Over 5 Years
6	Consultants'/Legal costs	8,176	296,824		305,000	61,000
8	Incremental operating expenses associated with other resources allocated		10,000		10,000	2,000
11	OEB/Intervenor costs			110,000	110,000	22,000
Total		**8,176**	**306,824**	**110,000**	**425,000**	**85,000**

2.7.3.6 Low-income Energy Assistance Programs (LEAP)

In 2011, the Board approved a contribution to Low-Income Energy Assistance Programs ("LEAP") in the amount of $34,944 based on the Service Revenue Requirement of $29,120,358 (prior to the addition of LEAP) at .012%. WNH has contributed $34,944 annually from 2011 to 2015.

WNH will continue to provide low-income customers with emergency financial assistance in the future. WNH has included an estimate of $42,000 in the 2016 Test Year, which is slightly lower than 0.12% of the 2016 Test Year Service Revenue Requirement. WNH understands that this amount will be adjusted based on the Final Service Revenue Requirement prior to the issuance of the Decision for this application. For purposes of this Rate Application, this amount has been included in USoA Account 6205 Donations, to ensure that it is captured appropriately in the Revenue Requirement.

2.7.3.7 Charitable Donations and Political Donations

WNH's contribution to the community from the last Board Approved Cost of Service application is provided in Table 4-38 below. WNH is not requesting recovery of these donations as such costs are excluded from the revenue requirement calculation.

Table 4-38 Charitable Donations

USoA 6205 Donations	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
LEAP	34,944	34,944	34,944	34,944	34,944	35,000	42,000
Conestoga College - Obsolete Vehicles/Reels **		58,264	34,300	10,139			
My Safe Work - Rob Ellis Presentation		5,000					
Lynne Hofsetter in Memory of A. Hofstetter		1,245					
Grand River Hospital		300					
United Way		3,172					
Conestoga College				516			
Sunnyside Foundation				405			
ROAD - in Memory of Denise Baillargeon				100			
Grand River Cancer Society				75			
London Health Sciences Fdn - Memory Don Black					100		
Total	**34,944**	**102,925**	**69,244**	**46,179**	**35,044**	**35,000**	**42,000**

*** WNH donated vehicles/reels no longer having useful life and was issued a donation receipt, after 2012 this was no longer recorded, however, the tax receipt was used in the corporate tax return. WNH has forecast a donation amount in 2016 in its PILs calculation.*

Political Donations

WNH confirms that it does not make political contributions; therefore no political contributions have been included for recovery.

2.7.4 Depreciation, Amortization and Depletion

Overview

WNH's current depreciation/amortization policy is based on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the Ontario Energy Board, where applicable. WNH has converted to IFRS January 1, 2015 and as such the depreciation/amortization policy in effect for the 2015 Bridge Year and 2016 Test Year is compliant with MIFRS.

On July 17, 2013 the Board issued a statement that changes to depreciation rates and capitalization policies that would have been implemented under IFRS could be made in 2012 under CGAAP (i.e. effective January 1, 2012), and must be made no later than 2013 (i.e. effective January 1, 20134), regardless of whether the Canadian Accounting Standards Board (AcSB) permitted further deferrals beyond 2013 for the changeover to IFRS (Board Letter, July 17, 2013 *"Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2013 and 2014"*). In 2013, WNH implemented the change to depreciation rates and the componentization of PP&E. Useful lives were guided by the Kinectrics report and an assessment was made of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. WNH confirms that significant parts or components of each item of PP&E are being depreciated separately. This is discussed in more detail below.

WNH's capital assets related to the Distribution System and Capital Contributions are amortized on a straight line basis. In the years 2011 – 2015 WNH applied a full year of depreciation in the year of acquisition and no depreciation in the year of disposal. In this Application WNH has applied the "half-year" rule for 2016 capital additions in accordance with Section 2.7.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications.

Construction in progress assets are not amortized until the project is complete.

WNH's accounting policy is to expense borrowing costs. It does not capitalize interest on capital projects unless they meet the IFRS criteria of a qualifying asset which is defined in the Board's *Report of the Board EB-2008-0408 Transition to International Financial Reporting Standards, June 28, 2009* as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale." WNH does not have any capitalized borrowing costs forecast in it 2015 Bridge or 2016 Test Years, $330,976 was capitalized in the 2011 Historical Year on the construction of WNH's new Service Centre and Administration Building.

For the purposes of calculating depreciation for this Application the "half-year" rule has been applied for all in-service 2016 Test Year capital additions for Distribution System Assets and Capital Contributions. Contributed Capital changes in relation to the transition to IFRS are explained below.

A summary of WNH's depreciation by year is provided in Table 4-39. Tables 4-40 through 4-45 provide a summary by year for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year of WNH's depreciation expense including asset amounts and rates of depreciation or amortization. These tables reflect the Accumulated Depreciation balances in the Fixed Asset Continuity Schedules provided in Exhibit 2 - Rate Base, that are consistent with Board Appendix 2-BA.

Table 4-39 – Summary of Depreciation / Amortization by Year

USoA / Description	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	**RCGAAP**	**MIFRS**	**MIFRS**	**MIFRS**
1805 - Land	-	-	-	-	-	-	-
1806/1612 - Land Rights	-	-	-	-	-	-	-
1808 - Buildings	311,209	198,587	571,560	819,730	834,772	841,280	844,031
1815 - Transformer Station Equipment >50 kV	690,816	709,961	732,198	1,307,488	1,298,965	1,319,243	1,138,051
1820 - Distribution Station Equipment <50 kV	87,542	79,529	79,528	132,757	148,956	135,823	137,510
1830 - Poles, Towers & Fixtures	1,733,085	1,852,736	2,024,926	946,536	1,056,871	1,141,605	1,183,075
1835 - Overhead Conductors & Devices	846,392	895,887	1,022,110	579,778	711,784	843,466	908,508
1840 - Underground Conduit	521,437	541,742	544,326	205,572	224,524	252,898	261,956
1845 - Underground Conductors & Devices	1,166,771	1,199,287	1,251,831	798,336	809,522	913,797	942,675
1850 - Line Transformers	1,662,022	1,700,667	1,790,257	897,220	1,005,298	1,097,078	1,145,179
1855 - Services (Overhead & Underground)	740,810	768,485	794,482	304,826	331,589	353,256	364,147
1860 - Meters	326,966	344,019	1,884,065	535,557	94,016	293,353	314,832
1860 - Meters (Smart Meters)	-	-		541,669	541,669	541,669	541,669
1915 - Office Furniture & Equipment	124,832	105,173	131,771	106,927	109,160	106,607	106,957
1920 - Computer Hardware	136,417	171,518	378,588	200,839	178,627	195,522	132,136
1925/1611 - Computer Software	377,676	508,935	537,546	535,469	479,831	508,875	476,948
1930 - Transportation Equipment	457,522	546,481	608,072	368,941	484,213	568,909	589,154
1935 - Stores Equipment	13,817	44,715	46,084	46,942	46,942	46,942	46,942
1940 - Tools, Shop & Garage Equipment	61,925	74,250	78,991	196,252	143,890	117,947	117,919
1945 - Measurement & Testing Equipment	24,064	29,810	36,838	68,859	52,571	51,055	45,677
1955 - Communications Equipment	39,470	81,335	85,107	93,972	91,386	92,837	92,368
1960 - Miscellaneous Equipment	26,363	94,300	403,777	238,202	241,511	241,910	243,393
1980 - System Supervisor Equipment	137,336	159,331	165,873	207,899	192,295	207,646	206,447
1995 - Contributions & Grants	(1,075,560)	(1,090,909)	(1,206,727)	(741,216)	(780,539)	(779,728)	(778,853)
2440 - Deferred Revenue						(125,577)	(155,031)
Total Depreciation Amount	**8,410,910**	**9,015,840**	**11,961,203**	**8,392,554**	**8,297,853**	**8,966,411**	**8,905,686**
Less: Fully Allocated Depreciation							
Transportation	(519,447)	(546,481)	(608,072)	(368,941)	(484,213)	(568,909)	(589,154)
Truck Tools	(13,817)	(74,250)	(78,991)	(196,252)	(143,890)	(117,947)	(117,919)
Stores	(1,404)	(44,715)	(46,084)	(46,942)	(46,942)	(46,942)	(46,942)
Engineering	(126,820)	(140,688)	(126,938)	-	-	-	-
Total Depreciation Adjustments	(661,489)	(806,135)	(860,085)	(612,134)	(675,045)	(733,797)	(754,014)
Total Depreciation Rate Setting Purposes	**7,749,422**	**8,209,705**	**11,101,118**	**7,780,419**	**7,622,808**	**8,232,613**	**8,151,672**

Table 4-40 – 2011 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – CGAAP

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	
1805 - Land	3,067,191	-	-	0.00%
1806/1612 - Land Rights	426,556	-	-	0.00%
1808 - Buildings	32,348,528	2,754,342	198,587	2.0%
1815 - Transformer Station Equipment >50 kV	30,330,491	8,738,653	709,961	2.5%
1820 - Distribution Station Equipment <50 kV	4,659,616	3,196,521	79,529	3.3%
1830 - Poles, Towers & Fixtures	50,047,474	20,889,035	1,852,736	4.0%
1835 - Overhead Conductors & Devices	23,695,965	8,284,877	895,887	4.0%
1840 - Underground Conduit	14,757,589	7,190,348	541,742	4.0%
1845 - Underground Conductors & Devices	32,837,721	16,392,823	1,199,287	4.0%
1850 - Line Transformers	44,485,687	19,326,639	1,700,667	4.0%
1855 - Services (Overhead & Underground)	21,564,146	10,995,762	768,485	4.0%
1860 - Meters	9,764,636	6,040,444	344,019	4.0%
1915 - Office Furniture & Equipment	1,470,774	732,615	105,173	10.0%
1920 - Computer Hardware	3,390,247	2,963,785	171,518	20.0%
1925/1611 - Computer Software	4,574,813	3,732,127	508,935	20.0%
1930 - Transportation Equipment - Large/Small	7,222,266	5,137,046	546,481	12.5% / 20.0%
1935 - Stores Equipment	516,138	149,717	44,715	10.0%
1940 - Tools, Shop & Garage Equipment	1,035,607	624,269	74,250	10.0%
1945 - Measurement & Testing Equipment	801,018	614,071	29,810	10.0%
1955 - Communications Equipment	864,743	244,533	81,335	10.0%
1960 - Miscellaneous Equipment	1,357,827	605,212	94,300	20.0%
1980 - System Supervisor Equipment	3,599,466	2,145,693	159,331	4.0%
1995 - Contributions & Grants	(27,272,714)	(7,019,339)	(1,090,909)	4.0%
2440 - Deferred Revenue				
Total Depreciation Amount	**265,545,785**	**113,739,171**	**9,015,840**	
Less: Fully Allocated Depreciation				
Transportation			(546,481)	
Truck Tools			(74,250)	
Stores			(44,715)	
Engineering			(140,688)	
Total Depreciation Adjustments			(806,135)	
Total Depreciation Rate Setting Purposes			**8,209,705**	

Table 4-41 – 2012 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation - CGAAP

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	
1805 - Land	2,323,796	-	-	0.00%
1806/1612 - Land Rights	510,696	-	-	0.00%
1808 - Buildings	28,987,662	1,487,578	571,560	2.0%
1815 - Transformer Station Equipment >50 kV	31,230,359	9,470,851	732,198	2.5%
1820 - Distribution Station Equipment <50 kV	4,811,797	3,276,048	79,528	3.3%
1830 - Poles, Towers & Fixtures	55,022,226	22,913,961	2,024,926	4.0%
1835 - Overhead Conductors & Devices	27,072,749	9,306,987	1,022,110	4.0%
1840 - Underground Conduit	15,510,774	7,734,673	544,326	4.0%
1845 - Underground Conductors & Devices	35,032,055	17,644,654	1,251,831	4.0%
1850 - Line Transformers	48,052,253	21,116,896	1,790,257	4.0%
1855 - Services (Overhead & Underground)	22,829,581	11,790,245	794,482	4.0%
1860 - Meters	12,154,026	7,924,509	1,884,065	4.0%
1860 - Meters (Smart Meters)	6,265,880	-	-	4.0%
1915 - Office Furniture & Equipment	1,757,548	864,386	131,771	10.0%
1920 - Computer Hardware	3,815,382	3,342,372	378,588	20.0%
1925/1611 - Computer Software	5,407,634	4,269,673	537,546	20.0%
1930 - Transportation Equipment - Large/Small	7,465,135	5,221,431	608,072	12.5% / 20.0%
1935 - Stores Equipment	533,925	193,806	46,084	10.0%
1940 - Tools, Shop & Garage Equipment	1,182,142	692,395	78,991	10.0%
1945 - Measurement & Testing Equipment	891,281	650,909	36,838	10.0%
1955 - Communications Equipment	902,458	329,641	85,107	10.0%
1960 - Miscellaneous Equipment	2,563,676	1,008,989	403,777	20.0%
1980 - System Supervisor Equipment	3,949,135	2,311,566	165,873	4.0%
1995 - Contributions & Grants	(30,158,715)	(8,226,066)	(1,206,727)	4.0%
2440 - Deferred Revenue				
Total Depreciation Amount	**288,113,454**	**123,325,504**	**11,961,203**	
Less: Fully Allocated Depreciation				
Transportation			(608,072)	
Truck Tools			(78,991)	
Stores			(46,084)	
Engineering			(126,938)	
Total Depreciation Adjustments			(860,085)	
Total Depreciation Rate Setting Purposes			**11,101,118**	

1 **Table 4-42 – 2013 Actuals – Asset Amount, Accumulated Amortization,**
2 **Depreciation Amount & Rate of Depreciation – RCGAAP**

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	
1805 - Land	2,323,796	-	-	0.00%
1806/1612 - Land Rights	554,119	-	-	0.00%
1808 - Buildings	29,576,672	2,307,308	819,730	1.7% to 6.7%
1815 - Transformer Station Equipment >50 kV	31,761,843	10,778,339	1,307,488	2.0% to 6.7%
1820 - Distribution Station Equipment <50 kV	5,237,201	3,408,805	132,757	3.3%
1830 - Poles, Towers & Fixtures	59,877,270	23,860,497	946,536	2.2%
1835 - Overhead Conductors & Devices	30,474,339	9,886,765	579,778	3.3% to 6.7%
1840 - Underground Conduit	16,420,349	7,940,245	205,572	2.0%
1845 - Underground Conductors & Devices	37,299,717	18,442,990	798,336	2.9%
1850 - Line Transformers	50,942,733	22,014,116	897,220	2.2% to 2.9%
1855 - Services (Overhead & Underground)	24,084,688	12,095,071	304,826	2.0% to 2.2%
1860 - Meters	12,963,520	8,460,079	535,570	4.0% to 6.7%
1860 - Meters (Smart Meters)	6,265,880	541,656	541,656	6.7%
1915 - Office Furniture & Equipment	1,545,307	800,813	106,927	10.0% to 20.0%
1920 - Computer Hardware	3,928,118	3,543,212	200,839	20.0%
1925/1611 - Computer Software	5,750,348	4,805,143	535,469	20.0%
1930 - Transportation Equipment - Large/Small	8,269,742	5,482,989	368,941	6.7% to 20.0%
1935 - Stores Equipment	542,506	240,748	46,942	10.0%
1940 - Tools, Shop & Garage Equipment	1,227,700	869,535	196,252	12.5% to 20.0%
1945 - Measurement & Testing Equipment	896,007	719,768	68,859	14.3%
1955 - Communications Equipment	910,489	423,612	93,972	2.0% to 12.5%
1960 - Miscellaneous Equipment	2,559,176	1,230,403	238,202	10.0%
1980 - System Supervisor Equipment	4,414,517	2,519,466	207,899	6.7%
1995 - Contributions & Grants	(31,831,420)	(8,967,282)	(741,216)	Various ***
2440 - Deferred Revenue				Various ***
Total Depreciation Amount	**305,994,618**	**131,404,276**	**8,392,554**	
Less: Fully Allocated Depreciation				
Transportation			(368,941)	
Truck Tools			(196,252)	
Stores			(46,942)	
Engineering			-	
Total Depreciation Adjustments			(612,134)	
Total Depreciation Rate Setting Purposes			**7,780,420**	

**** Amortized on same basis as assets for which contributions were received*

1 **Table 4-43 – 2014 Actuals – Asset Amount, Accumulated Amortization,**
2 **Depreciation Amount & Rate of Depreciation – MIFRS**

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	
1805 - Land	2,323,796	-	-	0.00%
1806/1612 - Land Rights	654,021	-	-	0.00%
1808 - Buildings	30,303,174	3,142,079	834,772	1.7% to 6.7%
1815 - Transformer Station Equipment >50 kV	31,956,150	12,077,303	1,298,965	2.0% to 6.7%
1820 - Distribution Station Equipment <50 kV	5,597,083	3,574,499	165,694	3.3%
1830 - Poles, Towers & Fixtures	64,842,339	24,917,368	1,056,871	2.2%
1835 - Overhead Conductors & Devices	34,526,826	10,598,549	711,784	3.3% to 6.7%
1840 - Underground Conduit	17,369,842	8,164,769	224,524	2.0%
1845 - Underground Conductors & Devices	39,015,566	19,252,512	809,522	2.9%
1850 - Line Transformers	53,903,386	23,019,414	1,005,298	2.2% to 2.9%
1855 - Services (Overhead & Underground)	25,370,945	12,426,660	331,589	2.0% to 2.2%
1860 - Meters	6,681,238	3,249,821	77,384	4.0% to 6.7%
1860 - Meters (Smart Meters)	6,265,880	1,083,219	541,563	6.7%
1915 - Office Furniture & Equipment	1,567,630	909,973	109,160	10.0% to 20.0%
1920 - Computer Hardware	4,055,309	3,721,839	178,627	20.0%
1925/1611 - Computer Software	6,112,349	5,284,974	479,831	20.0%
1930 - Transportation Equipment - Large/Small	8,856,261	5,528,133	484,213	6.7% to 20.0%
1935 - Stores Equipment	542,506	287,690	46,942	10.0%
1940 - Tools, Shop & Garage Equipment	1,344,361	1,013,424	143,890	12.5% to 20.0%
1945 - Measurement & Testing Equipment	932,204	772,339	52,571	14.3%
1955 - Communications Equipment	929,763	514,999	91,386	2.0% to 12.5%
1960 - Miscellaneous Equipment	2,594,400	1,471,915	241,511	10.0%
1980 - System Supervisor Equipment	4,675,659	2,711,760	192,295	6.7%
1995 - Contributions & Grants	(33,424,664)	(9,747,822)	(780,539)	Various ***
2440 - Deferred Revenue				Various ***
Total Depreciation Amount	**316,996,025**	**133,975,418**	**8,297,854**	
Less: Fully Allocated Depreciation				
Transportation			(484,213)	
Truck Tools			(143,890)	
Stores			(46,942)	
Engineering			-	
Total Depreciation Adjustments			(675,045)	
Total Depreciation Rate Setting Purposes			**7,622,809**	

**** Amortized on same basis as assets for which contributions were received*

1 **Table 4-44 – 2015 Bridge – Asset Amount, Accumulated Amortization,**
2 **Depreciation Amount & Rate of Depreciation – MIFRS**

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	
1805 - Land	2,323,796	-	-	0.00%
1806/1612 - Land Rights	697,180	-	-	0.00%
1808 - Buildings	30,457,213	3,983,359	841,280	1.7% to 6.7%
1815 - Transformer Station Equipment >50 kV	32,659,748	13,396,546	1,319,243	2.0% to 6.7%
1820 - Distribution Station Equipment <50 kV	5,597,083	3,710,322	135,823	3.3%
1830 - Poles, Towers & Fixtures	68,655,396	26,058,973	1,141,605	2.2%
1835 - Overhead Conductors & Devices	38,109,472	11,442,015	843,466	3.3% to 6.7%
1840 - Underground Conduit	18,788,545	8,417,667	252,898	2.0%
1845 - Underground Conductors & Devices	43,005,466	20,166,309	913,797	2.9%
1850 - Line Transformers	57,599,407	24,116,492	1,097,078	2.2% to 2.9%
1855 - Services (Overhead & Underground)	26,409,533	12,779,915	353,256	2.0% to 2.2%
1860 - Meters	7,343,300	3,543,280	293,459	4.0% to 6.7%
1860 - Meters (Smart Meters)	6,265,880	1,624,782	541,563	6.7%
1915 - Office Furniture & Equipment	1,577,130	1,016,580	106,607	10.0% to 20.0%
1920 - Computer Hardware	4,234,789	3,917,361	195,522	20.0%
1925/1611 - Computer Software	6,823,715	5,793,849	508,875	20.0%
1930 - Transportation Equipment - Large/Small	9,126,170	5,472,270	568,909	6.7% to 20.0%
1935 - Stores Equipment	542,506	334,631	46,942	10.0%
1940 - Tools, Shop & Garage Equipment	1,447,361	1,131,371	117,947	12.5% to 20.0%
1945 - Measurement & Testing Equipment	946,204	823,394	51,055	14.3%
1955 - Communications Equipment	944,263	607,835	92,837	2.0% to 12.5%
1960 - Miscellaneous Equipment	2,625,900	1,713,824	241,910	10.0%
1980 - System Supervisor Equipment	4,907,107	2,919,406	207,646	6.7%
1995 - Contributions & Grants	(33,424,664)	(10,527,550)	(779,728)	Various ***
2440 - Deferred Revenue	(4,914,818)	(125,577)	(125,577)	Various ***
Total Depreciation Amount	**332,747,683**	**142,317,057**	**8,966,411**	
Less: Fully Allocated Depreciation				
Transportation			(568,909)	
Truck Tools			(117,947)	
Stores			(46,942)	
Engineering			-	
Total Depreciation Adjustments			(733,797)	
Total Depreciation Rate Setting Purposes			**8,232,613**	

**** Amortized on same basis as assets for which contributions were received*

Table 4-45 – 2016 Test – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – MIFRS

USoA / Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	
1805 - Land	2,323,796	-	-	0.00%
1806/1612 - Land Rights	740,439	-	-	0.00%
1808 - Buildings	30,585,263	4,827,391	844,031	1.7% to 6.7%
1815 - Transformer Station Equipment >50 kV	33,176,266	14,534,598	1,138,051	2.0% to 6.7%
1820 - Distribution Station Equipment <50 kV	5,691,670	3,847,832	137,510	3.3%
1830 - Poles, Towers & Fixtures	72,387,609	27,242,048	1,183,075	2.2%
1835 - Overhead Conductors & Devices	41,749,795	12,350,523	908,508	3.3% to 6.7%
1840 - Underground Conduit	19,694,317	8,679,622	261,956	2.0%
1845 - Underground Conductors & Devices	45,465,861	21,108,984	942,675	2.9%
1850 - Line Transformers	61,471,832	25,261,671	1,145,179	2.2% to 2.9%
1855 - Services (Overhead & Underground)	27,454,086	13,144,063	364,147	2.0% to 2.2%
1860 - Meters	7,987,667	3,858,111	314,832	4.0% to 6.7%
1860 - Meters (Smart Meters)	6,265,880	2,166,450	541,669	6.7%
1915 - Office Furniture & Equipment	1,584,130	1,123,536	106,957	10.0% to 20.0%
1920 - Computer Hardware	4,343,439	4,049,497	132,136	20.0%
1925/1611 - Computer Software	7,695,475	6,270,797	476,948	20.0%
1930 - Transportation Equipment - Large/Small	9,429,508	5,756,340	589,154	6.7% to 20.0%
1935 - Stores Equipment	542,506	381,573	46,942	10.0%
1940 - Tools, Shop & Garage Equipment	1,524,361	1,249,290	117,919	12.5% to 20.0%
1945 - Measurement & Testing Equipment	961,204	869,071	45,677	14.3%
1955 - Communications Equipment	944,263	700,203	92,368	2.0% to 12.5%
1960 - Miscellaneous Equipment	2,657,900	1,957,217	243,393	10.0%
1980 - System Supervisor Equipment	5,172,743	3,125,853	206,447	6.7%
1995 - Contributions & Grants	(33,424,664)	(11,306,403)	(778,853)	Various ***
2440 - Deferred Revenue	(7,204,556)	(280,607)	(155,031)	Various ***
Total Depreciation Amount	**349,220,791**	**150,917,658**	**8,905,686**	
Less: Fully Allocated Depreciation				
Transportation			(589,154)	
Truck Tools			(117,919)	
Stores			(46,942)	
Engineering			-	
Total Depreciation Adjustments			(754,014)	
Total Depreciation Rate Setting Purposes			**8,151,672**	

**** Amortized on same basis as assets for which contributions were received*

Asset and Retirement Obligations

At this time, WNH does not have any Asset Retirement Obligations (“AROs”), associated depreciation or accretion expenses in relation to the AROs to report as part of this Application.

Depreciation Practices - Useful Lives and Componentization

The following outlines the depreciation practices used by WNH in this Application and provides a summary of changes since the last Cost of Service Application.

In preparation for the conversion to IFRS, WNH retained the services of KPMG to assist with determining the level of property, plant and equipment (PP&E) componentization required under IFRS and establishing updated useful lives referencing the Kinectrics report. KPMG and WNH worked together to determine an appropriate level of componentization on historical assets and an assessment of remaining useful lives that incorporated all material components of historical costs. KPMG facilitated discussions with WNH's Engineering, Operations, Regulatory and Finance departments in order to determine a reasonable estimate of the useful lives of the assets of WNH. WNH adjusted the service lives to reflect the assets' useful life for which to calculate Depreciation Expense for 2013 forward. The adjustments made to WNH's service lives had a significant impact on WNH's depreciation expense and this change which is recorded in Account 1576 as explained in detail in Exhibit 9 – Deferral and Variance Accounts.

With the exception of the Communications Equipment - Radio included in USoA 1955 and Overhead Conductors included in USoA 1835, WNH confirms that the useful lives for all other asset groups' fall within the range allowed in the Board sponsored Kinectrics study and those significant parts or components of each item of PP&E are being depreciated separately.

Under CGAAP, WNH recorded Customer Contributions as an offset to the cost of Capital Assets and amortized accordingly. Under MIFRS, WNH cannot capitalize these customer contributions as part of its net capital assets, but instead will classify the contributions as a deferred revenue liability and amortize the costs to revenue over the life of the asset the contribution relates to. For financial reporting purposes, WNH has classified forecasted Customer Contributions for the 2015 Bridge Year and 2016 Test Year as Deferred Revenue and amortized the contribution to revenue over the life of the related asset. For rate setting purposes, these costs are included as an offset to rate base and the related amortized revenue as an offset to depreciation expense.

WNH confirms that no further depreciation expense policy changes or changes in asset service lives have been made subsequent to those made January 1, 2013.

More details on this process and on the conversion to MIFRS are provided in Exhibit 2 – Rate Base, within the "Capitalization Policy" section.

Table 4-46 below, consistent with Board Appendix 2-BB, provides a summary of the life comparison between WNH's selected useful lives and those provided in Table F-1 of the Kinectrics Report.

Table 4-46 Service Life Comparison – Appendix 2-BB

Table F-1 from Kinetrics Report1															
		Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent*	#	Category| Component | Type			MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	4	OH Line Switch			30	45	55	1835	OH Conductor & Devices	30	3%	30	3%	No	No
	5	OH Line Switch Motor			15	25	25								
	6	OH Line Switch RTU			15	20	20	1835	OH Conductor & Devices	15	7%	15	7%	No	No
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	75	1835	OH Conductor & Devices	45	2%	45	2%	Yes	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Line Transformers	45	2%	45	2%	No	No
	10	OH Shunt Capacitor Banks			25	30	40	1830	Poles, Towers and Fixtures	25	4%	25	4%	No	No
		OH Services			no guideline			1855	Services	45	2%	45	2%	no guideline	
	11	Reclosers			25	40	55								
TS & MS	12	Power Transformers	Overall		30	45	60	1815	Transformer Station Equipment	50	2%	50	2%	No	No
			Bushing		10	20	30								
			Tap Changer		20	30	60								
	13	Station Service Transformer			30	45	55								
	14	Station Grounding Transformer			30	40	40								
	15	Station DC System	Overall		10	20	30								
			Battery Bank		10	15	15								
			Charger		20	20	30								
		MS / DS Equipment			30	40	60	1820	Distribution Station Equipment	30	3%	30	3%	No	No
	16	Station Metal Clad Switchgear	Overall		30	40	60								
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
		Auxiliary Equipment			30	50	60	1815	Transformer Station Equipment	30	3%	30	3%	No	No
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45								
		P&C Equipment - Electronic			15	20	20	1815	Transformer Station Equipment	15	7%	15	7%	No	No
	22	Rigid Busbars			30	55	60								
	23	Steel Structure			35	50	90								
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30								
	27	Primary Non-TR XLPE Cables in Duct			20	25	30								
	29	Primary TR XLPE Cables in Duct			35	40	55	1845	Underground Conductor & Devices	35	3%	35	3%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40								
	32	Secondary Cables in Duct			35	40	60	1855	Services	50	2%	50	2%	No	No
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Line Transformers	35	3%	35	3%	No	No
	35	Submersible/Vault Transformers			25	35	45	1850	Line Transformers	35	3%	35	3%	No	No
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85	1840	Underground Conduit	50	2%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80								
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30	1980	System Supervisory Equipment	15	7%	15	7%	No	No

Table F-2 from Kinetrics Report1

#	Asset Details		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#	Category| Component | Type						Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture and Equipment	5	20%	5	20%	No	No
	Office Furniture		5	15	1915	Office Furniture and Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	12	8%	12	8%	No	No
		Hybrid Battery Packs	no guideline		1930	Transportation Equipment	5	20%	5	20%	no guideline	
		Cars	5	10	1930	Transportation Equipment	5	20%	5	20%	No	No
		Trailers	5	20	1930	Transportation Equipment	15	7%	15	7%	No	No
		Small Trucks / Vans	5	10	1930	Transportation Equipment	8	13%	8	13%	No	No
3	Administrative Buildings	Building	50	75	1808	Buildings and Fixtures	50	2%	50	2%	No	No
		Fence	25	60	1808	Buildings and Fixtures	25	4%	25	4%	No	No
		Parking	25	30	1808	Buildings and Fixtures	25	4%	25	4%	No	No
		Roof	20	30	1808	Buildings and Fixtures	20	5%	20	5%	No	No
		Controls and Automation / HVAC	no guideline		1808	Buildings and Fixtures	15	7%	15	7%	no guideline	
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	MS / DS Station Buildings	50	75	1808	Buildings and Fixtures	50	2%	50	2%	No	No
		TS Station Buildings	50	75	1808	Buildings and Fixtures	60	2%	60	2%	No	No
		Parking	25	30								
		Fence	25	60								
		Roof	20	30								
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	5	20%	5	20%	No	No
		Software	2	5	1925	Computer Software	5	20%	5	20%	No	No
7	Equipment	Miscellaneous Equipment	5	10	1960	Miscellaneous Equipment	10	10%	10	10%	No	No
		Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No	No
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop and Garage Equipment	8	13%	8	13%	No	No
		Truck Tools	5	10	1940	Tools, Shop and Garage Equipment	5	20%	5	20%	No	No
		Measurement & Testing Equipment	5	10	1945	Measurement and Testing Equipment	7	14%	7	14%	No	No
8	Communication	Towers	60	70	1955	Communication Equipment	50	2%	50	2%	Yes	No
		Wireless	2	10	1955	Communication Equipment	8	13%	8	13%	No	No
		Telephone System / Radio Station Equipment	no guideline		1955	Communication Equipment	10	10%	10	10%	no guideline	
9	Residential Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30	1820	Distribution Station Equipment	15	7%	15	7%	No	No
12	Current & Potential Transformer (CT & PT)		35	50								
13	Smart Meters		5	15	1860	Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

Table 4-47 provides details for the two asset groups which fall outside the Kinectrics range.

Table 4-47 Asset Groups Outside Kinectrics Range

Asset Group	Component	USoA	Useful Life			
			WNH	Kinectrics		
			Proposed	Min UL	TUL	Max UL
Communications	Towers/Cable/Antenna	1955	50	60	n/a	70
Overhead Conductors/Devices	Conductors	1835	45	50	60	75

WNH has proposed a useful life of 50 years for its Communications – Radio, Component Towers/Cable Antenna, USoA 1955, as a 50 year useful life is the experience of WNH. In addition, WNH discussed the useful life with its Equipment Provider, who has also experienced the 50 year useful life.

WNH has proposed a useful life of 45 years for its Overhead Conductors and Devices, Component Conductors, USoA 1835, as the replacement of these assets is triggered by the replacement of the pole(s), which has a useful life of 45 years. WNH has determined that it is inefficient and uneconomical to replace a pole without replacing the conductors and devices and to place old equipment on new poles, equipment that would have to be replaced in the upcoming future.

Depreciation Expense

In accordance with the filing requirements, WNH has completed depreciation and amortization expense tables for the following:

- 2013 – CGAAP (Table 4-48), consistent with Board Appendix 2-CF;
- 2013 – Revised CGAAP which accounts for the changes to service life changes and componentization (Table 4-49), consistent with Board Appendix 2-CG;
- 2014 Actuals under MIFRS (Table 4-50), consistent with Board Appendix 2-CH;
- 2015 Bridge Year under MIFRS (Table 4-51), consistent with Board Appendix 2-CI; and
- 2016 Test Year under MFIRS (Table 4-52), consistent with Board Appendix 2-CI.

WNH notes that Table 4-48 has the 2013 CGAAP Overhead Capital Additions allocated to USoA Accounts 1830 through 1855 as specific accounts were not known. This has resulted in fluctuations between the USoA Accounts.

WNH does not have any forecasted material differences on the transition to MIFRS from CGAAP, thus, a 2014 CGAAP statement was not required.

Table 4-48 - Depreciation and Amortization Expense – 2013 CGAAP – Appendix 2-CF

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation (e) = (c) + 1 x (d) 1	Years (f)	Depreciation Rate (g) = 1 / (f)	Depreciation Expense (h) = (e) / (f)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance 2 (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 5,407,634	$ 3,121,139	$ 2,286,494	$ 342,714	$ 2,629,209	5.00	20.00%	$ 525,842	$ 524,708	$ 1,133
1612	Land Rights (Formally known as Account 1906)	$ 510,696		$ 510,696	$ 43,423	$ 554,119		0.00%	$ -	$ -	$ -
1805	Land	$ 2,323,796		$ 2,323,796		$ 2,323,796		0.00%	$ -	$ -	$ -
1808	Buildings	$ 28,987,662	$ 115,139	$ 28,872,523	$ 589,011	$ 29,461,534	50.00	2.00%	$ 589,231	$ 594,767	-$ 5,537
1810	Leasehold Improvements			$ -		$ -		0.00%	$ -		$ -
1815	Transformer Station Equipment >50 kV	$ 31,230,359	$ 1,126,896	$ 30,103,463	$ 531,484	$ 30,634,946	40.00	2.50%	$ 765,874	$ 772,626	-$ 6,752
1820	Distribution Station Equipment <50 kV	$ 4,811,797	$ 953,768	$ 3,858,029	$ 425,404	$ 4,283,433	30.00	3.33%	$ 142,781	$ 105,318	$ 37,463
1825	Storage Battery Equipment			$ -		$ -		0.00%	$ -		$ -
1830	Poles, Towers & Fixtures	$ 55,022,226	$ 5,370,026	$ 49,652,200	$ 5,621,083	$ 55,273,283	25.00	4.00%	$ 2,210,931	$ 2,110,312	$ 100,619
1835	Overhead Conductors & Devices	$ 27,072,749	$ 1,856,797	$ 25,215,952	$ 3,938,300	$ 29,154,252	25.00	4.00%	$ 1,166,170	$ 1,116,444	$ 49,726
1840	Underground Conduit	$ 15,510,774	$ 1,870,814	$ 13,639,961	$ 1,053,089	$ 14,693,050	25.00	4.00%	$ 587,722	$ 564,995	$ 22,727
1845	Underground Conductors & Devices	$ 35,032,055	$ 4,341,338	$ 30,690,717	$ 2,625,458	$ 33,316,176	25.00	4.00%	$ 1,332,647	$ 1,323,625	$ 9,022
1850	Line Transformers	$ 48,052,253	$ 4,030,436	$ 44,021,817	$ 3,346,546	$ 47,368,363	25.00	4.00%	$ 1,894,735	$ 1,793,180	$ 101,555
1855	Services (Overhead & Underground)	$ 22,829,581	$ 2,923,012	$ 19,906,568	$ 1,453,141	$ 21,359,710	25.00	4.00%	$ 854,388	$ 808,933	$ 45,455
1860	Meters	$ 12,154,026	$ 2,256,275	$ 9,897,751	$ 809,494	$ 10,707,245	25.00	4.00%	$ 428,290	$ 535,570	-$ 107,280
1860	Meters (Smart Meters)	$ 6,265,880		$ 6,265,880		$ 6,265,880	15.00	6.67%	$ 417,725	$ 505,137	-$ 87,412
1905	Land			$ -		$ -		0.00%	$ -		$ -
1908	Buildings & Fixtures			$ -		$ -		0.00%	$ -		$ -
1910	Leasehold Improvements			$ -		$ -		0.00%	$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 1,757,548	$ 501,033	$ 1,256,515	$ 19,537	$ 1,276,052	10.00	10.00%	$ 127,605	$ 106,927	$ 20,678
1915	Office Furniture & Equipment (5 years)			$ -		$ -	5.00	20.00%	$ -	-$ 2,500	$ 2,500
1920	Computer Equipment - Hardware			$ -		$ -		0.00%	$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)			$ -		$ -		0.00%	$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 3,815,382	$ 2,720,707	$ 1,094,676	$ 112,736	$ 1,207,412	5.00	20.00%	$ 241,482	$ 229,634	$ 11,849
1930	Transportation Equipment	$ 7,465,135	$ 3,614,496	$ 3,850,639	$ 911,991	$ 4,762,629	7.30	13.69%	$ 652,125	$ 639,164	$ 12,961
1935	Stores Equipment	$ 533,925	$ 73,089	$ 460,835	$ 8,581	$ 469,416	10.00	10.00%	$ 46,942	$ 46,942	-$ 0
1940	Tools, Shop & Garage Equipment	$ 1,182,142	$ 443,704	$ 738,438	$ 81,737	$ 820,175	10.00	10.00%	$ 82,018	$ 145,992	-$ 63,975
1945	Measurement & Testing Equipment	$ 891,281	$ 477,496	$ 413,785	$ 4,726	$ 418,511	10.00	10.00%	$ 41,851	$ 52,997	-$ 11,146
1950	Power Operated Equipment			$ -		$ -		0.00%	$ -		$ -
1955	Communications Equipment	$ 902,458	$ 46,553	$ 855,905	$ 8,031	$ 863,937	10.00	10.00%	$ 86,394	$ 85,960	$ 433
1955	Communication Equipment (Smart Meters)			$ -		$ -		0.00%	$ -		$ -
1960	Miscellaneous Equipment	$ 2,563,676	$ 441,529	$ 2,122,148	$ 17,608	$ 2,139,755	10.00	10.00%	$ 213,976	$ 211,707	$ 2,268
1970	Load Management Controls - Customer Premises			$ -		$ -		0.00%	$ -		$ -
1975	Load Management Controls Utility Premises			$ -		$ -		0.00%	$ -		$ -
1980	System Supervisor Equipment	$ 3,949,135	$ 1,455,833	$ 2,493,302	$ 465,383	$ 2,958,685	15.00	6.67%	$ 197,246	$ 204,791	-$ 7,546
1985	Miscellaneous Fixed Assets			$ -		$ -		0.00%	$ -		$ -
1990	Other Tangible Property			$ -		$ -		0.00%	$ -		$ -
1995	Contributions & Grants	-$ 30,158,715		-$ 30,158,715	-$ 1,672,705	$ (31,831,420)	25.00	4.00%	-$ 1,273,257	-$ 1,273,635	$ 378
	Total	**$ 288,113,454**	**$ 37,740,079**	**$ 250,373,375**	**$ 20,736,771**	**$ 271,110,147**			**$ 11,332,716**	**$ 11,203,595**	**$ 129,121**

Table 4-49 - Depreciation and Amortization Expense - 2013 Revised CGAAP – Appendix 2-CG

Account	Description	Opening NBV as at Jan 1, 2013 [5] (a)	Additions (d)	Average Remaining Life of Opening NBV [4] (i)	Years (new additions only) [3] (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Depreciation Expense on Opening NBV (j) = (a) / (i)	Depreciation Expense on Additions [1] (h)=((d)*1)/(f)	2013 Depreciation Expense (k) = (j) + (h)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (k) - (l)	Depreciation Expense on 2013 Full Year Additions (n) = (d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation [6] (p) = (j) + (n) - (o)	Balances in 2013 Opening NBV, should have been fully depreciated, thus, remove 2013
1611	Computer Software (Formally known as Account 1925)	$ 1,137,960	$ 342,714	2.44	5.00	20.00%	$ 466,951	$ 68,543	$ 535,494	$ 535,469	$ 25	$ 68,543	$ 125,501	$ 409,993	
1612	Land Rights (Formally known as Account 1906)	$ 510,696	$ 43,423	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -		$ -	
1805	Land	$ 2,323,796				0.00%	$ -	$ -	$ -	$ -	$ -	$ -		$ -	
1808	Buildings - MS	$ 158,629	$ 19,349	24.36	50.00	2.00%	$ 6,512	$ 387	$ 6,899	$ 6,900	-$ 1	$ 387		$ 6,899	
1808	Buildings - TS	$ 3,132,108	-$ 19,817	49.28	60.00	1.67%	$ 63,557	-$ 330	$ 63,227	$ 60,049	$ 3,178	-$ 330		$ 63,227	
1808	Buildings & Fixtures - Service Centre	$ 19,340,595	$ 286,336	49.87	50.00	2.00%	$ 387,806	$ 5,727	$ 393,533	$ 393,533	-$ 0	$ 5,727		$ 393,533	
1808	Service Centre - Parking Lot & Fence	$ 690,605	$ 69,216	23.05	25.00	4.00%	$ 29,961	$ 2,769	$ 32,730	$ 32,725	$ 5	$ 2,769		$ 32,730	
1808	Service Centre - HVAC	$ 3,577,997	$ 221,804	13.00	15.00	6.67%	$ 275,135	$ 14,787	$ 289,922	$ 289,921	$ 0	$ 14,787		$ 289,922	
1808	Service Centre - Roof	$ 594,827	$ 5,985	18.00	20.00	5.00%	$ 33,046	$ 299	$ 33,345	$ 33,345	-$ 0	$ 299		$ 33,345	
1808	Service Centre - Automation	$ -	$ 6,138	13.99	15.00	6.67%	$ -	$ 409	$ 409	$ 3,107	-$ 2,698	$ 409		$ 409	
1808	Operation Centre - Workshop	$ 5,323	$ -	35.49	50.00	2.00%	$ 150	$ -	$ 150	$ 150	-$ 0	$ -		$ 150	
1810	Leasehold Improvements					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1815	Transformer Station Equipment >50 kV	$ 8,117,510	$ 109,152	10.43	30.00	3.33%	$ 778,024	$ 3,638	$ 781,662	$ 781,661	$ 1	$ 3,638	$ 18,604	$ 763,058	
1815	TSE Auxiliary equipment	$ 1,260,560	$ 33,224	22.63	30.00	3.33%	$ 55,706	$ 1,107	$ 56,813	$ 56,811	$ 1	$ 1,107		$ 56,813	
1815	TSE - P&C equipment	$ 2,208,862	$ 213,290	10.46	15.00	6.67%	$ 211,130	$ 14,219	$ 225,349	$ 225,319	$ 30	$ 14,219		$ 225,349	
1815	TSE - Power transformer	$ 10,172,575	$ 175,818	42.35	50.00	2.00%	$ 240,180	$ 3,516	$ 243,696	$ 243,696	$ 1	$ 3,516		$ 243,696	
1820	Distribution Station Equipment <50 kV	$ 796,679	$ 407,724	6.69	30.00	3.33%	$ 119,165	$ 13,591	$ 132,756	$ 132,757	-$ 1	$ 13,591	$ 37,383	$ 95,373	
1820	Meters Wholesale	$ 739,069	$ 17,680	13.55	15.00	6.67%	$ 54,540	$ 1,179	$ 55,719	$ 55,719	$ -	$ 1,179		$ 55,719	
1825	Storage Battery Equipment					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1830	Poles, Towers & Fixtures	$ 32,108,265	$ 4,855,044	38.29	45.00	2.22%	$ 838,642	$ 107,890	$ 946,532	$ 946,536	-$ 4	$ 107,890		$ 946,532	
1835	Overhead Conductors & Devices	$ 17,765,762	$ 2,639,429	36.80	45.00	2.22%	$ 482,739	$ 58,654	$ 541,393	$ 541,387	$ 6	$ 58,654		$ 541,393	
1835	OH Manual line switches		$ 372,600	-	30.00	3.33%	$ -	$ 12,420	$ 12,420	$ 12,420	-$ 0	$ 12,420		$ 12,420	
1835	OH SCADA control equipment		$ 389,561	-	15.00	6.67%	$ -	$ 25,971	$ 25,971	$ 25,971	-$ 0	$ 25,971		$ 25,971	
1840	Underground Conduit	$ 7,776,101	$ 909,575	41.48	50.00	2.00%	$ 187,489	$ 18,191	$ 205,680	$ 205,572	$ 109	$ 18,191		$ 205,680	
1845	Underground Conductors & Devices	$ 17,387,401	$ 2,267,662	24.99	35.00	2.86%	$ 733,536	$ 64,790	$ 798,327	$ 798,336	-$ 9	$ 64,790		$ 760,704	- 37,623
1850	Line Transformers - Overhead	$ 12,702,530	$ 651,361	37.85	45.00	2.22%	$ 300,289	$ 14,475	$ 314,764	$ 314,765	-$ 1	$ 14,475	-$ 35,925	$ 350,689	35,348
1850	Line Transformers - Underground	$ 14,232,827	$ 2,239,118	27.45	35.00	2.86%	$ 518,481	$ 63,975	$ 582,456	$ 582,455	$ 1	$ 63,975		$ 582,456	
1855	Services - Overhead	$ 4,150,229	$ 272,539	37.03	45.00	2.22%	$ 112,084	$ 6,056	$ 118,140	$ 118,140	$ 0	$ 6,056		$ 118,140	
1855	Services - Underground	$ 6,889,107	$ 982,569	41.24	50.00	2.00%	$ 167,037	$ 19,651	$ 186,688	$ 186,686	$ 2	$ 19,651		$ 186,688	
1860	Meters - Bi'directional	$ 33,590	$ -	23.39	25.00	4.00%	$ 1,436	$ -	$ 1,436	$ 1,436	$ 0	$ -		$ 1,436	
1860	Meters - Commercial	$ 1,798,460	$ 1,273	21.33	25.00	4.00%	$ 84,320	$ 51	$ 84,371	$ 84,369	$ 2	$ 51		$ 84,371	
1860	Meters - Residential	$ 2,397,467	$ -	10.97	25.00	4.00%	$ 338,974	$ -	$ 338,974	$ 338,973	$ 1	$ -	$ 155,199	$ 63,315	- 120,460
1860	Meters C& I	$ -	$ 808,222	-	15.00	6.67%	$ -	$ 53,881	$ 53,881	$ 55,060	-$ 1,179	$ 53,881		$ 53,881	
1860	Meters (Smart Meters)	$ 6,265,880	$ -	11.57	15.00	6.67%	$ 541,656	$ -	$ 541,656	$ 541,669	-$ 13	$ -		$ 541,656	
1905	Land					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1908	Buildings & Fixtures					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1910	Leasehold Improvements					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1915	Office Furniture & Equipment (10 years)	$ 886,158	$ 19,537	8.73	10.00	10.00%	$ 101,472	$ 1,954	$ 103,426	$ 103,425	$ 1	$ 1,954		$ 103,426	
1915	Office Furniture & Equipment (5 years)	$ 7,004		2.00	5.00	20.00%	$ 3,502	$ -	$ 3,502	$ 3,502	$ 0	$ -		$ 3,502	
1920	Computer Equipment - Hardware					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 473,010	$ 112,736	3.03	5.00	20.00%	$ 178,249	$ 22,547	$ 200,796	$ 200,839	-$ 43	$ 22,547	$ 30,486	$ 148,171	- 22,140
1930	Transportation Equipment - car	$ 29,729	$ -	4.00	5.00	20.00%	$ 7,432	$ -	$ 7,432	$ 7,432	$ 0	$ -		$ 7,432	
1930	Transportation Equipment - Other - trailers etc	$ 184,655	$ 305,041	12.10	15.00	6.67%	$ 15,262	$ 20,336	$ 35,598	$ 35,598	$ 0	$ 20,336		$ 35,598	
1930	Transportation Equipment - small trucks	$ 629,219	$ 56,997	6.26	8.00	12.50%	$ 100,457	$ 7,125	$ 107,581	$ 107,581	$ -	$ 7,125		$ 107,581	
1930	Transportation Equipment - workplatform	$ 1,400,100	$ 408,867	8.97	12.00	8.33%	$ 156,035	$ 34,072	$ 190,107	$ 190,112	-$ 5	$ 34,072		$ 190,107	
1930	Transportation Equipmnet - Hybrid system	$ -	$ 141,086	-	5.00	20.00%	$ -	$ 28,217	$ 28,217	$ 28,217	-$ 0	$ 28,217		$ 28,217	
1935	Stores Equipment	$ 340,119	$ 8,581	7.38	10.00	10.00%	$ 46,087	$ 858	$ 46,945	$ 46,942	$ 3	$ 858		$ 46,945	
1940	Tools, Shop & Garage Equipment	$ 269,625	$ 10,423	8.37	8.00	12.50%	$ 33,437	$ 1,303	$ 34,740	$ 34,740	$ 0	$ 1,303		$ 33,535	- 1,205
1940	Truck tools	$ 220,122	$ 71,314	2.49	5.00	20.00%	$ 147,257	$ 14,263	$ 161,520	$ 161,512	$ 7	$ 14,263	$ 15,250	$ 87,273	- 58,996
1945	Measurement & Testing Equipment	$ 240,372	$ 4,726	4.62	7.00	14.29%	$ 68,184	$ 675	$ 68,859	$ 68,859	-$ 1	$ 675	$ 5,347	$ 47,400	- 16,112
1950	Power Operated Equipment					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1955	Communications Equipment - phones	$ 341,350	$ 6,024	6.73	10.00	10.00%	$ 50,713	$ 602	$ 51,316	$ 51,313	$ 3	$ 602	$ 4,512	$ 46,803	
1955	Communications Equipment - Radio wireless	$ 109,455	$ 2,007	4.42	8.00	12.50%	$ 24,788	$ 251	$ 25,039	$ 25,039	$ 0	$ 251		$ 25,039	
1955	Communications Equipment - Radio	$ 122,012		6.93	10.00	10.00%	$ 17,619	$ -	$ 17,619	$ 17,620	-$ 1	$ -		$ 17,619	
1955	Communication Equipment (Smart Meters)					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1960	Miscellaneous Equipment	$ 1,554,687	$ 17,608	6.58	10.00	10.00%	$ 236,454	$ 1,761	$ 238,215	$ 238,202	$ 13	$ 1,761	$ 212	$ 238,003	
1970	Load Management Controls - Customer Premises					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1975	Load Management Controls Utility Premises					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1980	System Supervisor Equipment	$ 1,637,568	$ 465,383	11.23	15.00	6.67%	$ 176,969	$ 31,026	$ 207,994	$ 207,899	$ 95	$ 31,026	$ 1,930	$ 174,981	- 31,083
1985	Miscellaneous Fixed Assets					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1990	Other Tangible Property					0.00%	$ -	$ -	$ -		$ -	$ -		$ -	
1995	Contributions & Grants	-$ 21,932,649	-$ 1,672,705			0.00%	-$ 699,607	-$ 41,609	-$ 741,216	-$ 741,216	$ 0	-$ 41,609		-$ 741,216	
	Total	**$ 164,787,950**	**$ 18,278,612**				**$ 7,692,856**	**$ 699,228**	**$ 8,392,084**	**$ 8,392,554**	**-$ 470**	**$ 699,228**	**$ 358,499**	**$ 7,745,965**	

Table 4-50 - Depreciation and Amortization Expense - 2014 MIFRS – Appendix 2-CH

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense [1] (h)=2013 Full Year Deprecation + ((d)*1)/(f)	2014 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation [3] (p) = 2013 Full Year Depreciation + (n) - (o)	Adjustments
1611	Computer Software (Formally known as Account 1925)	$ 362,002	5.00	20.00%	$ 482,394	$ 479,831	$ 2,562	$ 72,400	$ 113,230	$ 369,163	
1612	Land Rights (Formally known as Account 1906)	$ 99,902	-	0.00%	$ -		$ -	$ -		$ -	
1805	Land			0.00%	$ -		$ -	$ -		$ -	
1808	Buildings - MS	$ -	50.00	2.00%	$ 6,899	$ 6,900	-$ 1	$ -		$ 6,899	
1808	Buildings - TS	$ 492,749	60.00	1.67%	$ 71,440	$ 68,262	$ 3,178	$ 8,212		$ 71,440	
1808	Buildings & Fixtures - Service Centre	$ 179,822	50.00	2.00%	$ 397,129	$ 397,134	-$ 5	$ 3,596		$ 397,129	
1808	Service Centre - Parking Lot & Fence	$ 13,775	25.00	4.00%	$ 33,281	$ 33,276	$ 5	$ 551		$ 33,281	
1808	Service Centre - HVAC	$ 34,545	15.00	6.67%	$ 292,225	$ 292,224	$ 1	$ 2,303		$ 292,225	
1808	Service Centre - Roof	$ -	20.00	5.00%	$ 33,345	$ 33,345	-$ 0	$ -		$ 33,345	
1808	Service Centre - Automation	$ 5,610	15.00	6.67%	$ 783	$ 3,481	-$ 2,698	$ 374		$ 783	
1808	Operation Centre - Workshop	$ -	50.00	2.00%	$ 150	$ 150	-$ 0	$ -		$ 150	
1810	Leasehold Improvements			0.00%	$ -		$ -	$ -		$ -	
1815	Transformer Station Equipment >50 kV	$ 19,469	30.00	3.33%	$ 763,707	$ 763,676	$ 31	$ 649	$ 3,281	$ 760,427	
1815	TSE Auxiliary equipment	$ 66,703	30.00	3.33%	$ 59,036	$ 59,035	$ 1	$ 2,223		$ 59,036	
1815	TSE - P&C equipment	$ 108,135	15.00	6.67%	$ 232,558	$ 232,558	$ 1	$ 7,209	$ 5,500	$ 227,058	
1815	TSE - Power transformer		50.00	2.00%	$ 243,696	$ 243,696	$ 1	$ -		$ 243,696	
1820	Distribution Station Equipment <50 kV	$ 160,850	30.00	3.33%	$ 100,735	$ 106,256	-$ 5,521	$ 5,362	$ 13,134	$ 87,601	
1820	Meters Wholesale	$ 199,033	15.00	6.67%	$ 68,988	$ 59,438	$ 9,549	$ 13,269	$ 16,738	$ 52,249	
1825	Storage Battery Equipment			0.00%	$ -		$ -	$ -		$ -	
1830	Poles, Towers & Fixtures	$ 4,965,069	45.00	2.22%	$ 1,056,867	$ 1,056,871	-$ 4	$ 110,335		$ 1,056,867	
1835	Overhead Conductors & Devices	$ 2,865,461	45.00	2.22%	$ 605,070	$ 605,070	$ -	$ 63,677		$ 605,070	
1835	OH Manual line switches	$ 324,177	30.00	3.33%	$ 23,226	$ 23,226	$ -	$ 10,806		$ 23,226	
1835	OH SCADA control equipment	$ 862,848	15.00	6.67%	$ 83,494	$ 83,488	$ 6	$ 57,523		$ 83,494	
1840	Underground Conduit	$ 949,493	50.00	2.00%	$ 224,670	$ 224,524	$ 146	$ 18,990		$ 224,670	
1845	Underground Conductors & Devices	$ 1,715,849	35.00	2.86%	$ 809,728	$ 809,522	$ 206	$ 49,024	$ 9,722	$ 800,006	
1850	Line Transformers - Overhead	$ 1,720,415	45.00	2.22%	$ 388,920	$ 387,975	$ 945	$ 38,231		$ 388,920	
1850	Line Transformers - Underground	$ 1,240,238	35.00	2.86%	$ 617,891	$ 617,323	$ 568	$ 35,435		$ 617,891	
1855	Services - Overhead	$ 467,100	45.00	2.22%	$ 128,520	$ 128,520	$ 0	$ 10,380		$ 128,520	
1855	Services - Underground	$ 819,156	50.00	2.00%	$ 203,072	$ 203,069	$ 3	$ 16,383		$ 203,072	
1860	Meters - Bi'directional		25.00	4.00%	$ 1,436	$ 1,436	$ 0	$ -		$ 1,436	
1860	Meters - Commercial		25.00	4.00%	$ 84,371	$ 84,371	-$ 0	$ -		$ 84,371	
1860	Meters - Residential		25.00	4.00%	-$ 96,288	-$ 88,196	-$ 8,092	$ -		$ 63,315	159,603
1860	Meters C& I	$ 370,695	15.00	6.67%	$ 78,595	$ 79,773	-$ 1,179	$ 24,713		$ 78,595	Stranded Meter
1860	Meters (Smart Meters)		15.00	6.67%	$ 541,656	$ 541,563	$ 94	$ -		$ 541,656	Adjustment
1905	Land			0.00%	$ -		$ -	$ -		$ -	
1908	Buildings & Fixtures			0.00%	$ -		$ -	$ -		$ -	
1910	Leasehold Improvements			0.00%	$ -		$ -	$ -		$ -	
1915	Office Furniture & Equipment (10 years)	$ 22,322	10.00	10.00%	$ 105,658	$ 105,658	$ -	$ 2,232		$ 105,658	
1915	Office Furniture & Equipment (5 years)		5.00	20.00%	$ 3,502	$ 3,502	$ -	$ -	$ 3,502	-$ 0	
1920	Computer Equipment - Hardware			0.00%	$ -		$ -	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)			0.00%	$ -		$ -	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 127,191	5.00	20.00%	$ 173,609	$ 178,627	-$ 5,019	$ 25,438	$ 19,001	$ 154,608	
1930	Transportation Equipment - car	$ -	5.00	20.00%	$ 7,432	$ 7,432	$ 0	$ -		$ 7,432	
1930	Transportation Equipment - Other - trailers etc	$ 3,475	15.00	6.67%	$ 35,830	$ 35,871	-$ 41	$ 232		$ 35,830	
1930	Transportation Equipment - small trucks	$ 61,585	8.00	12.50%	$ 115,279	$ 118,459	-$ 3,179	$ 7,698		$ 115,279	
1930	Transportation Equipment - workplatform	$ 879,838	12.00	8.33%	$ 263,427	$ 262,220	$ 1,207	$ 73,320		$ 263,427	
1930	Transportation Equipmnet - Hybrid system	$ 88,000	5.00	20.00%	$ 52,941	$ 60,231	-$ 7,290	$ 17,600		$ 52,941	- 7,124
1935	Stores Equipment		10.00	10.00%	$ 46,945	$ 46,942	$ 3	$ -		$ 46,945	Adjust due to
1940	Tools, Shop & Garage Equipment	$ 3,244	8.00	12.50%	$ 33,941	$ 33,940	$ 1	$ 405		$ 33,941	transfer
1940	Truck tools	$ 113,418	5.00	20.00%	$ 109,957	$ 109,950	$ 7	$ 22,684	$ 44,856	$ 65,101	between assets
1945	Measurement & Testing Equipment	$ 36,197	7.00	14.29%	$ 49,985	$ 52,571	-$ 2,586	$ 5,171	$ 3,516	$ 49,054	
1950	Power Operated Equipment			0.00%	$ -		$ -	$ -		$ -	
1955	Communications Equipment - phones	$ 19,274	10.00	10.00%	$ 48,730	$ 48,728	$ 2	$ 1,927		$ 48,730	
1955	Communications Equipment - Radio wireless		8.00	12.50%	$ 25,039	$ 25,038	$ 1	$ -		$ 25,039	
1955	Communications Equipment - Radio		10.00	10.00%	$ 17,619	$ 17,620	-$ 1	$ -		$ 17,619	
1955	Communication Equipment (Smart Meters)			0.00%	$ -		$ -	$ -		$ -	
1960	Miscellaneous Equipment	$ 35,223	10.00	10.00%	$ 241,525	$ 241,511	$ 14	$ 3,522	$ 2,753	$ 238,773	
1970	Load Management Controls - Customer Premises			0.00%	$ -		$ -	$ -		$ -	
1975	Load Management Controls Utility Premises			0.00%	$ -		$ -	$ -		$ -	
1980	System Supervisor Equipment	$ 261,141	15.00	6.67%	$ 192,390	$ 192,295	$ 96	$ 17,409	$ 79	$ 192,311	
1985	Miscellaneous Fixed Assets			0.00%	$ -		$ -	$ -		$ -	
1990	Other Tangible Property			0.00%	$ -		$ -	$ -		$ -	
		-$ 1,593,244		0.00%	-$ 780,539	-$ 780,539	$ 0	$ -	-$ 811	-$ 779,728	
	Total	$18,100,762			$ 8,280,865	$ 8,297,853	-$ 16,989	$ 729,286	$ 234,502	$ 8,208,551	
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)										
	Total Depreciation Expense				$ 8,280,865						

Table 4-51 - Depreciation and Amortization Expense - 2015 MIFRS – Appendix 2-CI

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense [1] (h)=2014 Full Year Depreciation + ((d)*1)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (I)	Variance [2] (m) = (h) - (I)
1611	Computer Software (Formally known as Account 1925)	$ 711,366	5.00	20.00%	**$ 511,436**	$ 508,875	**$ 2,561**
1612	Land Rights (Formally known as Account 1906)	$ 43,159	-	0.00%	**$ -**		**$ -**
1805	Land			0.00%	**$ -**		**$ -**
1808	Buildings - MS		50.00	2.00%	**$ 6,899**	$ 6,900	**-$ 1**
1808	Buildings - TS		60.00	1.67%	**$ 71,440**	$ 68,262	**$ 3,178**
1808	Buildings & Fixtures - Service Centre	$ 80,500	50.00	2.00%	**$ 398,739**	$ 398,739	**-$ 0**
1808	Service Centre - Parking Lot & Fence		25.00	4.00%	**$ 33,281**	$ 33,276	**$ 5**
1808	Service Centre - HVAC	$ 58,539	15.00	6.67%	**$ 296,127**	$ 296,127	**$ 0**
1808	Service Centre - Roof		20.00	5.00%	**$ 33,345**	$ 33,345	**-$ 0**
1808	Service Centre - Automation	$ 15,000	15.00	6.67%	**$ 1,783**	$ 4,481	**-$ 2,698**
1808	Operation Centre - Workshop		50.00	2.00%	**$ 150**	$ 150	**-$ 0**
1810	Leasehold Improvements			0.00%	**$ -**		**$ -**
1815	Transformer Station Equipment >50 kV		30.00	3.33%	**$ 760,427**	$ 760,396	**$ 31**
1815	TSE Auxiliary equipment		30.00	3.33%	**$ 59,036**	$ 59,035	**$ 1**
1815	TSE - P&C equipment	$ 321,147	15.00	6.67%	**$ 248,468**	$ 248,468	**$ 0**
1815	TSE - Power transformer	$ 382,451	50.00	2.00%	**$ 251,345**	$ 251,345	**$ 1**
1820	Distribution Station Equipment <50 kV		30.00	3.33%	**$ 87,601**	$ 93,123	**-$ 5,522**
1820	Meters Wholesale		15.00	6.67%	**$ 52,249**	$ 42,700	**$ 9,550**
1825	Storage Battery Equipment			0.00%	**$ -**		**$ -**
1830	Poles, Towers & Fixtures	$ 3,813,057	45.00	2.22%	**$ 1,141,602**	$ 1,141,605	**-$ 4**
1835	Overhead Conductors & Devices	$ 2,318,553	45.00	2.22%	**$ 656,593**	$ 656,587	**$ 6**
1835	OH Manual line switches	$ 123,427	30.00	3.33%	**$ 27,340**	$ 27,340	**-$ 0**
1835	OH SCADA control equipment	$ 1,140,666	15.00	6.67%	**$ 159,538**	$ 159,538	**-$ 0**
1840	Underground Conduit	$ 1,418,703	50.00	2.00%	**$ 253,044**	$ 252,898	**$ 146**
1845	Underground Conductors & Devices	$ 3,989,900	35.00	2.86%	**$ 914,004**	$ 913,797	**$ 206**
1850	Line Transformers - Overhead	$ 2,081,122	45.00	2.22%	**$ 435,167**	$ 433,615	**$ 1,552**
1850	Line Transformers - Underground	$ 1,614,899	35.00	2.86%	**$ 664,031**	$ 663,463	**$ 568**
1855	Services - Overhead	$ 402,533	45.00	2.22%	**$ 137,465**	$ 137,465	**$ 0**
1855	Services - Underground	$ 636,055	50.00	2.00%	**$ 215,793**	$ 215,790	**$ 2**
1860	Meters - Bi'directional		25.00	4.00%	**$ 1,436**	$ 1,436	**$ 0**
1860	Meters - Commercial		25.00	4.00%	**$ 84,371**	$ 75,950	**$ 8,421**
1860	Meters - Residential	$ 220,898	25.00	4.00%	**$ 72,151**	$ 73,005	**-$ 854**
1860	Meters C& I	$ 441,164	15.00	6.67%	**$ 108,005**	$ 142,962	**-$ 34,956**
1860	Meters (Smart Meters)		15.00	6.67%	**$ 541,656**	$ 541,669	**-$ 13**
1905	Land			0.00%	**$ -**		**$ -**
1908	Buildings & Fixtures			0.00%	**$ -**		**$ -**
1910	Leasehold Improvements			0.00%	**$ -**		**$ -**
1915	Office Furniture & Equipment (10 years)	$ 9,500	10.00	10.00%	**$ 106,608**	$ 106,607	**$ 1**
1915	Office Furniture & Equipment (5 years)			0.00%	**-$ 0**		**-$ 0**
1920	Computer Equipment - Hardware			0.00%	**$ -**		**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)			0.00%	**$ -**		**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 179,480	5.00	20.00%	**$ 190,504**	$ 195,522	**-$ 5,018**
1930	Transportation Equipment - car			0.00%	**$ 7,432**	$ 7,432	**$ 0**
1930	Transportation Equipment - Other - trailers etc			0.00%	**$ 35,830**	$ 35,871	**-$ 41**
1930	Transportation Equipment - small trucks	$ 37,624	8.00	12.50%	**$ 119,982**	$ 123,162	**-$ 3,179**
1930	Transportation Equipment - workplatform	$ 874,420	12.00	8.33%	**$ 336,295**	$ 342,213	**-$ 5,918**
1930	Transportation Equipmnet - Hybrid system			0.00%	**$ 52,941**	$ 60,231	**-$ 7,290**
1935	Stores Equipment			0.00%	**$ 46,945**	$ 46,942	**$ 3**
1940	Tools, Shop & Garage Equipment	$ 22,500	8.00	12.50%	**$ 36,753**	$ 36,753	**$ 1**
1940	Truck tools	$ 80,500	5.00	20.00%	**$ 81,201**	$ 81,194	**$ 7**
1945	Measurement & Testing Equipment	$ 14,000	7.00	14.29%	**$ 51,054**	$ 51,055	**-$ 0**
1950	Power Operated Equipment			0.00%	**$ -**		**$ -**
1955	Communications Equipment - phones	$ 14,500	10.00	10.00%	**$ 50,180**	$ 50,178	**$ 3**
1955	Communications Equipment - Radio wireless		8.00	12.50%	**$ 25,039**	$ 25,039	**$ 0**
1955	Communications Equipment - Radio		10.00	10.00%	**$ 17,619**	$ 17,620	**-$ 1**
1955	Communication Equipment (Smart Meters)		-	0.00%	**$ -**		**$ -**
1960	Miscellaneous Equipment	$ 31,500	10.00	10.00%	**$ 241,923**	$ 241,910	**$ 13**
1970	Load Management Controls - Customer Premises			0.00%	**$ -**		**$ -**
1975	Load Management Controls Utility Premises			0.00%	**$ -**		**$ -**
1980	System Supervisor Equipment	$ 231,448	15.00	6.67%	**$ 207,741**	$ 207,646	**$ 95**
1985	Miscellaneous Fixed Assets			0.00%	**$ -**		**$ -**
1990	Other Tangible Property			0.00%	**$ -**		**$ -**
1995	Contributions & Grants	-$ 4,914,818		0.00%	**-$ 905,305**	-$ 905,305	**-$ 0**
	Total	**$ 16,393,794**			**$ 8,927,267**	**$ 8,966,411**	**-$ 39,144**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)						
	Total Depreciation expense to be included in the test year revenue requirement				**$ 8,927,267**		

Table 4-52 - Depreciation and Amortization Expense - 2016 MIFRS – Appendix 2-CI

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense [1] (h)=2014 Full Year Depreciation + ((d)*.5)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Assets that became Fully Depreciated in 2015 (after depreciation)
1611	Computer Software (Formally known as Account 1925)	$ 871,760	5.00	20.00%	$ 479,510	$ 476,948	$ 2,562	119,102
1612	Land Rights (Formally known as Account 1906)	$ 43,259	-	0.00%	$ -		$ -	
1805	Land			0.00%	$ -		$ -	
1808	Buildings - MS		50.00	2.00%	$ 6,899	$ 6,900	-$ 1	
1808	Buildings - TS		60.00	1.67%	$ 71,440	$ 68,262	$ 3,178	
1808	Buildings & Fixtures - Service Centre	$ 65,000	50.00	2.00%	$ 399,389	$ 399,389	-$ 0	
1808	Service Centre - Parking Lot & Fence		25.00	4.00%	$ 33,281	$ 33,276	$ 5	
1808	Service Centre - HVAC	$ 63,050	15.00	6.67%	$ 298,229	$ 298,229	$ 0	
1808	Service Centre - Roof		20.00	5.00%	$ 33,345	$ 33,345	-$ 0	
1808	Service Centre - Automation		15.00	6.67%	$ 1,783	$ 4,481	-$ 2,698	
1808	Operation Centre - Workshop		50.00	2.00%	$ 150	$ 150	-$ 0	
1810	Leasehold Improvements			0.00%	$ -		$ -	
1815	Transformer Station Equipment >50 kV		30.00	3.33%	$ 567,522	$ 567,491	$ 31	192,905
1815	TSE Auxiliary equipment		30.00	3.33%	$ 59,036	$ 59,035	$ 1	
1815	TSE - P&C equipment	$ 280,628	15.00	6.67%	$ 257,822	$ 257,822	-$ 0	
1815	TSE - Power transformer	$ 235,890	50.00	2.00%	$ 253,704	$ 253,704	$ 1	
1820	Distribution Station Equipment <50 kV		30.00	3.33%	$ 86,136	$ 91,657	-$ 5,522	1,465
1820	Meters Wholesale	$ 94,587	15.00	6.67%	$ 55,402	$ 45,853	$ 9,550	
1825	Storage Battery Equipment			0.00%	$ -		$ -	
1830	Poles, Towers & Fixtures	$ 3,732,213	45.00	2.22%	$ 1,183,071	$ 1,183,075	-$ 4	
1835	Overhead Conductors & Devices	$ 2,438,960	45.00	2.22%	$ 683,693	$ 683,687	$ 6	
1835	OH Manual line switches	$ 126,193	30.00	3.33%	$ 29,443	$ 29,443	-$ 0	
1835	OH SCADA control equipment	$ 1,075,170	15.00	6.67%	$ 195,377	$ 195,377	-$ 0	
1840	Underground Conduit	$ 905,772	50.00	2.00%	$ 262,102	$ 261,956	$ 146	
1845	Underground Conductors & Devices	$ 2,460,395	35.00	2.86%	$ 942,881	$ 942,675	$ 206	6,271
1850	Line Transformers - Overhead	$ 2,274,289	45.00	2.22%	$ 460,437	$ 458,885	$ 1,552	
1850	Line Transformers - Underground	$ 1,598,136	35.00	2.86%	$ 686,862	$ 686,294	$ 568	
1855	Services - Overhead	$ 401,393	45.00	2.22%	$ 141,925	$ 141,925	$ 0	
1855	Services - Underground	$ 643,160	50.00	2.00%	$ 222,224	$ 222,222	$ 2	
1860	Meters - Bi'directional		15.00	6.67%	$ 1,436	$ 1,436	$ 0	
1860	Meters - Commercial		15.00	6.67%	$ 84,371	$ 142,962	-$ 58,591	
1860	Meters - Residential	$ 210,467	15.00	6.67%	$ 79,166	$ 80,021	-$ 854	
1860	Meters C& I	$ 433,900	15.00	6.67%	$ 122,469	$ 90,414	$ 32,055	
1860	Meters (Smart Meters)		15.00	6.67%	$ 541,656	$ 541,669	-$ 13	
1905	Land			0.00%	$ -		$ -	
1908	Buildings & Fixtures			0.00%	$ -		$ -	
1910	Leasehold Improvements			0.00%	$ -		$ -	
1915	Office Furniture & Equipment (10 years)	$ 7,000	10.00	10.00%	$ 106,958	$ 106,957	$ 2	
1915	Office Furniture & Equipment (5 years)			0.00%	-$ 0		-$ 0	
1920	Computer Equipment - Hardware			0.00%	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 22/04)			0.00%	$ -		$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 108,650	5.00	20.00%	$ 127,119	$ 132,136	-$ 5,016	74,249
1930	Transportation Equipment - car		5.00	20.00%	$ 7,432	$ 7,432	-$ 0	
1930	Transportation Equipment - Other - trailers etc		15.00	6.67%	$ 35,830	$ 35,871	-$ 41	
1930	Transportation Equipment - small trucks	$ 74,896	8.00	12.50%	$ 124,663	$ 127,842	-$ 3,179	
1930	Transportation Equipment - workplatform	$ 544,513	12.00	8.33%	$ 358,983	$ 357,777	$ 1,207	
1930	Transportation Equipmnet - Hybrid system		5.00	20.00%	$ 52,941	$ 60,231	-$ 7,290	
1935	Stores Equipment		10.00	10.00%	$ 46,945	$ 46,942	$ 3	
1940	Tools, Shop & Garage Equipment	$ 21,500	8.00	12.50%	$ 38,097	$ 38,097	$ 0	
1940	Truck tools	$ 55,500	5.00	20.00%	$ 79,829	$ 79,822	$ 7	6,922
1945	Measurement & Testing Equipment	$ 15,000	7.00	14.29%	$ 45,677	$ 45,677	-$ 0	6,449
1950	Power Operated Equipment			0.00%	$ -		$ -	
1955	Communications Equipment - phones		10.00	10.00%	$ 49,712	$ 49,709	$ 3	468
1955	Communications Equipment - Radio wireless		8.00	12.50%	$ 25,039	$ 25,039	$ 0	
1955	Communications Equipment - Radio		10.00	10.00%	$ 17,619	$ 17,620	-$ 1	
1955	Communication Equipment (Smart Meters)		-	0.00%	$ -		$ -	
1960	Miscellaneous Equipment	$ 32,000	10.00	10.00%	$ 243,406	$ 243,393	$ 13	117
1970	Load Management Controls - Customer Premises			0.00%	$ -		$ -	
1975	Load Management Controls Utility Premises			0.00%	$ -		$ -	
1980	System Supervisor Equipment	$ 265,636	15.00	6.67%	$ 206,542	$ 206,447	$ 96	10,053
1985	Miscellaneous Fixed Assets			0.00%	$ -		$ -	
1990	Other Tangible Property			0.00%	$ -		$ -	
1995	Contributions & Grants	-$ 2,289,738		0.00%	-$ 933,884	-$ 933,884	$ -	
	Total	**$16,789,179**			**$ 8,873,671**	**$ 8,905,686**	**-$ 32,015**	
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)							
	Total Depreciation expense to be included in the test year revenue requirement				**$ 8,873,671**			

2.7.5 Payments In Lieu Of Taxes (PILS) and Property Taxes

PILS and Capital Taxes

WNH makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario), as modified by the Electricity Act, 1998, and related regulations. WNH does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. WNH is projecting a profit for tax purposes in the 2016 Test Year of $3,559,758 therefore, has included $803,815 for the recovery of PILs in this Application.

Table 4-53 below provides a summary of the 2011 Board Approved, the 2011, 2012, 2013, 2014 Actual as recorded in the audited statements and the 2015 Bridge Year and 2016 Test Year PIL's estimates. These estimates are based on the rates prescribed by the Board in the Board's Income Tax/PILs Workform for 2016 Filers as provided in Attachment 4-8. WNH's 2014 tax return has been provided in Attachment 4-4. In accordance with the 2016 Filing Requirements the Board's PILs Model has also been completed and submitted and is consistent with the PILs included in the 2016 revenue requirement.

Table 4-53 Income Tax Summary

Current PILs	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Current PILs	1,011,845	1,130,160	922,965	541,412	373,761	69,960	803,815

WNH was approved for PILs in the amount of $1,011,845 in its 2011 Cost of Service Application. The actual PILs for 2011 were higher than the amount approved due to higher taxable income. PILs for the 2016 Test Year of $803,815 are higher than the 2015 Bridge Year. This increase is due to the proposed increase in this Application in the Deemed Return on Equity.

Loss Carry Forwards

WNH does not have any loss carry forwards.

Other Additions and Deductions

In accordance with the Filing Requirements, WNH has excluded the deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for 2015 Bridge Year and 2016 Test Year.

Tax Credits

WNH takes advantage of the tax credits available to minimize taxes payable. Table 4–54 below summarizes the Tax Credits for 2011 Board Approved, Historical Years, 2011-2014, 2015 Bridge Year and 2016 Test Year. The Tax Credits include the Ontario Apprenticeship Training Tax Credit and the Ontario Co-Operative Education Tax Credit. The 2015 Bridge Year Apprenticeship Training Tax Credit forecast 5 apprentices eligible for a full year's credit, 7 others are only eligible for a part year credit. The 2015 Bridge Year Co-operative Education Tax Credit has been forecast at 21 students eligible for the full credit. The 2016 Test Year Apprenticeship Training Tax Credit forecasts 7 apprentices eligible for a full year's credit, while 2 others are eligible for a part year's credit, which totals a credit of $76,521. The 2016 Co-Operative Education Tax Credit has been forecast at 21 students eligible for the full credit, which totals a credit of $63,000.

Table 4-54 Tax Credits

Item	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Tax Credits	61,453	148,947	171,885	129,651	162,096	148,671	139,521

2.7.5.1 Non-recoverable and Disallowed Expenses

WNH has not included donations, other than LEAP, in the calculation of revenue requirement. In the 2016 Test Year WNH has included the anticipated donation receipt from Conestoga College upon donation of obsolete and no longer useful vehicles in the amount of $21,000.

Detailed Tax Calculations

Table 4-55 below summarizes the tax calculations for 2011 Board Approved, Historical Years 2011-2014, 2015 Bridge Year and 2016 Test Year. The table itemizes all additions and deductions that are part of WNH's tax calculations.

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Table 4-55 Tax Calculations

Details	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Net Income Before Taxes	6,798,019	8,787,166	8,255,934	8,514,078	5,435,383	5,976,924	8,894,025
Additions:							
Unrealized loss on derivatives					2,542,608		
Amortization of tangible assets	8,410,910	8,208,665	11,130,797	7,779,380	7,766,628	8,966,411	8,905,686
Reserves from financial statements - balance the end of the year	4,108,000	4,652,324	5,099,073	4,787,883	4,978,783	4,805,538	4,971,614
Charitable donations		58,372	44,329	15,986	38,105	34,000	21,000
Meals & entertainment	32,078	34,467	49,251	53,599	45,700	45,700	45,700
Club dues & fees			6,069	6,195	11,962	11,962	11,962
Capitalized interest	264,961						
Loss on disposal of assets						24,201	10,987
Interest and penalties on taxes		638		52,652			
Inducement - ITA 12(1)(x)	136,997	166,928	196,585	189,095	134,598		
Total Additions	**12,952,946**	**13,121,394**	**16,526,104**	**12,884,790**	**15,518,384**	**13,887,812**	**13,966,949**
Deductions:							
Capital cost allowance from schedule 8	11,542,951	11,483,285	13,217,948	13,732,810	13,848,715	14,192,460	14,495,677
Reserves from financial statements - balance the beg. of the year	3,991,000	4,390,273	4,652,324	5,099,073	4,787,883	4,847,253	4,805,538
Gain on disposal of assets	22,000	68,687	31,440	420,125	175		
Other Misc: PY SM recovery reducing sch 9 per MOF audit			2,176,833				
Valuation in sick leave booked to retained earnings					131,530		
Property taxes included with PILs on FS					469,951		
Total Deductions	**15,555,951**	**15,942,245**	**20,078,545**	**19,252,008**	**19,238,254**	**19,039,713**	**19,301,215**
Taxable Income	**4,195,014**	**5,966,315**	**4,703,493**	**2,146,860**	**1,715,513**	**825,023**	**3,559,759**
Tax Rate	28.25%	26.95%	25.14%	25.37%	25.91%	26.50%	26.50%
Income Taxes	1,185,092	1,607,933	1,182,469	544,564	444,513	218,631	943,336.02
Tax Credits	173,247	148,947	171,885	129,651	179,570	148,671	139,521
Total Income Taxes	**1,011,845**	**1,458,986**	**1,010,584**	**414,913**	**264,943**	**69,960**	**803,815**
Ontario Capital Tax		-	-	-	-	-	-
Total Taxes	**1,011,845**	**1,458,986**	**1,010,584**	**414,913**	**264,943**	**69,960**	**803,815**

Reconciling Items

Table 4-56 below reconciles the differences between the Audited Financial Statements and WNH's Tax Returns. The tax provisions for the Audited Financial statements are completed on an estimated basis and adjusted in the following year to the actual tax returns that are filed in June.

Table 4-56 – Financial Statements Reconciled to Tax Returns

Current Taxes	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals
Financial Statements				
Current PILS	1,130,160	922,965	541,412	373,761
Tax Returns				
Current PILS	1,458,986	1,010,584	414,913	264,943
Variance				
Variance	(328,826)	(87,619)	126,499	108,818
Cumulative Variance	(328,826)	(416,445)	(289,946)	(181,128)

In 2011 had a method of estimating taxes payable which resulted in larger variances and it was trued up in the following year, this resulted in a variance of $328,826 in 2011. WNH has since refined its method of recording the taxes payable which have reduced these variances. In 2012 WNH received a tax re-assessment of $76,364 for 2009 and 2011, thus, resulting in a variance. In 2013 a CRA Audit resulted in additional taxes payable of $121,102 for years 2008 to 2012.

WNH does not have material non-utility tax items to be shown separately.

Property Taxes

WNH pays property taxes to the City of Waterloo, the Township of Wellesley and the Township of Woolwich for its Service Centre and Administration premises and the Municipal Substations and Transformer Stations. In addition, WNH makes annual payments to the Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property taxes for the 2011 Board Approved, Historical years 2011-2014, the 2015 Bridge Year and the 2016 Test Year are provided in Table 4-57 below.

Property taxes for the 2016 Test Year are based on 2015's estimate with cost increase of 2%.

Table 4-57 – Property Taxes

Item	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Property Taxes	311,482	223,281	704,659	353,440	469,952	480,131	489,734

2.7.5.2 Integrity Checks

WNH has completed the integrity checks for the following information as detailed in the filing requirements.

- The depreciation and amortization added back in the PIL's model agree with the numbers disclosed in the Rate Base section of the application.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the Rate Base section for historic, bridge and test years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2014 agrees with the opening 2015 Bridge Year UCC. WNH confirms that non-distribution tax amounts on Schedule 8 were $0 on the December 31, 2014 tax return.

- The CCA deductions in the PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- WNH does not have any loss carry-forwards.
- CAA is maximized since WNH does not have any loss carry-forwards.
- WNH does not have any loss carry-forwards to utilize.
- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for 2016 Revenue Requirement compensation.

The income tax rate used to calculate the tax expense is consistent with the WNH's actual tax facts and the evidence filed in the application.

2.7.6 Conservation and Demand Management ("CDM") Costs

2.7.6.1 Lost Revenue Adjustment Mechanism ("LRAM") for 2011 – 2014

On March 31, 2011, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of license, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributors load forecast in an LRAM variance account.

2.7.6.2 LRAM for pre-2011 CDM Activities

WNH is not requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy programs.

2.7.6.3 LRAM Variance Account (LRAMVA)

Background

The Conservation and Demand Management Code for Electricity Distributors (“the CDM Code”) sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses. The CDM Code also sets out the conditions and rules that licensed electricity distributors are required to follow if they choose to apply for Board-Approved CDM programs to meet the CDM targets. The CDM Code applies to the four year period that started on January 1, 2011 and finishes on December 31, 2014. In its April 26, 2012 “Guidelines for Electricity Distributor Conservation and Demand Management” (EB-2012-0003), the Board provided additional guidance on certain provisions in the CDM Code and details on the Lost Revenue Adjustment Mechanism (LRAM) related to CDM programs implemented under the CDM Code. The CDM Guidelines are applicable to this same timeframe.

In the Guidelines, the Board authorized the establishment of LRAMVA Account 1568 (LRAMVA) to capture, at the customer rate class level, the difference between:

- The results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 for both Board-Approved CDM programs and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or are delivered for the distributor by a third party under contract (in the distributor's franchise area), and;
- The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded in rates).

The OEB stated that distributors are generally expected to include a CDM component in their load forecast in Cost of Service proceedings to ensure that customers are realizing the true effects of conservation at the earliest date possible and to mitigate the variance between forecasted revenue losses and actual revenue losses. Further, if a distributor has included a CDM load reduction forecast in its distribution rates, the amount of the forecast that was adjusted for CDM at the rate class level would be compared to the actual CDM results verified by an independent third party for each year of the CDM program in accordance with the OPS's EM&V Protocols as set out in the CDM Code. The calculated variance results in a credit or debit payable or receivable to the ratepayers. This account will continue on a going-forward basis.

In its Guidelines, the Board stated that the LRAMVA will attract carrying charges.

Further, the Board stated that it expected distributors to apply for disposition of the balance in the LRAMVA in their next Cost of Service Rate Application.

WNH has been successfully running OPA programs within its service territory since 2007. The OPA legacy programs ran, for the most part, until the end of 2010 (although there was some carry-over into 2011). The OPA programs began anew in 2011 following the creation of mandatory CDM targets and requirements of LDCs to attain the targets as a condition of their license.

WNH successfully ran the new OPA programs in 2011 - 2014 and continues to do so today and will be close to achieving the 2011-2014 energy target. WNH, like most LDCs in the province, lagged on its demand savings.

WNH is not currently running any Board-approved CDM programs.

Details of WNH’s 2011 OPA contracted programs are provided below:

Consumer Portfolio

In 2011, consumer programs accounted for 23% of WNH’s energy savings. All of the in-market consumer programs contributed to the total but the HVAC program was the main driver contributing over 50% of the energy savings within the Consumer Portfolio.

WNH initiated two consumer market strategies to support the launch of CDM in 2011. Mass marketing and stakeholder relationships with industry partners were both utilized to take advantage of early program uptake.

WNH has approximately 5,600 small business and 680 large commercial accounts and is aware that this group of customers will generate a significant portion of the energy savings and peak demand savings over the four year timeline. WNH has seen excellent program uptake in prior years within both the small and larger customer sectors providing small programs and technologies, increasing the requirement for segmentation and targeted marketing.

In 2011, WNH in partnership with Kitchener-Wilmot Hydro Inc. and Cambridge and North Dumfries Hydro Inc. designed and implemented a push-pull strategy that drove education and awareness to customers and channel partners. Multiple communication channels were incorporated including print, online, presentations, face-to-face meetings and hands-on-training.

WNH was active in the market under the pre-2011 Electricity Retrofit Incentive Program (ERIP) and therefore had traction in the market for the launch of the Retrofit Program in 2011. The process by which to participate had changed greatly and a significant effort was required to educate past participants as well as spreading the awareness to new potential participants. The Retrofit program in 2011 accounted for 59% of the total energy savings and will continue to be the main driver in this portfolio for 2012 and 2013. To ensure market participation remained high in 2011, WNH continued to focus its strategy on two areas: customer and channel partner engagement. By focusing on these two objectives, WNH believes it will increase its efficiency and effectiveness with communication and delivery to its customers.

WNH's LRAMVA

For CDM programs delivered within the 2011 to 2014 period, the Board established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. At a minimum, distributors must apply for the disposition of the balance in the LRAMVA as part of their COS applications. In accordance with these guidelines, WNH is requesting approval for the recovery of lost revenue resulting from its CDM activities for 2011, 2012, and 2013 OPA programs, including carrying charges through to December 31, 2015.

WNH has received its final verified OPA contracted province-wide CDM program results for the years 2011, 2012 and 2013 from the OPA. The OPA results are included as Attachments 4-5 through 4-7 to this Exhibit. WNH relied upon the results provided by the OPA and did not determine it necessary to engage a third party to verify the OPA's results.

The net energy savings for all rate classes was calculated by the OPA for each of the three years was used to determine the Lost Revenue amount of $617,286, split as appropriately between all customer classes. This has been offset by the CDM Adjustment WNH has in its current rates.

In WNH's Approved 2011 COS Settlement Agreement on page 17 it states *"The 2011 kWh consumption for the metered customer classes will be reduced to one tenth (1/10th) of WNH's OEB/OPA directed CDM target of 66.49 GWhs*". In order to determine the dollar amount of the CDM Adjustment that was included in WNH's 2011 Load Forecast, WNH ran the Load Forecast Model With and Without the 6.65 GWh CDM Adjustment. This provided the consumption that each rate class was reduced for this adjustment. WNH then applied, in each year, the Approved Distribution Volumetric Rate to each rate class in order to determine the dollar amount of $249,276 for the CDM Adjustment.

The resulting LRAMVA comparing the actual savings to the savings included in rates has resulted in the total amount being requested for recovery of $382,913, including carrying charges of $14,903. The amounts requested for recovery are summarized in Table 4-58 below.

WNH has calculated carrying charges on the LRAMVA on the assumption that lost revenues were lost evenly and consistently throughout the years.

Table 4-58 – Summary of Requested LRAM Amounts

Rate Class	Lost Revenue				CDM $ in 2011 COS	Net LRAMVA	Interest	Total LRAMVA Claim
	2011	2012	2013	Total				
Residential	22,288	41,097	58,499	121,884	120,652	1,232	50	1,282
General Service Less Than 50 kW	22,651	39,916	72,164	134,731	41,139	93,591	3,790	97,381
General Service 50 to 4,999 kW	53,034	141,726	165,912	360,671	79,932	280,739	11,369	292,108
Large User	-	-	-	-	7,553	(7,553)	(306)	(7,859)
Total LRAMVA Claim	**97,973**	**222,739**	**296,574**	**617,286**	**249,276**	**368,010**	**14,903**	**382,913**

WNH has used the most recent input assumptions when calculating lost revenue and has relied on the most recent final evaluation report from the Ontario Power Authority in support of its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs") for 2011-2013. Lost revenues are based on Board Approved Distribution Volumetric Rates and carrying charges through to December 31, 2015 are requested. WNH is not currently requesting recovery of lost revenue resulting from Board-approved programs. The OPA-Contracted Province-Wide CDM Programs Final 2013 Results are provided as Attachments 4-5 to 4-7 to this Exhibit.

WNH has calculated carrying charges for the period January 1, 2011 to December 31, 2015 using the quarterly rates prescribed by the Board.

Details of WNH's LRAMVA calculations and supporting evidence can be found in Table 4-59. Information includes the CDM programs/initiatives applicable to each rate class as well as the energy savings (kWh) and peak demand (kW) savings assigned to each of the programs/initiatives.

Table 4-60 details the calculation of the LRAMVA and Table 4-61 calculates the Proposed LRAMVA Rate Riders. The Proposed LRAMVA claim has been included in the EDDVAR model within Exhibit 9 – Deferral and Variance Accounts. The allocation of costs to the appropriate class and the calculation of rate riders are included in the model.

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Table 4-59 – Allocation of OPA Results

LRAMVA Calculation for 2011 to 2013 final results of OPA Program								
Net KWh saved from OPA program								
OPA Initiative Name	Program Year	Results Status	Rate Class	Market	2011 kWh Saved	2012 kWh Saved	2013 kWh Saved	Total kWh Saved
Appliance Retirement	2011	Final	Residential	Consumer	180,566	180,566	180,566	541,698
Appliance Exchange	2011	Final	Residential	Consumer	3,051	3,051	3,051	9,152
HVAC Incentives	2011	Final	Residential	Consumer	650,749	650,749	650,749	1,952,247
Conservation Instant Coupon Booklet	2011	Final	Residential	Consumer	189,312	189,312	189,312	567,936
Bi-Annual Retailer Event	2011	Final	Residential	Consumer	316,302	316,302	316,302	948,907
Equipment Replacement Incentive Initiative	2011	Final	<50 kW - 12%	Business	172,665	172,665	172,665	517,994
			>50 kW - 88%	Business	1,260,457	1,260,457	1,260,457	3,781,371
Direct Install Lighting	2011	Final	<50 kW	Business	635,841	635,841	616,566	1,888,248
Energy Audit	2011	Final	<50 kW	Business	75,529	75,529	75,529	226,586
Demand Response 3	2011	Final	>50 kW	Business	4,323	-	-	4,323
Equipment Replacement Incentive Initiaitve	2011	Final	>50 kW	Industrial	1,128,878	1,128,878	1,128,878	3,386,633
Demand Response 3	2011	Final	>50 kW	Industrial	23,003	-	-	23,003
Electricity Retrofit Incentive Program	2011	Final	<50 kW	Business	913,663	913,663	913,663	2,740,988
High Performance New Construction	2011	Final	>50 kW	Business	346,664	346,664	346,664	1,039,993
Appliance Retirement	2012	Final	Residential	Consumer		99,292	99,292	198,584
Appliance Exchange	2012	Final	Residential	Consumer		18,832	18,832	37,664
HVAC Incentives	2012	Final	Residential	Consumer		450,385	450,385	900,770
Conservation Instant Coupon Booklet	2012	Final	Residential	Consumer		14,008	14,008	28,017
Bi-Annual Retailer Event	2012	Final	Residential	Consumer		268,321	268,321	536,641
Retrofit	2012	Final	<50 kW - 12%	Business		592,562	588,384	1,180,947
			>50 kW - 88%	Business		4,325,724	4,295,222	8,620,946
Direct Install Lighting	2012	Final	<50 kW	Business		307,810	307,810	615,620
New Construction	2012	Final	>50 kW	Business		3,763	3,763	7,525
Energy Audit	2012	Final	<50 kW	Business		201,410	201,410	402,820
Demand Response 3	2012	Final	>50 kW	Business		1,614	-	1,614
Demand Response 3	2012	Final	>50 kW	Industrial		30,360	-	30,360
Home Assistance Program	2012	Final	Residential	Consumer		26,655	26,655	53,310
High Performance New Construction	2012	Final	>50 kW	Business		105,383	105,383	210,767
Appliance Retirement	2013	Final	Residential	Consumer			63,885	63,885
Appliance Exchange	2013	Final	Residential	Consumer			23,275	23,275
HVAC Incentives	2013	Final	Residential	Consumer			409,133	409,133
Conservation Instant Coupon Booklet	2013	Final	Residential	Consumer			77,221	77,221
Bi-Annual Retailer Event	2013	Final	Residential	Consumer			172,122	172,122
Residential Demand Response	2013	Final	Residential	Consumer			652	652
Retrofit	2013	Final	<50 kW - 12%	Business			368,777	368,777
			>50 kW - 88%	Business			2,692,083	2,692,083
Direct Install Lighting	2013	Final	<50 kW	Business			408,878	408,878
New Construction	2013	Final	>50 kW	Business			1,047	1,047
Energy Audit	2013	Final	<50 kW	Business			1,550,425	1,550,425
Small Commercial Demand Response	2013	Final	<50 kW	Business			10	10
Demand Response 3	2013	Final	>50 kW	Business			1,504	1,504
Demand Response 3	2013	Final	>50 kW	Industrial			30,917	30,917
Home Assistance Program	2013	Final	Residential	Consumer			170,106	170,106
								-
Total					**5,901,002**	**12,319,795**	**18,203,899**	**36,424,697**
Rate Class Allocation (kWh)					**2011 kWh Saved**	**2012 kWh Saved**	**2013 kWh Saved**	**Total kWh Saved**
Residential					**1,339,980**	**2,217,473**	**3,133,866**	**6,691,319**
General Service < 50 kW					**1,797,697**	**2,899,479**	**5,204,115**	**9,901,292**
General Service 50 to 4,999 kW					**2,763,326**	**7,202,843**	**9,865,918**	**19,832,086**
Total					**5,901,002**	**12,319,795**	**18,203,899**	**36,424,697**

Net KW saved from OPA program									
OPA Initiative Name	**Program Year**	**Results Status**	**Rate Class**	**Market**	**2011 kW Saved**	**2012 kW Saved**	**2013 kW Saved**	**Total kW Saved**
Appliance Retirement	2011	Final	Residential	Consumer	24.3	24.3	24.3	72.9
Appliance Exchange	2011	Final	Residential	Consumer	2.4	2.4	2.4	7.1
HVAC Incentives	2011	Final	Residential	Consumer	349.9	349.9	349.9	1,049.7
Conservation Instant Coupon Booklet	2011	Final	Residential	Consumer	11.7	11.7	11.7	35.0
Bi-Annual Retailer Event	2011	Final	Residential	Consumer	17.9	17.9	17.9	53.8
Residential Demand Response	2011	Final	Residential	Consumer	72.2	-	-	72.2
Equipment Replacement Incentive Initiative	2011	Final	<50 kW - 16%	Business	41.2	41.2	41.2	123.5
			>50 kW - 84%	Business	221.4	221.4	221.4	664.3
Direct Install Lighting	2011	Final	<50 kW	Business	256.3	256.3	249.1	761.7
Energy Audit	2011	Final	<50 kW	Business	15.5	15.5	15.5	46.6
Commercial Demand Response	2011	Final	<50 kW	Business	5.1	-	-	5.1
Demand Response 3	2011	Final	>50 kW	Business	110.4	-	-	110.4
Equipment Replacement Incentive Initiaitve	2011	Final	>50 kW	Industrial	179.9	179.9	179.9	539.6
Demand Response 3	2011	Final	>50 kW	Industrial	391.9	-	-	391.9
Electricity Retrofit Incentive Program	2011	Final	<50 kW	Consumer, Business	180.8	180.8	180.8	542.4
High Performance New Construction	2011	Final	>50 kW	Business	187.1	187.1	187.1	561.2
Appliance Retirement	2012	Final	Residential	Consumer		14.5	14.5	28.9
Appliance Exchange	2012	Final	Residential	Consumer		10.8	10.8	21.6
HVAC Incentives	2012	Final	Residential	Consumer		261.0	261.0	522.1
Conservation Instant Coupon Booklet	2012	Final	Residential	Consumer		2.3	2.3	4.6
Bi-Annual Retailer Event	2012	Final	Residential	Consumer		14.8	14.8	29.7
Retrofit	2012	Final	<50 kW - 16%	Business		128.1	126.4	254.5
			>50 kW - 84%	Business		688.9	680.0	1,368.9
Direct Install Lighting	2012	Final	<50 kW	Business		82.2	82.2	164.5
New Construction	2012	Final	>50 kW	Business		3.8	3.8	7.5
Energy Audit	2012	Final	<50 kW	Business		41.4	41.4	82.8
Demand Response 3	2012	Final	>50 kW	Business		111.1	-	111.1
Demand Response 3	2012	Final	>50 kW	Industrial		1,259.8	-	1,259.8
Home Assistance Program	2012	Final	Residential	Consumer		2.2	2.2	4.5
High Performance New Construction	2012	Final	>50 kW	Business		21.4	21.4	42.9
Appliance Retirement	2013	Final	Residential	Consumer			9.7	9.7
Appliance Exchange	2013	Final	Residential	Consumer			13.1	13.1
HVAC Incentives	2013	Final	Residential	Consumer			240.4	240.4
Conservation Instant Coupon Booklet	2013	Final	Residential	Consumer			5.2	5.2
Bi-Annual Retailer Event	2013	Final	Residential	Consumer			11.9	11.9
Residential Demand Response	2013	Final	Residential	Consumer			195.7	195.7
Retrofit	2013	Final	<50 kW - 16%	Business			87.3	87.3
			>50 kW - 84%	Business			469.7	469.7
Direct Install Lighting	2013	Final	<50 kW	Business			114.0	114.0
New Construction	2013	Final	>50 kW	Business			0.6	0.6
Energy Audit	2013	Final	<50 kW	Business			282.0	282.0
Small Commercial Demand Response	2013	Final	<50 kW	Business			6.4	6.4
Demand Response 3	2013	Final	>50 kW	Business			112.6	112.6
Demand Response 3	2013	Final	>50 kW	Industrial			1,150.8	1,150.8
Home Assistance Program	2013	Final	Residential	Consumer			12.0	12.0
								-
Total					**2,067.9**	**4,130.6**	**5,453.4**	**11,652.0**
General Service 50 to 4,999 kW (kW)					**1,090.6**	**2,673.3**	**3,027.3**	**6,791.2**

Table 4-60 Calculation of LRAMVA

Summary Units Lost	2011 kWh Saved	2012 kWh Saved	2013 kWh Saved	Total kWh Saved
Residential (/kWh)	1,339,980	2,217,473	3,133,866	6,691,319
General Service Less Than 50 kW (/kWh)	1,797,697	2,899,479	5,204,115	9,901,292
General Service 50 to 4,999 kW (/kW)	13,088	32,079	36,327	81,494

Rate Class Distribution Volumetric Rates	Eff: Apr 1, 2010	Eff: May 1, 2011	Eff: May 1, 2012	Eff: May 1, 2013
Residential (/kWh)	0.0131	0.0184	0.0186	0.0187
General Service Less Than 50 kW (/kWh)	0.0104	0.0137	0.0138	0.0139
General Service 50 to 4999 kW (/kW)	3.5420	4.3073	4.4733	4.6141
Large User	2.6959	3.1991	3.2337	3.2492

Rate Class Distribution Volumetric Rates (Annualized)	2011	2012	2013
Residential (/kWh)	0.0166	0.0185	0.0187
General Service Less Than 50 kW (/kWh)	0.0126	0.0138	0.0139
General Service 50 to 4,999 kW (/kW)	4.0522	4.4180	4.5672
Large User	3.0314	3.2222	3.2440

LRAM $	2011	2012	2013	Total
Residential (/kWh)	**22,288**	**41,097**	**58,499**	**121,884**
General Service Less Than 50 kW (/kWh)	**22,651**	**39,916**	**72,164**	**134,731**
General Service 50 to 4,999 kW (/kW)	**53,034**	**141,726**	**165,912**	**360,671**
Total	**97,973**	**222,739**	**296,574**	**617,286**

CDM in 2011 Forecast	Unit	2011	2012	2013
Residential (/kWh)	kWh	2,241,213	2,241,213	2,241,213
General Service Less Than 50 kW (/kWh)	kWh	1,022,523	1,022,523	1,022,523
General Service 50 to 4,999 kW (/kW)	kW	6,131	6,131	6,131
Large User (kW)	kW	795	795	795

CDM in 2011 Forecast $	Unit	2011	2012	2013	Total
Residential (/kWh)	kWh	**$ 37,279**	**$ 41,537**	**$ 41,836**	**$ 120,652**
General Service Less Than 50 kW (/kWh)	kWh	**$ 12,884**	**$ 14,077**	**$ 14,179**	**$ 41,139**
General Service 50 to 4,999 kW (/kW)	kW	**$ 24,844**	**$ 27,087**	**$ 28,001**	**$ 79,932**
Large User (kW)	kW	**$ 2,411**	**$ 2,562**	**$ 2,580**	**$ 7,553**
Total		**$ 77,417**	**$ 85,263**	**$ 86,596**	**$ 249,276**

LRAMVA - LRAM $ vs CDM in 2011 Forecast $	Unit	2011	2012	2013	Total
Residential (/kWh)	kWh	**$ (14,991)**	**$ (440)**	**$ 16,663**	**$ 1,232**
General Service Less Than 50 kW (/kWh)	kWh	**$ 9,767**	**$ 25,839**	**$ 57,985**	**$ 93,591**
General Service 50 to 4,999 kW (/kW)	kW	**$ 28,190**	**$ 114,640**	**$ 137,910**	**$ 280,739**
Large User (kW)	kW	**$ (2,411)**	**$ (2,562)**	**$ (2,580)**	**$ (7,553)**
Total		**$ 20,556**	**$ 137,477**	**$ 209,978**	**$ 368,010**

LRAM Rate Rider	LRAMVA	CDM $ in 2011 COS	Net LRAMVA	Interest	Total LRAMVA Claim	2016 Proposed Billing Determinant	UOM	LRAMVA Rider
Residential	121,884	120,652	1,232	50	1,282	399,341,268	kWh	$ 0.0000
General Service Less Than 50 kW	134,731	41,139	93,591	3,790	97,381	192,108,795	kWh	$ 0.0005
General Service 50 to 4,999 kW	360,671	79,932	280,739	11,369	292,108	1,746,786	kW	$ 0.1672
Large User	-	7,553	(7,553)	(306)	(7,859)	173,581	kW	$ (0.0453)
Total	**617,286**	**249,276**	**368,010**	**14,903**	**382,913**			

ATTACHMENT 4-1

EMPLOYEE GROUP BENEFIT PROGRAM

Sun Life Financial

Waterloo North Hydro Inc.

(Hourly Employees)

Group Policy No. 10345

your group benefits

Your Group Insurance Booklet

Keep in a safe place

This booklet is a valuable source of information for you and your family. It provides the information you need about the group benefits available through your employer's group plan with Sun Life Assurance Company of Canada (Sun Life), a member of the Sun Life Financial group of companies. Please keep it in a safe place. We also recommend that you familiarize yourself with this information and refer to it when making a claim for group benefits.

Your Plan Administrator is there to help

Your plan administrator can:

- help you enrol in the plan
- provide you with the forms you need to claim group benefits
- answer any questions you may have

Benefits and claims information at your fingertips

For more information about your group benefits or claims, please call Sun Life's Customer Care Centre toll-free number at 1-800-361-6212.

We're on the Internet!

Learn more by surfing Sun Life's website. There's information about group benefits, and about Sun Life's products and services... and a whole lot more! Check us out!

Our address is:

www.sunlife.ca

Accessing your records

As required by legislation, for insured benefits, if you reside in Alberta or British Columbia, you may obtain copies of the following documents:

- your enrolment form or application for insurance.
- any written statements or other record, not otherwise part of the application, that you provided to Sun Life as evidence of insurability.

For insured benefits, on reasonable notice, you may also request a copy of the policy.

The first copy will be provided at no cost to you but a fee may be charged for subsequent copies.

All requests for copies of documents should be directed to one of the following sources:

- our Sun Life Financial Plan Member Services website at *www.mysunlife.ca*.
- our Sun Life Financial Customer Care centre by calling toll-free at 1-800-361-6212.

Respecting your privacy

At Sun Life Financial, protecting your privacy is a priority. We maintain a confidential file in our offices containing personal information about you and your contract(s) with us. Our files are kept for the purpose of providing you with investment and insurance products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees, representatives and third party service providers who are responsible for the administration, processing and servicing of your contract(s) with us, our reinsurers or any other person whom you authorize. In some instances these persons may be located outside Canada, and your personal information may be subject to the laws of those foreign jurisdictions. You are entitled to consult the information contained in our file and, if applicable, to have it corrected by sending a written request to us.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).

To find out about our Privacy Policy, visit our website at *www.sunlife.ca*, or to obtain information about our privacy practices, send a written request by e-mail to *privacyofficer@sunlife.com*, or by mail to Privacy Officer,
Sun Life Financial, 225 King St. West, Toronto ON M5V 3C5.

The statements in this booklet are only a summary of some of the provisions in the master policy. If you need further details on the provisions which apply to your group benefits you must refer to the master policy (available from your plan administrator).

Summary of Insurance

Policy Number 10345

Long Term Disability Insurance

Class of Members	Benefit Formula	Maximum Monthly Benefit	
		Non-Evidence Maximum	Overall Maximum
Hourly Employees	66 2/3% of monthly earnings	$4,400	$4,800

Effective April 1, 2014 the overall maximum is $5,000.

Effective April 1, 2015 the overall maximum is $5,200.

All references to income below and in the Long Term Disability Insurance Provision are to the gross amounts before any deductions.

Basic Reductions: CPP/QPP benefits (**excluding** benefits for dependent children), the Quebec Parental Insurance Plan, and Workers' Compensation Act, Workplace Safety and Insurance Act, Quebec Parental Insurance Plan or other similar legislation.

Total Disability and Totally Disabled: means: that during the qualifying period and the 24 month period immediately following it, "totally disabled" means that you have a medically determinable physical or mental impairment due to injury or disease which prevents you from performing the regular duties of the occupation in which you participated just before the disability started.

After the 24 month period, "totally disabled" means that you are unable, because of a medically determinable physical or mental impairment due to injury or disease to perform the duties of any occupation for remuneration or profit within the range of your education, training or experience.

The medical impairment must be supported by objective medical evidence.

The availability of work for you does not affect the determination of "totally disabled".

Qualifying Period: 6 months or expiration of sick leave benefits, whichever is later

Benefit Period: to 65th birthday

Termination of Insurance: 65th birthday or retirement, if earlier

Extended Health Insurance

Part	Benefit	Deductible per family unit	Reimbursement
A	Drug: Pay Direct	Dispensing fee less $5.00	100%
B	Vision: $350*	none	100%**
D	Supp. Health Care	none	100%
E	Out-of-Province Emergency and Travel Assistance	none	100%

*Maximum for eyeglasses/contact lenses every 24 month period for you and for each insured dependant.

Effective April 1, 2014 the vision maximum is $375.

**Eye exams are reimbursed at 75%.

Termination of Insurance: the first day of the month following the date you reach age 70 or retirement, whichever is earlier.

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Insurance

Part	Benefit	Deductible		Reimbursement	Maximum
		per person	per family unit		
A	Basic	none	none	100%	--
B	Denture	none	none	100%	--
C	Orthodontic	none	none	50%	$2,000**
D	Periodontic and Endodontic	none	none	100%	--
E	Denture Repair	none	none	100%	--
F	Crown and Bridge	none	none	70%	$1,500*
G	Surgical Removal	none	none	100%	--
H	Surgical Services and Drug	none	none	100%	--

*The maximum amount payable applies to the combined eligible expenses incurred in a benefit year under Part F for you and for each insured dependant.

The maximum lifetime amount payable applies to the eligible expenses incurred under Part C. **The Orthodontic benefit is for insured dependent children under age 19.

Late Entrant Maximum: If your eligible dependant becomes insured more than 31 days after the date you became eligible for the Dental Insurance Provision, the maximum amount payable for the combined eligible expenses of all parts incurred during the first 12 months of insurance will be limited to $250 for each insured dependant.

Termination of Insurance: the first day of the month following the date you reach age 70 or retirement, whichever is earlier.

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Fee Guide: The applicable fee guide is the 2011 general practitioners fee guide in the province where the expense is incurred or, for expenses incurred outside Canada, in the province of residence of the member. For expenses incurred in Alberta or outside Canada by an Alberta resident, the applicable fee guide is the 1997 Alberta Fee Guide for general practitioners, plus an inflationary adjustment determined by Sun Life.

Effective October 1, 2013 the Dental Fee guide is the 2013 fee guide.

Effective October 1, 2014 the Dental Fee guide is the 2014 fee guide.

Effective October 1, 2015 the Dental Fee guide is the 2015 fee guide.

General Information

Eligibility

You are eligible, and continue to be eligible, to be a member while you meet all of the following conditions:

1. You are actively working for Waterloo North Hydro Inc.
2. You regularly work for Waterloo North Hydro Inc. at least 15 hours each week.
3. You have been continuously employed by Waterloo North Hydro Inc. at least as long as the waiting period.
4. You are a resident of Canada.

If you are classified as a contract employee, owner-operator, consultant, independent or if you are self-employed, you are not eligible to join the plan.

Participation is compulsory.

Waiting Period

- Extended Health and Dental Insurance - Nil
- Long Term Disability Insurance - 6 months

You are eligible, and continue to be eligible, for dependant insurance while you meet all of the following conditions:

1. You are a member.
2. You have at least one dependant.
3. Your dependants are residents of Canada.

Definitions

Dependant
means your spouse or a dependent child of you or your spouse. If Sun Life does not approve evidence of insurability required for a dependant, he will not be an insured dependant.

Dependent child
means a natural, adopted or step-child who is not married or in any other formal union recognized by law, who is entirely dependent on you for maintenance and support and who is

1. under 21 years of age,
2. under 25 years of age and attending a college or university full-time, or
3. physically or mentally incapable of self-support and became incapable to that extent while entirely dependent on you for maintenance and support and while eligible under 1) or 2) above.

Spouse
means your spouse by marriage or under any other formal union recognized by law, or a person of the opposite or same sex who is living with and has been living with you in a conjugal relationship.

Enrolment

To enrol, you must submit a completed enrolment form. If you have a dependant, request dependant insurance when you enrol.

If there are fewer than 10 members when you enrol, you must submit evidence of insurability to Sun Life.

If you request dependant insurance more than 31 days after you become eligible, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life.

If you have no dependant when you enrol and later acquire one, request dependant insurance, (eg. birth of first child, marriage).

If your new dependant is a common-law spouse, see your Plan Administrator to find out how to enrol for dependant insurance.

For late entrants, evidence of insurability submitted to Sun Life is at your expense.

Effective Date

Your insurance is effective on the date you become eligible.

Your dependant insurance is effective on the latest of

- the date that you become eligible for dependant insurance,
- the date that you request dependant insurance, or
- the date that Sun Life determines the insurability of all of your dependants and approves at least one dependant.

If you are absent from work on the date your insurance or your dependant insurance would be effective, then that insurance will not be effective until the date you return to active work.

Changes in Insurance

An increase in your benefits, the amount of your insurance or the amount of your dependant insurance due to change in your group benefit plan's design or a change in your classification becomes effective on the date of the change, unless you are not actively working on that day due to disease or injury.

If Sun Life doesn't approve an increase in the amount of your insurance or the amount of your dependant insurance, any future increase in the non-evidence or evidence maximum benefit amount will not be effective unless evidence of insurability is approved. An increase in the non-evidence or evidence maximum benefit amount will be effective on the date Sun Life approves the evidence of insurability.

If, due to disease or injury, you are not actively working on the date an increase in your benefits, the amount of your insurance or the amount of your dependant insurance would be effective, the increase becomes effective on the date you return to active work. Sun Life may require evidence of insurability to establish the date that you are physically and mentally fit to return to active work. If so, the increase becomes effective on the date Sun Life establishes. If Sun Life doesn't approve the evidence of insurability required, the increase will not be effective.

Subrogation

Subrogation is a legal practice giving Sun Life the right to be reimbursed for benefits paid to you if you have been compensated by another person who is responsible for your loss. The intent of subrogation is to limit your benefit payments to the amount you actually lost.

Let's assume a person is responsible for your disability, and is required to compensate you for any of the loss that results from your disability. If Sun Life is paying or has paid your loss of income benefits, you may be receiving more income than you earned before you became disabled. In that case, you would reimburse Sun Life for the loss of income benefits Sun Life has paid. If you receive an amount for future loss of income, that amount will reduce your future loss of income benefits from Sun Life.

Subrogation also applies to any medical and/or dental expenses you have been paid as a result of an injury caused by another person. Once you are compensated by the person who is responsible for your loss, you must reimburse Sun Life.

If subrogation applies to your claim, Sun Life will contact you to obtain the information required to proceed. You will be required to sign an undertaking to reimburse Sun Life for any amount recovered which exceeds 100% of income or expenses. Before agreeing to a settlement of your claim, Sun Life's approval must be obtained.

Comparable Coverage

If you are insured for comparable coverage under your spouse's plan, you may decline the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops you will be insured for the similar coverage provided by this plan.

If your dependant is insured for comparable coverage under another plan, you may decline the dependant coverage for the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops, you may request the similar coverage offered under this plan.

The insurance that replaces the comparable coverage is effective on the date that the comparable coverage stops.

If you request the dependant coverage more than 31 days after the comparable coverage stops, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life. The insurance that replaces the comparable coverage is effective on the date that Sun Life approves the evidence of insurability. If Sun Life does not approve evidence of insurability required, the insurance will not be effective.

Termination of Insurance

Your insurance could terminate for a number of reasons. For example,

- you are no longer eligible, (i.e. you are no longer actively working),
- you reach the Termination Age,
- the provision or the policy terminates.

Long Term Disability Insurance Provision

Benefit

The amount of monthly disability benefit will be paid to you when proof is received by Sun Life that you are absent from active work because you are totally disabled and that you have been totally disabled from the same or related causes for the qualifying period.

Benefits are payable from the later of

- one month after the end of the qualifying period, or
- one month after the date you are no longer entitled to receive regular earnings or benefits under a salary continuance plan or short term disability income plan.

If you are receiving disability income from other sources, the monthly disability benefit will be reduced so that the total amount of income receivable by you from all sources does not exceed 85% of your monthly rate of earned income in force on the date you became totally disabled.

If your employer pays any portion of the Long Term Disability premium, the benefit payable to you will be taxable. If you pay 100% of the Long Term Disability premium, the benefit payable to you will be non-taxable and the monthly rate of earned income is reduced by income tax deductions.

If you receive remuneration under a rehabilitation program, the monthly disability benefit payable is reduced by 50% of the monthly rate of that remuneration.

If the benefit is not subject to income tax, the monthly rate of earned income, for the purposes of this section, is reduced by income tax deductions.

If you become totally disabled, your Long Term Disability Insurance may be continued without payment of premiums while you are receiving Long Term Disability benefit payments.

Claims

A claim must be received by Sun Life within 3 months after the end of the qualifying period. The qualifying period begins on the date you become totally disabled. Proof of continuing total disability may be required as often as necessary.

If you are receiving Workers' Compensation, Workplace Safety Insurance Act or similar legislation's benefits, you must submit a claim for the monthly disability benefit.

There is a time limit for appealing Sun Life's decision to decline or terminate a claim. An appeal must be made within 3 months of such a decision and must be accompanied by new objective medical evidence.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or

2. regarding claims for disability benefits that have been paid by Sun Life for some period of time, more than one year after the last date for which disability benefits have been paid.

At Termination

If this Long Term Disability provision terminates while you are totally disabled, you will continue to be eligible for this benefit as if it were still in force.

Exclusions and Limitations

No benefit is payable for a disability due to

- intentionally self-inflicted injuries,
- civil disorder or war, whether or not war was declared,
- committing or attempting to commit a criminal offence.

You are not considered totally disabled unless you are under the active and continuous care of a physician whom Sun Life considers to be appropriate to your total disability and you are following the treatment prescribed by the physician for that disability.

Extended Health Insurance Provision

Benefit

To qualify for the Extended Health coverage, you or your dependant must be entitled to benefits under a provincial medicare plan or federal government plan that provides similar benefits.

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for medically necessary services required for the treatment of disease or bodily injury. To determine the amount payable, the total amount of eligible expenses you claim will be adjusted as follows:

1. the maximums described throughout the extended health benefit provisions are applied,
2. then the deductible, which must be satisfied each calendar year, is subtracted, and
3. the reimbursement percentage is applied.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
    - the plan where the person is covered as an active full-time employee,
    - the plan where the person is covered as an active part-time employee,
    - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date that the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, attending physician statements or other necessary information are required.

If your physician is recommending medical treatment that is expected to cost more than $1,000, you should request pre-authorization to ensure that the expenses are covered.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or
2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or a similar statute,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services and products, rendered or prescribed by a person who is ordinarily a resident in the patient's home or who is related to the patient by blood or marriage,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program, except as described below under *Integration with Government Programs*,
- expenses for services or supplies that are not approved by Health Canada or other government regulatory body for the general public,
- expenses for services or supplies that are not generally recognized by the Canadian medical profession as effective, appropriate and required in the treatment of an illness in accordance with Canadian medical standards,
- expenses for services or supplies that do not qualify as medical expenses under the Income Tax Act (Canada),
- out-of-province expenses for elective (non-emergency) medical treatment or surgery.

Integration with Government Programs

This plan will integrate with benefits payable or available under the government-sponsored plan or program (the *government program*).

The covered expense under this plan is that portion of the expense that is not payable or available under the government program, regardless of:

- whether you or your dependant have made an application to the government program,
- whether coverage under this plan affects your or your dependant's eligibility or entitlement to any benefits under the government program, or
- any waiting lists.

At Termination

If, on the date of termination of your insurance,

- you have a medically determinable physical or mental impairment due to injury or disease which prevents you from performing the regular duties of the occupation in which you participated just before the impairment started, regardless of the availability of work for you, or
- your insured dependant has a medically determinable physical or mental impairment due to injury or disease, is receiving treatment from a physician and is confined to a hospital or his home,

benefits will be payable for eligible expenses related to the impairment provided they are incurred within 90 days of the date of termination and this provision continues in force.

If you die, your insured dependant's Extended Health Insurance Benefits will be continued for 24 months without payment of premiums as long as the Extended Health Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

My Health CHOICE Coverage

If your coverage under this plan terminates because your employment has ended, you may purchase Sun Life's My Health CHOICE coverage. This coverage is different from your group plan.

To be eligible for My Health CHOICE coverage, you must:

- apply for My Health CHOICE coverage within 60 days after the termination of your coverage,
- be under age 75 on the date you apply, and
- be a resident of Canada and be covered under the provincial health plan.

My Health CHOICE coverage may also include Dental coverage if you were covered for both Extended Health Care and Dental Care benefits under this group plan, and both benefits terminated.

You may cover your spouse and dependents if those family members were covered under your group plan. Your spouse must be under age 75 on the date you apply for this coverage.

From time to time, Sun Life may review the eligibility requirements and, on the date you apply for My Health CHOICE coverage, they may be different from those listed in this booklet.

To apply for My Health CHOICE or if you have any questions, please call our Customer Solutions Centre at 1-877-893-9893.

Extended Health - Pay Direct Drug Benefit

Eligible Expenses

Eligible expenses are the reasonable and customary charges for the following items of expense, provided they are medically necessary for the treatment of disease or injury, prescribed by a physician or dentist and dispensed by a registered pharmacist or physician. Drugs covered under this benefit must have a Drug Identification Number (DIN) in order to be eligible.

1. drugs which legally require a prescription.
2. life-sustaining drugs which may not legally require a prescription.
3. injectible drugs.
4. compounded preparations, provided that the principal active ingredient is an eligible expense and has a DIN.
5. needles, syringes, and chemical diagnostic aids for the treatment of diabetes.

Drug Substitution Limit

Charges in excess of the lowest priced equivalent drug are not covered unless specifically approved by Sun Life. To assess the medical necessity of a higher priced drug, Sun Life will require the insured person and the attending physician to complete and submit an exception form.

Prior Authorization Program

The prior authorization (PA) program applies to a limited number of drugs and, as its name suggests, prior approval is required for coverage under the program. If the insured person submits a claim for a drug included in the PA program and has not been pre-approved, the claim will be declined.

In order for drugs in the PA program to be covered, the insured person needs to provide medical information using Sun Life's PA form. Both the insured person and the attending physician need to complete parts of the form.

These drugs will be covered if the information provided meets Sun Life's medical criteria. If not, the claim will be declined.

The prior authorization forms are available from the following sources:

1. Sun Life’s website at www.mysunlife.ca
   – under *Group Benefits* and then *Prior Authorization Drug List and Forms*
2. Sun Life’s Customer Care centre
   – toll-free number 1-800-361-6212

Drug Utilization Review (DUR)

Sun Life provides a Drug Utilization Review (DUR) service to ensure the safe and effective use of drugs prescribed for you and your insured dependant. Your pharmacist will review an eligible drug against your past drug claims for possible harmful effects to your health, such as a severe drug interaction.

Other Health Professionals Allowed to Prescribe Drugs

Certain drugs prescribed by other qualified health professionals will be reimbursed the same way as if the drugs were prescribed by a physician or a dentist if the applicable provincial legislation permits them to prescribe those drugs.

Limitations and Exclusions

No benefit is payable for

1. the portion of expenses for which reimbursement is provided by a government plan,

2. the yearly or per prescription deductible on drugs that are eligible under the Ontario Drug Benefit plan and are purchased by you or your insured spouse who is age 65 or over,
3. expenses for drugs which do not legally require a prescription, except those specified under Eligible Expenses,
4. expenses for drugs which, in Sun Life's opinion, are experimental,
5. expenses for dietary supplements, vitamins and infant foods,
6. expenses for contraceptives (other than oral),
7. expenses for drugs which are used for cosmetic purposes,
8. expenses for drugs used for the treatment of sexual dysfunction,
9. expenses for smoking cessation aids,
10. expenses for drugs used for the treatment of obesity,
11. expenses for natural health products, whether or not they have a Natural Product Number (NPN),
12. expenses for drugs and treatments, and any services and supplies relating to the administration of the drug and treatment, administered in a hospital, on an in-patient or out-patient basis, or in a government-funded clinic or treatment facility, and
13. expenses incurred under any of the conditions listed on the Extended Health Insurance Provision page as an Exclusion.

Extended Health - Vision Care Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense:

1. eye examinations by an optometrist limited to one examination in a 24 month period (12 month period for an insured dependant under age 18).
2. eye glasses and contact lenses and repairs to them that are necessary for the correction of vision and are prescribed by an ophthalmologist or optometrist, limited to the maximum specified in the Summary of Insurance less the amount paid during the previous 24 months for the member and each insured dependant.
3. eye glasses and contact lenses certified by an ophthalmologist as necessary due to a surgical procedure or the treatment of keratoconus, limited to a lifetime maximum of $200 for the non-surgical treatment of keratoconus for you and each insured dependant and a maximum of $200 for each surgical procedure.

Preferred Vision Services (PVS)

Preferred Vision Services Inc. (PVS) is a network of more than 1,000 healthcare service providers across the country. The PVS program offers discounts on the purchase of prescription eyewear, hearing aids and even laser eye surgery through preferred providers registered in the PVS network. As long as you are covered under this group benefits plan, you and your dependants are eligible for the PVS discount program.

Read more about the PVS program and how to obtain savings on your purchases in our PVS brochure. The brochure also includes a PVS card to take with you when you visit a PVS provider. A copy of the brochure is available from your plan administrator or when you sign into our Sun Life Financial Plan Member Services website at *www.mysunlife.ca.*

New providers and services are being added to the network all the time. To find out what services are available and for the PVS locations nearest you, call the PVS information centre toll-free number 1-800-668-6444, or visit the PVS website at *www.pvs.ca*.

Extended Health - Supplementary Health Care Benefit

Definitions

Chiropractor
means a member of the Canadian Chiropractic Association or of a provincial association affiliated with it.

Hospital
means a public institution, building or place providing treatment for and attempting to cure a person suffering from disease or injury and requiring continuous confinement. This includes similar places providing specialized treatment for convalescing or chronically ill persons when approved by us. This does not include nursing homes, homes for the aged, rest homes or other places providing similar care.

Massage Therapist
means a member of a provincial association of massage therapists.

Naturopath
means a person who holds a degree from a recognized school of naturopathy.

Osteopath
means a person who holds the degree of doctor of osteopathic medicine from a college of osteopathic medicine approved by the Canadian Osteopathic Association or a person who holds a Diploma in Osteopathic Manual Practice (DOMP).

Physician
means a person who is licensed to practise medicine.

Physiotherapist
means a member of the Canadian Physiotherapy Association or of a provincial association affiliated with it.

Podiatrist
means a member of the Canadian Podiatric Association or of a provincial association affiliated with it.

Psychologist
means a permanently certified psychologist who is listed on the appropriate provincial registry.

Reasonable and customary charges
mean those which are usually made to a person without insurance for the items of expense listed under Eligible Expenses and which do not exceed

1. the general level of charges in the area where the expense is incurred, or
2. for eligible expenses incurred outside Canada, the general level of charges for comparable services in the province where your Canadian Head Office is located, unless specified otherwise.

Registered Nurse
means a nurse who is listed on the appropriate provincial registry.

Speech Language Pathologist
means a person who holds a diploma or degree in speech therapy from a recognized university.

Eligible Expenses - Miscellaneous

Eligible expenses also mean reasonable and customary charges for the following items of expense, provided they are prescribed by a physician:

1. services rendered in the patient's home by a registered nurse (R.N.), subject to maximum total eligible expenses in a calendar year of $5,000 less the amount paid under this provision for registered nurses' services during the two preceding calendar years, plus $50 per day thereafter;
2. services of a physiotherapist limited to $500 in a calendar year;
3. services of a massage therapist limited to $50 per visit up to 20 visits in a calendar year for you and limited to $50 per visit up to 15 visits in a calendar year for each insured dependant.

4. services of a speech therapist subject to maximum total eligible expenses of $400 in a calendar year;
5. services of a psychologist limited to $400 in a calendar year;
6. rental, or purchase at Sun Life's option, of medically necessary durable equipment that meets the patient's basic medical needs and is approved by Sun Life. If alternate durable equipment is available, eligible expenses are limited to the cost of the least expensive equipment that meets the patient's basic medical needs. Eligible durable equipment includes, but is not limited to, items such as wheel chair, hospital bed and iron lung.
7. trusses, crutches and braces;
8. artificial limbs or other prosthetic appliances;
9. oxygen;
10. diagnostic laboratory and x-ray examinations;
11. licensed ground ambulance service and emergency air ambulance service to the nearest hospital equipped to provide the required treatment;
12. hearing aids, and repairs to them, subject to maximum total eligible expenses of $500 per insured individual during the 5 year period ending on the date an eligible expense is incurred.
13. the following hospital and medical services which are not offered in the province of residence and are performed following written referral by the attending physician in the patient's province of residence.
    a. public ward accommodation and auxiliary hospital services in a general hospital limited to, after deducting the amount payable by a government plan, $75 a day for 60 days in a calendar year.
    b. services of a physician limited to, after deducting the amount payable by a government plan, the level of physicians' charges in the patient's province of residence.

    Items of expense incurred outside Canada are eligible only if they are not offered in any province in Canada.

Eligible expenses also mean reasonable and customary charges for the following items of expense:

1. services of a dental surgeon, including dental prosthesis, required for treatment of a fractured jaw or for the treatment of accidental injuries to natural teeth within six months of the accident where the injury was caused by external, violent and accidental means;
2. services of a chiropractor, osteopath, naturopath or podiatrist, subject to a maximum of $400 for these services, including a maximum of one x-ray examination, per calendar year;

   The practitioner must be registered with the appropriate association or registry. Where applicable, expenses for practitioners' services eligible under a provincial health care plan will be reimbursed before your expenses exceed the annual maximums under your provincial plan, starting from the first visit to the practitioner.
3. orthopaedic shoes which are an integral part of a brace or are specially constructed for the patient, including modifications to such shoes, limited to the total charges less the average cost of regular footwear as determined by Sun Life, but not more than $75 in a calendar year provided that the shoes or modifications are prescribed in writing by a podiatrist or by a physician.

Extended Health - Out-of-Province Emergency and Travel Assistance Benefit

To be insured for this benefit, you and your insured dependant must have provincial health care coverage. Expenses for hospital/medical services and travel assistance benefits are eligible if

1. they are incurred as a result of emergency treatment of a disease or injury which occurs outside your home province,
2. they are medically necessary, and
3. they are incurred due to an emergency which occurs during the first 60 days of travelling on vacation or business outside your home province. Your 60 days of coverage starts on the day you or your insured dependant departs from your home province.

Definitions

Emergency
means an acute illness or accidental injury that requires immediate, medically necessary treatment prescribed by a physician.

Emergency services
mean any reasonable medical services or supplies, including advice, treatment, medical procedures or surgery, required as a result of an emergency. When you or your insured dependant have a chronic condition, emergency services do not include treatment provided as part of an established management program that existed prior to leaving your province of residence.

Family member
means you or your insured dependant.

Reasonable and customary charges
mean those which are usually made to a person without insurance for the items of expense listed under Eligible Expenses and which do not exceed the general level of charges in the area where the expense is incurred.

Relative
means your spouse, parent, child, brother or sister.

Emergency Services

At the time of an emergency, the family member or someone with the family member must contact our Emergency Travel Assistance provider, Europ Assistance USA, Inc. (Europ Assistance). All invasive and investigative procedures (including any surgery, angiogram, MRI, PET scan, CAT scan), must be pre-authorized by Europ Assistance prior to being performed, except in extreme circumstances where surgery is performed on an emergency basis immediately following admission to a hospital.

If contact with Europ Assistance cannot be made before services are provided, contact with Europ Assistance must be made as soon as possible afterwards. If contact is not made and emergency services are provided in circumstances where contact could reasonably have been made, then we have the right to deny or limit payments for all expenses related to that emergency.

An emergency ends when the family member is medically stable to return to his province of residence.

Emergency Services Excluded from Coverage

Any expenses related to the following emergency services are not covered:

1. services that are not immediately required or which could reasonably be delayed until the family member returns to his province of residence, unless his medical condition reasonably prevents him from returning to his province of residence prior to receiving the medical services.
2. services relating to an illness or injury which caused the emergency, after such emergency ends.

3. continuing services arising directly or indirectly out of the original emergency or any recurrence of it, after the date that we or Europ Assistance, based on available medical evidence, determines that the family member can be returned to his province of residence, and he refuses to return.
4. services which are required for the same illness or injury for which the family member received emergency services, including any complications arising out of that illness or injury, if the family member had unreasonably refused or neglected to receive the recommended medical services.
5. where the trip was taken to obtain medical services for an illness or injury, services related to that illness or injury, including any complications or any emergency arising directly or indirectly out of that illness or injury.

Eligible Expenses for Hospital/Medical Services

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services, less the amount payable by a government plan:

1. public ward accommodation and auxiliary hospital services in a general hospital,
2. services of a physician,
3. economy air fare for the patient's return to his province of residence for medical treatment,
4. licensed ground ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation,
5. emergency air ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation, and if the patient requires a registered nurse during the flight, the services and return air fare for the registered nurse.

The maximum lifetime amount payable for the above Eligible Expenses is $1,000,000 for you and for each insured dependant.

Expenses that are included as Eligible Expenses under Drug, Vision, Hospital or Supplementary Health Care benefits are also eligible while you or your insured dependant is travelling outside Canada. These expenses are subject to the deductibles and reimbursement percentages listed under the appropriate benefit in the Summary of Insurance.

Eligible Expenses for Travel Assistance Benefits

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services:

1. family assistance benefits, which include reimbursement for the cost of:
   a. return transportation for insured dependent children who are under the age of 16, or who are handicapped, if they are left unattended because you or your spouse is hospitalized outside your province of residence. Sun Life will arrange the transportation of the dependent child to your home, and if necessary, an escort will be provided to accompany him. The maximum payable for the return transportation is a one-way economy fare for each dependent child.
   b. return transportation for family members, if the hospitalization of a family member prevents them from returning home on the originally scheduled, pre-paid transportation, and consequently requires them to purchase new return tickets. The extra cost of each return fare is payable to a maximum of a one-way economy fare, less any amount reimbursed for the unused, return tickets.
   c. visit of one relative, if a family member is hospitalized for more than 7 days while travelling without a relative. This includes meals and accommodation up to a maximum of $150 per day, and round-trip economy transportation, for one relative. These expenses are also covered when it is necessary for a relative to identify a deceased family member before the release of his body.
   d. meals and accommodation up to a maximum of $150 per day per family, if a trip is extended because a family member is hospitalized.

   The combined maximum amount payable for the above family assistance benefits is $5,000 for one travel emergency.

2. return of a deceased family member. The necessary authorizations will be obtained and arrangements made for the return of the deceased to his province of residence. The maximum amount payable for the preparation and return of the deceased is $5,000. Preparation of the deceased includes expenses for cremation at the place of death. Return of the deceased **includes** a basic shipping container, but **excludes** expenses for burial, such as burial caskets and urns.
3. return of a vehicle. If a family member is unable to operate a vehicle (owned or rented) because he is being returned to Canada for medical treatment, Sun Life will reimburse the cost of returning this vehicle to his province of residence, or the nearest appropriate rental agency. This benefit is also payable in the event of a family member's death. The maximum amount payable for returning the vehicle is $1,000.

Travel Assistance Services

Out-of-province and around-the-world services are provided through Europ Assistance, a company specializing in emergency medical assistance for travellers. By calling the 24 hour helpline, Europ Assistance will be able to provide you and your insured dependants with the following emergency assistance services during the first 60 days of travel:

1. physician and hospital referrals,
2. on-going monitoring of medical treatment if a family member is hospitalized,
3. coordination of transportation arrangements via ground or air ambulance if it is medically necessary to return a family member to Canada or transfer him to another hospital that is equipped to provide the required treatment,
4. payment assistance for hospital/medical expenses,
5. legal referrals,
6. a telephone interpretation service,
7. a message service for you, your family, friends and business associates.

Emergency Payment Assistance

Eligible Hospital/Medical Expenses:

To ensure payment of these expenses,

1. **Call the 24 hour helpline immediately.** If you are physically unable to call the helpline yourself, then have a family member, travelling companion or medical personnel call for you. Simply showing your Sun Life Travel card to a doctor, nurse or hospital personnel will **NOT** ensure payment of these expenses.
2. Europ Assistance will verify your extended health coverage and provincial health care coverage so payments can be arranged on behalf of you or your insured dependant.
3. You will be required to sign an authorization form allowing Europ Assistance to recover any amounts payable by the provincial health care plan.
4. For expenses that require a percentage paid by you, or that are not covered under this plan or the provincial health care plan, you must reimburse Sun Life for the excess amount of the payment.
5. If you receive any subsequent bills for these expenses, please forward them to Europ Assistance and they will coordinate payments with the provincial health care plan and Sun Life.

24 Hour Helpline

If emergency assistance is needed, a 24 hour helpline is available. Multilingual coordinators at Europ Assistance can access a worldwide network of professionals who offer help with medical, legal, and other travel-related emergencies.

The 24 hour helpline can assist you and your insured dependant if you have lost your passport or visa, if you need to find a local legal advisor, or if you require telephone interpretation services. You can also call the helpline and leave important messages for family, friends or business associates; likewise, they can call the helpline and leave messages for you while you travel. Europ Assistance will hold such messages for 15 days.

When calling the 24 hour helpline, please be ready to state your Policy No., Certificate No., ID No., and Provincial Medical Insurance Plan/Health Card Number.

Please consult the telephone numbers on your Travel card.

Exclusions and Limitations

No benefit is payable for

1. expenses incurred by you or your insured dependant due to an emergency which occurs more than 60 days after departure from your province of residence,
2. expenses incurred on a non-emergency or referral basis,
3. expenses incurred under any of the conditions listed as an Exclusion in the Extended Health Insurance Provision.

If you are covered as a retired employee, you and your insured dependants must return to your province of residence for at least 30 consecutive days before becoming eligible for another 60 days of coverage.

Due to conditions such as war, political unrest, epidemics, and geographic inaccessibility, emergency assistance services may not be available in certain countries. For more information on travelling conditions and the availability of Europ Assistance services in a particular country, please call the appropriate 24 hour helpline.

Neither Sun Life nor Europ Assistance is responsible for the availability, quality or results of the medical treatment received by you or your insured dependant, or for the failure to obtain medical treatment.

Dental Insurance Provision

Benefit

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for necessary dental services performed by a dentist, a dental hygienist or a denturist. To determine the amount payable, the total eligible expenses claimed are adjusted as follows:

1. the deductible, which must be satisfied each year, is subtracted,
2. the reimbursement percentage is applied, and
3. the maximums specified in the Summary of Insurance are applied.

The intentional omission, misrepresentation or falsification of information relating to any claim constitutes fraud.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
   - the plan where the person is covered as an active full-time employee,
   - the plan where the person is covered as an active part-time employee,
   - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, commercial laboratory receipts, reports, records, pre-treatment x-rays, study models, independent treatment verification or other necessary information may be required.

If your dentist has recommended dental treatment that is expected to cost more than $500, or if your dentist has recommended dental treatment involving dentures, bridges or crowns, you may have your dentist prepare a pre-treatment plan that you can submit to Sun Life before you start treatment. For any other dental treatment, you can call Sun Life at 1 800 361-6212 to determine if the recommended dental treatment is eligible for payment.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or

2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions and Limitations

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or other similar legislation,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program unless explicitly listed as covered under this benefit.

At Termination

If you die, your insured dependant's Dental Insurance Benefits will be continued for 24 months without payment of premiums as long as the Dental Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

Dental Insurance Provision - Basic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. examination and diagnosis:
   - oral examination (once every 3 years),
   - recall oral examination (once every 6 months for members and insured dependants 19 years of age and under and once every 9 months for members and insured dependants over 19 years of age),
   - special oral examination,
   - treatment planning,
   - consultation,
   - house call, institutional call and office visit

b. tests and laboratory examinations:
   - microbiological test,
   - caries susceptibility test,
   - biopsy of oral tissue,
   - cytologic smear from oral cavity,
   - pulp vitality tests,

c. radiographs
   - complete series (once every 3 years),
   - periapical, one to ten films,
   - occlusal,
   - bitewing (once every 6 months),
   - extraoral,
   - sialography,
   - radiopaque dyes to demonstrate lesions,
   - temporomandibular joint,
   - panoramic (once every 3 years),
   - cephalometric film,
   - interpretation of radiographs received from another source,
   - tomography,
   - hand and wrist (as diagnostic aid for dental treatment)

d. preventive services:
   - dental polishing (once every 6 months),
   - topical application of fluoride,
   - oral hygiene instruction (once every 6 months),
   - caries control,
   - interproximal discing of teeth,
   - recontouring to teeth for functional reasons
   - occlusal adjustment/equilibration (8 units of time every 12 months)

e. restorations:
   - amalgam,
   - retentive pins,
   - acrylic or composite resin,
   - prefabricated restorations

f. space maintainers

g. anaesthesia

h. in office laboratory procedures

Dental Insurance Provision - Denture Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. partial and complete dentures
   - complete dentures (once every 3 years),
   - partial dentures (once every 3 years),
   - remake dentures

b. in office laboratory procedures

Dental Insurance Provision - Orthodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense **incurred by an insured dependent child under age 19** for the treatment of malocclusion or for orthodontic treatment -

a. miscellaneous services
   - space maintainers,
   - diagnostic cast,
   - observation and adjustment,

b. active appliances for tooth guidance or uncomplicated tooth movement

c. control of oral habits:
   - appliances to control oral habits,
   - myofunctional therapy,
   - repairs and maintenance,

d. retention appliances

e. in office laboratory procedures

Dental Insurance Provision - Endodontic and Periodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. periodontics
    - non surgical services,
    - surgical services,
    - post-surgical treatment,
    - scaling and root planing,
    - adjunctive procedures,
    - alveoloplasty

b. endodontics
    - pulpotomy,
    - root canal therapy,
    - periapical services,
    - other endodontic procedures,
    - emergency procedures

c. in office laboratory procedures

Dental Insurance Provision - Denture Repair Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. repairs and adjustments
   - adjustment to dentures,
   - repairs,
   - denture rebasing and relining

b. in office laboratory procedures

Dental Insurance Provision - Crown and Bridge Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. crowns, inlays, onlays
   - gold foil restorations,
   - inlay restorations,
   - onlay restorations,
   - crowns,
   - other restorative services

b. fixed bridgework
   - bridge pontics,
   - repairs to bridges,
   - retainers,
   - other prosthetic services

c. in office laboratory procedures

Replacement of an existing denture or bridgework is an eligible expense if the replacement is required to replace an existing denture or bridgework which was installed at least 3 years before the replacement, limited to a maximum eligible expense of the value and quality of the original denture or bridgework.

Dental Insurance Provision - Surgical Removal Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
   - uncomplicated removals,
   - surgical removals

b. in office laboratory procedures

Dental Insurance Provision - Surgical Services and Drug Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
   - surgical exposure, transplantation and repositioning,
   - surgical excision,
   - surgical incision,
   - fractures,
   - frenectomy,
   - miscellaneous surgical services

b. adjunctive general services
   - drugs (injections)

c. in office laboratory procedures

Waterloo North Hydro Inc.

(Salaried Employees)

Group Policy No. 10345

your group benefits

Your Group Insurance Booklet

Keep in a safe place

This booklet is a valuable source of information for you and your family. It provides the information you need about the group benefits available through your employer's group plan with Sun Life Assurance Company of Canada (Sun Life), a member of the Sun Life Financial group of companies. Please keep it in a safe place. We also recommend that you familiarize yourself with this information and refer to it when making a claim for group benefits.

Your Plan Administrator is there to help

Your plan administrator can:

- help you enrol in the plan
- provide you with the forms you need to claim group benefits
- answer any questions you may have

Benefits and claims information at your fingertips

For more information about your group benefits or claims, please call Sun Life's Customer Care Centre toll-free number at 1-800-361-6212.

We're on the Internet!

Learn more by surfing Sun Life's website. There's information about group benefits, and about Sun Life's products and services... and a whole lot more! Check us out!

Our address is:

www.sunlife.ca

Accessing your records

As required by legislation, for insured benefits, if you reside in Alberta or British Columbia, you may obtain copies of the following documents:

- your enrolment form or application for insurance.
- any written statements or other record, not otherwise part of the application, that you provided to Sun Life as evidence of insurability.

For insured benefits, on reasonable notice, you may also request a copy of the policy.

The first copy will be provided at no cost to you but a fee may be charged for subsequent copies.

All requests for copies of documents should be directed to one of the following sources:

- our Sun Life Financial Plan Member Services website at *www.mysunlife.ca*.
- our Sun Life Financial Customer Care centre by calling toll-free at 1-800-361-6212.

Respecting your privacy

At Sun Life Financial, protecting your privacy is a priority. We maintain a confidential file in our offices containing personal information about you and your contract(s) with us. Our files are kept for the purpose of providing you with investment and insurance products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees, representatives and third party service providers who are responsible for the administration, processing and servicing of your contract(s) with us, our reinsurers or any other person whom you authorize. In some instances these persons may be located outside Canada, and your personal information may be subject to the laws of those foreign jurisdictions. You are entitled to consult the information contained in our file and, if applicable, to have it corrected by sending a written request to us.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).

To find out about our Privacy Policy, visit our website at *www.sunlife.ca*, or to obtain information about our privacy practices, send a written request by e-mail to *privacyofficer@sunlife.com*, or by mail to Privacy Officer,
Sun Life Financial, 225 King St. West, Toronto ON M5V 3C5.

> The statements in this booklet are only a summary of some of the provisions in the master policy. If you need further details on the provisions which apply to your group benefits you must refer to the master policy (available from your plan administrator).

Summary of Insurance

Policy Number 10345

Long Term Disability Insurance

Class of Members	Benefit Formula	Maximum Monthly Benefit	
		Non-Evidence Maximum	Overall Maximum
All Salaried Employees	66 2/3% of monthly earnings	$8,800	$10,000

All references to income below and in the Long Term Disability Insurance Provision are to the gross amounts before any deductions.

Basic Reductions: CPP/QPP benefits (**excluding** benefits for dependent children), the Quebec Parental Insurance Plan, and Workers' Compensation Act, Workplace Safety and Insurance Act, Quebec Parental Insurance Plan or other similar legislation.

Total Disability and Totally Disabled: means: that during the qualifying period and the 60 month period immediately following it, "totally disabled" means that you have a medically determinable physical or mental impairment due to injury or disease which prevents you from performing the regular duties of the occupation in which you participated just before the disability started.

After the 60 month period, "totally disabled" means that you are unable, because of a medically determinable physical or mental impairment due to injury or disease to perform the duties of any occupation for remuneration or profit within the range of your education, training or experience.

The medical impairment must be supported by objective medical evidence.

The availability of work for you does not affect the determination of "totally disabled".

Qualifying Period: 6 months or expiration of sick leave benefits, whichever is later

Benefit Period: to 65th birthday

Termination of Insurance: 65th birthday, or retirement, if earlier

Extended Health Insurance

Part	Benefit	Deductible per family unit	Reimbursement
A	Drug: Pay Direct	Dispensing fee less $5.00	100%
B	Vision: $350*	none	100%**
D	Supp. Health Care	none	100%
E	Out-of-Province Emergency and Travel Assistance	none	100%

*Maximum for eyeglasses/contact lenses every 24 month period for you and for each insured dependant.

Effective April 1, 2014 the vision maximum is $375.

**Eye exams are reimbursed at 75%.

Termination of Insurance: the first day of the month following the date you reach age 70 or retirement, whichever is earlier.

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Insurance

Part	Benefit	Deductible		Reimburse-ment	Maximum
		per person	per family unit		
A	Basic	none	none	100%	--
B	Denture	none	none	100%	--
C	Orthodontic	none	none	50%	$2,000**
D	Periodontic and Endodontic	none	none	100%	--
E	Denture Repair	none	none	100%	--
F	Crown and Bridge	none	none	70%	$1,500*
G	Surgical Removal	none	none	100%	--
H	Surgical Services and Drug	none	none	100%	--

*The maximum amount payable applies to the combined eligible expenses incurred in a benefit year under Part F for you and for each insured dependant.

The maximum lifetime amount payable applies to the eligible expenses incurred under Part C. **The Orthodontic benefit is for insured dependent children under age 19.

Late Entrant Maximum: If your eligible dependant becomes insured more than 31 days after the date you became eligible for the Dental Insurance Provision, the maximum amount payable for the combined eligible expenses of all parts incurred during the first 12 months of insurance will be limited to $250 for each insured dependant.

Termination of Insurance: the first day of the month following the date you reach age 70 or retirement, whichever is earlier.

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Fee Guide: The applicable fee guide is the 2011 general practitioners fee guide in the province where the expense is incurred or, for expenses incurred outside Canada, in the province of residence of the member. For expenses incurred in Alberta or outside Canada by an Alberta resident, the applicable fee guide is the 1997 Alberta Fee Guide for general practitioners, plus an inflationary adjustment determined by Sun Life.

Effective October 1, 2013 the Dental Fee guide is the 2013 fee guide.

Effective October 1, 2014 the Dental Fee guide is the 2014 fee guide.

Effective October 1, 2015 the Dental Fee guide is the 2015 fee guide.

General Information

Eligibility

You are eligible, and continue to be eligible, to be a member while you meet all of the following conditions:

1. You are actively working for Waterloo North Hydro Inc.
2. You regularly work for Waterloo North Hydro Inc. at least 15 hours each week.
3. You have been continuously employed by Waterloo North Hydro Inc. at least as long as the waiting period.
4. You are a resident of Canada.

If you are classified as a contract employee, owner-operator, consultant, independent or if you are self-employed, you are not eligible to join the plan.

Participation is compulsory.

Waiting Period

- Extended Health and Dental Insurance - Nil
- Long Term Disability Insurance - 6 months

You are eligible, and continue to be eligible, for dependant insurance while you meet all of the following conditions:

1. You are a member.
2. You have at least one dependant.
3. Your dependants are residents of Canada.

Definitions

Dependant

means your spouse or a dependent child of you or your spouse. If Sun Life does not approve evidence of insurability required for a dependant, he will not be an insured dependant.

Dependent child

means a natural, adopted or step-child who is not married or in any other formal union recognized by law, who is entirely dependent on you for maintenance and support and who is

1. under 21 years of age,
2. under 25 years of age and attending a college or university full-time, or
3. physically or mentally incapable of self-support and became incapable to that extent while entirely dependent on you for maintenance and support and while eligible under 1) or 2) above.

Spouse

means your spouse by marriage or under any other formal union recognized by law, or a person of the opposite or same sex who is living with and has been living with you in a conjugal relationship.

Enrolment

To enrol, you must submit a completed enrolment form. If you have a dependant, request dependant insurance when you enrol.

If there are fewer than 10 members when you enrol, you must submit evidence of insurability to Sun Life.

If you request dependant insurance more than 31 days after you become eligible, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life.

If you have no dependant when you enrol and later acquire one, request dependant insurance, (eg. birth of first child, marriage).

If your new dependant is a common-law spouse, see your Plan Administrator to find out how to enrol for dependant insurance.

For late entrants, evidence of insurability submitted to Sun Life is at your expense.

Effective Date

Your insurance is effective on the date you become eligible.

Your dependant insurance is effective on the latest of

- the date that you become eligible for dependant insurance,
- the date that you request dependant insurance, or
- the date that Sun Life determines the insurability of all of your dependants and approves at least one dependant.

If you are absent from work on the date your insurance or your dependant insurance would be effective, then that insurance will not be effective until the date you return to active work.

Changes in Insurance

An increase in the amount of insurance in excess of the non-evidence maximum benefit becomes effective on the latest of

1. the date that you become eligible,
2. the date that you requests the increase, or
3. the date that Sun Life approves any evidence of insurability.

You may change the option elected under Long Term Disability Insurance Provision, Extended Health Insurance Provision and the Dental Insurance Provision:

1. on January first every second year following two complete calendar years of coverage under that option,
2. within 31 days after the date you acquire a dependent spouse, or
3. within 31 days after the date you acquire your first dependent child.

For all other benefits an increase in your benefits, the amount of your insurance or the amount of your dependant insurance due to change in your group benefit plan’s design or a change in your classification becomes effective on the date of the change, unless you are not actively working on that day due to disease or injury.

If Sun Life doesn’t approve an increase in the amount of your insurance or the amount of your dependant insurance, any future increase in the non-evidence or evidence maximum benefit amount will not be effective unless evidence of insurability is approved. An increase in the non-evidence or evidence maximum benefit amount will be effective on the date Sun Life approves the evidence of insurability.

If, due to disease or injury, you are not actively working on the date an increase in your benefits, the amount of your insurance or the amount of your dependant insurance would be effective, the increase becomes effective on the date you return to active work. Sun Life may require evidence of insurability to establish the date that you are physically and mentally fit to return to active work. If so, the increase becomes effective on the date Sun Life establishes. If Sun Life doesn’t approve the evidence of insurability required, the increase will not be effective.

Subrogation

Subrogation is a legal practice giving Sun Life the right to be reimbursed for benefits paid to you if you have been compensated by another person who is responsible for your loss. The intent of subrogation is to limit your benefit payments to the amount you actually lost.

Let's assume a person is responsible for your disability, and is required to compensate you for any of the loss that results from your disability. If Sun Life is paying or has paid your loss of income benefits, you may be receiving more income than you earned before you became disabled. In that case, you would reimburse Sun Life for the loss of income benefits Sun Life has paid. If you receive an amount for future loss of income, that amount will reduce your future loss of income benefits from Sun Life.

Subrogation also applies to any medical and/or dental expenses you have been paid as a result of an injury caused by another person. Once you are compensated by the person who is responsible for your loss, you must reimburse Sun Life.

If subrogation applies to your claim, Sun Life will contact you to obtain the information required to proceed. You will be required to sign an undertaking to reimburse Sun Life for any amount recovered which exceeds 100% of income or expenses. Before agreeing to a settlement of your claim, Sun Life's approval must be obtained.

Comparable Coverage

If you are insured for comparable coverage under your spouse's plan, you may decline the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops you will be insured for the similar coverage provided by this plan.

If your dependant is insured for comparable coverage under another plan, you may decline the dependant coverage for the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops, you may request the similar coverage offered under this plan.

The insurance that replaces the comparable coverage is effective on the date that the comparable coverage stops.

If you request the dependant coverage more than 31 days after the comparable coverage stops, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life. The insurance that replaces the comparable coverage is effective on the date that Sun Life approves the evidence of insurability. If Sun Life does not approve evidence of insurability required, the insurance will not be effective.

Termination of Insurance

Your insurance could terminate for a number of reasons. For example,

- you are no longer eligible, (i.e. you are no longer actively working),
- you reach the Termination Age,
- the provision or the policy terminates.

Long Term Disability Insurance Provision

Benefit

The amount of monthly disability benefit will be paid to you when proof is received by Sun Life that you are absent from active work because you are totally disabled and that you have been totally disabled from the same or related causes for the qualifying period.

Benefits are payable from the later of

- one month after the end of the qualifying period, or
- one month after the date you are no longer entitled to receive regular earnings or benefits under a salary continuance plan or short term disability income plan.

If you are receiving disability income from other sources, the monthly disability benefit will be reduced so that the total amount of income receivable by you from all sources does not exceed 85% of your monthly rate of earned income in force on the date you became totally disabled.

If your employer pays any portion of the Long Term Disability premium, the benefit payable to you will be taxable. If you pay 100% of the Long Term Disability premium, the benefit payable to you will be non-taxable and the monthly rate of earned income is reduced by income tax deductions.

If you receive remuneration under a rehabilitation program, the monthly disability benefit payable is reduced by 50% of the monthly rate of that remuneration.

If the benefit is not subject to income tax, the monthly rate of earned income, for the purposes of this section, is reduced by income tax deductions.

If you become totally disabled, your Long Term Disability Insurance may be continued without payment of premiums while you are receiving Long Term Disability benefit payments.

Claims

A claim must be received by Sun Life within 3 months after the end of the qualifying period. The qualifying period begins on the date you become totally disabled. Proof of continuing total disability may be required as often as necessary.

If you are receiving Workers' Compensation, Workplace Safety Insurance Act or similar legislation's benefits, you must submit a claim for the monthly disability benefit.

There is a time limit for appealing Sun Life's decision to decline or terminate a claim. An appeal must be made within 3 months of such a decision and must be accompanied by new objective medical evidence.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or

2. regarding claims for disability benefits that have been paid by Sun Life for some period of time, more than one year after the last date for which disability benefits have been paid.

At Termination

If this Long Term Disability provision terminates while you are totally disabled, you will continue to be eligible for this benefit as if it were still in force.

Exclusions and Limitations

No benefit is payable for a disability due to

- intentionally self-inflicted injuries,
- civil disorder or war, whether or not war was declared,

- committing or attempting to commit a criminal offence.

You are not considered totally disabled unless you are under the active and continuous care of a physician whom Sun Life considers to be appropriate to your total disability and you are following the treatment prescribed by the physician for that disability.

Extended Health Insurance Provision

Benefit

To qualify for the Extended Health coverage, you or your dependant must be entitled to benefits under a provincial medicare plan or federal government plan that provides similar benefits.

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for medically necessary services required for the treatment of disease or bodily injury. To determine the amount payable, the total amount of eligible expenses you claim will be adjusted as follows:

1. the maximums described throughout the extended health benefit provisions are applied,
2. then the deductible, which must be satisfied each calendar year, is subtracted, and
3. the reimbursement percentage is applied.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
   - the plan where the person is covered as an active full-time employee,
   - the plan where the person is covered as an active part-time employee,
   - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date that the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, attending physician statements or other necessary information are required.

If your physician is recommending medical treatment that is expected to cost more than $1,000, you should request pre-authorization to ensure that the expenses are covered.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or
2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or a similar statute,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services and products, rendered or prescribed by a person who is ordinarily a resident in the patient's home or who is related to the patient by blood or marriage,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program, except as described below under *Integration with Government Programs*,
- expenses for services or supplies that are not approved by Health Canada or other government regulatory body for the general public,
- expenses for services or supplies that are not generally recognized by the Canadian medical profession as effective, appropriate and required in the treatment of an illness in accordance with Canadian medical standards,
- expenses for services or supplies that do not qualify as medical expenses under the Income Tax Act (Canada),
- out-of-province expenses for elective (non-emergency) medical treatment or surgery.

Integration with Government Programs

This plan will integrate with benefits payable or available under the government-sponsored plan or program (the *government program*).

The covered expense under this plan is that portion of the expense that is not payable or available under the government program, regardless of:

- whether you or your dependant have made an application to the government program,
- whether coverage under this plan affects your or your dependant's eligibility or entitlement to any benefits under the government program, or
- any waiting lists.

At Termination

If, on the date of termination of your insurance,

- you have a medically determinable physical or mental impairment due to injury or disease which prevents you from performing the regular duties of the occupation in which you participated just before the impairment started, regardless of the availability of work for you, or
- your insured dependant has a medically determinable physical or mental impairment due to injury or disease, is receiving treatment from a physician and is confined to a hospital or his home,

benefits will be payable for eligible expenses related to the impairment provided they are incurred within 90 days of the date of termination and this provision continues in force.

If you die, your insured dependant's Extended Health Insurance Benefits will be continued for 24 months without payment of premiums as long as the Extended Health Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

My Health CHOICE Coverage

If your coverage under this plan terminates because your employment has ended, you may purchase Sun Life's My Health CHOICE coverage. This coverage is different from your group plan.

To be eligible for My Health CHOICE coverage, you must:

- apply for My Health CHOICE coverage within 60 days after the termination of your coverage,
- be under age 75 on the date you apply, and
- be a resident of Canada and be covered under the provincial health plan.

My Health CHOICE coverage may also include Dental coverage if you were covered for both Extended Health Care and Dental Care benefits under this group plan, and both benefits terminated.

You may cover your spouse and dependents if those family members were covered under your group plan. Your spouse must be under age 75 on the date you apply for this coverage.

From time to time, Sun Life may review the eligibility requirements and, on the date you apply for My Health CHOICE coverage, they may be different from those listed in this booklet.

To apply for My Health CHOICE or if you have any questions, please call our Customer Solutions Centre at 1-877-893-9893.

Extended Health - Pay Direct Drug Benefit

Eligible Expenses

Eligible expenses are the reasonable and customary charges for the following items of expense, provided they are medically necessary for the treatment of disease or injury, prescribed by a physician or dentist and dispensed by a registered pharmacist or physician. Drugs covered under this benefit must have a Drug Identification Number (DIN) in order to be eligible.

1. drugs which legally require a prescription.
2. life-sustaining drugs which may not legally require a prescription.
3. injectible drugs.
4. compounded preparations, provided that the principal active ingredient is an eligible expense and has a DIN.
5. needles, syringes, and chemical diagnostic aids for the treatment of diabetes.

Drug Substitution Limit

Charges in excess of the lowest priced equivalent drug are not covered unless specifically approved by Sun Life. To assess the medical necessity of a higher priced drug, Sun Life will require the insured person and the attending physician to complete and submit an exception form.

Prior Authorization Program

The prior authorization (PA) program applies to a limited number of drugs and, as its name suggests, prior approval is required for coverage under the program. If the insured person submits a claim for a drug included in the PA program and has not been pre-approved, the claim will be declined.

In order for drugs in the PA program to be covered, the insured person needs to provide medical information using Sun Life's PA form. Both the insured person and the attending physician need to complete parts of the form.

These drugs will be covered if the information provided meets Sun Life's medical criteria. If not, the claim will be declined.

The prior authorization forms are available from the following sources:

1. Sun Life’s website at www.mysunlife.ca
   – under *Group Benefits* and then *Prior Authorization Drug List and Forms*
2. Sun Life’s Customer Care centre
   – toll-free number 1-800-361-6212

Drug Utilization Review (DUR)

Sun Life provides a Drug Utilization Review (DUR) service to ensure the safe and effective use of drugs prescribed for you and your insured dependant. Your pharmacist will review an eligible drug against your past drug claims for possible harmful effects to your health, such as a severe drug interaction.

Other Health Professionals Allowed to Prescribe Drugs

Certain drugs prescribed by other qualified health professionals will be reimbursed the same way as if the drugs were prescribed by a physician or a dentist if the applicable provincial legislation permits them to prescribe those drugs.

Limitations and Exclusions

No benefit is payable for

1. the portion of expenses for which reimbursement is provided by a government plan,

2. the yearly or per prescription deductible on drugs that are eligible under the Ontario Drug Benefit plan and are purchased by you or your insured spouse who is age 65 or over,
3. expenses for drugs which do not legally require a prescription, except those specified under Eligible Expenses,
4. expenses for drugs which, in Sun Life's opinion, are experimental,
5. expenses for dietary supplements, vitamins and infant foods,
6. expenses for contraceptives (other than oral),
7. expenses for drugs which are used for cosmetic purposes,
8. expenses for drugs used for the treatment of sexual dysfunction,
9. expenses for smoking cessation aids,
10. expenses for drugs used for the treatment of obesity,
11. expenses for natural health products, whether or not they have a Natural Product Number (NPN),
12. expenses for drugs and treatments, and any services and supplies relating to the administration of the drug and treatment, administered in a hospital, on an in-patient or out-patient basis, or in a government-funded clinic or treatment facility, and
13. expenses incurred under any of the conditions listed on the Extended Health Insurance Provision page as an Exclusion.

Extended Health - Vision Care Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense:

1. eye examinations by an optometrist limited to one examination in a 24 month period (12 month period for an insured dependant under age 18).
2. eye glasses and contact lenses and repairs to them that are necessary for the correction of vision and are prescribed by an ophthalmologist or optometrist, limited to the maximum specified in the Summary of Insurance less the amount paid during the previous 24 months for the member and each insured dependant.
3. eye glasses and contact lenses certified by an ophthalmologist as necessary due to a surgical procedure or the treatment of keratoconus, limited to a lifetime maximum of $200 for the non-surgical treatment of keratoconus for you and for each insured dependant and a maximum of $200 for each surgical procedure.

Preferred Vision Services (PVS)

Preferred Vision Services Inc. (PVS) is a network of more than 1,000 healthcare service providers across the country. The PVS program offers discounts on the purchase of prescription eyewear, hearing aids and even laser eye surgery through preferred providers registered in the PVS network. As long as you are covered under this group benefits plan, you and your dependants are eligible for the PVS discount program.

Read more about the PVS program and how to obtain savings on your purchases in our PVS brochure. The brochure also includes a PVS card to take with you when you visit a PVS provider. A copy of the brochure is available from your plan administrator or when you sign into our Sun Life Financial Plan Member Services website at *www.mysunlife.ca.*

New providers and services are being added to the network all the time. To find out what services are available and for the PVS locations nearest you, call the PVS information centre toll-free number 1-800-668-6444, or visit the PVS website at *www.pvs.ca*.

Extended Health - Supplementary Health Care Benefit

Definitions

Chiropractor
means a member of the Canadian Chiropractic Association or of a provincial association affiliated with it.

Hospital
means a public institution, building or place providing treatment for and attempting to cure a person suffering from disease or injury and requiring continuous confinement. This includes similar places providing specialized treatment for convalescing or chronically ill persons when approved by us. This does not include nursing homes, homes for the aged, rest homes or other places providing similar care.

Massage Therapist
means a member of a provincial association of massage therapists.

Naturopath
means a person who holds a degree from a recognized school of naturopathy.

Osteopath
means a person who holds the degree of doctor of osteopathic medicine from a college of osteopathic medicine approved by the Canadian Osteopathic Association or a person who holds a Diploma in Osteopathic Manual Practice (DOMP).

Physician
means a person who is licensed to practise medicine.

Physiotherapist
means a member of the Canadian Physiotherapy Association or of a provincial association affiliated with it.

Podiatrist
means a member of the Canadian Podiatric Association or of a provincial association affiliated with it.

Psychologist
means a permanently certified psychologist who is listed on the appropriate provincial registry.

Reasonable and customary charges
mean those which are usually made to a person without insurance for the items of expense listed under Eligible Expenses and which do not exceed

1. the general level of charges in the area where the expense is incurred, or
2. for eligible expenses incurred outside Canada, the general level of charges for comparable services in the province where your Canadian Head Office is located, unless specified otherwise.

Registered Nurse
means a nurse who is listed on the appropriate provincial registry.

Speech Language Pathologist
means a person who holds a diploma or degree in speech therapy from a recognized university.

Eligible Expenses - Miscellaneous

Eligible expenses also mean reasonable and customary charges for the following items of expense, provided they are prescribed by a physician:

1. services rendered in the patient's home by a registered nurse (R.N.), subject to maximum total eligible expenses in a calendar year of $5,000 less the amount paid under this provision for registered nurses' services during the two preceding calendar years, plus $50 per day thereafter;
2. services of a physiotherapist limited to $500 in a calendar year;
3. services of a massage therapist limited to $50 per visit up to 20 visits in a calendar year for you and limited to $50 per visit up to 15 visits in a calendar year for each insured dependant.
4. services of a psychologist limited to $400 in a calendar year;

5. rental, or purchase at Sun Life's option, of medically necessary durable equipment that meets the patient’s basic medical needs and is approved by Sun Life. If alternate durable equipment is available, eligible expenses are limited to the cost of the least expensive equipment that meets the patient's basic medical needs. Eligible durable equipment includes, but is not limited to, items such as wheel chair, hospital bed and iron lung.
6. trusses, crutches and braces;
7. artificial limbs or other prosthetic appliances;
8. oxygen;
9. diagnostic laboratory and x-ray examinations;
10. licensed ground ambulance service and emergency air ambulance service to the nearest hospital equipped to provide the required treatment;
11. hearing aids, and repairs to them, subject to maximum total eligible expenses of $500 per insured individual during the 5 year period ending on the date an eligible expense is incurred.
12. the following hospital and medical services which are not offered in the province of residence and are performed following written referral by the attending physician in the patient's province of residence.
    a. public ward accommodation and auxiliary hospital services in a general hospital limited to, after deducting the amount payable by a government plan, $75 a day for 60 days in a calendar year.
    b. services of a physician limited to, after deducting the amount payable by a government plan, the level of physicians' charges in the patient's province of residence.

    Items of expense incurred outside Canada are eligible only if they are not offered in any province in Canada.

Eligible expenses also mean reasonable and customary charges for the following items of expense:

1. services of a dental surgeon, including dental prosthesis, required for treatment of a fractured jaw or for the treatment of accidental injuries to natural teeth within six months of the accident where the injury was caused by external, violent and accidental means;
2. services of a chiropractor, osteopath, naturopath or podiatrist, subject to a maximum of $400 for these services, including a maximum of one x-ray examination, per calendar year;

   The practitioner must be registered with the appropriate association or registry. Where applicable, expenses for practitioners' services eligible under a provincial health care plan will be reimbursed before your expenses exceed the annual maximums under your provincial plan, starting from the first visit to the practitioner.
3. orthopaedic shoes which are an integral part of a brace or are specially constructed for the patient, including modifications to such shoes, limited to the total charges less the average cost of regular footwear as determined by Sun Life, but not more than $75 in a calendar year provided that the shoes or modifications are prescribed in writing by a podiatrist or by a physician.

Extended Health - Out-of-Province Emergency and Travel Assistance Benefit

To be insured for this benefit, you and your insured dependant must have provincial health care coverage. Expenses for hospital/medical services and travel assistance benefits are eligible if

1. they are incurred as a result of emergency treatment of a disease or injury which occurs outside your home province,
2. they are medically necessary, and
3. they are incurred due to an emergency which occurs during the first 60 days of travelling on vacation or business outside your home province. Your 60 days of coverage starts on the day you or your insured dependant departs from your home province.

Definitions

Emergency

means an acute illness or accidental injury that requires immediate, medically necessary treatment prescribed by a physician.

Emergency services

mean any reasonable medical services or supplies, including advice, treatment, medical procedures or surgery, required as a result of an emergency. When you or your insured dependant have a chronic condition, emergency services do not include treatment provided as part of an established management program that existed prior to leaving your province of residence.

Family member

means you or your insured dependant.

Reasonable and customary charges

mean those which are usually made to a person without insurance for the items of expense listed under Eligible Expenses and which do not exceed the general level of charges in the area where the expense is incurred.

Relative

means your spouse, parent, child, brother or sister.

Emergency Services

At the time of an emergency, the family member or someone with the family member must contact our Emergency Travel Assistance provider, Europ Assistance USA, Inc. (Europ Assistance). All invasive and investigative procedures (including any surgery, angiogram, MRI, PET scan, CAT scan), must be pre-authorized by Europ Assistance prior to being performed, except in extreme circumstances where surgery is performed on an emergency basis immediately following admission to a hospital.

If contact with Europ Assistance cannot be made before services are provided, contact with Europ Assistance must be made as soon as possible afterwards. If contact is not made and emergency services are provided in circumstances where contact could reasonably have been made, then we have the right to deny or limit payments for all expenses related to that emergency.

An emergency ends when the family member is medically stable to return to his province of residence.

Emergency Services Excluded from Coverage

Any expenses related to the following emergency services are not covered:

1. services that are not immediately required or which could reasonably be delayed until the family member returns to his province of residence, unless his medical condition reasonably prevents him from returning to his province of residence prior to receiving the medical services.
2. services relating to an illness or injury which caused the emergency, after such emergency ends.

3. continuing services arising directly or indirectly out of the original emergency or any recurrence of it, after the date that we or Europ Assistance, based on available medical evidence, determines that the family member can be returned to his province of residence, and he refuses to return.
4. services which are required for the same illness or injury for which the family member received emergency services, including any complications arising out of that illness or injury, if the family member had unreasonably refused or neglected to receive the recommended medical services.
5. where the trip was taken to obtain medical services for an illness or injury, services related to that illness or injury, including any complications or any emergency arising directly or indirectly out of that illness or injury.

Eligible Expenses for Hospital/Medical Services

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services, less the amount payable by a government plan:

1. public ward accommodation and auxiliary hospital services in a general hospital,
2. services of a physician,
3. economy air fare for the patient's return to his province of residence for medical treatment,
4. licensed ground ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation,
5. emergency air ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation, and if the patient requires a registered nurse during the flight, the services and return air fare for the registered nurse.

The maximum lifetime amount payable for the above Eligible Expenses is $1,000,000 for you and for each insured dependant.

Expenses that are included as Eligible Expenses under Drug, Vision, Hospital or Supplementary Health Care benefits are also eligible while you or your insured dependant is travelling outside Canada. These expenses are subject to the deductibles and reimbursement percentages listed under the appropriate benefit in the Summary of Insurance.

Eligible Expenses for Travel Assistance Benefits

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services:

1. family assistance benefits, which include reimbursement for the cost of:
   a. return transportation for insured dependent children who are under the age of 16, or who are handicapped, if they are left unattended because you or your spouse is hospitalized outside your province of residence. Sun Life will arrange the transportation of the dependent child to your home, and if necessary, an escort will be provided to accompany him. The maximum payable for the return transportation is a one-way economy fare for each dependent child.
   b. return transportation for family members, if the hospitalization of a family member prevents them from returning home on the originally scheduled, pre-paid transportation, and consequently requires them to purchase new return tickets. The extra cost of each return fare is payable to a maximum of a one-way economy fare, less any amount reimbursed for the unused, return tickets.
   c. visit of one relative, if a family member is hospitalized for more than 7 days while travelling without a relative. This includes meals and accommodation up to a maximum of $150 per day, and round-trip economy transportation, for one relative. These expenses are also covered when it is necessary for a relative to identify a deceased family member before the release of his body.
   d. meals and accommodation up to a maximum of $150 per day per family, if a trip is extended because a family member is hospitalized.

   The combined maximum amount payable for the above family assistance benefits is $5,000 for one travel emergency.
2. return of a deceased family member. The necessary authorizations will be obtained and arrangements made for the return of the deceased to his province of residence. The maximum amount payable for the preparation and return of the deceased is $5,000. Preparation of the deceased includes expenses for cremation at the place of death. Return of the deceased **includes** a basic shipping container, but **excludes** expenses for burial, such as burial caskets and urns.

3. return of a vehicle. If a family member is unable to operate a vehicle (owned or rented) because he is being returned to Canada for medical treatment, Sun Life will reimburse the cost of returning this vehicle to his province of residence, or the nearest appropriate rental agency. This benefit is also payable in the event of a family member's death. The maximum amount payable for returning the vehicle is $1,000.

Travel Assistance Services

Out-of-province and around-the-world services are provided through Europ Assistance, a company specializing in emergency medical assistance for travellers. By calling the 24 hour helpline, Europ Assistance will be able to provide you and your insured dependants with the following emergency assistance services during the first 60 days of travel:

1. physician and hospital referrals,
2. on-going monitoring of medical treatment if a family member is hospitalized,
3. coordination of transportation arrangements via ground or air ambulance if it is medically necessary to return a family member to Canada or transfer him to another hospital that is equipped to provide the required treatment,
4. payment assistance for hospital/medical expenses,
5. legal referrals,
6. a telephone interpretation service,
7. a message service for you, your family, friends and business associates.

Emergency Payment Assistance

Eligible Hospital/Medical Expenses:

To ensure payment of these expenses,

1. **Call the 24 hour helpline immediately.** If you are physically unable to call the helpline yourself, then have a family member, travelling companion or medical personnel call for you. Simply showing your Sun Life Travel card to a doctor, nurse or hospital personnel will **NOT** ensure payment of these expenses.
2. Europ Assistance will verify your extended health coverage and provincial health care coverage so payments can be arranged on behalf of you or your insured dependant.
3. You will be required to sign an authorization form allowing Europ Assistance to recover any amounts payable by the provincial health care plan.
4. For expenses that require a percentage paid by you, or that are not covered under this plan or the provincial health care plan, you must reimburse Sun Life for the excess amount of the payment.
5. If you receive any subsequent bills for these expenses, please forward them to Europ Assistance and they will coordinate payments with the provincial health care plan and Sun Life.

24 Hour Helpline

If emergency assistance is needed, a 24 hour helpline is available. Multilingual coordinators at Europ Assistance can access a worldwide network of professionals who offer help with medical, legal, and other travel-related emergencies.

The 24 hour helpline can assist you and your insured dependant if you have lost your passport or visa, if you need to find a local legal advisor, or if you require telephone interpretation services. You can also call the helpline and leave important messages for family, friends or business associates; likewise, they can call the helpline and leave messages for you while you travel. Europ Assistance will hold such messages for 15 days.

When calling the 24 hour helpline, please be ready to state your Policy No., Certificate No., ID No., and Provincial Medical Insurance Plan/Health Card Number.

Please consult the telephone numbers on your Travel card.

Exclusions and Limitations

No benefit is payable for

1. expenses incurred by you or your insured dependant due to an emergency which occurs more than 60 days after departure from your province of residence,
2. expenses incurred on a non-emergency or referral basis,
3. expenses incurred under any of the conditions listed as an Exclusion in the Extended Health Insurance Provision.

If you are covered as a retired employee, you and your insured dependants must return to your province of residence for at least 30 consecutive days before becoming eligible for another 60 days of coverage.

Due to conditions such as war, political unrest, epidemics, and geographic inaccessibility, emergency assistance services may not be available in certain countries. For more information on travelling conditions and the availability of Europ Assistance services in a particular country, please call the appropriate 24 hour helpline.

Neither Sun Life nor Europ Assistance is responsible for the availability, quality or results of the medical treatment received by you or your insured dependant, or for the failure to obtain medical treatment.

Dental Insurance Provision

Benefit

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for necessary dental services performed by a dentist, a dental hygienist or a denturist. To determine the amount payable, the total eligible expenses claimed are adjusted as follows:

1. the deductible, which must be satisfied each year, is subtracted,
2. the reimbursement percentage is applied, and
3. the maximums specified in the Summary of Insurance are applied.

The intentional omission, misrepresentation or falsification of information relating to any claim constitutes fraud.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
   - the plan where the person is covered as an active full-time employee,
   - the plan where the person is covered as an active part-time employee,
   - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, commercial laboratory receipts, reports, records, pre-treatment x-rays, study models, independent treatment verification or other necessary information may be required.

If your dentist has recommended dental treatment that is expected to cost more than $500, or if your dentist has recommended dental treatment involving dentures, bridges or crowns, you may have your dentist prepare a pre-treatment plan that you can submit to Sun Life before you start treatment. For any other dental treatment, you can call Sun Life at 1 800 361-6212 to determine if the recommended dental treatment is eligible for payment.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or

2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions and Limitations

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or other similar legislation,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program unless explicitly listed as covered under this benefit.

At Termination

If you die, your insured dependant's Dental Insurance Benefits will be continued for 24 months without payment of premiums as long as the Dental Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

Dental Insurance Provision - Basic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. examination and diagnosis
   - oral examination (once every 3 years),
   - recall oral examination (once every 6 months for members and insured dependants 19 years of age and under and once every 9 months for members and insured dependants over 19 years of age),
   - special oral examination,
   - treatment planning,
   - consultation,
   - house call, institutional call and office visit

b. tests and laboratory examinations
   - microbiologic culture,
   - caries susceptibility tests
   - biopsy of oral tissue,
   - cytologic smear from oral cavity,
   - pulp vitality tests,

c. radiographs
   - periapical (one complete series every 3 years),
   - periapical, one to ten films,
   - occlusal,
   - bitewing (once every 6 months),
   - extra oral,
   - sialography,
   - radiopaque dyes to demonstrate lesions,
   - temporomandibular joint,
   - panoramic (once every 3 years),
   - cephalometric film,
   - interpretation of radiographs received from another source,
   - tomography,
   - hand and wrist (as diagnostic aid for dental treatment)

d. preventive services
   - dental prophylaxis (once every 6 months),
   - topical application of fluoride,
   - oral hygiene instruction (once every 6 months),
   - caries control,
   - interproximal discing of teeth,
   - recontouring to teeth for functional reasons
   - occlusal equilibration (8 units of time every 12 months)

e. restorations
   - amalgam,
   - retentive pins,
   - acrylic or composite resin,
   - stainless steel crowns

f. space maintainers

g. anaesthesia

h. in office laboratory procedures

Dental Insurance Provision - Denture Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. partial and complete dentures
   - complete dentures (once every 3 years),
   - partial dentures (once every 3 years),
   - remake dentures

b. in office laboratory procedures

Dental Insurance Provision - Orthodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense **incurred by an insured dependent child under age 19** for the treatment of malocclusion or for orthodontic treatment -

a. miscellaneous services
   - diagnostic cast
   - observation and adjustment
b. active appliances for tooth guidance or uncomplicated tooth movement
c. appliances to control harmful habits
   - myofunctional therapy
   - repairs and maintenance
d. retention appliances
e. in office laboratory procedures

Dental Insurance Provision - Endodontic and Periodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. periodontics
   - non surgical services,
   - surgical services
   - post-surgical treatment,
   - scaling and root planning,
   - adjunctive procedures,
   - alveoloplasty
b. endodontics
   - pulpotomy,
   - root canal therapy,
   - periapical services,
   - other endodontic procedures,
   - emergency procedures
c. in office laboratory procedures

Dental Insurance Provision - Denture Repair Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. repairs and adjustments
   - adjustment to dentures,
   - repairs,
   - denture rebasing and relining

b. in office laboratory procedures

Dental Insurance Provision - Crown and Bridge Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. crowns, inlays, onlays
   - gold foil restorations,
   - inlay restorations,
   - porcelain restorations,
   - crowns,
   - other restorative services
b. fixed bridgework
   - bridge pontics,
   - repairs to bridges,
   - retainers,
   - other prosthetic services
c. in office laboratory procedures

Replacement of an existing denture or bridgework is an eligible expense if the replacement is required to replace an existing denture or bridgework which was installed at least 3 years before the replacement, limited to a maximum eligible expense of the value and quality of the original denture or bridgework.

Dental Insurance Provision - Surgical Removal Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
   - uncomplicated removals,
   - surgical removals

b. in office laboratory procedures

Dental Insurance Provision - Surgical Services and Drug Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
   - surgical exposure, transplantation and repositioning,
   - surgical excision,
   - surgical incision,
   - fractures,
   - frenectomy,
   - miscellaneous surgical services

b. adjunctive general services
   - drugs (injections)

c. in office laboratory procedures

Waterloo North Hydro Inc.

(Early Retirees)

Group Policy No. 10345

your group benefits

Your Group Insurance Booklet

Keep in a safe place

This booklet is a valuable source of information for you and your family. It provides the information you need about the group benefits available through your employer’s group plan with Sun Life Assurance Company of Canada (Sun Life), a member of the Sun Life Financial group of companies. Please keep it in a safe place. We also recommend that you familiarize yourself with this information and refer to it when making a claim for group benefits.

Your Plan Administrator is there to help

Your plan administrator can:

- help you enrol in the plan
- provide you with the forms you need to claim group benefits
- answer any questions you may have

Benefits and claims information at your fingertips

For more information about your group benefits or claims, please call Sun Life's Customer Care Centre toll-free number at 1-800-361-6212.

We're on the Internet!

Learn more by surfing Sun Life's website. There's information about group benefits, and about Sun Life's products and services... and a whole lot more! Check us out!

Our address is:

www.sunlife.ca

Accessing your records

As required by legislation, for insured benefits, if you reside in Alberta or British Columbia, you may obtain copies of the following documents:

- your enrolment form or application for insurance.
- any written statements or other record, not otherwise part of the application, that you provided to Sun Life as evidence of insurability.

For insured benefits, on reasonable notice, you may also request a copy of the policy.

The first copy will be provided at no cost to you but a fee may be charged for subsequent copies.

All requests for copies of documents should be directed to one of the following sources:

- our Sun Life Financial Plan Member Services website at *www.mysunlife.ca*.
- our Sun Life Financial Customer Care centre by calling toll-free at 1-800-361-6212.

Respecting your privacy

At Sun Life Financial, protecting your privacy is a priority. We maintain a confidential file in our offices containing personal information about you and your contract(s) with us. Our files are kept for the purpose of providing you with investment and insurance products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees, representatives and third party service providers who are responsible for the administration, processing and servicing of your contract(s) with us, our reinsurers or any other person whom you authorize. In some instances these persons may be located outside Canada, and your personal information may be subject to the laws of those foreign jurisdictions. You are entitled to consult the information contained in our file and, if applicable, to have it corrected by sending a written request to us.

You have a choice

We will occasionally inform you of other financial products and services that we believe meet your changing needs. If you do not wish to receive these offers, let us know by calling 1-877-SUN-LIFE (1-877-786-5433).

To find out about our Privacy Policy, visit our website at *www.sunlife.ca*, or to obtain information about our privacy practices, send a written request by e-mail to *privacyofficer@sunlife.com*, or by mail to Privacy Officer,
Sun Life Financial, 225 King St. West, Toronto ON M5V 3C5.

> The statements in this booklet are only a summary of some of the provisions in the master policy. If you need further details on the provisions which apply to your group benefits you must refer to the master policy (available from your plan administrator).

Summary of Insurance

Policy Number 10345

Extended Health Insurance

Part	Benefit	Deductible per family unit	Reim-bursement
A	Drug: Pay Direct	Dispensing fee less $5.00	100%
B	Vision: $350*	none	100%**
D	Supp. Health Care	none	100%
E	Out-of-Province Emergency and Travel Assistance	none	100%

*Maximum for eyeglasses/contact lenses every 24 month period for you and for each insured dependant.

Effective April 1, 2014 the vision maximum is $375.

**Eye exams are reimbursed at 75%.

Termination of Insurance: the first day of the month following the date you reach age 65

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Insurance

Part	Benefit	Deductible		Reimburse-ment	Maximum
		per person	per family unit		
A	Basic	none	none	100%	--
B	Denture	none	none	100%	--
C	Orthodontic	none	none	50%	$2,000*
D	Periodontic and Endodontic	none	none	100%	--
E	Denture Repair	none	none	100%	--
F	Crown and Bridge	none	none	70%	$1,500
G	Surgical Removal	none	none	100%	--
H	Surgical Services and Drug	none	none	100%	--

*The maximum amount payable applies to the combined eligible expenses incurred in a benefit year under Part F for you and for each insured dependant.

The maximum lifetime amount payable applies to the eligible expenses incurred under Part C. **The Orthodontic benefit is for insured dependent children under age 19.

Late Entrant Maximum: If your eligible dependant becomes insured more than 31 days after the date you became eligible for the Dental Insurance Provision, the maximum amount payable for the combined eligible expenses of all parts incurred during the first 12 months of insurance will be limited to $250 for each insured dependant.

Termination of Insurance: the first day of the month following the date you reach age 65

If you die, benefits may be payable for eligible expenses incurred by your insured dependants within 2 years of the date of death, provided this provision remains in force.

Dental Fee Guide: The applicable fee guide is the 2011 general practitioners fee guide in the province where the expense is incurred or, for expenses incurred outside Canada, in the province of residence of the member. For expenses incurred in Alberta or outside Canada by an Alberta resident, the applicable fee guide is the 1997 Alberta Fee Guide for general practitioners, plus and inflationary adjustment determined by Sun Life.

Effective October 1, 2013 the Dental Fee guide is the 2013 fee guide.

Effective October 1, 2014 the Dental Fee guide is the 2014 fee guide.

Effective October 1, 2015 the Dental Fee guide is the 2015 fee guide.

General Information

Eligibility

You are eligible, and continue to be eligible, to be a member while you meet all of the following conditions:

1. You were actively working for Waterloo North Hydro Inc. immediately before your date of retirement.
2. You are a resident of Canada.

You are eligible, and continue to be eligible, for dependant insurance while you meet all of the following conditions:

1. You are a member.
2. You have at least one dependant.
3. Your dependants are residents of Canada.

Definitions

Dependant

means your spouse or a dependent child of you or your spouse. If Sun Life does not approve evidence of insurability required for a dependant, he will not be an insured dependant.

Dependent child

means a natural, adopted or step-child who is not married or in any other formal union recognized by law, who is entirely dependent on you for maintenance and support and who is

1. under 21 years of age,
2. under 25 years of age and attending a college or university full-time, or
3. physically or mentally incapable of self-support and became incapable to that extent while entirely dependent on you for maintenance and support and while eligible under 1) or 2) above.

Spouse

means your spouse by marriage or under any other formal union recognized by law, or a person of the opposite or same sex who is living with and has been living with you in a conjugal relationship.

Enrolment

If you have no dependant when you retire and later acquire one, request dependant insurance, (eg. birth of first child, marriage).

If your new dependant is a common-law spouse, see your Plan Administrator to find out how to enrol for dependant insurance.

If you request dependant insurance more than 31 days after the date of your retirement, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life.

For late entrants, evidence of insurability submitted to Sun Life is at your expense.

Effective Date

Your insurance is effective on the date of your retirement.

Your dependant insurance is effective on the latest of

- the date that you become eligible for dependant insurance,
- the date that you request dependant insurance, or
- the date that Sun Life determines the insurability of all of your dependants and approves at least one dependant.

Changes in Insurance

An increase in your benefits, the amount of your insurance or the amount of your dependant insurance due to change in your group benefit plan's design or a change in your classification becomes effective on the date of the change.

If Sun Life doesn't approve an increase in the amount of your insurance or the amount of your dependant insurance, any future increase in the non-evidence or evidence maximum benefit amount will not be effective unless evidence of insurability is approved. An increase in the non-evidence or evidence maximum benefit amount will be effective on the date Sun Life approves the evidence of insurability.

Subrogation

Subrogation is a legal practice giving Sun Life the right to be reimbursed for benefits paid to you if you have been compensated by another person who is responsible for your loss. The intent of subrogation is to limit your benefit payments to the amount you actually lost.

Subrogation also applies to any medical and/or dental expenses you have been paid as a result of an injury caused by another person. Once you are compensated by the person who is responsible for your loss, you must reimburse Sun Life.

If subrogation applies to your claim, Sun Life will contact you to obtain the information required to proceed. You will be required to sign an undertaking to reimburse Sun Life for any amount recovered which exceeds 100% of income or expenses. Before agreeing to a settlement of your claim, Sun Life's approval must be obtained.

Comparable Coverage

If you are insured for comparable coverage under your spouse's plan, you may decline the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops you will be insured for the similar coverage provided by this plan.

If your dependant is insured for comparable coverage under another plan, you may decline the dependant coverage for the Extended Health/Dental coverage offered under this plan. If this comparable coverage stops, you may request the similar coverage offered under this plan.

The insurance that replaces the comparable coverage is effective on the date that the comparable coverage stops.

If you request the dependant coverage more than 31 days after the comparable coverage stops, you are considered a late entrant and you must submit evidence of insurability for each dependant to Sun Life. The insurance that replaces the comparable coverage is effective on the date that Sun Life approves the evidence of insurability. If Sun Life does not approve evidence of insurability required, the insurance will not be effective.

Termination of Insurance

Your insurance could terminate for a number of reasons. For example,

- you are no longer eligible,
- you reach the Termination Age,
- the provision or the policy terminates.

Extended Health Insurance Provision

Benefit

To qualify for the Extended Health coverage, you or your dependant must be entitled to benefits under a provincial medicare plan or federal government plan that provides similar benefits.

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for medically necessary services required for the treatment of disease or bodily injury. To determine the amount payable, the total amount of eligible expenses you claim will be adjusted as follows:

1. the maximums described throughout the extended health benefit provisions are applied,
2. then the deductible, which must be satisfied each calendar year, is subtracted, and
3. the reimbursement percentage is applied.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
   - the plan where the person is covered as an active full-time employee,
   - the plan where the person is covered as an active part-time employee,
   - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date that the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, attending physician statements or other necessary information are required.

If your physician is recommending medical treatment that is expected to cost more than $1,000, you should request pre-authorization to ensure that the expenses are covered.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or
2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or a similar statute,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services and products, rendered or prescribed by a person who is ordinarily a resident in the patient's home or who is related to the patient by blood or marriage,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program, except as described below under *Integration with Government Programs*,
- expenses for services or supplies that are not approved by Health Canada or other government regulatory body for the general public,
- expenses for services or supplies that are not generally recognized by the Canadian medical profession as effective, appropriate and required in the treatment of an illness in accordance with Canadian medical standards,
- expenses for services or supplies that do not qualify as medical expenses under the Income Tax Act (Canada),
- out-of-province expenses for elective (non-emergency) medical treatment or surgery.

Integration with Government Programs

This plan will integrate with benefits payable or available under the government-sponsored plan or program (the *government program*).

The covered expense under this plan is that portion of the expense that is not payable or available under the government program, regardless of:

- whether you or your dependant have made an application to the government program,
- whether coverage under this plan affects your or your dependant's eligibility or entitlement to any benefits under the government program, or
- any waiting lists.

At Termination

If, on the date of termination of your insurance,

- you have a medically determinable physical or mental impairment due to injury or disease which prevents you from performing the regular duties of the occupation in which you participated just before the impairment started, regardless of the availability of work for you, or
- your insured dependant has a medically determinable physical or mental impairment due to injury or disease, is receiving treatment from a physician and is confined to a hospital or his home,

benefits will be payable for eligible expenses related to the impairment provided they are incurred within 90 days of the date of termination and this provision continues in force.

If you die, your insured dependant's Extended Health Insurance Benefits will be continued for 24 months without payment of premiums as long as the Extended Health Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

My Health CHOICE Coverage

If your coverage under this plan terminates because your employment has ended, you may purchase Sun Life's My Health CHOICE coverage. This coverage is different from your group plan.

To be eligible for My Health CHOICE coverage, you must:

- apply for My Health CHOICE coverage within 60 days after the termination of your coverage,
- be under age 75 on the date you apply, and
- be a resident of Canada and be covered under the provincial health plan.

My Health CHOICE coverage may also include Dental coverage if you were covered for both Extended Health Care and Dental Care benefits under this group plan, and both benefits terminated.

You may cover your spouse and dependents if those family members were covered under your group plan. Your spouse must be under age 75 on the date you apply for this coverage.

From time to time, Sun Life may review the eligibility requirements and, on the date you apply for My Health CHOICE coverage, they may be different from those listed in this booklet.

To apply for My Health CHOICE or if you have any questions, please call our Customer Solutions Centre at 1-877-893-9893.

Extended Health - Pay Direct Drug Benefit

Eligible Expenses

Eligible expenses are the reasonable and customary charges for the following items of expense, provided they are medically necessary for the treatment of disease or injury, prescribed by a physician or dentist and dispensed by a registered pharmacist or physician. Drugs covered under this benefit must have a Drug Identification Number (DIN) in order to be eligible.

1. drugs which legally require a prescription.
2. life-sustaining drugs which may not legally require a prescription.
3. injectible drugs.
4. compounded preparations, provided that the principal active ingredient is an eligible expense and has a DIN.
5. needles, syringes, and chemical diagnostic aids for the treatment of diabetes.

Drug Substitution Limit

Charges in excess of the lowest priced equivalent drug are not covered unless specifically approved by Sun Life. To assess the medical necessity of a higher priced drug, Sun Life will require the insured person and the attending physician to complete and submit an exception form.

Prior Authorization Program

The prior authorization (PA) program applies to a limited number of drugs and, as its name suggests, prior approval is required for coverage under the program. If the insured person submits a claim for a drug included in the PA program and has not been pre-approved, the claim will be declined.

In order for drugs in the PA program to be covered, the insured person needs to provide medical information using Sun Life's PA form. Both the insured person and the attending physician need to complete parts of the form.

These drugs will be covered if the information provided meets Sun Life's medical criteria. If not, the claim will be declined.

The prior authorization forms are available from the following sources:

1. Sun Life’s website at www.mysunlife.ca
   – under *Group Benefits* and then *Prior Authorization Drug List and Forms*
2. Sun Life’s Customer Care centre
   – toll-free number 1-800-361-6212

Drug Utilization Review (DUR)

Sun Life provides a Drug Utilization Review (DUR) service to ensure the safe and effective use of drugs prescribed for you and your insured dependant. Your pharmacist will review an eligible drug against your past drug claims for possible harmful effects to your health, such as a severe drug interaction.

Other Health Professionals Allowed to Prescribe Drugs

Certain drugs prescribed by other qualified health professionals will be reimbursed the same way as if the drugs were prescribed by a physician or a dentist if the applicable provincial legislation permits them to prescribe those drugs.

Limitations and Exclusions

No benefit is payable for

1. the portion of expenses for which reimbursement is provided by a government plan,

2. the yearly or per prescription deductible on drugs that are eligible under the Ontario Drug Benefit plan and are purchased by you or your insured spouse who is age 65 or over,
3. expenses for drugs which do not legally require a prescription, except those specified under Eligible Expenses,
4. expenses for drugs which, in Sun Life's opinion, are experimental,
5. expenses for dietary supplements, vitamins and infant foods,
6. expenses for contraceptives (other than oral),
7. expenses for drugs which are used for cosmetic purposes,
8. expenses for drugs used for the treatment of sexual dysfunction,
9. expenses for smoking cessation aids,
10. expenses for drugs used for the treatment of obesity,
11. expenses for natural health products, whether or not they have a Natural Product Number (NPN),
12. expenses for drugs and treatments, and any services and supplies relating to the administration of the drug and treatment, administered in a hospital, on an in-patient or out-patient basis, or in a government-funded clinic or treatment facility, and
13. expenses incurred under any of the conditions listed on the Extended Health Insurance Provision page as an Exclusion.

Extended Health - Vision Care Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense:

1. eye examinations by an optometrist limited to one examination in a 24 month period (12 month period for an insured dependant under age 18).
2. eye glasses and contact lenses and repairs to them that are necessary for the correction of vision and are prescribed by an ophthalmologist or optometrist, limited to the maximum specified in the Summary of Insurance less the amount paid during the previous 24 months for the member and each insured dependant.
3. eye glasses and contact lenses certified by an ophthalmologist as necessary due to a surgical procedure or the treatment of keratoconus, limited to a lifetime maximum of $200 for the non-surgical treatment of keratoconus for you and each insured dependant and a maximum of $200 for each surgical procedure.

Preferred Vision Services (PVS)

Preferred Vision Services Inc. (PVS) is a network of more than 1,000 healthcare service providers across the country. The PVS program offers discounts on the purchase of prescription eyewear, hearing aids and even laser eye surgery through preferred providers registered in the PVS network. As long as you are covered under this group benefits plan, you and your dependants are eligible for the PVS discount program.

Read more about the PVS program and how to obtain savings on your purchases in our PVS brochure. The brochure also includes a PVS card to take with you when you visit a PVS provider. A copy of the brochure is available from your plan administrator or when you sign into our Sun Life Financial Plan Member Services website at *www.mysunlife.ca.*

New providers and services are being added to the network all the time. To find out what services are available and for the PVS locations nearest you, call the PVS information centre toll-free number 1-800-668-6444, or visit the PVS website at *www.pvs.ca*.

Extended Health - Supplementary Health Care Benefit

Eligible Expenses - Miscellaneous

Eligible expenses also mean reasonable and customary charges for the following items of expense, provided they are prescribed by a physician:

1. services rendered in the patient's home by a registered nurse (R.N.), subject to maximum total eligible expenses in a calendar year of $5,000 less the amount paid under this provision for registered nurses' services during the two preceding calendar years, plus $50 per day thereafter;
2. services of a physiotherapist limited to $500 in a calendar year;
3. services of a massage therapist limited to $50 per visit up to 20 visits in a calendar year for you and limited to $50 per visit up to 15 visits in a calendar year for each insured dependant;
4. services of a speech therapist subject to maximum total eligible expenses of $400 in a calendar year;
5. services of a psychologist limited to $400 in a calendar year;
6. rental, or purchase at Sun Life's option, of medically necessary durable equipment that meets the patient’s basic medical needs and is approved by Sun Life. If alternate durable equipment is available, eligible expenses are limited to the cost of the least expensive equipment that meets the patient's basic medical needs. Eligible durable equipment includes, but is not limited to, items such as wheel chair, hospital bed and iron lung.
7. trusses, crutches and braces;
8. artificial limbs or other prosthetic appliances;
9. oxygen;
10. diagnostic laboratory and x-ray examinations;
11. licensed ground ambulance service and emergency air ambulance service to the nearest hospital equipped to provide the required treatment;
12. hearing aids, and repairs to them, subject to maximum total eligible expenses of $500 per insured individual during the 5 year period ending on the date an eligible expense is incurred;.
13. the following hospital and medical services which are not offered in the province of residence and are performed following written referral by the attending physician in the patient's province of residence;
    a. public ward accommodation and auxiliary hospital services in a general hospital limited to, after deducting the amount payable by a government plan, $75 a day for 60 days in a calendar year.
    b. services of a physician limited to, after deducting the amount payable by a government plan, the level of physicians' charges in the patient's province of residence.

    Items of expense incurred outside Canada are eligible only if they are not offered in any province in Canada.

Eligible expenses also mean reasonable and customary charges for the following items of expense:

1. services of a dental surgeon, including dental prosthesis, required for treatment of a fractured jaw or for the treatment of accidental injuries to natural teeth within six months of the accident where the injury was caused by external, violent and accidental means;
2. services of a chiropractor, osteopath, naturopath or podiatrist, subject to a maximum of $400 for these services, including a maximum of one x-ray examination, per calendar year;

   The practitioner must be registered with the appropriate association or registry. Where applicable, expenses for practitioners' services eligible under a provincial health care plan will be reimbursed before your expenses exceed the annual maximums under your provincial plan, starting from the first visit to the practitioner;
3. orthopaedic shoes which are an integral part of a brace or are specially constructed for the patient, including modifications to such shoes, limited to the total charges less the average cost of regular footwear as determined by Sun Life, but not more than $75 in a calendar year provided that the shoes or modifications are prescribed in writing by a podiatrist or by a physician.

Extended Health - Out-of-Province Emergency and Travel Assistance Benefit

To be insured for this benefit, you and your insured dependant must have provincial health care coverage. Expenses for hospital/medical services and travel assistance benefits are eligible if

1. they are incurred as a result of emergency treatment of a disease or injury which occurs outside your home province,
2. they are medically necessary, and
3. they are incurred due to an emergency which occurs during the first 60 days of travelling on vacation or business outside your home province. Your 60 days of coverage starts on the day you or your insured dependant departs from your home province.

Definitions

Emergency
means an acute illness or accidental injury that requires immediate, medically necessary treatment prescribed by a physician.

Emergency services
mean any reasonable medical services or supplies, including advice, treatment, medical procedures or surgery, required as a result of an emergency. When you or your insured dependant have a chronic condition, emergency services do not include treatment provided as part of an established management program that existed prior to leaving your province of residence.

Family member
means you or your insured dependant.

Reasonable and customary charges
mean those which are usually made to a person without insurance for the items of expense listed under Eligible Expenses and which do not exceed the general level of charges in the area where the expense is incurred.

Relative
means your spouse, parent, child, brother or sister.

Emergency Services

At the time of an emergency, the family member or someone with the family member must contact our Emergency Travel Assistance provider, Europ Assistance USA, Inc. (Europ Assistance). All invasive and investigative procedures (including any surgery, angiogram, MRI, PET scan, CAT scan), must be pre-authorized by Europ Assistance prior to being performed, except in extreme circumstances where surgery is performed on an emergency basis immediately following admission to a hospital.

If contact with Europ Assistance cannot be made before services are provided, contact with Europ Assistance must be made as soon as possible afterwards. If contact is not made and emergency services are provided in circumstances where contact could reasonably have been made, then we have the right to deny or limit payments for all expenses related to that emergency.

An emergency ends when the family member is medically stable to return to his province of residence.

Emergency Services Excluded from Coverage

Any expenses related to the following emergency services are not covered:

1. services that are not immediately required or which could reasonably be delayed until the family member returns to his province of residence, unless his medical condition reasonably prevents him from returning to his province of residence prior to receiving the medical services.
2. services relating to an illness or injury which caused the emergency, after such emergency ends.

3. continuing services arising directly or indirectly out of the original emergency or any recurrence of it, after the date that we or Europ Assistance, based on available medical evidence, determines that the family member can be returned to his province of residence, and he refuses to return.
4. services which are required for the same illness or injury for which the family member received emergency services, including any complications arising out of that illness or injury, if the family member had unreasonably refused or neglected to receive the recommended medical services.
5. where the trip was taken to obtain medical services for an illness or injury, services related to that illness or injury, including any complications or any emergency arising directly or indirectly out of that illness or injury.

Eligible Expenses for Hospital/Medical Services

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services, less the amount payable by a government plan:

1. public ward accommodation and auxiliary hospital services in a general hospital,
2. services of a physician,
3. economy air fare for the patient's return to his province of residence for medical treatment,
4. licensed ground ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation,
5. emergency air ambulance service to the nearest hospital equipped to provide the required treatment, or to Canada, when the patient's physical condition prevents the use of another means of transportation, and if the patient requires a registered nurse during the flight, the services and return air fare for the registered nurse.

The maximum lifetime amount payable for the above Eligible Expenses is $1,000,000 for you and for each insured dependant.

Expenses that are included as Eligible Expenses under Drug, Vision, Hospital or Supplementary Health Care benefits are also eligible while you or your insured dependant is travelling outside Canada. These expenses are subject to the deductibles and reimbursement percentages listed under the appropriate benefit in the Summary of Insurance.

Eligible Expenses for Travel Assistance Benefits

Eligible expenses mean reasonable and customary charges for the following items of expense incurred for emergency services:

1. family assistance benefits, which include reimbursement for the cost of:
    a. return transportation for insured dependent children who are under the age of 16, or who are handicapped, if they are left unattended because you or your spouse is hospitalized outside your province of residence. Sun Life will arrange the transportation of the dependent child to your home, and if necessary, an escort will be provided to accompany him. The maximum payable for the return transportation is a one-way economy fare for each dependent child.
    b. return transportation for family members, if the hospitalization of a family member prevents them from returning home on the originally scheduled, pre-paid transportation, and consequently requires them to purchase new return tickets. The extra cost of each return fare is payable to a maximum of a one-way economy fare, less any amount reimbursed for the unused, return tickets.
    c. visit of one relative, if a family member is hospitalized for more than 7 days while travelling without a relative. This includes meals and accommodation up to a maximum of $150 per day, and round-trip economy transportation, for one relative. These expenses are also covered when it is necessary for a relative to identify a deceased family member before the release of his body.
    d. meals and accommodation up to a maximum of $150 per day per family, if a trip is extended because a family member is hospitalized.

    The combined maximum amount payable for the above family assistance benefits is $5,000 for one travel emergency.

2. return of a deceased family member. The necessary authorizations will be obtained and arrangements made for the return of the deceased to his province of residence. The maximum amount payable for the preparation and return of the deceased is $5,000. Preparation of the deceased includes expenses for cremation at the place of death. Return of the deceased **includes** a basic shipping container, but **excludes** expenses for burial, such as burial caskets and urns.
3. return of a vehicle. If a family member is unable to operate a vehicle (owned or rented) because he is being returned to Canada for medical treatment, Sun Life will reimburse the cost of returning this vehicle to his province of residence, or the nearest appropriate rental agency. This benefit is also payable in the event of a family member's death. The maximum amount payable for returning the vehicle is $1,000.

Travel Assistance Services

Out-of-province and around-the-world services are provided through Europ Assistance, a company specializing in emergency medical assistance for travellers. By calling the 24 hour helpline, Europ Assistance will be able to provide you and your insured dependants with the following emergency assistance services during the first 60 days of travel:

1. physician and hospital referrals,
2. on-going monitoring of medical treatment if a family member is hospitalized,
3. coordination of transportation arrangements via ground or air ambulance if it is medically necessary to return a family member to Canada or transfer him to another hospital that is equipped to provide the required treatment,
4. payment assistance for hospital/medical expenses,
5. legal referrals,
6. a telephone interpretation service,
7. a message service for you, your family, friends and business associates.

Emergency Payment Assistance

Eligible Hospital/Medical Expenses:

To ensure payment of these expenses,

1. **Call the 24 hour helpline immediately.** If you are physically unable to call the helpline yourself, then have a family member, travelling companion or medical personnel call for you. Simply showing your Sun Life Travel card to a doctor, nurse or hospital personnel will **NOT** ensure payment of these expenses.
2. Europ Assistance will verify your extended health coverage and provincial health care coverage so payments can be arranged on behalf of you or your insured dependant.
3. You will be required to sign an authorization form allowing Europ Assistance to recover any amounts payable by the provincial health care plan.
4. For expenses that require a percentage paid by you, or that are not covered under this plan or the provincial health care plan, you must reimburse Sun Life for the excess amount of the payment.
5. If you receive any subsequent bills for these expenses, please forward them to Europ Assistance and they will coordinate payments with the provincial health care plan and Sun Life.

24 Hour Helpline

If emergency assistance is needed, a 24 hour helpline is available. Multilingual coordinators at Europ Assistance can access a worldwide network of professionals who offer help with medical, legal, and other travel-related emergencies.

The 24 hour helpline can assist you and your insured dependant if you have lost your passport or visa, if you need to find a local legal advisor, or if you require telephone interpretation services. You can also call the helpline and leave important messages for family, friends or business associates; likewise, they can call the helpline and leave messages for you while you travel. Europ Assistance will hold such messages for 15 days.

When calling the 24 hour helpline, please be ready to state your Policy No., Certificate No., ID No., and Provincial Medical Insurance Plan/Health Card Number.

Please consult the telephone numbers on your Travel card.

Exclusions and Limitations

No benefit is payable for

1. expenses incurred by you or your insured dependant due to an emergency which occurs more than 60 days after departure from your province of residence,
2. expenses incurred on a non-emergency or referral basis,
3. expenses incurred under any of the conditions listed as an Exclusion in the Extended Health Insurance Provision.

If you are covered as a retired employee, you and your insured dependants must return to your province of residence for at least 30 consecutive days before becoming eligible for another 60 days of coverage.

Due to conditions such as war, political unrest, epidemics, and geographic inaccessibility, emergency assistance services may not be available in certain countries. For more information on travelling conditions and the availability of Europ Assistance services in a particular country, please call the appropriate 24 hour helpline.

Neither Sun Life nor Europ Assistance is responsible for the availability, quality or results of the medical treatment received by you or your insured dependant, or for the failure to obtain medical treatment.

Dental Insurance Provision

Benefit

You will be reimbursed when you submit proof to Sun Life that you or your insured dependant has incurred any of the eligible expenses for necessary dental services performed by a dentist, a dental hygienist or a denturist. To determine the amount payable, the total eligible expenses claimed are adjusted as follows:

1. the deductible, which must be satisfied each year, is subtracted,
2. the reimbursement percentage is applied, and
3. the maximums specified in the Summary of Insurance are applied.

The intentional omission, misrepresentation or falsification of information relating to any claim constitutes fraud.

Co-ordination of Benefits

If you or your dependants are covered under this plan and another plan, Sun Life will co-ordinate benefits under this plan with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

The plan that does not contain a co-ordination of benefits clause is considered to be the first payer and therefore pays benefits before a plan which includes a co-ordination of benefits clause.

For dental accidents, health plans with dental accident coverage pay benefits before dental plans.

Following payment under another plan, the amount of benefit payable under this plan will not exceed the total amount of eligible expenses incurred less the amount paid by the other plan.

Where both plans contain a co-ordination of benefits clause, claims must be submitted in the order described below.

Claims for you and your spouse should be submitted in the following order:

1. the plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
   - the plan where the person is covered as an active full-time employee,
   - the plan where the person is covered as an active part-time employee,
   - the plan where the person is covered as a retiree.
2. the plan where the person is covered as a dependant.

Claims for a dependent child should be submitted in the following order:

1. the plan where the dependent child is covered as an employee,
2. the plan where the dependent child is covered under a student health or dental plan provided through an educational institution,
3. the plan of the parent with the earlier birth date (month and day) in the calendar year,
4. the plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in all situations except when parents are separated/divorced and there is no joint custody of the dependent child, in which case the following order applies:

1. the plan of the parent with custody of the dependent child,
2. the plan of the spouse of the parent with custody of the dependent child,
3. the plan of the parent not having custody of the dependent child,
4. the plan of the spouse of the parent not having custody of the dependent child.

When you submit a claim, you have an obligation to disclose to Sun Life all other equivalent coverage that you or your dependants have.

Claims

A claim must be received by Sun Life within 18 months of the date the expense is incurred. However, if your coverage terminates, any claim must be received by Sun Life no later than 90 days following the end of the coverage.

For the assessment of a claim, itemized bills, commercial laboratory receipts, reports, records, pre-treatment x-rays, study models, independent treatment verification or other necessary information may be required.

If your dentist has recommended dental treatment that is expected to cost more than $500, or if your dentist has recommended dental treatment involving dentures, bridges or crowns, you may have your dentist prepare a pre-treatment plan that you can submit to Sun Life before you start treatment. For any other dental treatment, you can call Sun Life at 1 800 361-6212 to determine if the recommended dental treatment is eligible for payment.

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under the policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or
2. regarding claims for which some payment has been made by Sun Life, more than one year after the last payment made by Sun Life with respect to the claim.

Exclusions and Limitations

No benefit is payable for

- expenses for which benefits are payable under a Workers' Compensation Act, Workplace Safety and Insurance Act or other similar legislation,
- expenses incurred due to intentionally self-inflicted injuries,
- expenses incurred due to civil disorder or war, whether or not war was declared,
- expenses for services or supplies payable or available (regardless of any waiting list) under any government-sponsored plan or program unless explicitly listed as covered under this benefit.

At Termination

If you die, your insured dependant's Dental Insurance Benefits will be continued for 24 months without payment of premiums as long as the Dental Insurance provision remains in force. Your dependants must contact your Plan Administrator to arrange the extension of coverage.

Dental Insurance Provision - Basic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. examination and diagnosis:
   - oral examination (once every 3 years),
   - recall oral examination (once every 6 months for members and insured dependants 19 years of age and under and once every 9 months for members and insured dependants over 19 years of age),
   - special oral examination,
   - treatment planning,
   - consultation,
   - house call, institutional call and office visit

b. tests and laboratory examinations:
   - microbiological test,
   - caries susceptibility test,
   - biopsy of oral tissue,
   - cytologic smear from oral cavity,
   - pulp vitality tests,

c. radiographs
   - complete series (once every 3 years),
   - periapical, one to ten films,
   - occlusal,
   - bitewing (once every 6 months),
   - extraoral,
   - sialography,
   - radiopaque dyes to demonstrate lesions,
   - temporomandibular joint,
   - panoramic (once every 3 years),
   - cephalometric film,
   - interpretation of radiographs received from another source,
   - tomography,
   - hand and wrist (as diagnostic aid for dental treatment)

d. preventive services:
   - dental polishing (once every 6 months),
   - topical application of fluoride,
   - oral hygiene instruction (once every 6 months),
   - caries control,
   - interproximal discing of teeth,
   - recontouring to teeth for functional reasons
   - occlusal adjustment/equilibration (8 units of time every 12 months)

e. restorations:
   - amalgam,
   - retentive pins,
   - acrylic or composite resin,
   - prefabricated restorations

f. space maintainers

g. anaesthesia

h. in office laboratory procedures

Dental Insurance Provision - Denture Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. partial and complete dentures
   - complete dentures (once every 3 years),
   - partial dentures (once every 3 years),
   - remake dentures

b. in office laboratory procedures

Dental Insurance Provision - Orthodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense **incurred by an insured dependent child under age 19** for the treatment of malocclusion or for orthodontic treatment -

a. miscellaneous services
   - space maintainers,
   - diagnostic cast,
   - observation and adjustment,

b. active appliances for tooth guidance or uncomplicated tooth movement

c. control of oral habits:
   - appliances to control oral habits,
   - myofunctional therapy,
   - repairs and maintenance,

d. retention appliances

e. in office laboratory procedures

Dental Insurance Provision - Endodontic and Periodontic Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. periodontics
   - non surgical services,
   - surgical services,
   - post-surgical treatment,
   - scaling and root planing,
   - adjunctive procedures,
   - alveoloplasty

b. endodontics
   - pulpotomy,
   - root canal therapy,
   - periapical services,
   - other endodontic procedures,
   - emergency procedures

c. in office laboratory procedures

Dental Insurance Provision - Denture Repair Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. repairs and adjustments
   - adjustment to dentures,
   - repairs,
   - denture rebasing and relining

b. in office laboratory procedures

Dental Insurance Provision - Crown and Bridge Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. crowns, inlays, onlays
   - gold foil restorations,
   - inlay restorations,
   - onlay restorations,
   - crowns,
   - other restorative services

b. fixed bridgework
   - bridge pontics,
   - repairs to bridges,
   - retainers,
   - other prosthetic services

c. in office laboratory procedures

Replacement of an existing denture or bridgework is an eligible expense if the replacement is required to replace an existing denture or bridgework which was installed at least 3 years before the replacement, limited to a maximum eligible expense of the value and quality of the original denture or bridgework.

Dental Insurance Provision - Surgical Removal Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
   - uncomplicated removals,
   - surgical removals
b. in office laboratory procedures

Dental Insurance Provision - Surgical Services and Drug Benefit

Eligible Expenses

Eligible expenses mean reasonable and customary charges for the following items of expense -

a. surgical services
    - surgical exposure, transplantation and repositioning,
    - surgical excision,
    - surgical incision,
    - fractures,
    - frenectomy,
    - miscellaneous surgical services
b. adjunctive general services
    - drugs (injections)
c. in office laboratory procedures

ATTACHMENT 4-2

2014
AFE ACTUARIAL
CONSULTING REPORT

AFE Actuarial Consulting

Actuarial Report
For 2014 Disclosure Purposes
Regarding Post Employment
Non-Pension and Sick Leave Benefits

For

WATERLOO NORTH HYDRO

Prepared by
Alan F. Exley
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

January 27, 2015

AFE Actuarial Consulting has been retained to prepare a valuation of the post-employment benefits plan sick leave plan and accounting disclosure requirements for the fiscal period ending December 31, 2014 for Waterloo North Hydro. This expense for the year is based on an extrapolation of the valuation results as at December 31, 2013, taking into account actual experience during the intervening period. The obligations established at December 31, 2013 are based on a full valuation of the plan as at that date, using data accumulated for that purpose.

Data

Annual premium rates used are as shown in the following table. These rates include provincial sales tax:

	Single	**Family**
Health	$1,125.60	$3,482.52
Dental	$721.56	$2,063.76

Individual employee and retiree data was provided for all covered individuals for the December 31, 2013 valuation. The following tables summarize the data provided:

Age Group	**Male**	**Female**	**Totals**	**Average Earnings**	**Average Service**
Active Employees					
20 to 25	12	0	12	60,927	1.8
25 to 30	19	2	21	66,493	2.8
30 to 35	8	0	8	72,504	4.1
35 to 40	6	3	9	78,408	5.8
40 to 45	4	3	7	79,867	14.3
45 to 50	14	7	21	76,305	12.6
50 to 55	15	8	23	80,126	22.0
55 to 60	9	4	13	90,466	15.4
60 to 65	4	4	8	81,912	14.5
65 to 70	0	1	1	61,464	30.6
Totals	91	32	123	75,694	11.2
Disabled Employees					
55 to 60	0	2	2	36,727	
Totals	0	2	2	36,727	

Age Group	Male	Female	Totals	Average Insurance
Retired Employees				
55 to 60	10	1	11	36,601
60 to 65	13	2	15	23,882
65 to 70	8	3	11	28,126
70 to 75	8	1	9	27,036
75 to 80	6	1	7	35,402
80 to 85	7	0	7	45,231
85 to 90	3	0	3	21,794
Totals	55	8	63	30,847

Benefit Programs

Life insurance, extended health, and dental benefits are provided to retired employees. Health and dental coverage ceases when the retiree reaches age 65; life insurance coverage continues for life, except for employees hired after March 17, 2004 for whom no coverage is provided. The amount of life insurance provided is as follows:

- Currently active employees:
  - Active insurance factor of 1.50 are provided with 50% of final annual earnings.
  - Active insurance factor of 1.75 are provided with 50% of final annual earnings, with the percentage reducing to 25% over 10 years following retirement.
  - Hired after March 17, 2004 receive no benefit.
- Retirees:
  - Class A have $2,000 of insurance (retirement with less than 10 years of service).
  - Class B receive 50% of final earnings initially, reducing to 25% after 10 years following retirement.
  - Class C2 receive 50% of final earnings.
  - Class C3 receive 70% of final earnings.

Attestation

I am pleased to provide the following certifications:

a) I am aware that your auditor intends to use my work for audit evidence;
b) I am a member in good standing with the Canadian Institute of Actuaries;
c) I have been engaged by the Company’s management to perform the valuation;

d) My calculations have been performed in accordance with the standards of the Canadian Institute of Actuaries;
e) My calculations include all employee future benefit plans of the Company required to be included in the calculations for which I have been retained;
f) I have included the effect of all known commitments in my calculations;
g) No settlements or curtailments have occurred in the fiscal period covered by this report;
h) The calculations have been prepared using best estimate assumptions, as proposed by me and accepted by management;
i) I have used a materiality level of $25,000 in dealing with errors or changes in principle and the application thereof;
j) This report includes the following:
   i) A description of the participant groups covered.
   ii) A description of the plan benefits.
   iii) A description of the actuarial valuation method used to determine the accrued benefit obligation.
   iv) The significant actuarial assumptions used in the calculations are as follows:
   - All liabilities were valued as at December 31, 2013.
   - A discount rate of 4.0% was used to establish liabilities at December 31, 2013 and for extrapolation during 2014 (using values determined in the December 2013 valuation). A rate of 4.00% has been used as at December 31, 2014.
   - A salary growth rate of 2.5% has been used to determine future benefits related to earnings.
   - No assets have or are expected to be accumulated for the plan.
   - Mortality based on the 1994 UP Mortality Table with projection on a generational basis using Projection Scale AA.
   - Termination of employment is based on the Ontario Medium Scale.
   - The following table shows rates of mortality, the projection scale, and employee termination at certain ages:

	Mortality Rate		**Projection Scale AA**		**Termination**
Age	**Male**	**Female**	**Male**	**Female**	**Rate**
20	0.0005	0.0003	0.0190	0.0160	0.2000
25	0.0007	0.0003	0.0100	0.0140	0.2000
30	0.0009	0.0004	0.0050	0.0100	0.1120
35	0.0009	0.0005	0.0050	0.0110	0.0630
40	0.0012	0.0008	0.0080	0.0150	0.0340
45	0.0017	0.0010	0.0130	0.0160	0.0180
50	0.0028	0.0015	0.0180	0.0170	0.0120

	Mortality Rate		Projection Scale AA		Termination
Age	**Male**	**Female**	**Male**	**Female**	**Rate**
55	0.0048	0.0025	0.0190	0.0080	
60	0.0086	0.0048	0.0160	0.0050	
65	0.0156	0.0093	0.0140	0.0050	
70	0.0255	0.0148	0.0150	0.0050	
75	0.0400	0.0244	0.0140	0.0080	
80	0.0667	0.0424	0.0100	0.0070	
85	0.1046	0.0728	0.0070	0.0060	
90	0.1644	0.1250	0.0040	0.0030	
95	0.2512	0.2002	0.0020	0.0020	

- Retirement at later of current age plus one year and age 57 is presumed
- Health care trend rates of 8% in the first year following the full valuation, reducing to 5% after 6 years was assumed.
- A Dental care trend rate of 4% was assumed.
- Each employee's attribution period is from his/her date of hire until the employee reaches age 55.
- 90% of active employees are assumed to elect family coverage. Actual coverage is used for retired employees.
- The value of projected benefits is prorated over the attribution period to determine the amount of expense to charge to various periods. The accrued benefit obligation represents the present value of benefits assigned to periods prior to the valuation date.

v) Amortization of gains and losses are made using a straight-line method over the average of the expected average future service period of active employees. Only unamortized amounts in excess of 10% of plan obligations are considered for amortization.

vi) The plan is unfunded.

vii) The valuation allowance is zero.

viii) No settlements or curtailments have occurred in the fiscal period covered by this report.

ix) The plan is a defined benefit plan.

x) No significant non-routine events occurred in the fiscal period covered by this report.

xi) No deviations from the benefit plan were made.

xii) Obligations were calculated as at December 31, 2013 and extrapolated to December 31, 2014, taking into account actual experience under the plans.

k) I have confirmed with management that the plan provisions are up to date for use in this report.
l) No matters have come to my attention that have occurred prior to the date of the completion of this report which would have a material effect on my calculations.

Calculations

On the basis of the assumptions and methods noted above, I have determined the present value of benefit obligations related to service through 2014. The attached tables show the calculated obligation amounts at the fiscal end dates as requested.

The attached table provides disclosure information required for reporting under CICA3461 for non-pension benefits only.

Please feel free to contact me should you require additional information or clarification of any of the information provided here.

Sincerely,

Alan F. Exley
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

Att.

	Post Retirement		Sick Leave
Fiscal Year ending December 31 in	**2013**	**2014**	**2014**
Discount Rate			
At start of year	3.75%	4.00%	4.00%
At end of year	4.00%	4.00%	4.00%
Interest rate on assets			
At start of year	N/A	N/A	N/A
At end of year	N/A	N/A	N/A
Salary Growth assumption	4.00%	2.50%	2.50%
Termination rates used	Yes	Yes	Yes
Mortality table	UP94 Gen.	UP94 Gen.	UP94 Gen.
Dental Care Trend Rate	4.00%	4.00%	N/A
Health Care Initial Trend Rate	8.00%	8.00%	N/A
Ultimate Trend Rate	5.00%	5.00%	N/A
EARSL Period	7.6	7.6	7.6
Reconcile Obligation			
Obligation at start of year	4,194,877	4,264,691	131,530
Change in obligation on revaluation	0	0	0
Plan improvements in year	0	0	0
Current service accrual cost	155,366	152,080	9,735
Member contributions	0	0	0
Benefit payments	(203,422)	(195,499)	0
Interest on obligation	156,407	169,719	5,456
Expected obligation at end of year	4,303,228	4,390,991	146,721
Actual obligation at end of year	4,264,691	4,390,991	146,721
Total (Gains) & Losses	(38,537)	0	0
Reconcile Plan Funds			
Fund at start of year	0	0	0
Company contributions	203,422	195,499	0
Benefit payments	(203,422)	(195,499)	0
Interest on obligation	0	0	0
Expected fund at end of year	0	0	0
Actual fund at end of year	0	0	0
(Gains) & Losses	0	0	0

	Post Retirement		Sick Leave
Fiscal Year ending December 31 in	**2013**	**2014**	**2014**
Expense			
Current service cost	155,366	152,080	9,735
Interest on obligation	156,407	169,719	5,456
Interest on assets	0	0	0
Amortize plan improvements	0	0	0
Amortize (gains) and losses	0	0	0
Expense	311,773	321,799	15,191
Unamortized (Gains) & Losses			
10% Window	419,488	426,469	13,153
Unamortized (gain)/loss at start of year	333,811	295,274	0
(Gain)/Loss in year	(38,537)	0	0
Amortization in year	0	0	0
Unamortized (gain)/loss at end of year	295,274	295,274	0
Prepaid Benefit Asset (Liability)			
Asset/(Liability) at start of year	(3,861,066)	(3,969,417)	(131,530)
Income/(Expense) in year	(311,773)	(321,799)	(15,191)
Company contributions	203,422	195,499	0
Asset/(Liability) at end of year	(3,969,417)	(4,095,717)	(146,721)
Reconcile Asset to Funded Status			
Funded status	(4,264,691)	(4,390,991)	(146,721)
Unamortized transition amount	0	0	0
Unamortized prior service costs	0	0	0
Unamortized gains & (losses)	(295,274)	(295,274)	0
Prepaid Asset/(Liability)	(3,969,417)	(4,095,717)	(146,721)
Sensitivity Testing (Impact on Obligation)			
1% **Increase** in Trend Rate	206,258	212,367	
1% **Decrease** in Trend Rate	(184,830)	(190,304)	
1% **Increase** in Discount Rate	464,095	477,840	
1% **Decrease** in Discount Rate	(381,307)	(392,600)	
1 Year **Decrease** in Retirement Age	208,204	214,370	

	Post Retirement		Sick Leave
Fiscal Year ending December 31 in	**2013**	**2014**	**2014**
Projected Benefit Payments			
In 1st year following fiscal year	189,000	277,000	
In 2nd year following fiscal year	277,000	302,000	
In 3rd year following fiscal year	302,000	339,000	
In 4th year following fiscal year	339,000	335,000	
In 5th year following fiscal year	335,000	348,000	
In 6th through 10th year following fiscal year	1,754,000	1,761,000	

ATTACHMENT 4-3

WNH
PURCHASING POLICY

1. Purpose:

Waterloo North Hydro Inc. will maintain an open and competitive process with respect to the purchase of goods and services. We will actively investigate new sources and methods of procurement to provide the most effective and efficient products and services that comply with ESA and other applicable regulatory agencies. We will also pursue beneficial cooperative purchasing with other utilities, the local municipalities and the Region of Waterloo.

The following guidelines are the basis for Purchasing Policy:

a) Use clear, objective and approved specifications for all significant purchases,

b) Assist in identifying potential sources for purchases,

c) Develop and maintain reliable sources of supply,

d) Obtain competitive bids where possible and practical,

e) Negotiate major contracts,

f) Review purchases upon delivery to ensure compliance with specifications,

g) Ensure the timely and efficient procurement of quality goods and services for the needs of the corporation,

h) Use the concepts of lowest overall cost (material and labour) and lowest life cycle cost as appropriate when purchasing products and services.

.

2. Description:

The Purchasing Policy provides direction to all Waterloo North Hydro employees requesting goods and services on behalf of Waterloo North Hydro Inc. This policy outlines the operating policies used by WNH employees for purchasing requirements including the requisition, the approval, and the purchasing process. WNH follows ethical purchasing practices as per the Supply Chain Management Association's (SCMA) code of ethics.

This policy applies to Waterloo North Hydro Inc. Any employee or agent acting on behalf of Waterloo North Hydro Inc. must follow this policy.

Where possible, employees will use the WNH Enterprise Resource Planning (ERP) software to generate a purchase requisition and begin the purchasing process.

3. Definitions:

"Goods and services" shall include all supplies, materials, equipment, major tools, general maintenance and service contracts, subscriptions, publications, consultants' services, licence entitlements and construction contracts and shall not include the purchase or sale of land or buildings.

"Value" of a lease or rental shall be determined by multiplying the monthly payment by the number of months contained in the lease.

4. Environmentally Sound Procurement Policy:

Wherever we can influence the life cycle of goods and services, departments shall consider the characteristics of the product or material and apply the; reduce, reuse, recycle, and recover methodology, to reduce our environmental impact.

Guidelines to consider for Sustainable Purchasing are:

a) Explore appropriate options for meeting the needs of the Corporation,

b) Examine the feasibility of short-term rental or sharing the product as an alternative to purchasing,

c) Review whether the quantity requested is appropriate,

d) Determine whether the product will be completely used at the end of its cycle and if not, whether it may be easily reallocated or disposed,

e) Designed to minimize waste,

f) Energy efficient or included in the Energy Guide labeling program,

g) Less polluting than competitive products,

h) Free from hazardous ingredients that would require special disposal,

i) Free from banned or restricted substances,

j) Manufactured from recycled materials including a high percentage, of post-consumer recycled content,

k) Supported by the WHMIS sheet records.

4.1 Review of Goods and Services Prior to Purchase for Environmental Impacts

When seeking written quotations or tenders for the purchase of goods and services the Corporation will request information from the vendor to demonstrate how the product meets the environmental impact criteria listed in section 4. When selecting goods and services, or goods for purchase without the submission of written quotations or tenders, the Corporation will conduct its own examination of the goods and services to determine compliance with environmental impact criteria. WNH may also request the vendor to propose alternate green solutions.

4.2 Packaging to Reduce Environmental Impact

WNH should ask for the following where we can influence packaging:

a) Packaging design minimizes waste such as bulk packaging,

b) Packaging is recycled materials,

c) Packaging is reusable by the end-user,

d) Packaging is recyclable locally,

e) Packaging returnable to supplier for reuse, recycling or recovery.

4.3 Operational Characteristics of Product or Material

a) Durable with a long service life,

b) Clear and easily understood operating instructions to ensure efficient use,

c) Easy to maintain in good operating condition, economical to repair and easy to upgrade,

d) Reusable or includes reusable parts such as rechargeable batteries.

4.4 Disposal after Use

a) Suitability of the product or its components for use by other departments instead of disposal,

b) Ability to return to the supplier for reuse, recycling or recovery,

c) Eligibility for contribution to a waste exchange program,

d) Ability to recycle the product locally,

e) Eligibility to donate to other organizations.

5. <u>Budgeted Purchases:</u>

Provision for purchases must be in the budget of the current year and adhere to the following schedule of approvals:

a) Up to $5,000 by Supervisors, Line Superintendent or designate, as required.

b) Up to $100,000 by Vice Presidents.

c) In excess of $100,000, the Chief Financial Officer (CFO) or the President must provide approval in addition to the Department Vice President.

d) In addition to the schedule above, the Vice President of Information Technology Services must approve any computer hardware or software that is part of the corporate information systems. Consultation with the Vice President of Information Technology Services is required on software systems that integrate data from the corporate information system or feed data into the corporate information system.

e) In the event a purchase should cause overspending of a budget line item by more than 10%, the Department Vice President must approve the purchase, provided the amount is found elsewhere within the department budget.

f) When possible, obtain at least three competitive quotations where the expenditure is to exceed $10,000, except as noted under sole source procurement or under emergencies.

g) Expenditures in excess of $100,000 will generally be subject to a sealed tender process, unless the expenditure is sole source as per section 17. The Purchasing and Stores Supervisor and the Department Vice President or alternate will open and review the subject tenders. An RFP/RFI/RFQ process may be an alternative for specific services such as consulting or corporate software.

h) Transfers of budget funds from capital expenditures to operating expenses require approval by the President and by the CFO. Unusual circumstances require Board approval.

6. Emergency Purchases:

The President, CFO or a Vice President may authorize expenditures in the case of an emergency to restore service or maintain continuity of service to customers. Competitive quotations are not required in this circumstance.

WNH defines an emergency as any situation that, if not acted upon would result in a hazard to persons or property, could result in damage to buildings or facilities, or would result in a violation of law, statute or ordinance established by governmental regulation, and would be seriously detrimental to the interest of the Corporation or its customers.

Failure to anticipate a need is not a valid emergency. Emergency orders are generally for extremely urgent repairs.

If a department makes an emergency purchase during non-business hours, the department must forward all supporting documentation to the appropriate approval authority the next business day, and, if required, issue a Purchase Order to the vendor.

7. Non-Budgeted Purchases:

The CFO and the President may jointly approve unbudgeted expenditures up to $150,000 provided the amount is available elsewhere within the global budget. Direction from the Chair / Board of Directors will be required for unbudgeted expenditures beyond $150,000.

8. Purchase Requisition:

The purchase requisition starts the procurement process to acquire materials, supplies, equipment, services or software.

The requisitioning department is responsible for providing all supporting documents such as specifications, sole source justification, a complete G/L number, work request number, project number if applicable and appropriate approval(s).

Departments should anticipate their requirements to allow adequate lead-time for tender/quotation, order processing and product delivery. Item descriptions should be complete and accurate to allow buyers to bid the requirements expeditiously.

9. Purchase Order Approval Levels for Inventory:

The Purchasing and Stores Supervisor has the authority to approve a requisition for inventory items up to the amount of $100,000 to an individual vendor. An order shall not be split into two separate purchase orders to avoid going to the next level for approval. The Vice President of Operations, the Vice President of Engineering, or the President must approve purchase orders in excess of $100,000 for inventory items.

The Purchasing and Stores Supervisor will maintain inventory levels at the lowest possible level to reduce stock on hand, yet still meet the needs of the Corporation to have material on hand when required.

10. Purchases That Require Goods to be Delivered to Job Site:

When a job requires delivery of goods direct to a job site instead of delivery to the WNH Stores Department or Yard, the following information must appear on the Purchase Order:

a) Clearly state the date that the materials are to be delivered,

b) State that the Vendor will need to Coordinate the delivery with the WNH Site Supervisor (or Contractor representing WNH),

c) Provide Contact details for the site Supervisor (or Contractor representing WNH),

d) State that delivery Driver must provide the WNH site Supervisor (or Contractor representing WNH) an estimated arrival time to site,

e) State that the Vendor is to work under the direction of the WNH Site Supervisor (or Contractor representing WNH).

11. Written Requests for Tenders/Bids/Quotations/Proposals:

The Stores and Purchasing Supervisor shall be involved in obtaining all written quotations, issuing all requests for proposals and tenders for goods and services other than construction services tendered by Engineering. Any non-inventory goods over

$100,000 and all vehicle purchases require tenders.

The Stores and Purchasing Supervisor in consultation with the Vice President of Operations may contact bidders other than the apparent lowest bidder for the purpose of seeking information, conducting interviews or requesting clarification of their submission to aid in a final determination of the winning bid.

12. Confidentiality of Bids/Quotations/Proposals:

In accordance with fair and sound business practice, WNH holds all information supplied by vendors in their bid, quotation or proposal in strict confidence.

13. Late Bids/Quotations/Proposals:

WNH will not consider late submissions and will return the submission to the Vendor unopened.

14. Errors in Bids/Quotations/Proposals:

Vendors are responsible for the accuracy of their quoted prices, and in the event of an error between a unit price and its extension, the unit price will govern. The vendor may amend or withdraw quotations up to the closing date and time. Any amendments or withdrawals shall be in writing by the signing officer of the vendor.

15. Purchases When Only One Bid is Received:

Upon receiving only one bid on a tender request or Request for Proposal (RFP), the Vice President of the department involved, the CFO, or the President will decide to open the bid or to return it to the bidder unopened. The Purchasing and Stores Supervisor or user department shall investigate the rationale for receiving only one (1) bid. To deem a new bid call as appropriate, requires changes to the bid specification that may have limited bid participation.

16. Sole Source Procurement:

Sole source items require detailed documentation from the requisitioning department to justify their purchase and to ensure that the cost charged by the vendor is reasonable. WNH may consider sole source suppliers in the following instances:

a) When goods and services can be obtained only from one (1) person or firm,

b) The expertise of an individual organization or individual is deemed to specifically required by the Corporation,

c) When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions,

d) When it is the only product or service that has been approved by the Corporation for use in the distribution system,

e) When the procurement is for electric power or energy, gas, water or other utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system,

f) When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature,

g) When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer,

h) The contractor is already at work on the site (based on an existing Purchase Order) and it would not be practical to engage another contractor, or

i) Specific Health and Safety items as approved by the Manager of Health, Safety and Environment.

17. Purchase Order Cancellation or Modification:

Cancellation of a Purchase Order or minor changes not affecting the commercial nature of the transaction only requires an email to the Purchasing and Stores Supervisor.

Changes to a previously issued Purchase Order affecting the commercial transaction such as price, quantities, terms and conditions, or delivery point require an approved requisition. This does not apply where the goods and services are under a contract that contains provisions for issuing change orders, in which case the terms of that contract shall govern the process.

The requisitioning department generates a requisition with comments explaining the need for the change. Larger contracts or complicated changes may require a letter or memo of explanation sent to the Purchasing and Stores Supervisor.

18. Leases/Lease Purchase and Rental Agreement:

The policies governing the purchase of goods and services shall also apply to lease and rental agreements. A Corporate Officer must sign all forms of Leases, Lease Purchases or Rental Agreements for the procurement of equipment on behalf of the Corporation.
Regardless of the length of time involved in these agreements, WNH should issue a formal Purchase Order (except for car rentals when traveling). A complete requisition will fully describe the equipment to lease and indicate the proposed term (number of months or years).

An analysis in cooperation with the CFO will determine the economic soundness of whether to lease or purchase any goods. Some of the factors to consider are as follows:

a) Implicit lease rate,

b) Title to the equipment at the end of the lease,

c) Estimated value of the equipment at the end of the lease,

d) Estimated life of the equipment at the end of the lease,

e) Estimate buy-out value at the end of the lease.

19. Terms and Conditions:

Purchase Orders sent to vendors must include the terms and conditions governing the purchase of goods and services, printed on the purchase order.

When a separate contract is required a copy of the contract must be sent to Purchasing (either hard copy or electronically) in order for the requisition to be processed into a purchase order. Multiple requisitions against one contract will not require subsequent copies of the contract.

20. Vendors–Approval:

The Finance Department must approve all new vendors prior to placing orders with a new vendor, with the exception of emergency purchases and some confidential professional services arranged by Corporate Officers.

21. Computer Equipment and Software:

Departments requiring the acquisition of computer and peripheral computer equipment and software shall contact the Information Technology Services Department (IT) for instruction, research, assistance in system configuration and approval. IT shall prepare the appropriate specifications for use in obtaining competitive pricing.

22. Receipt of Goods and Services:

Verification and processing of shipments from vendors and the receipt of proper documentation such as freight bills, bills of lading, packing slips containing the purchase order number, shipping orders or other documentation are the responsibility of the department receiving the goods.
Verification and processing of services from contractors or vendors is the responsibility of the department requesting the service.

23. Toxic / Hazardous Items:

Any items falling under WHMIS require a Material Safety Data Sheet (MSDS) with the delivery of the order. If the order is received without an MSDS sheet, the vendor or manufacturer is required to fax the MSDS sheet immediately. These items should be stored in accordance with current legislation and the MSDS sheet filed in the user facility WHMIS binder.

24. Damages, Shortages, Mistakes in Shipping:

Employees receiving goods with visible damage or shortage must make a written notation on the carrier's delivery receipt **at time of delivery**. The Purchasing and Stores Supervisor requires a copy of this delivery receipt for follow up with the vendor.

In case of concealed damage or shortage of shipment, the goods should be set aside and a written notation concerning the damage/shortage made on the packing slip and reported immediately to the Purchasing and Stores Supervisor, including the following details:

- Purchase Order number,
- Date received,
- Vendor name,
- Extent of damage or shortage.

WNH must file claims to vendors immediately. Failure to comply may result in the claim denied by the vendor.

25. Local Preference:

The Corporation will award proposals for goods and services by giving preference to vendors located in the Waterloo Region or Canadian vendors, when in all other respects, proposals are equal and there is no material difference in cost.

26. Conflicts of Interest:

Acquisitions from a business in which an employee or family member has an interest, is prohibited unless full disclosure of the background facts are presented in writing to the CFO and approved by the CFO. The CFO must sign off on the corresponding invoices.

27. Confidentiality and Right to Audit:

All contracts for goods and services in which the contractor will or may have access to confidential information shall contain the Corporation's confidentiality and right to audit clauses. (Privacy Policy of the Corporation)

28. Personal Purchases by Employees:

At the discretion of a Corporate Officer, pricing arrangements negotiated by the Corporation for goods or services may be available to employees of the corporation. Employees will be invoiced directly for the purchase and personal purchases made by an employee should not be included on any invoice to the Corporation.

29. Credit Cards and Charge Accounts:

Only the President or Vice-Presidents have the authority to approve credit cards. The President, the Vice Presidents or the Manager of Finance has the authority to approve opening charge accounts for obtaining goods and services.

30. Purchasing of Goods and Services from Employees:

WNH will not purchase goods and services from an employee.

Document Approval for Policy

Approved by: (signature on original copy only and not on posted version)	Rene W. Gatien.	April 2, 2015
	Rene Gatien, President and CEO	**Date**

ATTACHMENT 4-4

WNH
ANNUAL TAX RETURNS
2014

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2015-12-31

Business number 86584 4575 RC0001

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Canada Revenue Agency. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. Payment may be made by cheque or money order payable to the Receiver General either at an authorized financial institution or filed with **the appropriate remittance voucher at the following address**:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2015-01-31	32,719		0	32,719	
2015-02-28	32,719		0	65,438	
2015-03-31	19,951		0	85,389	
2015-04-30	19,951		0	105,340	
2015-05-31	19,951		0	125,291	
2015-06-30	19,951		0	145,242	
2015-07-31	19,951				165,193
2015-08-31	19,951				19,951
2015-09-30	19,951				19,951
2015-10-31	19,951				19,951
2015-11-30	19,951				19,951
2015-12-31	19,946				19,946
2016-01-31					22,079
2016-02-29					22,079
Totals	264,943				309,101

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business number (BN) **001** 86584 4575 RC0001

Corporation's name

002 Waterloo North Hydro Inc.

Address of head office

Has this address changed since the last time we were notified? . . . . **010** 1 Yes [ ] 2 No [X]

(If **yes**, complete lines 011 to 018.)

011 526 Country Squire Road

012 PO Box 640

City: **015** Waterloo

Province, territory, or state: **016** ON

Country (other than Canada): **017**

Postal code/Zip code: **018** N2J 4A3

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? . . . . **020** 1 Yes [ ] 2 No [X]

(If **yes**, complete lines 021 to 028.)

021 c/o

022

023

City: **025**

Province, territory, or state: **026**

Country (other than Canada): **027**

Postal code/Zip code: **028**

Location of books and records (if different from head office address)

Has the location of books and records changed since the last time we were notified? . . . . **030** 1 Yes [ ] 2 No [X]

(If **yes**, complete lines 031 to 038.)

031 526 Country Squire Road

032 PO Box 640

City: **035** Waterloo

Province, territory, or state: **036** ON

Country (other than Canada): **037**

Postal code/Zip code: **038** N2J 4A3

040 **Type of corporation at the end of the tax year**

1 [X] Canadian-controlled private corporation (CCPC)

2 [ ] Other private corporation

3 [ ] Public corporation

4 [ ] Corporation controlled by a public corporation

5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . **043** YYYY MM DD

To which tax year does this return apply?

Tax year start **060** 2014-01-01 (YYYY MM DD)

Tax year-end **061** 2014-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? . . . . **063** 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . **065** YYYY MM DD

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? . . . . **070** 1 Yes [ ] 2 No [X]

Amalgamation? . . . . **071** 1 Yes [ ] 2 No [X]

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** 1 Yes [ ] 2 No [X]

If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . **078** 1 Yes [ ] 2 No [X]

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** 1 Yes [ ] 2 No [X]

If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 **096**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270		X
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 ____ YYYY MM DD

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes ☐ 2 No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		1,715,513	A
Deduct: Charitable donations from Schedule 2	311	38,104		
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		38,104 ▶	38,104	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			1,677,409	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		1,677,409	
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			1,677,409	Z

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	**400**	1,715,513	A
Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax	**405**	1,677,409	B
Business limit (see notes 1 and 2 below)	**410**	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** *** 384,406 / 11,250 D = 17,084,711 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") **425** ______ F

Small business deduction

Amount A, B, C, or F, whichever is the least ______ x 17 % = **430** ______ G

Enter amount G on line I on page 7.

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			1,677,409	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		B		
Amount QQ from Part 13 of Schedule 27		C		
Personal service business income **432**		D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		E		
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		F		
Aggregate investment income from line 440 on page 6*		G		
Subtotal (**add** amounts B to G)		►		H
Amount A **minus** amount H (if negative, enter "0")			1,677,409	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %			218,063	J

Enter amount J on line 638 on page 7.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		L		
Amount QQ from Part 13 of Schedule 27		M		
Personal service business income **434**		N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		O		
Subtotal (**add** amounts L to O)		►		P
Amount K **minus** amount P (if negative, enter "0")				Q
General tax reduction – Amount Q **multiplied** by 13 %				R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 26 2 / 3 % = ... ______ A

Foreign non-business income tax credit from line 632 on page 7 . . . . ______ B

Deduct:

Foreign investment income from Schedule 7 . . . . **445** ______ x 9 1 / 3 % = ______ C

(if negative, enter "0") ______ ▶ ______ D

Amount A **minus** amount D (if negative, enter "0") . . . . ______ E

Taxable income from line 360 on page 3 . . . . 1,677,409 F

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . ______ G

Foreign non-business income tax credit from line 632 on page 7 . . . ______ x 100 / 35 = ______ H

Foreign business income tax credit from line 636 on page 7 . . . . ______ x 4 = ______ I

Subtotal ______ ▶ ______ J

1,677,409 K

x 26 2 / 3 % = 447,309 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . 243,814 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ______ N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year . . . . **460** ______

Deduct: Dividend refund for the previous tax year . . . . **465** ______

______ ▶ ______ O

Add the total of:

Refundable portion of Part I tax from line 450 above . . . . ______ P

Total Part IV tax payable from Schedule 3 . . . . ______ Q

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation . . . . **480** ______

______ ▶ ______ R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R . . . . **485** ______

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 . . . . 3,639,680 x 1 / 3 = 1,213,227 S

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . ______ T

Dividend refund – Amount S or T, whichever is less . . . . ______ U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	637,415	A
Recapture of investment tax credit from Schedule 31			602		B

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6				C
Taxable income from line 360 on page 3	1,677,409	D		
Deduct: Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		E		
Net amount (amount D **minus** amount E)	1,677,409	▶	1,677,409	F

Refundable tax on CCPC's investment income – 6 2/3 % of whichever is less: amount C or amount F	604		G
Subtotal (**add** amounts A, B, and G)		637,415	H

Deduct:

Small business deduction from line 430 on page 4			I		
Federal tax abatement	608	167,741			
Manufacturing and processing profits deduction from Schedule 27	616				
Investment corporation deduction	620				
Taxed capital gains 624					
Additional deduction – credit unions from Schedule 17	628				
Federal foreign non-business income tax credit from Schedule 21	632				
Federal foreign business income tax credit from Schedule 21	636				
General tax reduction for CCPCs from amount J on page 5	638	218,063			
General tax reduction from amount R on page 5	639				
Federal logging tax credit from Schedule 21	640				
Eligible Canadian bank deduction under section 125.21	641				
Federal qualifying environmental trust tax credit	648				
Investment tax credit from Schedule 31	652	7,797			
Subtotal		393,601	▶	393,601	J

Part I tax payable – Amount H **minus** amount J	243,814	K

Enter amount K on line 700 on page 8.

Summary of tax and credits

Federal tax

Part I tax payable from amount K on page 7	700	243,814
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		243,814

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	21,129	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.)			
Total provincial or territorial tax		21,129 ▶	21,129
Total tax payable	770		264,943 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld 801		
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	130,125
Total credits	890	130,125 ▶ 130,125 B

Refund code 894 ______ Overpayment ______

Balance (amount A **minus** amount B) 134,818

If the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid 134,818

For information on how to make your payment, go to **www.cra-arc.gc.ca/payments**.

Enclosed payment 898 134,818

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information

910 ______ Branch number

914 ______ Institution number

918 ______ Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 A6698

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Singh (Last name (print)) 951 Albert (First name (print)) 954 VP Finance & CEO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 ______ Date (yyyy/mm/dd) ______ Signature of the authorized signing officer of the corporation 956 (519) 888-5542 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below . . . 957 1 Yes ☒ 2 No ☐

958 ______ Name (print) 959 ______ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact: ALBERT SINGH
Telephone number: (519) 886-5090

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalment Payments	130,125

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 130,125 **A**

Total instalments credited to the taxation year per T9 130,125 **B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125				4,591,671 A
Add:				
Provision for income taxes – current		101	843,712	
Amortization of tangible assets		104	7,766,628	
Charitable donations and gifts from Schedule 2		112	38,104	
Non-deductible club dues and fees		120	11,962	
Non-deductible meals and entertainment expenses		121	45,700	
Reserves from financial statements – balance at the end of the year		126	4,978,783	
Subtotal of additions			13,684,889 ▶	13,684,889
Other additions:				
Miscellaneous other additions:				
600 12(1)(a) Customer Deposits		290	6,141,801	
601 Unrealized loss from derivatives		291	2,542,608	
603				
Inducement - ITA 12(1)(x)	134,598			
Total	134,598	293	134,598	
604				
Total		294		
Subtotal of other additions		199	8,819,007 ▶	8,819,007
Total additions		500	22,503,896 ▶	22,503,896 B
Amount A **plus** amount B				27,095,567
Deduct:				
Gain on disposal of assets per financial statements		401	174	
Capital cost allowance from Schedule 8		403	13,848,715	
Reserves from financial statements – balance at the beginning of the year		414	4,787,883	
Subtotal of deductions			18,636,772 ▶	18,636,772
Other deductions:				
Miscellaneous other deductions:				
700 20(1)(m) Customer Deposits		390	6,141,801	
701 Valuation in sick leave booked to retained earnings		391	131,530	
702 Property Taxes included with PILS on FS		392	469,951	
704				
Total		394		
Subtotal of other deductions		499	6,743,282 ▶	6,743,282
Total deductions		510	25,380,054 ▶	25,380,054
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				1,715,513

Attached Schedule with Total

Line 290 – Amount for line 600

Title Line 290 – Amount for line 600

Description	Amount	
ST Deposits	2,298,987	00
LT Deposits	3,842,814	00
Total	6,141,801	00

Attached Schedule with Total

Line 390 – Amount for line 700

Title Line 390 – Amount for line 700

Description	Amount
ST Deposits	2,298,987 00
LT Deposits	3,842,814 00
Total	6,141,801 00

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. . . . . ☐

Federal

A		
X	Investment tax credit from apprenticeship job creation expenditures	4,947
	Investment tax credit from child care spaces expenditures	
	Canadian film or video production tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Film or video production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Investment tax credit claimed on contributions made to SR&ED farming organizations	

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	58,171
X	Ontario apprenticeship training tax credit	71,480
	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario sound recording tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario community food program donation tax credit for farmers;
  - the eligible amount of gifts to Canada, a province, or a territory;
  - the eligible amount of gifts of certified cultural property;
  - the eligible amount of gifts of certified ecologically sensitive land; or
  - the deduction for gifts of medicine.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*.
- Subsection 110.1(1.2) of the federal Act provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift to a qualifying organization for activities outside of Canada may be eligible for a deduction. Calculate the deduction in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Conestoga College	400
London Health Sciences Foundation	100
Conestoga College	12,000
Conestoga College	2,862
University of Waterloo	5,000
Wilfred Laurier University	1,500
ALS Society of Canada	242
Conestoga College	5,000
Conestoga College	5,000
Our Youth at Work Association	500
Conestoga College	5,500
Subtotal	38,104
Add: Total donations of less than $100 each	
Total donations in current tax year	38,104

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year	240		B		
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (enter this amount on line 112 of Schedule 1)	210	38,104		38,104	38,104
Subtotal (line 250 **plus** line 210)		38,104	C	38,104	38,104
Subtotal (amount B **plus** amount C)		38,104	D	38,104	38,104
Deduct: Adjustment for an acquisition of control	255				
Total charitable donations available (amount D **minus** amount on line 255)		38,104	E	38,104	38,104
Deduct: Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260	38,104		38,104	38,104
Charitable donations closing balance (amount E **minus** amount on line 260)	280				
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 multiplied by 25 %)			1		

Enter the amount from line 1 on line 420 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less; the Ontario income tax otherwise payable or the amount on line 1. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2000-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %				1,286,635	F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		G		
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01), from the disposition of a property in the preceding tax year	227		H		
The amount of the recapture of capital cost allowance in respect of charitable donations	230				
Proceeds of disposition, less outlays and expenses**			I		
Capital cost**			J		
Amount I or J, whichever is less	235				
Amount on line 230 or 235, whichever is less			K		
Subtotal (**add** amounts G, H, and K)			L		
Amount L **multiplied** by 25 %					M
Subtotal (amount F **plus** amount M)				1,286,635	N
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)				38,104	O

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year				A
Deduct: Gifts to Canada, a province, or a territory expired after five tax years		339		
Gifts to Canada, a province, or a territory at the beginning of the current tax year		340		B
Add:				
Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350			
Total gifts made to Canada, a province, or a territory in the current year*	310			
Subtotal (line 350 **plus** line 310)		▶		C
Subtotal (amount B **plus** amount C)				D
Deduct:				
Adjustment for an acquisition of control	355			
Amount applied in the current year against taxable income (enter this amount on line 312 of the T2 return)	360			
Subtotal (line 355 **plus** line 360)		▶		E
Gifts to Canada, a province, or a territory closing balance (amount D **minus** amount E)		380		

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			F		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year	440		G		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450				
Total gifts of certified cultural property in the current year	410				
Subtotal (line 450 **plus** line 410)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			J		
Gifts of certified cultural property closing balance (amount I **minus** amount J)	480				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2000-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			K		
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		L		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014	520				
Subtotal (**add** lines 550, 510, and 520)			M		
Subtotal (amount L **plus** amount M)			N		
Deduct:					
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			O		
Gifts of certified ecologically sensitive land closing balance (amount N **minus** amount O)	580				

* For the federal and Alberta, gifts made before February 11, 2014 , expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made during a tax year that ended after March 23, 2006 expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . . ______

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year*	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2000-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to determine the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years.
For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Part 6 – Deduction for gifts of medicine

		Federal		Québec		Alberta	
Deduction for gifts of medicine at the end of the previous tax year			P				
Deduct: Deduction for gifts of medicine expired after five tax years	639						
Deduction for gifts of medicine at the beginning of the current tax year	640		Q				
Add:							
Deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650						
Deduction for gifts of medicine for the current year:							
Proceeds of disposition	602		1		1		1
Cost of gifts of medicine	601		2		2		2
Subtotal (line 1 **minus** line 2)			3		3		3
Line 3 **multiplied** by 50 %			4		4		4
Eligible amount of gifts	600		5		5		5

Federal

a ______ x (b ______ / c) = Deduction for gifts of medicine for the current year 610 ______

Québec

a ______ x (b ______ / c) = Deduction for gifts of medicine for the current year ______

Alberta

a ______ x (b ______ / c) = Deduction for gifts of medicine for the current year ______

where:

a is the **lesser** of line 2 and line 4

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec		Alberta
Subtotal (line 650 **plus** line 610)			R			
Subtotal (amount Q **plus** amount R)			S			
Deduct:						
Adjustment for an acquisition of control	655					
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660					
Subtotal (line 655 **plus** line 660)			T			
Deduction for gifts of medicine closing balance (amount S **minus** amount T)	680					

Amounts carried forward – Deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
Total				

***** These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2013-12-31	
2nd prior year	2012-12-31	
3rd prior year	2011-12-31	
4th prior year	2010-12-31	
5th prior year	2009-12-31	
6th prior year*	2008-12-31	
7th prior year	2007-12-31	
8th prior year	2006-12-31	
9th prior year	2005-12-31	
10th prior year	2004-12-31	
11th prior year	2003-12-31	
12th prior year	2002-12-31	
13th prior year	2001-12-31	
14th prior year	2000-12-31	
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

T2 SCH 2 E (14)

Canada

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

		Complete if payer corporation is connected			
Name of payer corporation (from which the corporation received the dividend)	A	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note)	E Non-taxable dividend under section 83
200		205	210	220	230

Total (enter on line 402 of Schedule 1)

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.
For more details, consult the Help.

				Complete if payer corporation is connected		
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)*	F1 Eligible dividends (included in column F)	F2	F3	G Total taxable dividends paid by connected payer corporation (for tax year in column D)	H Dividend refund of the connected payer corporation (for tax year in column D)**	I Part IV tax before deductions F x 1 / 3 ***
240				250	260	270
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . .

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax **320**

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A	B	C	D	D1
	Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
	400	**410**	**420**	**430**	
1	Waterloo North Hydro Holding Corporation	87502 6924 RC0001	2014-12-31	3,639,680	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 3,639,680

Total taxable dividends paid in the tax year to other than connected corporations **450**

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund
(total of column D above **plus** line 450) **460** 3,639,680

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 3,639,680

Other dividends paid in the tax year (total of 510 to 540) . . . .

Total dividends paid in the tax year **500** 3,639,680

Deduct:

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt
at any time in the year **540**

Subtotal ►

Total taxable dividends paid in the tax year that qualify for a dividend refund 3,639,680

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Use this schedule if, during the tax year, the corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- Regulations mentioned in this schedule are from the *Income Tax Regulations.*
- For more information, see the *T2 Corporation – Income Tax Guide.*
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100 ______ Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes	103		143		
Newfoundland and Labrador Offshore	004 1 Yes	104		144		
Prince Edward Island	005 1 Yes	105		145		
Nova Scotia	007 1 Yes	107		147		
Nova Scotia Offshore	008 1 Yes	108		148		
New Brunswick	009 1 Yes	109		149		
Quebec	011 1 Yes	111		151		
Ontario	013 1 Yes	113		153		
Manitoba	015 1 Yes	115		155		
Saskatchewan	017 1 Yes	117		157		
Alberta	019 1 Yes	119		159		
British Columbia	021 1 Yes	121		161		
Yukon	023 1 Yes	123		163		
Northwest Territories	025 1 Yes	125		165		
Nunavut	026 1 Yes	126		166		
Outside Canada	027 1 Yes	127		167		
Total		129 G		169 H		

* "Permanent establishment" is defined in Regulation 400(2).

** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.

*** For corporations other than those described under Regulation 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
1,677,409		1,677,409	192,902

	Line	Amount		Total	
Ontario basic income tax (from Schedule 500)	270	192,902			
Deduct: Ontario small business deduction (from Schedule 500)	402				
Subtotal		192,902	►	192,902	A6
Add:					
Ontario additional tax re Crown royalties (from Schedule 504)	274				
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal			►		B6
Subtotal (amount A6 **plus** amount B6)				192,902	C6
Deduct:					
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario transitional tax credits (from Schedule 506)	414				
Ontario political contributions tax credit (from Schedule 525)	415				
Subtotal			►		D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")				192,902	E6
Deduct: Ontario research and development tax credit (from Schedule 508)	416				
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0")				192,902	F6
Deduct:					
Ontario corporate minimum tax credit (from Schedule 510)	418			19,829	
Ontario community food program donation tax credit for farmers (from Schedule 2)	420				
Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0")				173,073	G6
Add:					
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal			►		H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				173,073	I6
Deduct:					
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	60,000			
Ontario apprenticeship training tax credit (from Schedule 552)	454	91,944			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Subtotal		151,944	►	151,944	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.	290			21,129	K6

Summary

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable credits	**255**	21,129

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation* 1101(5q)? **101** 1 Yes [ ] 2 No [X]

	1 Class number (See Note) **200**	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) **201**	3 Cost of acquisitions during the year (new property must be available for use)* **203**	4 Adjustments and transfers** **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** **211**	7 Reduced undepreciated capital cost	8 CCA rate % **** **212**	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1		62,804,000		18,505	0		62,822,505	4	0	0	2,512,900	60,309,605
2.	1b		20,277,462	826,404	28,504	0	413,202	20,719,168	6	0	0	1,243,150	19,889,220
3.	8		9,381,156	863,691		0	431,846	9,813,001	20	0	0	1,962,600	8,282,247
4.	10		2,122,664	1,032,897		8,552	512,173	2,634,836	30	0	0	790,451	2,356,558
5.	12		25,416	143,108		0	71,554	96,970	100	0	0	96,970	71,554
6.	45		64			0		64	45	0	0	29	35
7.	47		77,019,034	14,375,499		0	7,187,750	84,206,783	8	0	0	6,736,543	84,657,990
8.	50		747,088	346,085		0	173,043	920,130	55	0	0	506,072	587,101
		Totals	172,376,884	17,587,684	47,009	8,552	8,789,568	181,213,457				13,848,715	176,154,310

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation* 1100(2) and (2.2).

** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

*** The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

**** Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

***** For every entry in column 9, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

****** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (14)

Canada

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		17,587,684		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Change in Construction in Progress	+	716,690		
Total additions per books	=	18,304,374	►	18,304,374
Proceeds up to original cost – Schedule 8 regular classes		8,552		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Transfer of stranded meters at NBV to regulatory accounts	+	1,364,267		
Rounding difference in FS Statements	+	1		
Total proceeds per books	=	1,372,820	► –	1,372,820
Depreciation and amortization per accounts – Schedule 1			–	7,766,628
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	174
Net change per tax return			=	9,165,100

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		186,425,860
Opening net book value	–	177,260,760
Net change per financial statements	=	9,165,100

If the amounts from the tax return and the financial statements differ, explain why below.

Attached Schedule with Total

Other – Amount

Title Other – Amount

Description	Amount	
Construction in progress end of year - Accts 1710000 and 1720000	3,503,517	00
Construction in progress beginning of year	-2,786,827	00
Total	716,690	00

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Waterloo North Hydro Holding Corp		87502 6924 RC0001	1					
2.	City of Waterloo		NR	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	POST EMPLOYMENT BENEFITS	4,288,657		4,390,991	4,288,657	4,390,991
2	Doubtful accounts	200,000		200,000	200,000	200,000
3	2010 Incident Accrual	70,966		37,829	70,966	37,829
4	Accrued penalty interest - GST/	30,000		30,000	30,000	30,000
5	Retiring allowance	198,260		188,433	198,260	188,433
6	Sick Leave			131,530		131,530
7						
	Reserves from Part 2 of Schedule 13					
	Totals	4,787,883		4,978,783	4,787,883	4,978,783

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	1,046,739	0345983			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule . . . . 1,046,739 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 1,046,739 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer
(EPSP only)

T2 SCH 15 (13)

Canada

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . **050** Year 2014

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . **075** 1 Yes ☐ 2 No ☒

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	Waterloo North Hydro Inc.	86584 4575 RC0001	1	500,000	100.0000	500,000
2	Waterloo North Hydro Holding Corporation	87502 6924 RC0001	1	500,000		
3	City of Waterloo	NR	1	500,000		
				Total	100.0000	500,000 **A**

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09) Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - to request a credit carryback to one or more previous years; or
  - if you are subject to a recapture of ITC.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- Investments or expenditures, described in subsection 127(9) of the Act and Part XLVI of the Regulations, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim;*
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
- Include a completed copy of this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada*, and T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*. Also see the *Eligibility of Work for SR&ED Investment Tax Credits Policy* at **www.cra.gc.ca/txcrdt/sred-rsde/clmng/lgbltywrkfrsrdnvstmnttxcrdts-eng.html**.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21 of the Act), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For SR&ED expenditures, the expression **in Canada** includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) of the Act for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) of the Act for more information.

Detailed information (continued)

- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate**.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013***	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****:	
– after March 28, 2012, and before 2014****	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015****	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9).

**** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of **specified percentage** in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9).

Corporation's name	Business number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC calculating a refundable ITC is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes [ ] 2 No [X]

Contributions to agricultural organizations for SR&ED* . . . . **103** ____________

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see Guide RC4088, *General Index of Financial Information (GIFI)*. Enter contributions on line 350 of Part 8.

* Enter only contributions not already included on Form T661. Include all of the contributions made before 2013 and 80% of the contributions made after 2012.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

CCA* class number **105**	Description of investment **110**	Date available for use **115**	Location used (province or territory) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A

* CCA: capital cost allowance

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B
Deduct:				
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C
ITC at the beginning of the tax year (amount B **minus** amount C)			220	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) ______ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) ______ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D
Total credit available (line 220 **plus** amount D)				E
Deduct:				
Credit deducted from Part I tax (enter at amount D in Part 30)	260			
Credit carried back to the previous year(s) (amount H from Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F
Credit balance before refund (amount E **minus** amount F)				G
Deduct:				
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	
				Total (enter at amount a in Part 5)		H

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 from Part 5)		I
Credit balance before refund (amount G from Part 5)		J
Refund (40 % of amount I or J, whichever is less)		K

Enter amount K or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures

Current expenditures (from line 557 on Form T661) . . . .

Contributions to agricultural organizations for SR&ED . . . .

Deduct:

Government assistance, non-government assistance, or contract payment . . . .

Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)* . . . . ► +

Current expenditures (line 557 on Form T661 **plus** line 103 from Part 3)* . . . . ► **350**

Capital expenditures incurred **before** 2014 (from line 558 on Form T661)** **360**

Repayments made in the year (from line 560 on Form T661) **370**

Qualified SR&ED expenditures (total of lines 350 to 370) **380**

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if the corporation is a CCPC.

Note: A CCPC that calculates an SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . **385** 1 Yes [ ] 2 No [X]

Complete lines 390 and 398 if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied) **390** 2,130,874

Enter your taxable capital employed in Canada for the previous tax year 180,216,113
minus $10 million. If this amount is nil or negative, enter "0".
If this amount is over $40 million, enter $40 million **398** 40,000,000

* If either of the tax years referred to at line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in these tax years.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone corporation: $ 8,000,000

Deduct:

Taxable income for the previous tax year (line 390 from Part 9) or $500,000, whichever is more 2,130,874 x 10 = 21,308,740 A

Excess ($8,000,000 **minus** amount A; if negative, enter "0") . . . . B

$ 40,000,000 **minus** line 398 from Part 9 . . . . a

Amount a **divided** by $ 40,000,000 C

Expenditure limit for the stand-alone corporation (amount B **multiplied** by amount C) . . . . D*

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 . . . . **400** E*

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D or E ______ x Number of days in the tax year / 365 = 365 . . . . F

Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies) **410**

* Amount D or E cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less*	420		x	35 % =		G
Line 350 **minus** line 410 (if negative, enter "0")**	430		x	15 % =		H
Line 410 **minus** line 350 (if negative, enter "0")			b			
Capital expenditures (line 360 from Part 8) or amount b above, whichever is less*	440		x	35 % =		I
Line 360 **minus** amount b above (if negative, enter "0")**	450		x	15 % =		J
Repayments (amount from line 370 in Part 8)						

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.**

460		x	35 % =		c
480		x	15 % =		d
			Subtotal (amount c **plus** amount d)		K

Current-year SR&ED ITC (total of amounts G to K; enter on line 540 in Part 12) L

* For corporations that are not CCPCs, enter "0" for amounts G and I.

** For tax years that end after 2013, the general SR&ED rate is reduced from 20% to 15%, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				M
Deduct:				
Credit deemed as a remittance of co-op corporations	510			
Credit expired	515			
Subtotal (line 510 **plus** line 515)				N
ITC at the beginning of the tax year (amount M **minus** amount N)			520	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	530			
Total current-year credit (from amount L in Part 11)	540			
Credit allocated from a partnership	550			
Subtotal (total of lines 530 to 550)				O
Total credit available (line 520 **plus** amount O)				P
Deduct:				
Credit deducted from Part I tax (enter at amount E in Part 30)	560			
Credit carried back to the previous year(s) (amount S from Part 13)			e	
Credit transferred to offset Part VII tax liability	580			
Subtotal (total of line 560, amount e, and line 580)				Q
Credit balance before refund (amount P **minus** amount Q)				R
Deduct:				
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610	
ITC closing balance on SR&ED (amount R **minus** line 610)			620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total (enter at amount e in Part 12)		S

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined at line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? 650 1 Yes [ ] 2 No [X]

Current-year ITC (lines 540 **plus** 550 from Part 12 **minus** amount K from Part 11) ______ f

Refundable credits (amount f above or amount R from Part 12, whichever is less)* ______ T

Deduct:

Amount T or amount G from Part 11, whichever is less ______ U

Net amount (amount T **minus** amount U; if negative, enter "0") ______ V

Amount V **multiplied** by 40 % ______ W

Add:

Amount U ______ X

Refund of ITC (amount W **plus** amount X – enter this, or a lesser amount, on line 610 in Part 12) ______ Y

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined at line 101 in Part 2.

Credit balance before refund (amount R from Part 12) ______ Z

Deduct:

Amount Z or amount G from Part 11, whichever is less ______ AA

Net amount (amount Z **minus** amount AA; if negative, enter "0") ______ BB

Amount BB or amount I from Part 11, whichever is less ______ CC

Amount CC **multiplied** by 40 % ______ DD

Add :

Amount AA ______ EE

Refund of ITC (amount DD **plus** amount EE) ______ FF

Enter FF, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and corporate partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal (enter this amount at amount C in Part 17) ______ A

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B in Part 16 on page 9.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**

Calculation 2 (continued) – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B below.

D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (enter this amount at amount D in Part 17) ______ B

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760 below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported at amount E in Part 17) **760** ______

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC for calculation 1 from amount A in Part 16		C
Recaptured ITC for calculation 2 from amount B in Part 16		D
Recaptured ITC for calculation 3 from line 760 in Part 16		E
Total recapture of SR&ED investment tax credit – total of amounts C to E		F

Enter amount F at amount A in Part 29.

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:
Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810	
Geological, geophysical, or geochemical surveys	811	
Drilling by rotary, diamond, percussion, or other methods	812	
Trenching, digging test pits, and preliminary sampling	813	

Development:
Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820	
Sinking a mine shaft, constructing an adit, or other underground entry	821	

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826

Add amounts in column 826 ► A

Total pre-production mining expenditures (total of lines 810 to 821 and amount A)	830		
Deduct:			
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B
Add:			
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B **plus** line 835)			C

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year					D
Deduct:					
Credit deemed as a remittance of co-op corporations	841				
Credit expired	845				
Subtotal (line 841 **plus** line 845)			▶		E
ITC at the beginning of the tax year (amount D **minus** amount E)			850		
Add:					
Credit transferred on amalgamation or wind-up of subsidiary			860		
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part of amount C from Part 18)	870	x 10 % =	a		
Pre-production mining exploration expenditures incurred in 2013 (applicable part of amount C from Part 18)	872	x 5 % =	b		
Pre-production mining development expenditures incurred in 2014 (applicable part of amount C from Part 18)	874	x 7 % =	c		
Pre-production mining development expenditures incurred in 2015 (applicable part of amount C from Part 18)	876	x 4 % =	d		
Current year credit (total of amounts a to d)	880		▶		F
Total credit available (total of lines 850, 860, and amount F)					G
Deduct:					
Credit deducted from Part I tax (enter at amount F in Part 30)	885				
Credit carried back to the previous year(s) (amount I from Part 20)			e		
Subtotal (line 885 **plus** amount e)			▶		H
ITC closing balance from pre-production mining expenditures (amount G **minus** amount H)			890		

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total (enter at amount e in Part 19)		I

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.) . . . . 611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
1.	CA1860	Powerline Technician	63,806	6,381	2,000
2.	CF5748	Powerline Technician	23,762	2,376	2,000

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
3.	CF5746	Powerline Technician	19,869	1,987	1,987
4.	CF5745	Powerline Technician	18,103	1,810	1,810

Total current-year credit (enter at line 640 in Part 22) 7,797 A

* Net of any other government or non-government assistance received or to be received.

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year				B
Deduct:				
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)			▶	C
ITC at the beginning of the tax year (amount B **minus** amount C)	625			
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A from Part 21)	640	7,797		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		7,797	▶ 7,797	D
Total credit available (line 625 **plus** amount D)			7,797	E
Deduct:				
Credit deducted from Part I tax (enter at amount G in Part 30)	660	7,797		
Credit carried back to the previous year(s) (amount G from Part 23)			a	
Subtotal (line 660 **plus** amount a)		7,797	▶ 7,797	F
ITC closing balance from apprenticeship job creation expenditures (amount E **minus** amount F)	690			

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	
				Total (enter at amount a in Part 22)		G

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that the corporation incurred to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures;

acquired or incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	CCA* class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year **715**

Add:

Specified child care start-up expenditures from the current tax year **705**

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . A

Deduct:

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line A **725**

Excess (amount A **minus** line 725) (if negative, enter "0") . . . . B

Add:

Repayments by the corporation of government and non-government assistance **735**

Total eligible expenditures for child care spaces (amount B **plus** line 735) **745**

* CCA: capital cost allowance

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745) . . . . x 25 % = C

Number of child care spaces . . . . **755** x $ 10,000 = D

ITC from child care spaces expenditures (amount C or D, whichever is less) . . . . E

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F
Deduct:				
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)		►		G
ITC at the beginning of the tax year (amount F **minus** amount G)		775		
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	777			
Total current-year credit (amount E from Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)		►		H
Total credit available (line 775 **plus** amount H)				I
Deduct:				
Credit deducted from Part I tax (enter at amount H in Part 30)	785			
Credit carried back to the previous year(s) (amount K from Part 27)		a		
Subtotal (line 785 **plus** amount a)		►		J
ITC closing balance from child care spaces expenditures (amount I **minus** amount J)		790		

Part 27 – Request for carryback of credit from child care space expenditures

	Year / Month / Day			
1st previous tax year	2013-12-31	Credit to be applied	941	
2nd previous tax year	2012-12-31	Credit to be applied	942	
3rd previous tax year	2011-12-31	Credit to be applied	943	
		Total (enter at amount a in Part 26)		K

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and corporate partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . . **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ______

Amount from line 795 or line 797, whichever is less . . . . ______ A

Corporate partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A, and line 799) . . . . ______ B
Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (from amount F in Part 17)		A
Recaptured child care spaces ITC (from amount B in Part 28)		B
Total recapture of investment tax credit (amount A **plus** amount B)		C

Enter amount C on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5)		D
ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12)		E
ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19)		F
ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22)	7,797	G
ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26)		H
Total ITC deducted from Part I tax (total of amounts D to H)	7,797	I

Enter amount I at line 652 of the T2 return.

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Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
7,797	7,797			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				*
2003-12-31				
2002-12-31				
2001-12-31				
2000-12-31				
				*
Total				

B+C+D+G **Total ITC utilized** 7,797

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following amounts at the end of the year:

	Line	Amount		
Reserves that have not been deducted in computing income for the year under Part I	101	5,074,988		
Capital stock (or members' contributions if incorporated without share capital)	103	26,887,104		
Retained earnings	104	56,172,204		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	105,885,220		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is an amount (see note below) for a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership	112			
Subtotal		194,019,516	194,019,516	A

Deduct the following amounts:

	Line	Amount		
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
The amount of deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal				B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		194,019,516	

Note: Line 112 is determined as follows:

- An amount for the partnership is the amount, if any, by which the total of those amounts—for the partnership's last fiscal period that ends at or before the tax year-end of the corporation—that would be determined for lines 101, 107, 108, 109, and 111 as if they apply to the partnership in the same way that they apply to corporations exceed the partnership's deferred unrealized foreign exchange losses at the end of the fiscal period.
- Do not include amounts owing to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership.
- Do not include amounts owning to any partnership in which a corporation described above held a membership interest either directly or indirectly through another partnership.
- The proportion of the amount is determined by the amount that the corporation's share of the partnership's income or loss for the fiscal period—to which the corporation is entitled either directly or indirectly through another partnership—is of the partnership's income or loss for the period.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	599,552
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other partnership or other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	599,552

Notes:

1. Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		194,019,516	C
Deduct: Investment allowance for the year (line 490)		599,552	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	193,419,964	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)		Taxable income earned in Canada 610 / Taxable income			
193,419,964	x	1,677,409 / 1,677,409	=	**Taxable capital employed in Canada** 690	193,419,964

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (**add** lines 711, 712, and 713)			►	E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.00225)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Amount	
NOTE PAYABLE TO SHAREHOLDER	33,513,211	00
CUSTOMER DEPOSITS - LONG TERM	3,842,814	00
CUSTOMER DEPOSITS - SHORT TERM	2,298,987	00
CURRENT PORTION OF LT DEBT	4,114,000	00
LONG-TERM DEBT	57,700,190	00
ST Debt	4,416,018	00
Total	105,885,220	00

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Description	Amount
Prepaid Expenses	599,552 00
Total	599,552 00

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in computing income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description	Amount
Schedule 13 Reserves	4,847,253 00
Future Tax	227,735 00
Total	5,074,988 00

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Waterloo North Hydro Holding Corporation	87502 6924 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

On: 2014-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☒ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	35,841,577 A
Taxable income for the year (DICs enter "0") *	110	1,677,409 B		
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶ C		
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")	150	1,677,409		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	1,207,734 D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (**add** lines 200 and 210)		▶		E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)	220			
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230			
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)		▶	290	F
Subtotal (**add** lines A, D, E, and F)				37,049,311 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)	▶		H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)		490	37,049,311
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)		560	
GRIP at the end of the tax year (line 490 **minus** line 560)		590	37,049,311

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year		2,130,874 J1	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (**add** lines K1, L1, and M1)	▶	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")		2,130,874 ▶	2,130,874 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R1

Aggregate investment income (line 440 of the T2 return) . . . . ______ S1

Subtotal (**add** lines Q1, R1, and S1) ______ ▶ ______ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ______ ▶ ______ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") ______ V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) . . . . **500** ______

Second previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year 4,659,164 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L2

Aggregate investment income (line 440 of the T2 return) . . . . ______ M2

Subtotal (**add** lines K2, L2, and M2) ______ ▶ ______ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 4,659,164 ▶ 4,659,164 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R2

Aggregate investment income (line 440 of the T2 return) . . . . ______ S2

Subtotal (**add** lines Q2, R2, and S2) ______ ▶ ______ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ______ ▶ ______ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") ______ V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) . . . . **520** ______

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year 5,907,943 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L3

Aggregate investment income (line 440 of the T2 return) . . . . ______ M3

Subtotal (**add** lines K3, L3, and M3) ______ ▶ ______ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 5,907,943 ▶ 5,907,943 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R3

Aggregate investment income (line 440 of the T2 return) . . . . ______ S3

Subtotal (**add** lines Q3, R3, and S3) ______ ▶ ______ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") ______ ▶ ______ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") ______ V3

GRIP adjustment for specified future tax consequences to the third previous tax year
(line V3 **multiplied by** the general rate factor for the tax year 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ______ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . ______ AA

Eligible dividends paid by the corporation in its last tax year . . . . ______ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . . ______ CC

Subtotal (line BB **minus** line CC) ______ ▶ ______ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(line AA **minus** line DD) . . . . ______ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

– line 230 for post-amalgamation; or
– line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ________ FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ________ GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . ________

Net capital losses . . . . ________

Farm losses . . . . ________

Restricted farm losses . . . . ________

Limited partnership losses . . . . ________

Subtotal ________ ► ________ HH

Subtotal (**add** lines FF, GG, and HH) ________ II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ________ JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ________ KK

All the corporation's reserves deducted in its previous/last tax year . . . . ________ LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ________ MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ________ NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ________ ► ________ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . ________ PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year	/ 365	. . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year	/ 365	. . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year	/ 365	. . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	365 / 365	. . . . =	0.720000000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		3,639,680		
Total taxable dividends paid in the tax year	100	3,639,680		
Total eligible dividends paid in the tax year	150			A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160		37,049,311	B
Excessive eligible dividend designation (line 150 **minus** line 160)				C
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	180			D
Subtotal (amount C **minus** amount D)				E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190			F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3				
Total taxable dividends paid in the tax year	200			
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)				G
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	280			H
Subtotal (amount G **minus** amount H)				I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290			J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of Ontario basic rate of tax for the year

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	/ 365	x	12.00 %	=	%	A1
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	365 / 365	x	11.50 %	=	11.50000 %	A2

Ontario basic rate of tax for the year (rate A1 **plus** A2) 11.50000 ► 11.50000 % A3

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . 1,677,409 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A3 from Part 1) . . . . . . 192,902 C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Part 3 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)	1,715,513	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	1,677,409	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3

Business limit reduction (amount from line E of the T2 return) 17,084,711 x (Number of days in the tax year after May 1, 2014 / Number of days in the tax year) 244 / 365 = 11,421,012 4

Amount from line 3 **minus** amount from line 4 (if negative, enter "0") = ______ 5

Enter the least of amounts 1, 2, 3 and 5 ______ D

Ontario domestic factor: (Ontario taxable income * / Taxable income earned in all provinces and territories **) 1,677,409.00 / 1,677,409 = 1.00000 E

Amount D x factor E ______ a

Ontario taxable income (amount B from Part 2) 1,677,409 b

Ontario small business income (lesser of amount a and amount b) ______ F

(Number of days in the tax year before July 1, 2011 / Number of days in the tax year) ______ / 365 x 7.50 % = ______ % G1

(Number of days in the tax year after June 30, 2011 / Number of days in the tax year) 365 / 365 x 7.00 % = 7.00000 % G2

OSBD rate for the year (rate G1 **plus** G2) 7.00000 % G3

Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G3) ______ H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

** Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 4 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount b from Part 3) ______ I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17				J
Deduct:				
Ontario adjusted small business income (amount I from Part 4)				K
Subtotal (amount J **minus** amount K) (if negative, enter "0")				L
OSBD rate for the year (rate G3 from Part 3)	7.00000 %			
Amount L **multiplied** by the OSBD rate for the year				M
Ontario domestic factor (factor E from Part 3)			1.00000	N
Ontario credit union tax reduction (amount M **multiplied** by factor N)				O

Enter amount O on line 410 of Schedule 5.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	224,823,533
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	84,658,504
Total assets (total of lines 112 to 116)		309,482,037
Total revenue of the corporation for the tax year **	142	189,271,057
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	102,095,083
Total revenue (total of lines 142 to 146)		291,366,140

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	4,591,671	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220	843,712			
Provision for deferred income taxes (debits)/cost of future income taxes	222				
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		843,712	►	843,712	A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320				
Provision for deferred income taxes (credits)/benefit of future income taxes	322				
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381	382				
383	384				
385	386				
387	388				
389	390				
Subtotal			►		B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	5,435,383	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	5,435,383	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available				C
Net income subject to CMT calculation (if negative, enter "0")		520	5,435,383	

Amount from line 520: 5,435,383 x (Number of days in the tax year before July 1, 2010 / Number of days in the tax year: 365) x 4 % = ______ 1

Amount from line 520: 5,435,383 x (Number of days in the tax year after June 30, 2010: 365 / Number of days in the tax year: 365) x 2.7 % = 146,755 2

Subtotal (amount 1 **plus** amount 2) . . . 146,755 3

Gross CMT: amount on line 3 above x OAF **	540	146,755	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		146,755	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		192,902	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		19,829	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		19,829	▶ 620	19,829	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650		
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				19,829	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)				19,829	I
Subtotal (amount H **minus** amount I)					J
Add:					
Net CMT payable (amount E from Part 3)					
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal			▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670		L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				19,829	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		192,902	1		
For a corporation that is not a life insurance corporation:					
CMT after foreign tax credit deduction (amount D from Part 3)	146,755	2			
For a life insurance corporation:					
Gross CMT (line 540 from Part 3)		3			
Gross SAT (line 460 from Part 6 of Schedule 512)		4			
The **greater** of amounts 3 and 4		5			
Deduct: line 2 or line 5, whichever applies:		146,755	6		
Subtotal (if negative, enter "0")		46,147	▶	46,147	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		192,902			
Deduct:					
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		151,944			
Subtotal (if negative, enter "0")		40,958	▶	40,958	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				19,829	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

– the tax year includes January 1, 2009; or
– the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ► 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 **plus** line 750) . . . . R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . .

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

– do not enter an amount on line Q or line 700;
– for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

– the tax year includes January 1, 2009; or
– the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Waterloo North Hydro Holding Corporation	87502 6924 RC0001	34,658,504	2,095,083
2	City of Waterloo	NR	50,000,000	100,000,000
		Total	450 84,658,504	550 102,095,083

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax.*
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
Waterloo North Hydro Inc.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-03-01	1404168

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
526	Country Squire Road	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 640

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Waterloo	ON	CA	N2J 4A3

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 2 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Singh (Last name) **451** Albert (First name)

454 ______________________, (Middle name(s))

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)		
520 Street number	**530** Street name/Rural route/Lot and Concession number	**540** Suite number
550 Additional address information if applicable (line 530 must be completed first)		

560 Municipality (e.g., city, town)	**570** Province/state	**580** Country	**590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name Cowan	705 First name Todd	710 Middle name(s)
720 Street number 9	730 Street name/Rural route/Lot and Concession number Harness Lane	740 Suite number
750 Additional address information if applicable (line 730 must be completed first)		

760 Municipality (e.g., city, town) Elmira	770 Province/state ON	780 Country CA	790 Postal/zip code N3B 3K5

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2010-12-16

797 Date ceased, if applicable Year Month Day: 2014-11-20

Officer information

Officer		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
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Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Holloran	705 First name: Brenda	710 Middle name(s):
720 Street number: 559	730 Street name/Rural route/Lot and Concession number: Tidewater Place	740 Suite number:

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Waterloo	770 Province/state: ON	780 Country: CA	790 Postal/zip code: N0B 2T0

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2006-12-21

797 Date ceased, if applicable (Year Month Day): 2014-11-20

Officer information

Position	Line	Date appointed Year Month Day	Line	Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
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Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Kelterborn
705 First name: Ross
710 Middle name(s):

720 Street number: 133
730 Street name/Rural route/Lot and Concession number: David Street
740 Suite number:

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Wellesley
770 Province/state: ON
780 Country: CA
790 Postal/zip code: N0B 2T0

Director

Is this director a resident Canadian? . . . **795** **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2003-12-11
797 Date ceased, if applicable Year Month Day: 2014-11-20

Officer information

Officer information		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
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Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Moser	**705** First name: Eugene	**710** Middle name(s):
720 Street number: 596	**730** Street name/Rural route/Lot and Concession number: Manorwood Court	**740** Suite number:
750 Additional address information if applicable (line 730 must be completed first):		

760 Municipality (e.g., city, town): Waterloo	**770** Province/state: ON	**780** Country: CA	**790** Postal/zip code: N2K 3L7

Director

Is this director a resident Canadian? . . . **795** 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2008-10-16

797 Date ceased, if applicable (Year Month Day): 2014-04-17

Officer information

Officer		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
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Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name	705 First name	710 Middle name(s)
Scian	Karen	

720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number
402	Canvendish Drive	

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Waterloo	ON	CA	N2T 2N6

Director

Is this director a resident Canadian? . . . 795 **1** Yes X **2** No

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2010-12-16

797 Date ceased, if applicable Year Month Day: 2014-11-20

Officer information

Position	Line	Date appointed Year Month Day	Line	Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

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- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
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700 Last name: Henry	705 First name: Jeff	710 Middle name(s):
720 Street number: 375	730 Street name/Rural route/Lot and Concession number: King Street North	740 Suite number: 502

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Waterloo	770 Province/state: ON	780 Country: CA	790 Postal/zip code: N2J 4L6

Director

Is this director a resident Canadian? . . . 795 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2014-12-15

797 Date ceased, if applicable (Year Month Day):

Officer information

Position		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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700 Last name	Jaworsky
705 First name	Dave
710 Middle name(s)	
720 Street number	490
730 Street name/Rural route/Lot and Concession number	Beckwith Court
740 Suite number	
750 Additional address information if applicable (line 730 must be completed first)	
760 Municipality (e.g., city, town)	Waterloo
770 Province/state	ON
780 Country	CA
790 Postal/zip code	N2T 2H1

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2014-12-15	797	

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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700 Last name Nowak	**705** First name Joseph	**710** Middle name(s)

720 Street number 6	**730** Street name/Rural route/Lot and Concession number Village RR1	**740** Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town) Wellesley	**770** Province/state ON	**780** Country CA	**790** Postal/zip code N0B 2T0

Director

Is this director a resident Canadian? . . . **795** **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2014-12-15

797 Date ceased, if applicable Year Month Day:

Officer information

Officer		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
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Other (untitled)	911		912	

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Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name: Shantz
705 First name: Sandy
710 Middle name(s):

720 Street number: 14
730 Street name/Rural route/Lot and Concession number: Nuthatch Place
740 Suite number:

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Elmira
770 Province/state: ON
780 Country: CA
790 Postal/zip code: N3B 3G5

Director

Is this director a resident Canadian? . . . **795** **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2014-12-15
797 Date ceased, if applicable (Year Month Day):

Officer information

Officer	Line	Date appointed Year Month Day	Line	Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
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Other (untitled)	911		912	

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CRA internal form identifier 547

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700 Last name: Wright	**705** First name: Glen	**710** Middle name(s):
720 Street number: 488	**730** Street name/Rural route/Lot and Concession number: Beechwood Drive	**740** Suite number: 3

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Waterloo	**770** Province/state: ON	**780** Country: CA	**790** Postal/zip code: N2T 2C3

Director

Is this director a resident Canadian? . . . **795** 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2014-06-19	**797**	

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
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Assistant Treasurer	856		857	
Chief Manager	861		862	
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Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
Albert Singh	(519) 888-5542

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 11,604,591

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300} \ \textbf{minus} \ \$400{,}000}{\$200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} \ \textbf{minus} \ \$400{,}000}{\$200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Conestoga College	Powerline Technician
2.	Conestoga College	Powerline Technician
3.	Conestoga College	Powerline Technician
4.	Conestoga College	Powerline Technician
5.	Conestoga College	Powerline Technician
6.	Conestoga College	Powerline Technician
7.	Conestoga College	Powerline Technician
8.	University of Waterloo	Environment & Business
9.	University of Waterloo	Environment & Business
10.	University of Waterloo	Kinesiology
11.	Mohawk College	Electrical Engineering
12.	Georgian College	Electrical Technology
13.	University of Waterloo	Electrical Engineering
14.	Conestoga College	ITEP
15.	Fanshawe College	Electrical Engineering Technology
16.	Fanshawe College	Electrical Engineering Technology
17.	Conestoga College	Electrical Engineering Technology
18.	Conestoga College	Electrical Engineering Technology
19.	Conestoga College	Electrical Engineering Technology
20.	Conestoga College	Electrical Engineering Technology
21.		

	C Name of student 410	D Start date of WP (see note 1 below) 430	E End date of WP (see note 2 below) 435
1.	Andrew Weber	2014-01-06	2014-05-02
2.	Stephen Brennan	2014-01-06	2014-05-02
3.	Christopher Beaudry	2014-01-06	2014-05-02
4.	Graham Cousineau	2014-05-05	2014-08-29
5.	Eric Gatto	2014-05-05	2014-08-29
6.	Jeffrey Hauck	2014-05-05	2014-08-29
7.	Jacob Hutchinson	2014-05-05	2014-08-29
8.	Emily Moore	2014-01-13	2014-05-02
9.	Emily Moore	2014-05-05	2014-08-29
10.	Seth Burt	2014-09-02	2014-12-19
11.	Luke Baldwin	2014-08-25	2014-12-19
12.	Kalev Lillepool	2014-08-25	2014-12-19
13.	Neal Patel	2014-08-28	2014-12-19
14.	Juan Mancipe	2014-05-05	2014-08-29
15.	Zachary Devries	2014-01-06	2014-05-02
16.	Zachary Devries	2014-05-05	2014-08-29
17.	Rebecca Feeney	2014-01-02	2014-05-02
18.	Rebecca Feeney	2014-05-05	2014-08-29
19.	Tyler Anstey	2014-01-06	2014-05-02
20.	Tyler Anstey	2014-05-05	2014-08-27
21.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	16,953	25.000 %		17
2.		10.000 %	16,497	25.000 %		17
3.		10.000 %	15,557	25.000 %		17
4.		10.000 %	15,638	25.000 %		17
5.		10.000 %	15,952	25.000 %		17
6.		10.000 %	13,944	25.000 %		17
7.		10.000 %	15,388	25.000 %		17
8.		10.000 %	14,754	25.000 %		16
9.		10.000 %	15,839	25.000 %		17
10.		10.000 %	15,959	25.000 %		15
11.		10.000 %	14,349	25.000 %		17
12.		10.000 %	13,886	25.000 %		17
13.		10.000 %	13,844	25.000 %		16
14.		10.000 %	12,147	25.000 %		17
15.		10.000 %	14,938	25.000 %		17
16.		10.000 %	15,466	25.000 %		17
17.		10.000 %	16,219	25.000 %		17
18.		10.000 %	16,124	25.000 %		17
19.		10.000 %	15,264	25.000 %		17
20.		10.000 %	15,387	25.000 %		16
21.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	4,238	3,000	3,000		3,000
2.	4,124	3,000	3,000		3,000
3.	3,889	3,000	3,000		3,000
4.	3,910	3,000	3,000		3,000
5.	3,988	3,000	3,000		3,000
6.	3,486	3,000	3,000		3,000
7.	3,847	3,000	3,000		3,000
8.	3,689	3,000	3,000		3,000
9.	3,960	3,000	3,000		3,000
10.	3,990	3,000	3,000		3,000
11.	3,587	3,000	3,000		3,000
12.	3,472	3,000	3,000		3,000
13.	3,461	3,000	3,000		3,000
14.	3,037	3,000	3,000		3,000
15.	3,735	3,000	3,000		3,000
16.	3,867	3,000	3,000		3,000
17.	4,055	3,000	3,000		3,000
18.	4,031	3,000	3,000		3,000
19.	3,816	3,000	3,000		3,000
20.	3,847	3,000	3,000		3,000

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
21.					

Ontario co-operative education tax credit (total of amounts in column K) **500** 60,000 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ______ x percentage on line 170 in Part 1 ______ % = ... ______ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 552

ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2014-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009 or* the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information	120 Telephone number including area code
Albert Singh	(519) 888-5542

Is the claim filed for an ATTC earned through a partnership? * . . . . . **150** 1 Yes [ ] 2 No [X]

If **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 11,604,591

For eligible expenditures incurred before March 27, 2009:
– If line 300 is $400,000 or less, enter 30% on line 310.
– If line 300 is $600,000 or more, enter 25% on line 310.
– If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right) \right]$$

Specified percentage . . . . **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:
– If line 300 is $400,000 or less, enter 45% on line 312.
– If line 300 is $600,000 or more, enter 35% on line 312.
– If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\,\% - \left[10\,\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right) \right]$$

Specified percentage . . . . **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code 400	B Apprenticeship program/ trade name 405	C Name of apprentice 410
1.	434a	Powerline Technician	Carlie Liebold
2.	434a	Powerline Technician	Ryan Seymour
3.	434a	Powerline Technician	Nick England
4.	434a	Powerline Technician	Zack Fleming
5.	434a	Powerline Technician	Wesley Penny
6.	434a	Powerline Technician	Andrew McDonald
7.	434a	Powerline Technician	Steven Miller
8.	434a	Powerline Technician	Christopher Beaudry
9.	434a	Powerline Technician	Colton Dellandrea
10.	434a	Powerline Technician	Ryan Good
11.	207s	Light Rail Overhead Contact Systems Linesperson	Justin O'Hara
12.	207s	Light Rail Overhead Contact Systems Linesperson	Robert Campbell
13.	255b	Facilities Technician	Dravko Simko
14.	255b	Facilities Technician	Jeremy Bearss
15.			
16.			
17.			

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435
1.	PD5712	2010-10-01	2014-01-01	2014-09-30
2.	PD5721	2010-10-01	2014-01-01	2014-09-30
3.	PG4234	2011-09-28	2014-01-01	2014-12-31

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435
4.	PG4236	2011-09-28	2014-01-01	2014-12-31
5.	PG4277	2011-09-28	2014-01-01	2014-12-31
6.	PC7697	2010-01-06	2014-01-01	2014-01-05
7.	CA1860	2014-02-13	2014-02-13	2014-12-31
8.	CF5748	2014-09-02	2014-09-02	2014-12-31
9.	CF5746	2014-09-02	2014-09-02	2014-12-31
10.	CF5745	2014-09-02	2014-09-02	2014-12-31
11.	PE8196	2010-07-08	2014-01-01	2014-06-30
12.	D24450	2011-12-22	2014-01-01	2014-12-31
13.		2011-05-02	2014-01-01	2014-12-31
14.		2010-06-07	2014-01-01	2014-05-31
15.				
16.				
17.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) 442	H3 Number of days employed as an apprentice in the tax year (column H1 **plus** column H2) 440	I Maximum credit amount for the tax year (see note 2 below) 445
1.		273	273	7,479
2.		273	273	7,479
3.		365	365	10,000
4.		365	365	10,000
5.		365	365	10,000
6.		4	4	110
7.		322	322	8,822
8.		109	109	2,986
9.		109	109	2,986
10.		109	109	2,986
11.		181	181	4,959
12.		365	365	10,000
13.		365	365	10,000
14.		151	151	4,137
15.				
16.				
17.				

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) 451	J2 Eligible expenditures after March 26, 2009 (see note 3 below) 452	J3 Eligible expenditures for the tax year (column J1 **plus** column J2) 450	K Eligible expenditures **multiplied** by specified percentage (see note 4 below) 460
1.		56,357	56,357	19,725
2.		57,703	57,703	20,196
3.		67,810	67,810	23,734
4.		71,646	71,646	25,076
5.		70,556	70,556	24,695
6.		31,648	31,648	11,077
7.		63,806	63,806	22,332
8.		23,762	23,762	8,317
9.		19,869	19,869	6,954
10.		18,103	18,103	6,336
11.		43,555	43,555	15,244
12.		62,058	62,058	21,720
13.		81,518	81,518	28,531
14.		33,076	33,076	11,577
15.				
16.				
17.				

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5 below) 480	N ATTC for each apprentice (column L or column M, whichever applies) 490
1.	7,479		7,479
2.	7,479		7,479
3.	10,000		10,000
4.	10,000		10,000

	L ATTC on eligible expenditures (lesser of columns I and K) **470**	M ATTC on repayment of government assistance (see note 5 below) **480**	N ATTC for each apprentice (column L or column M, whichever applies) **490**
5.	10,000		10,000
6.	110		110
7.	8,822		8,822
8.	2,986		2,986
9.	2,986		2,986
10.	2,986		2,986
11.	4,959		4,959
12.	10,000		10,000
13.	10,000		10,000
14.	4,137		4,137
15.			
16.			
17.			

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 91,944 **O**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O ______ x percentage on line 170 in Part 1 ______ % = ... ______ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = ($5,000 x H1/365*) + ($10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.

For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

ATTACHMENT 4-5

OPA CONTRACTED PROVINCE-WIDE CDM PROGRAMS FINAL 2011 RESULTS

Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2011 Results Report.

Despite some of the inertial challenges in 2011 with program start up, on average, year one province-wide forecasts were met and the year finished out with strong momentum which continues to build 2012. There are still challenges for LDCs of all sizes and we are committed to ensuring LDCs are successful in meeting their objectives. We look forward to further dialogue to discover opportunities to improve the current program suite with local program opportunities, best practices and successes to better reach our customers in the years to come.

This report was developed in collaboration with the OPA-LDC Reporting and Evaluation Working Group and is designed to help populate LDC annual report templates that will be submitted to the OEB in late September. Between the draft and final reports several improvements were made to improve clarity and transparency based on feedback provided by LDCs, such as: the addition of a glossary tab, total adjustments to savings are now broken out into both the realization rate and net-to-gross ratio for both peak demand and energy savings and modifications were made to the methodology tab. We invite you to continue to provide your feedback.

All results are now considered final for 2011. Any additional 2011 program activity not captured will be reported in the Final 2012 Results Report. Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year in 2012.

Sincerely,
Andrew Pride

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OPA-Contracted Province-Wide CDM Programs FINAL 2011 Results

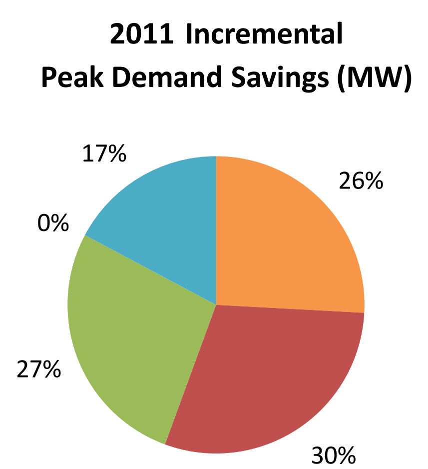
LDC: Waterloo North Hydro Inc.

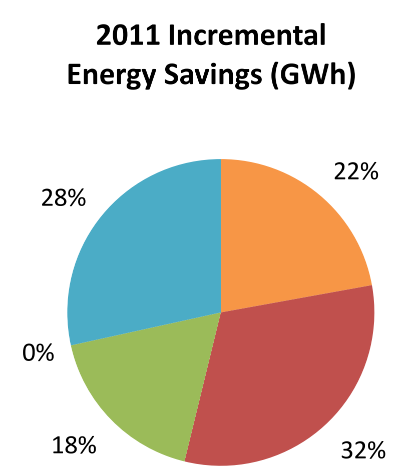
FINAL 2011 Progress to Targets	Incremental 2011	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	2.1	**9.2%**	**13.3%**
Net Cumulative Energy Savings (GWh)	6.5	**38.6%**	**38.7%**

Scenario 1 = Assumes that demand resource resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in your territory until 2014

WNH 2011 Achievement by Sector

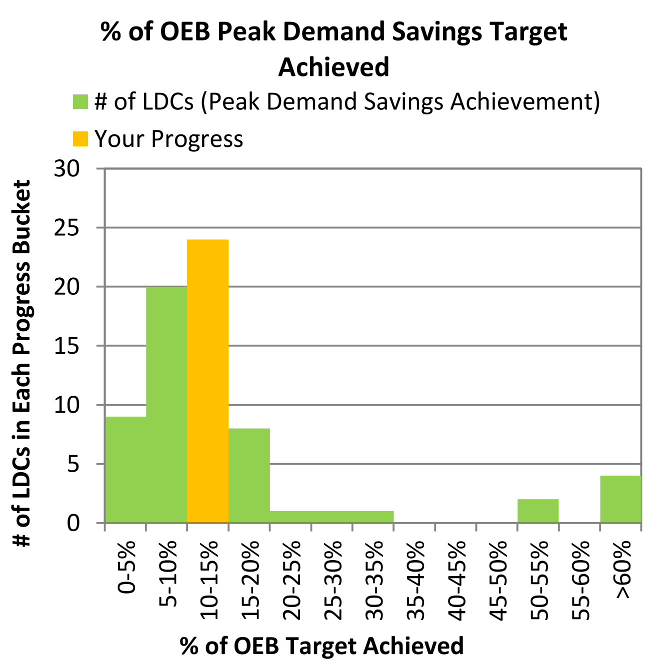




Consumer Program Total
Business Program Total
Industrial Program Total
Home Assistance Program Total
Pre-2011 Programs completed in 2011 Total

Comparison: Your Achievement vs. LDC Community Achievement

The following graphs assume that demand response resources remain in your territory until 2014 (aligns with Scenario 2)



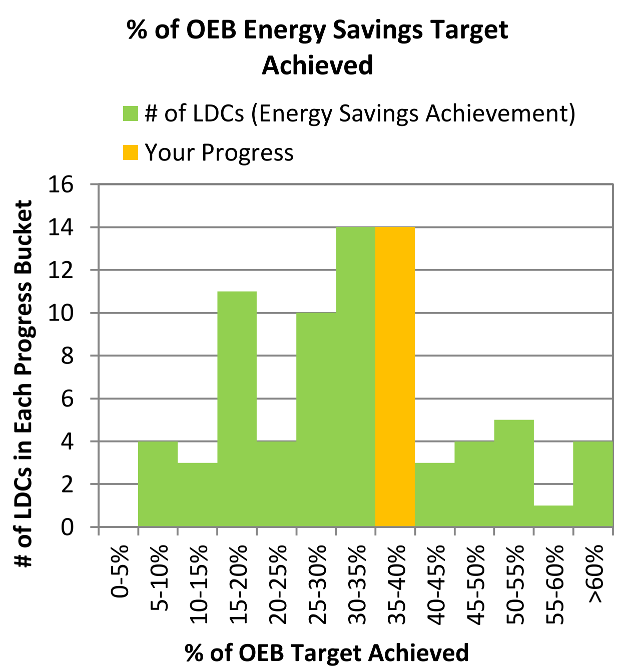


Table 1: Participation[1]

#	Initiative	Unit	Uptake/ Participation Units
Consumer Program			
1	Appliance Retirement	Appliances	433
2	Appliance Exchange	Appliances	22
3	HVAC Incentives	Equipment	1,438
4	Conservation Instant Coupon Booklet	Products	4,987
5	Bi-Annual Retailer Event	Products	8,720
6	Retailer Co-op	Products	0
7	Residential Demand Response	Devices	129
8	Residential New Construction	Houses	0
Business Program			
9	Efficiency: Equipment Replacement	Projects	40
10	Direct Install Lighting	Projects	214
11	Existing Building Commissioning Incentive	Buildings	0
12	New Construction and Major Renovation Incentive	Buildings	0
13	Energy Audit	Audits	0
14	Commercial Demand Response (part of the Residential program schedule)	Devices	8
15	Demand Response 3 (part of the Industrial program schedule)	Facilities	3
Industrial Program			
16	Process & System Upgrades	Projects[2]	0
17	Monitoring & Targeting	Projects[3]	0
18	Energy Manager	Managers[2 3]	0
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Projects	11
20	Demand Response 3	Facilities	4
Home Assistance Program			
21	Home Assistance Program	Homes	0
Pre 2011 Programs Completed in 2011			
22	Electricity Retrofit Incentive Program	Projects	28
23	High Performance New Construction	Projects	5
24	Toronto Comprehensive	Projects	0
25	Multifamily Energy Efficiency Rebates	Projects	0
26	Data Centre Incentive Program	Projects	0
27	EnWin Green Suites	Projects	0

[1] *Please see "Methodology" tab for more information regarding attributing savings to LDCs*

[2] *Results are based on completed incentive projects (see "Methodology" tab for more information)*

[3] *Includes: Roving Energy Managers, Key Account Managers and Embedded Energy Managers if projects are completed in 2011*

Table 3: OPA Province-Wide Evaluation Findings

#	Initiative	OPA Province-Wide Key Evaluation Findings
Consumer Program		
1	Appliance Retirement	* Overall participation continues to decline year over year * Participation declined 17% from 2010 (from over 67,000 units in 2010 to over 56,000 units in 2011) * 97% of net resource savings achieved through the home pick-up stream * Measure Breakdown: 66% refrigerators, 30% freezers, 4% Dehumidifiers and window air conditioners * 3% of net resource savings achieved through the Retailer pick-up stream * Measure Breakdown: 90% refrigerators, 10% freezers * Net-to-Gross ratio for the initiative was 50% * Measure-level free ridership ranges from 82% for the retailer pick-up stream to 49% for the home pick-up stream * Measure-level spillover ranges from 3.7% for the retailer pick-up stream to 1.7% for the home pick-up stream
2	Appliance Exchange	* Overall eligible units exchanged declined by 36% from 2010 (from over 5,700 units in 2010 * Measure Breakdown: 75% window air conditioners, 25% dehumidifiers * Dehumidifiers and window air conditioners contributed almost equally to the net energy * Dehumidifiers provide more than three times the energy savings per unit than window air conditioners * Window air conditioners contributed to 64% of the net peak demand savings achieved * Approximately 96% of consumers reported having replaced their exchanged units (as opposed to retiring the unit) * Net-to-Gross ratio for the initiative is consistent with previous evaluations (51.5%)
3	HVAC Incentives	* Total air conditioner and furnace installations increased by 14% (from over 95,800 units in 2010 to over 111,500 units in 2011) * Measure Breakdown: 64% furnaces, 10% tier 1 air conditioners (SEER 14.5) and 26% tier 2 air conditioners (SEER 15) * Measure breakdown did not change from 2010 to 2011 * The HVAC Incentives initiative continues to deliver the majority of both the energy (45%) and demand (83%) savings in the consumer program * Furnaces accounted for over 91% of energy savings achieved for this initiative * Net-to-Gross ratio for the initiative was 17% higher than 2010 (from 43% in 2010 to 60% in * Increase due in part to the removal of programmable thermostats from the program, and an increase in the net-to-gross ratio for both Furnaces and Tier 2 air conditioners (SEER 15)
4	Conservation Instant Coupon Booklet	* Customers redeemed nearly 210,000 coupons, translating to nearly 560,000 products * Majority of coupons redeemed were downloadable (~40%) or LDC-branded (~35%) * Majority of coupons redeemed were for multi-packs of standard spiral CFLs (37%), followed by multi-packs of specialty CFLs (17%) * Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings * Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed
		* Customers redeemed nearly 370,000 coupons, translating to over 870,000 products * Majority of coupons redeemed were for multi-packs of standard spiral CFLs (49%), followed by multi-packs of specialty CFLs (16%)

#	Initiative	OPA Province-Wide Key Evaluation Findings

5	Bi-Annual Retailer Event	* Per unit savings estimates and net-to-gross ratios for 2011 are based on a weighted average of 2009 and 2010 evaluation findings
		  * Standard CFLs and heavy duty outdoor timers were reintroduced to the initiative in 2011 and contributed more than 64% of the initiative's 2011 net annual energy savings
		  * While the volume of coupons redeemed for heavy duty outdoor timers was relatively small (less than 1%), the measure accounted for 10% of net annual savings due to high per unit savings
		* Careful attention in the 2012 evaluation will be made for standard CFLs since it is believed that the market has largely been transformed.

6	Retailer Co-op	* Initiative was not evaluated in 2011 due to low uptake. Verified Bi-Annual Retailer Event per unit assumptions and free-ridership rates were used to calculate net resource savings

7	Residential Demand Response	* Approximately 20,000 new devices were installed in 2011
		  * 99% of the new devices enrolled controlled residential central AC (CAC)
		* 2011 only saw 1 atypical event (in both weather and timing) that had limited participation
		  * The ex ante impact developed through the 2009/2010 evaluations was maintained for 2011; residential CAC: 0.56 kW/device, commercial CAC: 0.64 kW/device, and Electric Water Heaters: 0.30 kW/device

8	Residential New Construction	* Initiative was not evaluated in 2011 due to limited uptake * Business case assumptions were used to calculate savings
Business Program		

9	Efficiency: Equipment Replacement	* Gross verified energy savings were boosted by lighting projects in the prescriptive and
		* Lighting projects overall were determined to have a realization rate of 112%; 116% when including interactive energy changes
		  * On average, the evaluation found high realization rates as a result of both longer operating hours and larger wattage reductions than initial assumptions
		  * Low realization rates for engineered lighting projects due to overstated operating hour assumptions
		* Custom non-lighting projects suffered from process issues such as: the absence of required M&V plans, the use of inappropriate assumptions , and the lack of adherence to the M&V plan
		* The final realization rate for summer peak demand was 94%
		  * 84% was a result of different methodologies used to calculate peak demand savings
		  * 10% due to the benefits from reduced air conditioning load in lighting retrofits
		* Overall net-to-gross ratios in the low 70's represent an improvement over the 2009 and
		Strict eligibility requirements and improvements in the pre-approval process contributed to the improvement in net-to-gross ratios

		* Though overall performance is above expectations, participation continues to decline year over year as the initiative reaches maturity * 70% of province-wide resource savings persist to 2014

#	Initiative	OPA Province-Wide Key Evaluation Findings
10	Direct Install Lighting	* Over 35% of the projects for 2011 included at least one CFL measure * Resource savings from CFLs in the commercial sector only persist for the industry standard of 3 years * Since 2009 the overall realization rate for this program has improved * 2011 evaluation recorded the highest energy realization rate to date at 89.5% * The hours of use values were held constant from the 2010 evaluation and continue to be the main driver of energy realization rate * Lights installed in "as needed" areas (e.g., bathrooms, storage areas) were determined to have very low realization rates due to the difference in actual energy saved vs. reported savings
11	Existing Building Commissioning Incentive	* Initiative was not evaluated in 2011, no completed projects in 2011
12	New Construction and Major Renovation Incentive	* Initiative was not evaluated in 2011 due to low uptake * Assumptions used are consistent with preliminary reporting based on the 2010 Evaluation findings and consultation with the C&I Work Group (100% realization rate and 50% net-to-gross ratio)
13	Energy Audit	* The evaluation is ongoing. The sample size for 2011 was too small to draw reliable conclusions.
14	Commercial Demand Response (part of the Residential program schedule)	* See residential demand response (#7)
15	Demand Response 3 (part of the Industrial program schedule)	* See Demand Response 3 (#20)
Industrial Program		
16	Process & System Upgrades	* Initiative was not evaluated in 2011, no completed projects in 2011
17	Monitoring & Targeting	* Initiative was not evaluated in 2011, no completed projects in 2011
18	Energy Manager	* Initiative was not evaluated in 2011, no completed projects in 2011
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	* See Efficiency: Equipment Replacement (#9)
20	Demand Response 3	* Program performance for Tier 1 customers increased with DR-3 participants providing * Industrial customers outperform commercial customers by provide 84% and 76% of contracted MW, respectively * Program continues to diversify but still remains heavily concentrated with less than 5% of the contributors accounting for the majority (~60%) of the load reductions. * By increasing the number of contributors in each settlement account and implementation of the new baseline methodology the performance of the program is expected to increase

#	Initiative	OPA Province-Wide Key Evaluation Findings
Home Assistance Program		
21	Home Assistance Program	* Initiative was not evaluated in 2011 due to low uptake * Business Case assumptions were used to calculate savings
Pre-2011 Programs completed in 2011		
22	Electricity Retrofit Incentive Program	* Initiative was not evaluated * Net-to-Gross ratios used are consistent with the 2010 evaluation findings (multifamily buildings 99% realization rate and 62% net-to-gross ratio and C&I buildings 77% realization rate and 52% net-to-gross ratio)
23	High Performance New Construction	* Initiative was not evaluated * Net-to-Gross ratios used are consistent with the 2010 evaluation findings (realization rate of 100% and net-to-gross ratio of 50%)
24	Toronto Comprehensive	* Initiative was not evaluated * Net-to-Gross ratios used are consistent with the 2010 evaluation findings
25	Multifamily Energy Efficiency Rebates	* Initiative was not evaluated * Net-to-Gross ratios used are consistent with the 2010 evaluation findings
26	Data Centre Incentive Program	* Initiative was not evaluated
27	EnWin Green Suites	* Initiative was not evaluated

Table 5: Summarized Program Results

Program	Gross Savings: Incremental Peak Demand Savings (kW)	Gross Savings: Incremental Energy Savings (kWh)		Net Savings: Incremental Peak Demand Savings (kW)	Net Savings: Incremental Energy Savings (kWh)	Contribution to Targets: Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Contribution to Targets: Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program Total	842	2,096,261		544	1,437,756	470	5,749,767
Business Program Total	754	2,618,079		626	2,054,613	438	7,994,555
Industrial Program Total	714	1,476,321		572	1,151,881	180	4,538,514
Home Assistance Program Total	0	0		0	0	0	0
Pre-2011 Programs completed in 2011 Total	709	3,608,510		362	1,846,550	362	7,386,199
Total OPA Contracted Province-Wide CDM Programs	**3,019**	**9,799,171**		**2,104**	**6,490,800**	**1,451**	**25,669,035**

#	Initiative	Realization Rate: Peak Demand Savings	Realization Rate: Energy Savings	Gross Savings: Incremental Peak Demand Savings (kW)	Gross Savings: Incremental Energy Savings (kWh)	Net-to-Gross Ratio: Peak Demand Savings	Net-to-Gross Ratio: Energy Savings	Net Savings: Incremental Peak Demand Savings (kW)	Net Savings: Incremental Energy Savings (kWh)	Contribution to Targets: Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Contribution to Targets: Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program											
1	Appliance Retirement	100%	100%	49	359,259	51%	52%	24	180,566	**24**	**722,161**
2	Appliance Exchange	100%	100%	5	5,919	52%	52%	2	3,051	**1**	**11,046**
3	HVAC Incentives	100%	100%	691	1,292,287	60%	60%	417	773,162	**417**	**3,092,649**
4	Conservation Instant Coupon Booklet	100%	100%	10	169,297	114%	111%	11	186,550	**11**	**746,201**
5	Bi-Annual Retailer Event	100%	100%	15	269,499	113%	110%	17	294,427	**17**	**1,177,710**
6	Retailer Co-op	-	-	0	0	-	-	0	0	**0**	**0**
7	Residential Demand Response	0%	0%	72	0	-	-	72	0	**0**	**0**
8	Residential New Construction	-	-	0	0	-	-	0	0	**0**	**0**
Business Program											
9	Equipment Replacement Incentive Initiaitve	97%	116%	372	1,949,090	71%	74%	263	1,433,122	**263**	**5,732,486**
10	Direct Install Lighting	108%	90%	231	664,665	93%	93%	248	617,168	**176**	**2,257,745**
11	Existing Building Commissioning Incentive	-	-	0	0	-	-	0	0	**0**	**0**
12	New Construction and Major Renovation	-	-	0	0	-	-	0	0	**0**	**0**
13	Energy Audit	-	-	0	0	-	-	0	0	**0**	**0**
14	Commercial Demand Response	0%	0%	5	0	-	-	5	0	**0**	**0**
15	Demand Response 3	76%	100%	146	4,323	n/a	n/a	110	4,323	**0**	**4,323**
Industrial Program											
16	Process & System Upgrades	-	-	0	0	-	-	0	0	**0**	**0**
17	Monitoring & Targeting	-	-	0	0	-	-	0	0	**0**	**0**
18	Energy Manager	-	-	0	0	-	-	0	0	**0**	**0**
19	Equipment Replacement Incentive Initiaitve	90%	101%	249	1,453,318	72%	78%	180	1,128,878	**180**	**4,515,511**
20	Demand Response 3	84%	100%	465	23,003	n/a	n/a	392	23,003	**0**	**23,003**
Home Assistance Program											
21	Home Assistance Program	-	-	0	0	-	-	0	0	**0**	**0**
Pre-2011 Programs completed in 2011											
22	Electricity Retrofit Incentive Program	78%	78%	346	1,742,736	52%	53%	181	913,663	**181**	**3,654,650**
23	High Performance New Construction	100%	100%	363	1,865,774	50%	50%	182	932,887	**182**	**3,731,548**
24	Toronto Comprehensive	-	-	0	0	-	-	0	0	**0**	**0**
25	Multifamily Energy Efficiency Rebates	-	-	0	0	-	-	0	0	**0**	**0**
26	Data Centre Incentive Program	-	-	0	0	-	-	0	0	**0**	**0**
27	EnWin Green Suites	-	-	0	0	-	-	0	0	**0**	**0**

Assumes demand response resources have a persistence of 1 year

Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year. Please see methodology tab for more detailed information.

Yellow cells are intended for the LDC to input information to complete their OEB Reporting Template.

Table 6: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	2.10	1.52	1.52	1.45
2012				
2013				
2014				0.00
Verified Net Annual Peak Demand Savings Persisting in 2014:				1.45
Waterloo North Hydro Inc. 2014 Annual CDM Capacity Target:				15.79
Verified Portion of Peak Demand Savings Target Achieved in 2014(%):				9.19%
LDC Milestone submitted for 2011				-%
Variance				

Table 7: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	6.49	6.46	6.44	6.27	25.67
2012					
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					25.67
Waterloo North Hydro Inc. 2011-2014 Cumulative CDM Energy Target:					66.49
Verified Portion of Cumulative Energy Target Achieved (%):					38.61%
LDC Milestone submitted for 2011					-%
Variance					

Table P1: Province-Wide Participation

#	Initiative	Activity Unit	Uptake/ Participation Units
Consumer Program			
1	Appliance Retirement	Appliances	56,110
2	Appliance Exchange	Appliances	3,688
3	HVAC Incentives	Equipment	111,587
4	Conservation Instant Coupon Booklet	Products[4]	559,462
5	Bi-Annual Retailer Event	Products[5]	870,332
6	Retailer Co-op	Products	152
7	Residential Demand Response	Devices	19,577
8	Residential New Construction	Houses	7
Business Program			
9	Efficiency: Equipment Replacement	Projects	2,516
10	Direct Installed Lighting	Projects	20,297
11	Existing Building Commissioning Incentive	Buildings	-
12	New Construction and Major Renovation Incentive	Buildings	10
13	Energy Audit	Audits	103
14	Commercial Demand Response (part of the Residential program schedule)	Devices	264
15	Demand Response 3 (part of the Industrial program schedule)	Facilities	148
Industrial Program			
16	Process & System Upgrades[2]	Projects	-
17	Monitoring & Targeting[2]	Projects	-
18	Energy Manager[2 3]	Managers	-
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)[1]	Projects	433
20	Demand Response 3	Facilities	134
Home Assistance Program			
21	Home Assistance Program	Homes	46
Pre 2011 Programs Completed in 2011			
22	Electricity Retrofit Incentive Program	Projects	2,023
23	High Performance New Construction	Projects	145
24	Toronto Comprehensive	Projects	553
25	Multifamily Energy Efficiency Rebates	Projects	110
26	Data Centre Incentive Program	Projects	5
27	EnWin Green Suites	Projects	3

[2] *Results are based on completed incentive projects (see "Methodology" tab for more information)*

[3] *Includes: Roving Energy Managers, Key Account Managers and Embedded Energy Managers with completed projects*

[4] *209,693 valid coupons redeemed*

[5] *369,446 valid coupons redeemed*

Table P2: Province-Wide Results

Program	Gross Savings: Incremental Peak Demand Savings (kW)	Gross Savings: Incremental Energy Savings (kWh)	Net Savings: Incremental Peak Demand Savings (kW)	Net Savings: Incremental Energy Savings (kWh)	Contribution to Targets: Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Contribution to Targets: Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program Total	73,757	192,379,633	49,123	133,519,668	38,405	534,017,835
Business Program Total	78,048	251,304,448	64,594	198,124,227	41,048	767,657,790
Industrial Program Total	68,648	41,493,145	57,099	31,947,577	4,613	118,543,019
Home Assistance Program Total	4	56,119	2	39,283	2	157,134
Pre-2011 Programs completed in 2011 Total	87,169	460,822,079	44,833	241,853,020	44,833	967,412,079
Total OPA Contracted Province-Wide CDM Programs	**307,626**	**946,055,425**	**215,651**	**605,483,775**	**128,901**	**2,387,787,856**

#	Initiative	Realization Rate		Gross Savings		Net-to-Gross Ratio		Net Savings		Contribution to Targets	
		Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Peak Demand Savings	Energy Savings	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Program-to-Date: Net Annual Peak Demand Savings (kW) in 2014	Program-to-Date: 2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program											
1	Appliance Retirement	100%	100%	6,750	45,971,627	51%	51%	3,299	23,005,812	3,160	91,903,303
2	Appliance Exchange	100%	100%	719	873,531	51%	51%	371	450,187	181	1,930,651
3	HVAC Incentives	100%	100%	53,209	99,413,430	60%	60%	32,037	59,437,670	32,037	237,750,681
4	Conservation Instant Coupon Booklet	100%	100%	1,184	19,192,453	114%	111%	1,344	21,211,537	1,344	84,846,148
5	Bi-Annual Retailer Event	100%	100%	1,504	26,899,265	112%	110%	1,681	29,387,468	1,681	117,549,874
6	Retailer Co-op	100%	100%	0	3,917	68%	68%	0	2,652	0	10,607
7	Residential Demand Response	n/a	n/a	10,390	23,597	n/a	n/a	10,390	23,597	0	23,597
8	Residential New Construction	100%	100%	0	1,813	41%	41%	0	743	0	2,973
Business Program											
9	Efficiency: Equipment Replacement	106%	91%	34,201	184,070,265	72%	74%	24,467	136,002,258	24,438	543,856,392
10	Direct Installed Lighting	108%	93%	22,155	65,777,197	108%	93%	23,724	61,076,701	16,486	221,520,977
11	Existing Building Commissioning Incentive	-	-	-	-	-	-	-	-	-	-
12	New Construction and Major Renovation Incentive	50%	50%	247	823,434	50%	50%	123	411,717	123	1,646,869
13	Energy Audit	-	-	-	-	-	-	-	-	-	-
14	Commercial Demand Response (part of the Residential program schedule)	n/a	n/a	55	131	n/a	n/a	55	131	0	131
15	Demand Response 3 (part of the Industrial program schedule)	76%	n/a	21,390	633,421	n/a	n/a	16,224	633,421	0	633,421
Industrial Program											
16	Process & System Upgrades	-	-	-	-	-	-	-	-	-	-
17	Monitoring & Targeting	-	-	-	-	-	-	-	-	-	-
18	Energy Manager	-	-	-	-	-	-	-	-	-	-
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	111%	91%	6,372	38,412,408	72%	75%	4,615	28,866,840	4,613	115,462,282
20	Demand Response 3	84%	n/a	62,276	3,080,737	n/a	n/a	52,484	3,080,737	0	3,080,737
Home Assistance Program											
21	Home Assistance Program	100%	100%	4	56,119	70%	70%	2	39,283	2	157,134
Pre-2011 Programs completed in 2011											
22	Electricity Retrofit Incentive Program	80%	80%	40,418	223,956,390	54%	54%	21,550	120,492,549	21,550	481,970,197
23	High Performance New Construction	100%	100%	10,197	52,371,183	49%	49%	5,098	26,185,591	5,098	104,742,366
24	Toronto Comprehensive	113%	113%	33,467	174,070,574	50%	52%	15,805	86,964,886	15,805	347,859,545
25	Multifamily Energy Efficiency Rebates	93%	93%	2,553	9,774,792	78%	78%	1,981	7,595,683	1,981	30,382,733
26	Data Centre Incentive Program	100%	100%	81	533,038	100%	100%	81	533,038	81	2,132,152
27	EnWin Green Suites	100%	100%	453	116,102	70%	70%	317	81,272	317	325,086

Assumes demand response resources have a persistence of 1 year

Summary - Provincial Progress

Table P3: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	215.7	136.4	135.7	128.9
2012				
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				**128.9**
2014 Annual CDM Capacity Target				**1,330**
Verified Peak Demand Savings Target Achieved - 2011 (%):				**9.69%**

Table P4: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	605.5	601.6	599.6	580.9	2,388
2012					0
2013					0
2014					0
Verified Net Cumulative Energy Savings 2011-2014:					**2,388**
2011-2014 Cumulative CDM Energy Target:					**6,000**
Verified Portion of Energy Target Achieved - 2011 (%):					**39.79%**

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS:

PRESCRIPTIVE MEASURES/PROJECTS:

Gross Savings = Activity * Per Unit Assumption

Net Savings = Gross Savings * Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

ENGINEERED/CUSTOM PROJECTS:

Gross Savings = Reported Savings * Realization Rate

Net Savings = Gross Savings * Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

DEMAND RESPONSE:

Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio

Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW

All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program				
1	Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection	Savings are considered to begin in the year the appliance is picked up.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year that the exchange event occurred	
3	HVAC Incentives	Results directly attributed to LDC based on customer postal code	Savings are considered to begin in the year that the installation occurred	

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
4	Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the coupon was redeemed.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.
5	Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the event occurs.	
6	Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
7	Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver*** PLUS™ participant agreement.	**Peak demand savings** are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. **Energy savings** are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to **persist** for only 1 year, reflecting that savings will only occur if the resource is activated.
8	Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	**Peak demand and energy savings** are determined using a measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program				

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
9	Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	**Peak demand and energy savings** are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
		Additional Note: project counts were derived by filtering out "Application Status" = "Post-Project Submission - Payment denied by LDC" and only including projects with an "Actual Project Completion Date" in 2011 and pulling both the "Application Name" field followed by the "Building Address 1" field from the Post Stage Retrofit Report and finally performing a count of the Building Addresses.		
10	Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order	Savings are considered to begin in the year of the actual project completion date.	**Peak demand and energy savings** are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
11	Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year of the actual project completion date.	**Peak demand and energy savings** are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
12	New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, reported results are presented with reported assumptions (as per evaluated results in 2010 and consultation with OPA-LDC Work Groups)	Savings are considered to begin in the year of the actual project completion date.	
13	Energy Audit	No resource savings results determined in 2011; Projects are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year of the audit date.	**Peak demand and energy savings** are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
14	Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver*** PLUS™ participant agreement.	**Peak demand savings** are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. **Energy savings** are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to **persist** for only 1 year, reflecting that savings will only occur if the resource is activated.
15	Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	**Peak demand savings** are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. **Energy savings** are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program				

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
16	Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the incentive project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
17	Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the incentive project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
18	Energy Manager	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	**Peak demand and energy savings** are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
20	Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	**Peak demand savings** are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. **Energy savings** are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Home Assistance Program				
21	Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year in which the measures were installed.	**Peak demand and energy savings** are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Pre-2011 Programs completed in 2011				

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
22	Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). **If energy savings are not available,** an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
23	High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	
24	Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation		
25	Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation		**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). **If energy savings are not available,** an estimate is made based on the kWh to kW ratio in the provincial results
26	Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation	Savings are considered to begin in the year in which a project was completed.	

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
27	EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation		from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).

ERII Sector (C&I vs. Industrial Mapping)

Building Type	Sector
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%

Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5).

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

ATTACHMENT 4-6

OPA CONTRACTED PROVINCE-WIDE CDM PROGRAMS FINAL 2012 RESULTS

saveONenergy

Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2012 Results Report. We have seen a 39% increase in energy savings for our new province-wide 2011-2014 suite of saveONenergy initiatives. Overall progress to targets is moving up with 29% of demand and 65% of energy savings achieved. Many LDCs, both large and small, continue to stay on track to meet or exceed their OEB targets. Conservation programs continue to be a valuable and cost effective resource for customers across the province, over the past two years the program cost to consumers remains within 3 cents per kWh.

Further to programmatic savings, capability building efforts launched in 2011 are yielding healthy enabled savings through Embedded Energy Managers and Audit initiative projects. The strong momentum continues in 2013.

We remain committed to ensuring LDCs are successful in meeting their objectives and our collective efforts to date have improved the current program suite by offering more local program opportunities, implementing a new expedited change management process, and enhancing incentives to make it easier for customers to participate in programs. We invite you to continue to provide your feedback to us and to celebrate our successes as we move forward.

The format of this report was developed in collaboration with the OPA-LDC Reporting and Evaluation Working Group and is designed to help populate LDC annual report templates that will be submitted to the OEB in late September. All results are now considered final for 2012. Any additional 2012 program activity not captured will be reported in the Final 2013 Results Report.

Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your ongoing collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year.

Sincerely,

Andrew Pride

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OPA-Contracted Province-Wide CDM Programs FINAL 2012 Results

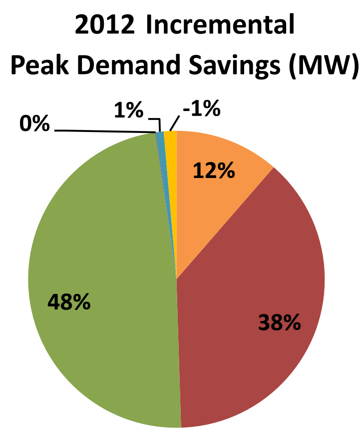
LDC: Waterloo North Hydro Inc.

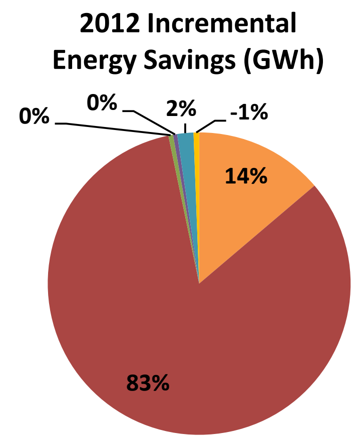
FINAL 2012 Progress to Targets	2012 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	2.5	2.6	**16.5%**	**25.2%**
Net Energy Savings (GWh)	5.5	41.3	**62.2%**	**62.2%**

Scenario 1 = Assumes that demand resource resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in your territory until 2014

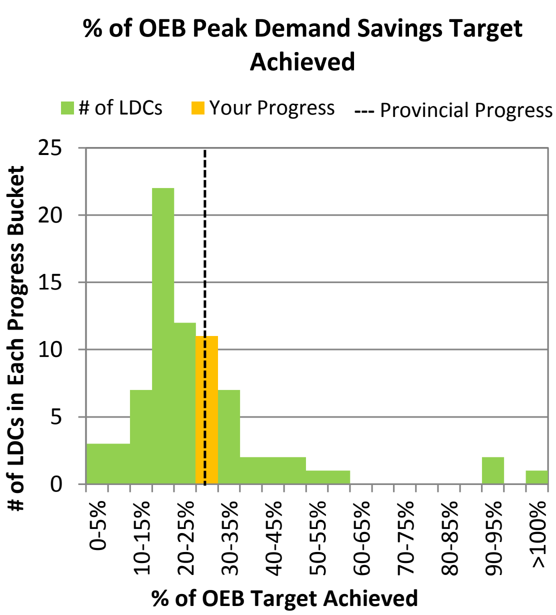
Achievement by Sector





Comparison: Your Achievement vs. LDC Community Achievement (Progress to Target)

The following graphs assume that demand response resources remain in your territory until 2014 (aligns with Scenario 2)



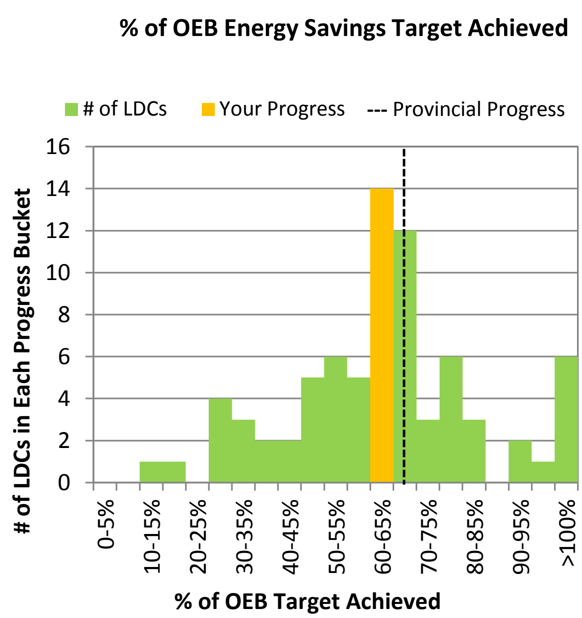


Table 1: **Waterloo North Hydro Inc.** Initiative and Program Level Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	433	246			24	14			180,566	99,292			39	1,020,038
Appliance Exchange	Appliances	22	75			2	11			3,051	18,832			12	67,543
HVAC Incentives	Equipment	1,438	1,126			417	255			773,162	439,314			672	4,410,589
Conservation Instant Coupon Booklet	Items	4,987	309			11	2			186,550	14,008			14	788,226
Bi-Annual Retailer Event	Items	8,720	10,629			17	15			294,427	268,321			32	1,982,671
Retailer Co-op	Items	0	0			0	0			0	0			0	0
Residential Demand Response (switch/pstat)	Devices	129	0			72	0			0	0			0	0
Residential Demand Response (IHD)	Devices	0	0			0				0					
Residential New Construction	Homes	0	0			0	0			0	0			0	0
Consumer Program Total						**544**	**298**			**1,437,756**	**839,767**			**768**	**8,269,067**
Business Program															
Retrofit	Projects	40	53			263	762			1,433,122	4,566,653			1,007	19,342,009
Direct Install Lighting	Projects	214	106			248	82			617,168	307,810			258	3,181,057
Building Commissioning	Buildings	0	0			0	0			0	0			0	0
New Construction	Buildings	0	1			0	4			0	3,763			4	11,288
Energy Audit	Audits	0	7			0	36			0	176,234			36	528,701
Small Commercial Demand Response	Devices	8	0			5	0			0	0			0	0
Small Commercial Demand Response (IHD)	Devices	0	0			0				0				0	0
Demand Response 3	Facilities	3	3			111	111			4,323	1,614			0	5,938
Business Program Total						**626**	**996**			**2,054,613**	**5,056,074**			**1,305**	**23,068,992**
Industrial Program															
Process & System Upgrades	Projects	0	0			0	0			0	0			0	0
Monitoring & Targeting	Projects	0	0			0	0			0	0			0	0
Energy Manager	Projects	0	0			0	0			0	0			0	0
Retrofit	Projects	11				180				1,128,878				180	4,515,511
Demand Response 3	Facilities	4	7			392	1,260			23,003	30,360			0	53,363
Industrial Program Total						**572**	**1,260**			**1,151,881**	**30,360**			**180**	**4,568,873**
Home Assistance Program															
Home Assistance Program	Homes	0	37			0	2			0	26,655			2	79,966
Home Assistance Program Total						**0**	**2**			**0**	**26,655**			**2**	**79,966**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	28	0			181	0			913,663	0			181	3,654,650
High Performance New Construction	Projects	5	1			182	21			932,887	105,383			203	4,047,698
Toronto Comprehensive	Projects	0	0			0	0			0	0			0	0
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0			0	0
LDC Custom Programs	Projects	0	0			0	0			0	0			0	0
Pre-2011 Programs completed in 2011 Total						**362**	**21**			**1,846,550**	**105,383**			**384**	**7,702,349**
Other															
Program Enabled Savings	Projects	0	0			0	0			0	0			0	0
Time-of-Use Savings	Homes														
Other Total							**0**				**0**			**0**	**0**
Adjustments to Previous Year's Verified Results							**-36**				**-589,797**			**-37**	**-2,365,059**
Energy Efficiency Total						**1,524**	**1,206**			**6,463,473**	**6,026,264**			**2,640**	**43,629,946**
Demand Response Total (Scenario 1)						**580**	**1,371**			**27,327**	**31,974**			**0**	**59,300**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**2,104**	**2,541**			**6,490,800**	**5,468,441**			**2,602**	**41,324,188**
Full OEB Target:														**15,790**	**66,490,000**
% of Full OEB Target Achieved to Date (Scenario 1):														**16.5%**	**62.2%**

Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Due to the limited timeframe of data, which didn't include the summer months, 2012 IHD results have been deemed inconclusive. The IHD line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.

Table 2: Adjustments to **Waterloo North Hydro Inc.** Verified Results due to Errors or Omissions (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0				0				0				0	0
Appliance Exchange	Appliances	0				0				0				0	0
HVAC Incentives	Equipment	-239				-67				-122,413				-67	-489,653
Conservation Instant Coupon Booklet	Items	82				0				2,762				0	11,047
Bi-Annual Retailer Event	Items	820				1				21,875				1	87,500
Retailer Co-op	Items	0				0				0				0	0
Residential Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Residential Demand Response (IHD)	Devices	0				0				0				0	0
Residential New Construction	Homes	0				0				0				0	0
Consumer Program Total						**-66**				**-97,777**				**-66**	**-391,107**
Business Program															
Retrofit	Projects	0				0				0				0	0
Direct Install Lighting	Projects	11				9				18,673				7	68,824
Building Commissioning	Buildings	0				0				0				0	0
New Construction	Buildings	0				0				0				0	0
Energy Audit	Audits	3				16				75,529				16	302,115
Small Commercial Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Small Commercial Demand Response (IHD)	Devices	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Business Program Total						**24**				**94,202**				**23**	**370,939**
Industrial Program															
Process & System Upgrades	Projects	0				0				0				0	0
Monitoring & Targeting	Projects	0				0				0				0	0
Energy Manager	Projects	0				0				0				0	0
Retrofit	Projects	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Industrial Program Total						**0**				**0**				**0**	**0**
Home Assistance Program															
Home Assistance Program	Homes	0				0				0				0	0
Home Assistance Program Total						**0**				**0**				**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0				0				0				0	0
High Performance New Construction	Projects	1				5				-586,223				5	-2,344,891
Toronto Comprehensive	Projects	0				0				0				0	0
Multifamily Energy Efficiency Rebates	Projects	0				0				0				0	0
LDC Custom Programs	Projects	0				0				0				0	0
Pre-2011 Programs completed in 2011 Total						**5**				**-586,223**				**5**	**-2,344,891**
Other															
Program Enabled Savings	Projects	0				0				0				0	0
Time-of-Use Savings	Homes														
Other Total						**0**				**0**				**0**	**0**
Adjustments to Previous Year's Verified Results						**-36**				**-589,797**				**-37**	**-2,365,059**

* Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Table 3: Waterloo North Hydro Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement		1.00				0.46				1.00				0.47		
Appliance Exchange		1.00				0.52				1.00				0.52		
HVAC Incentives		1.00				0.50				1.00				0.49		
Conservation Instant Coupon Booklet		1.00				1.00				1.00				1.05		
Bi-Annual Retailer Event		1.00				0.91				1.00				0.92		
Retailer Co-op		n/a				n/a				n/a				n/a		
Residential Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Residential Demand Response (IHD)		n/a				n/a				n/a				n/a		
Residential New Construction		n/a				n/a				n/a				n/a		
Business Program																
Retrofit		0.94				0.71				1.00				0.70		
Direct Install Lighting		0.68				0.94				0.85				0.94		
Building Commissioning		n/a				n/a				n/a				n/a		
New Construction		0.96				0.49				1.11				0.49		
Energy Audit		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (IHD)		n/a				n/a				n/a				n/a		
Demand Response 3*		n/a				n/a				n/a				n/a		
Industrial Program																
Process & System Upgrades		n/a				n/a				n/a				n/a		
Monitoring & Targeting		n/a				n/a				n/a				n/a		
Energy Manager		n/a				n/a				n/a				n/a		
Retrofit																
Demand Response 3*		n/a				n/a				n/a				n/a		
Home Assistance Program																
Home Assistance Program		1.15				1.00				1.03				1.00		
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program		n/a				n/a				n/a				n/a		
High Performance New Construction		1.00				0.50				1.00				0.50		
Toronto Comprehensive		n/a				n/a				n/a				n/a		
Multifamily Energy Efficiency Rebates		n/a				n/a				n/a				n/a		
LDC Custom Programs		n/a				n/a				n/a				n/a		
Other																
Program Enabled Savings		n/a				n/a				n/a				n/a		
Time-of-Use Savings		n/a				n/a				n/a				n/a		

Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year. Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	2.1	1.5	1.5	1.5
2012 - Verified		2.5	1.2	1.2
2013				
2014				
Verified Net Annual Peak Demand Savings Persisting in 2014:				**2.6**
Waterloo North Hydro Inc. 2014 Annual CDM Capacity Target				**15.8**
Verified Portion of Peak Demand Savings Target Achieved in 2014(%):				**16.5%**

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	6.5	6.5	6.4	6.3	25.7
2012 - Verified		5.5	5.4	5.4	15.7
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					**41.3**
Waterloo North Hydro Inc. 2011-2014 Annual CDM Energy Target					**66.5**
Verified Portion of Cumulative Energy Target Achieved (%):					**62.2%**

*2011 energy adjustments included in cumulative energy savings.

Table 6: Province-Wide Initiatives and Program Level Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146			3,299	2,011			23,005,812	13,424,518			5,171	132,176,857
Appliance Exchange	Appliances	3,688	3,836			371	556			450,187	974,621			689	4,512,525
HVAC Incentives	Equipment	111,587	85,221			32,037	19,060			59,437,670	32,841,283			51,097	336,274,530
Conservation Instant Coupon Booklet	Items	559,462	30,891			1,344	230			21,211,537	1,398,202			1,575	89,040,754
Bi-Annual Retailer Event	Items	870,332	1,060,901			1,681	1,480			29,387,468	26,781,674			3,161	197,894,897
Retailer Co-op	Items	152	0			0	0			2,652	0			0	10,607
Residential Demand Response (switch/pstat)*	Devices	19,550	98,388			10,947	49,038			24,870	359,408			0	384,279
Residential Demand Response (IHD)	Devices	0	49,689			0				0					
Residential New Construction	Homes	7	19			0	2			743	17,152			2	54,430
Consumer Program Total						**49,681**	**72,377**			**133,520,941**	**75,796,859**			**61,696**	**760,348,879**
Business Program															
Retrofit	Projects	2,516	5,605			24,467	61,147			136,002,258	314,922,468			84,018	1,480,647,459
Direct Install Lighting	Projects	20,297	18,494			23,724	15,284			61,076,701	57,345,798			31,181	391,072,869
Building Commissioning	Buildings	0	0			0	0			0	0			0	0
New Construction	Buildings	10	69			123	764			411,717	1,814,721			888	7,091,031
Energy Audit	Audits	103	280			0	1,450			0	7,049,351			1,450	21,148,054
Small Commercial Demand Response	Devices	132	294			84	187			157	1,068			0	1,224
Small Commercial Demand Response (IHD)	Devices	0	0			0				0				0	0
Demand Response 3*	Facilities	145	151			16,218	19,389			633,421	281,823			0	915,244
Business Program Total						**64,617**	**98,221**			**198,124,253**	**381,415,230**			**117,535**	**1,900,875,881**
Industrial Program															
Process & System Upgrades	Projects	0	0			0	0			0	0			0	0
Monitoring & Targeting	Projects	0	0			0	0			0	0			0	0
Energy Manager	Projects	0	39			0	1,086			0	7,372,108			1,086	22,116,324
Retrofit	Projects	433				4,615				28,866,840				4,613	115,462,282
Demand Response 3*	Facilities	124	185			52,484	74,056			3,080,737	1,784,712			0	4,865,449
Industrial Program Total						**57,098**	**75,141**			**31,947,577**	**9,156,820**			**5,699**	**142,444,054**
Home Assistance Program															
Home Assistance Program	Homes	46	5,033			2	566			39,283	5,442,232			569	16,483,831
Home Assistance Program Total						**2**	**566**			**39,283**	**5,442,232**			**569**	**16,483,831**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,016	0			21,662	0			121,138,219	0			21,662	484,552,876
High Performance New Construction	Projects	145	69			5,098	3,251			26,185,591	11,901,944			8,349	140,448,197
Toronto Comprehensive	Projects	577	0			15,805	0			86,964,886	0			15,805	347,859,545
Multifamily Energy Efficiency Rebates	Projects	110	0			1,981	0			7,595,683	0			1,981	30,382,733
LDC Custom Programs	Projects	8	0			399	0			1,367,170	0			399	5,468,679
Pre-2011 Programs completed in 2011 Total						**44,945**	**3,251**			**243,251,550**	**11,901,944**			**48,195**	**1,008,712,030**
Other															
Program Enabled Savings	Projects	0	16			0	2,304			0	1,188,362			2,304	3,565,086
Time-of-Use Savings	Homes														
Other Total							**2,304**				**1,188,362**			**2,304**	**3,565,086**
Adjustments to Previous Year's Verified Results							**1,406**				**18,689,081**			**1,156**	**73,918,598**
Energy Efficiency Total						**136,610**	**109,191**			**603,144,419**	**482,474,435**			**235,998**	**3,826,263,564**
Demand Response Total (Scenario 1)						**79,733**	**142,670**			**3,739,185**	**2,427,011**			**0**	**6,166,196**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**216,343**	**253,267**			**606,883,604**	**503,590,526**			**237,154**	**3,906,348,358**
													Full OEB Target:	**1,330,000**	**6,000,000,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**17.8%**	**65.1%**

* Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Due to the limited timeframe of data, which didn't include the summer months, 2012 IHD results have been deemed inconclusive. The IHD line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.

Table 7: Adjustments to **Province-Wide** Verified Results due to Errors & Omissions (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0				0				0				0	0
Appliance Exchange	Appliances	0				0				0				0	0
HVAC Incentives	Equipment	-18,866				-5,278				-9,721,817				-5,278	-38,887,267
Conservation Instant Coupon Booklet	Items	8,216				16				275,655				16	1,102,621
Bi-Annual Retailer Event	Items	81,817				108				2,183,391				108	8,733,563
Retailer Co-op	Items	0				0				0				0	0
Residential Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Residential Demand Response (IHD)	Devices	0				0				0				0	0
Residential New Construction	Homes	19				1				13,767				1	55,069
Consumer Program Total						**-5,153**				**-7,249,004**				**-5,153**	**-28,996,015**
Business Program															
Retrofit	Projects	303				3,204				16,216,165				3,083	64,398,674
Direct Install Lighting	Projects	444				501				1,250,388				372	4,624,945
Building Commissioning	Buildings	0				0				0				0	0
New Construction	Buildings	12				828				3,520,620				828	14,082,482
Energy Audit	Audits	93				481				2,341,392				481	9,365,567
Small Commercial Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Small Commercial Demand Response (IHD)	Devices	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Business Program Total						**5,014**				**23,328,565**				**4,764**	**92,471,668**
Industrial Program															
Process & System Upgrades	Projects	0				0				0				0	0
Monitoring & Targeting	Projects	0				0				0				0	0
Energy Manager	Projects	0				0				0				0	0
Retrofit	Projects	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Industrial Program Total						**0**				**0**				**0**	**0**
Home Assistance Program															
Home Assistance Program	Homes	0				0				0				0	0
Home Assistance Program Total						**0**				**0**				**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	12				138				545,536				138	2,182,145
High Performance New Construction	Projects	34				1,407				2,065,200				1,407	8,260,800
Toronto Comprehensive	Projects	0				0				0				0	0
Multifamily Energy Efficiency Rebates	Projects	0				0				0				0	0
LDC Custom Programs	Projects	0				0				0				0	0
Pre-2011 Programs completed in 2011 Total						**1,545**				**2,610,736**				**1,545**	**10,442,945**
Other															
Program Enabled Savings	Projects	0				0				0				0	0
Time-of-Use Savings	Homes														
Other Total						**0**				**0**				**0**	**0**
Adjustments to Previous Year's Verified Results						**1,406**				**18,690,297**				**1,156**	**73,918,598**

* Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement		1.00				0.46				1.00				0.47		
Appliance Exchange		1.00				0.52				1.00				0.52		
HVAC Incentives		1.00				0.50				1.00				0.49		
Conservation Instant Coupon Booklet		1.00				1.00				1.00				1.05		
Bi-Annual Retailer Event		1.00				0.91				1.00				0.92		
Retailer Co-op		n/a				n/a				n/a				n/a		
Residential Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Residential Demand Response (IHD)		n/a				n/a				n/a				n/a		
Residential New Construction		3.65				0.49				7.17				0.49		
Business Program																
Retrofit		0.93				0.75				1.05				0.76		
Direct Install Lighting		0.69				0.94				0.85				0.94		
Building Commissioning		n/a				n/a				n/a				n/a		
New Construction		0.98				0.49				0.99				0.49		
Energy Audit		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (IHD)		n/a				n/a				n/a				n/a		
Demand Response 3*		n/a				n/a				n/a				n/a		
Industrial Program																
Process & System Upgrades		n/a				n/a				n/a				n/a		
Monitoring & Targeting		n/a				n/a				n/a				n/a		
Energy Manager		1.16				0.90				1.16				0.90		
Retrofit																
Demand Response 3*		n/a				n/a				n/a				n/a		
Home Assistance Program																
Home Assistance Program		0.32				1.00				0.99				1.00		
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program		n/a				n/a				n/a				n/a		
High Performance New Construction		1.00				0.50				1.00				0.50		
Toronto Comprehensive		n/a				n/a				n/a				n/a		
Multifamily Energy Efficiency Rebates		n/a				n/a				n/a				n/a		
LDC Custom Programs		n/a				n/a				n/a				n/a		
Other																
Program Enabled Savings		1.06				1.00				2.26				1.00		
Time-of-Use Savings		n/a				n/a				n/a				n/a		

Summary - Provincial Progress

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012		253.3	109.8	108.2
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				**237.2**
2014 Annual CDM Capacity Target				**1,330**
Verified Peak Demand Savings Target Achieved - 2011 (%):				**17.8%**

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393
2012		503.6	498.4	492.6	1,513
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					**3,906**
2011-2014 Cumulative CDM Energy Target:					**6,000**
Verified Portion of Energy Target Achieved - 2011 (%):					**65.1%**

*2011 energy adjustments included in cumulative energy savings.

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	**Gross Savings** = Activity * Per Unit Assumption **Net Savings** = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Engineered and Custom Projects	**Gross Savings** = Reported Savings * Realization Rate **Net Savings** = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Demand Response	**Peak Demand: Gross Savings = Net Savings =** contracted MW at contributor level * Provincial contracted to ex ante ratio **Energy: Gross Savings = Net Savings =** provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)
Adjustments to Previous Year's Verified Results	All errors and omissions from the prior years Final Annual Results report will be adjusted within this report. Any errors and ommissions with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection	Savings are considered to begin in the year the appliance is picked up.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year that the exchange event occurred	
HVAC Incentives	Results directly attributed to LDC based on customer postal code	Savings are considered to begin in the year that the installation occurred	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the coupon was redeemed.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver*** PLUS™ participant agreement.	**Peak demand savings** are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. **Energy savings** are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to **persist** for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	**Peak demand and energy savings** are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	**Peak demand and energy savings** are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out "Application Status" = "Post-Project Submission - Payment denied by LDC" and only including projects with an "Actual Project Completion Date" in 2012 and pulling both the "Application Name" field followed by the "Building Address 1" field from the Post Stage Retrofit Report and finally performing a count of the Building Addresses.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order	Savings are considered to begin in the year of the actual project completion date.	**Peak demand and energy savings** are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year of the actual project completion date.	**Peak demand and energy savings** are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year of the audit date.	**Peak demand and energy savings** are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a ***peaksaver*** PLUS™ participant agreement.	**Peak demand savings** are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. **Energy savings** are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to **persist** for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	**Peak demand savings** are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. **Energy savings** are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the incentive project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the incentive project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application; No completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	**Peak demand and energy savings** are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	**Peak demand savings** are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. **Energy savings** are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Home Assistance Program			

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	**Peak demand and energy savings** are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). **If energy savings are not available,** an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	**Peak demand and energy savings** are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). **If energy savings are not available,** an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation		

ERII Sector (C&I vs. Industrial Mapping)

Building Type	Sector
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%

Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5).

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

ATTACHMENT 4-7

OPA CONTRACTED PROVINCE-WIDE CDM PROGRAMS FINAL 2013 RESULTS

Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2013 Verified Results Report.

2013 Report highlights:

- We have achieved 86% of our cumulative energy savings target and 48% of our annual peak demand savings target to date (Scenario 2).

  By the end of 2013, 42 LDCs have exceeded 80% of their energy target and 19 LDCs have met or exceeded their 2011-14 energy target.
- In 2013, LDCs have achieved over 600 GWh in savings, representing an increase of 20% over the 2012 net incremental energy savings results.
- The BUSINESS PROGRAM continues to generate strong interest and participation amongst business customers with significant savings results. 71% of total energy savings in 2013 came from the BUSINESS PROGRAM and its momentum continues. Also, as the program matures, we are seeing more and more studies in the PROCESS AND SYSTEMS pipeline converting to completed projects.
- Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

2013 has been a year of significant operational advancements centered around creating a better customer and LDC experience:

- A number of operational changes were made in 2013 to enhance processes, such as payment of LDC invoices streamlined to an average of 20 days, enhanced reporting and iCon updates to improve users' experience.
- Proactive updates to measures incentivized through saveONenergy have allowed programs to stay ahead of changing market conditions. Specifically in 2013, LEDs became popular measures in both the Consumer and Business programs.
- Technical tools also played a significant role in 2013, which included an updated Measure and Assumptions List as well as new and improved engineering worksheets for RETROFIT which allow customers to more easily access programs by building strong business cases based on latest estimates of savings potential.
- The Conservation Fund introduced the LDC Fast Track stream to support LDCs with innovative program ideas. 2013 LDC pilots included Oshawa PUC Networks Inc.'s retro-commissioning program, Toronto Hydro-Electric System Limited multi-unit demand response, and Niagara-on-the-Lake Hydro Inc.'s electric vehicles load shifting program.
- Key market sectors were also engaged in 2013 through Capability Building programs targeted at Home Builders and HVAC Installers to build conservation knowledge with these partners. Energy Efficiency Services Programs (EESPs) also provided valuable support to a variety of sectors.

The format of this report was developed in collaboration with the Reporting Working Group and is designed to help LDCs populate their 2013 Annual Reports that will be submitted to the OEB by September 30th. Any additional 2013 program activity not captured here will be reported in your Final 2014 Verified Results Report.

Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your ongoing collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year in 2014.

Sincerely,

Andrew Pride

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OPA-Contracted Province-Wide CDM Programs Final Verified 2013 Results

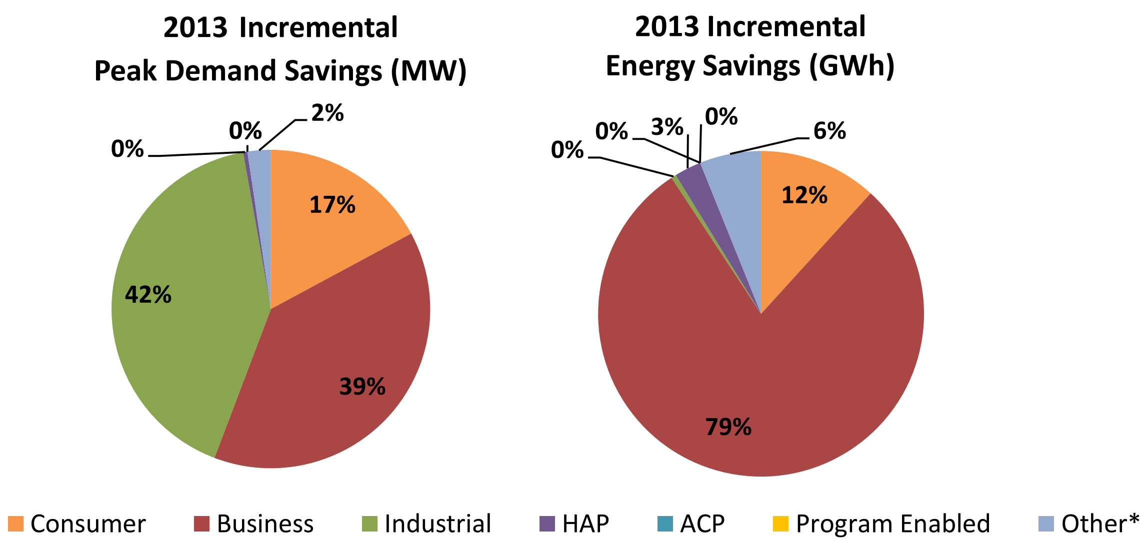
LDC: Waterloo North Hydro Inc.

FINAL 2013 Progress to Targets	2013 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	2.8	3.9	**24.8%**	**34.1%**
Net Energy Savings (GWh)	6.4	54.4	**81.8%**	**81.8%**

Scenario 1 = Assumes that demand response resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in the LDC service territory until 2014

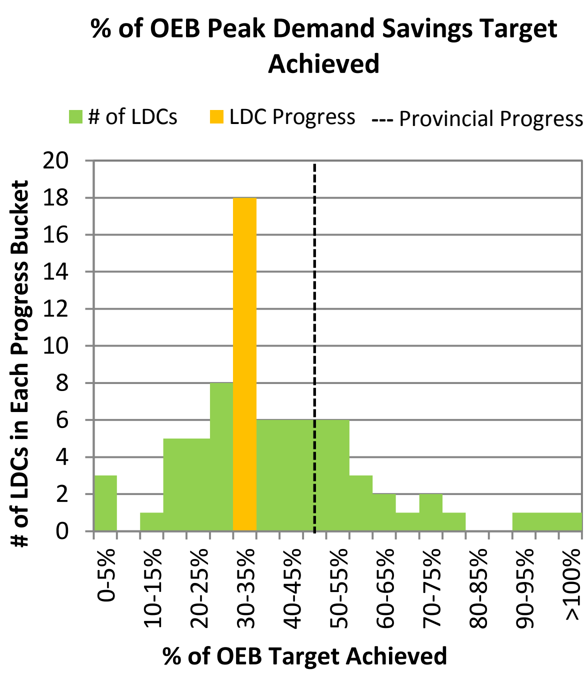
Achievement by Sector



**Other includes adjustments to previous years' results and savings from pre-2011 initiatives*

Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

The following graphs assume that demand response resources remain in the LDC service territory until 2014 (aligns with Scenario 2)



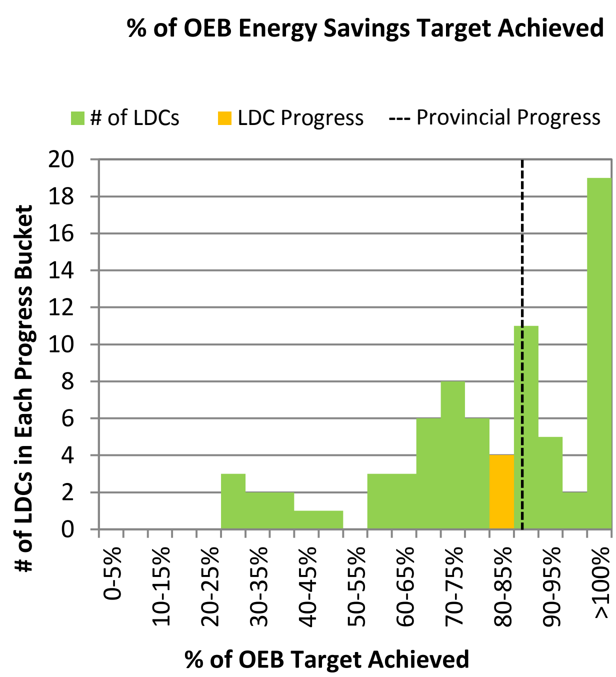


Table 1: Waterloo North Hydro Inc. Initiative and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR) 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR) 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	433	246	148		24	14	10		180,566	99,292	63,885		48	1,147,808
Appliance Exchange	Appliances	22	75	63		2	11	13		3,051	18,832	23,275		25	114,092
HVAC Incentives	Equipment	1,199	1,154	1,147		417	255	240		773,162	439,314	409,133		912	5,228,854
Conservation Instant Coupon Booklet	Items	5,070	309	3,475		12	2	5		186,550	14,008	77,221		19	942,667
Bi-Annual Retailer Event	Items	9,539	10,629	9,465		17	15	12		294,427	268,321	172,122		44	2,326,915
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	129	0	511		72	0	196		0	0	652		0	652
Residential Demand Response (IHD)	Devices	0	0	381		0	0	0		0	0	0		0	0
Residential New Construction	Homes	0	0	0		0	0	0		0	0	0		0	0
Consumer Program Total						**544**	**298**	**476**		**1,437,756**	**839,767**	**746,287**		**1,048**	**9,760,988**
Business Program															
Retrofit	Projects	40	57	133		263	762	557		1,433,122	4,566,653	3,060,859		1,563	25,460,386
Direct Install Lighting	Projects	225	106	114		248	82	114		617,168	307,810	408,878		372	3,998,812
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	1	1		0	4	1		0	3,763	1,047		4	13,383
Energy Audit	Audits	3	8	32		0	36	282		0	176,234	1,550,425		318	3,629,550
Small Commercial Demand Response	Devices	8	0	10		5	0	6		0	0	10		0	10
Small Commercial Demand Response (IHD)	Devices	0	0	2		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	3	3	3		111	111	113		4,323	1,614	1,504		0	7,442
Business Program Total						**626**	**996**	**1,073**		**2,054,613**	**5,056,074**	**5,022,723**		**2,258**	**33,109,583**
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	11	0	0		180	0	0		1,128,878	0	0		180	4,515,511
Demand Response 3	Facilities	4	7	6		392	1,260	1,151		23,003	30,360	30,917		0	84,279
Industrial Program Total						**572**	**1,260**	**1,151**		**1,151,881**	**30,360**	**30,917**		**180**	**4,599,790**
Home Assistance Program															
Home Assistance Program	Homes	0	37	399		0	2	12		0	26,655	170,106		14	418,988
Home Assistance Program Total						**0**	**2**	**12**		**0**	**26,655**	**170,106**		**14**	**418,988**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	28	0	0		181	0	0		913,663	0	0		181	3,654,650
High Performance New Construction	Projects	6	1	0		182	21	0		932,887	105,383	0		203	4,047,698
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**362**	**21**	**0**		**1,846,550**	**105,383**	**0**		**384**	**7,702,349**
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Adjustments to 2011 Verified Results							**-36**	**0**			**-589,797**	**0**		**-37**	**-2,365,059**
Adjustments to 2012 Verified Results								**66**				**387,881**		**66**	**1,163,643**
Energy Efficiency Total						**1,524**	**1,206**	**1,246**		**6,463,473**	**6,026,264**	**5,936,950**		**3,884**	**55,499,315**
Demand Response Total (Scenario 1)						**580**	**1,371**	**1,466**		**27,327**	**31,974**	**33,083**		**0**	**92,384**
Adjustments to Previous Years' Verified Results Total						**0**	**-36**	**66**		**0**	**-589,797**	**387,881**		**28**	**-1,201,416**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**2,104**	**2,541**	**2,777**		**6,490,800**	**5,468,441**	**6,357,914**		**3,912**	**54,390,283**
													Full OEB Target:	**15,790**	**66,490,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**24.8%**	**81.8%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Table 2: Adjustments to Waterloo North Hydro Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-239	28			-67	6			-122,413	11,071		
Conservation Instant Coupon Booklet	Items	82	0			0	0			2,762	0		
Bi-Annual Retailer Event	Items	820	0			1	0			21,875	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	0	0			0	0			0	0		
Consumer Program Total						**-66**	**6**			**-97,777**	**11,071**		
Business Program													
Retrofit	Projects	0	4			0	55			0	351,634		
Direct Install Lighting	Projects	11	0			9	0			18,673	0		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	0	0			0	0			0	0		
Energy Audit	Audits	3	1			16	5			75,529	25,176		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						**24**	**60**			**94,202**	**376,810**		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	0			0	0			0	0		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						**0**	**0**			**0**	**0**		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						**0**	**0**			**0**	**0**		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	0	0			0	0			0	0		
High Performance New Construction	Projects	1	0			5	0			-586,223	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						**5**	**0**			**-586,223**	**0**		
Other													
Program Enabled Savings	Projects	0	0			0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						**0**	**0**			**0**	**0**		
Adjustments to 2011 Verified Results						**-36**				**-589,797**			
Adjustments to 2012 Verified Results							**66**				**387,881**		
Total Adjustments to Previous Years' Verified Results						**-36**	**66**			**-589,797**	**387,881**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table 3: Waterloo North Hydro Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a		0.51	0.46	0.42		1.00	1.00	n/a		0.52	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.52	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	n/a		0.60	0.50	0.48		1.00	1.00	n/a		0.60	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.11	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.13	0.91	1.04		1.00	1.00	1.00		1.10	0.92	1.04	
Retailer Co-op	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Business Program																
Retrofit	0.97	0.94	0.91		0.71	0.71	0.70		1.16	1.00	0.96		0.74	0.70	0.71	
Direct Install Lighting	1.08	0.68	0.81		0.93	0.94	0.94		0.90	0.85	0.84		0.93	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	n/a	0.96	0.47		n/a	0.49	0.54		n/a	1.11	0.81		n/a	0.49	0.54	
Energy Audit	n/a	n/a	1.02		n/a	n/a	0.66		n/a	n/a	0.97		n/a	n/a	0.66	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Retrofit																
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	n/a	1.15	0.93		n/a	1.00	1.00		n/a	1.03	0.86		n/a	1.00	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.78	n/a	n/a		0.52	n/a	n/a		0.78	n/a	n/a		0.53	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.50	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	2.1	1.5	1.5	1.5
2012 - Verified†	0.0	2.5	1.2	1.2
2013 - Verified†	0.0	0.1	2.8	1.3
2014				
Verified Net Annual Peak Demand Savings Persisting in 2014:				**3.9**
Waterloo North Hydro Inc. 2014 Annual CDM Capacity Target:				**15.8**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**24.8%**

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	6.491	6.463	6.444	6.271	25.669
2012 - Verified†	-0.590	5.468	5.402	5.375	15.655
2013 - Verified†	0.000	0.388	6.358	6.320	13.066
2014					
Verified Net Cumulative Energy Savings 2011-2014:					**54.390**
Waterloo North Hydro Inc. 2011-2014 Annual CDM Energy Target:					**66.490**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**81.8%**

†Includes adjustments to previous Years' verified results

2011 - Verified
2012 - Verified†
2013 - Verified†

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR) 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR) 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146	20,952		3,299	2,011	1,433		23,005,812	13,424,518	8,713,107		6,605	149,603,072
Appliance Exchange	Appliances	3,688	3,836	5,337		371	556	1,106		450,187	974,621	1,971,701		1,795	8,455,927
HVAC Incentives	Equipment	92,743	87,427	91,581		32,037	19,060	19,552		59,437,670	32,841,283	33,923,592		70,650	404,121,713
Conservation Instant Coupon Booklet	Items	567,678	30,891	346,896		1,344	230	517		21,211,537	1,398,202	7,707,573		2,091	104,455,900
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772		1,681	1,480	1,184		29,387,468	26,781,674	17,179,841		4,345	232,254,579
Retailer Co-op	Items	152	0	0		0	0	0		2,652	0	0		0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733		10,947	49,038	93,076		24,870	359,408	390,303		0	774,582
Residential Demand Response (IHD)	Devices	0	49,689	133,657		0	0	0		0	0	0		0	0
Residential New Construction	Homes	26	19	86		0	2	18		743	17,152	163,690		20	381,811
Consumer Program Total						**49,681**	**72,377**	**116,886**		**133,520,941**	**75,796,859**	**70,049,807**		**85,506**	**900,058,189**
Business Program															
Retrofit	Projects	2,819	6,134	8,785		24,467	61,147	59,678		136,002,258	314,922,468	345,346,008		142,831	2,168,497,702
Direct Install Lighting	Projects	20,741	18,691	17,782		23,724	15,284	18,708		61,076,701	57,345,798	64,315,558		49,886	519,692,356
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	22	69	86		123	764	1,584		411,717	1,814,721	4,959,266		2,472	17,009,564
Energy Audit	Audits	198	345	319		0	1,450	2,811		0	7,049,351	15,455,795		4,261	52,059,644
Small Commercial Demand Response	Devices	132	294	1,211		84	187	773		157	1,068	373		0	1,597
Small Commercial Demand Response (IHD)	Devices	0	0	378		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	145	151	175		16,218	19,389	23,706		633,421	281,823	346,659		0	1,261,903
Business Program Total						**64,617**	**98,221**	**107,261**		**198,124,253**	**381,415,230**	**430,423,659**		**199,449**	**2,758,523,766**
Industrial Program															
Process & System Upgrades	Projects	0	0	3		0	0	294		0	0	2,603,764		294	5,207,528
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	42	205		0	1,086	3,558		0	7,372,108	21,994,263		3,194	54,888,570
Retrofit	Projects	433	0	0		4,615	0	0		28,866,840	0	0		4,613	115,462,282
Demand Response 3	Facilities	124	185	281		52,484	74,056	162,543		3,080,737	1,784,712	4,309,160		0	9,174,609
Industrial Program Total						**57,098**	**75,141**	**166,395**		**31,947,577**	**9,156,820**	**28,907,187**		**8,101**	**184,732,989**
Home Assistance Program															
Home Assistance Program	Homes	46	5,033	26,756		2	566	2,361		39,283	5,442,232	20,987,275		2,904	57,949,913
Home Assistance Program Total						**2**	**566**	**2,361**		**39,283**	**5,442,232**	**20,987,275**		**2,904**	**57,949,913**
Aboriginal Program															
Home Assistance Program	Homes	0	0	584		0	0	267		0	0	1,609,393		267	3,218,786
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**267**		**0**	**0**	**1,609,393**		**267**	**3,218,786**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,028	0	0		21,662	0	0		121,138,219	0	0		21,662	484,552,876
High Performance New Construction	Projects	179	69	4		5,098	3,251	772		26,185,591	11,901,944	3,522,240		9,121	147,492,677
Toronto Comprehensive	Projects	577	0	0		15,805	0	0		86,964,886	0	0		15,805	347,859,545
Multifamily Energy Efficiency Rebates	Projects	110	0	0		1,981	0	0		7,595,683	0	0		1,981	30,382,733
LDC Custom Programs	Projects	8	0	0		399	0	0		1,367,170	0	0		399	5,468,679
Pre-2011 Programs completed in 2011 Total						**44,945**	**3,251**	**772**		**243,251,550**	**11,901,944**	**3,522,240**		**48,967**	**1,015,756,510**
Other															
Program Enabled Savings	Projects	14	56	13		0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**2,304**	**3,692**		**0**	**1,188,362**	**4,075,382**		**5,996**	**11,715,850**
Adjustments to 2011 Verified Results							**1,406**	**641**			**18,689,081**	**1,736,381**		**1,797**	**80,864,121**
Adjustments to 2012 Verified Results								**6,260**				**41,947,840**		**6,180**	**126,287,857**
Energy Efficiency Total						**136,610**	**109,191**	**117,536**		**603,144,419**	**482,474,435**	**554,528,447**		**351,190**	**4,920,743,312**
Demand Response Total (Scenario 1)						**79,733**	**142,670**	**280,099**		**3,739,185**	**2,427,011**	**5,046,495**		**0**	**11,212,691**
Adjustments to Previous Years' Verified Results Total						**0**	**1,406**	**6,901**		**0**	**18,689,081**	**43,684,221**		**7,976**	**207,151,978**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**216,343**	**253,267**	**404,536**		**606,883,604**	**503,590,526**	**603,259,163**		**359,166**	**5,139,107,980**
													Full OEB Target:	**1,330,000**	**6,000,000,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**27.0%**	**85.7%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-18,844	2,206			-5,271	452			-9,709,500	907,735		
Conservation Instant Coupon Booklet	Items	8,216	0			16	0			275,655	0		
Bi-Annual Retailer Event	Items	81,817	0			108	0			2,183,391	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	19	0			1	0			13,767	0		
Consumer Program Total						**-5,146**	**452**			**-7,236,687**	**907,735**		
Business Program													
Retrofit	Projects	303	529			3,204	4,443			16,216,165	28,739,635		
Direct Install Lighting	Projects	444	197			501	204			1,250,388	736,541		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	12	0			828	0			3,520,620	0		
Energy Audit	Audits	95	65			492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						**5,025**	**4,984**			**23,378,917**	**31,112,632**		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	3			0	68			0	719,235		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						**0**	**68**			**0**	**719,235**		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						**0**	**0**			**0**	**0**		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	12	0			138	0			545,536	0		
High Performance New Construction	Projects	34	0			1,407	0			2,065,200	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						**1,545**	**0**			**2,610,736**	**0**		
Other													
Program Enabled Savings	Projects	14	40			624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						**624**	**824**			**1,673,712**	**9,927,473**		
Adjustments to 2011 Verified Results						**2,047**				**20,426,678**			
Adjustments to 2012 Verified Results							**6,328**				**42,667,076**		
Adjustments to Previous Years' Verified Results Total						**2,047**	**6,328**			**20,426,678**	**42,667,076**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00		0.51	0.46	0.42		1.00	1.00	1.00		0.46	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.51	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	1.00		0.60	0.50	0.48		1.00	1.00	1.00		0.50	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.00	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.12	0.91	1.04		1.00	1.00	1.00		0.91	0.92	1.04	
Retailer Co-op	1.00	n/a	n/a		0.68	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	1.00	3.65	0.78		0.41	0.49	0.63		3.65	7.17	3.09		0.49	0.49	0.63	
Business Program																
Retrofit	1.06	0.93	0.92		0.72	0.75	0.73		0.93	1.05	1.01		0.75	0.76	0.73	
Direct Install Lighting	1.08	0.69	0.82		1.08	0.94	0.94		0.69	0.85	0.84		0.94	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	0.50	0.98	0.68		0.50	0.49	0.54		0.98	0.99	0.76		0.49	0.49	0.54	
Energy Audit	n/a	n/a	1.02		n/a	n/a	0.66		n/a	n/a	0.97		n/a	n/a	0.66	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85		n/a	n/a	0.94		n/a	n/a	0.87		n/a	n/a	0.93	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	1.16	0.90		n/a	0.90	0.90		1.16	1.16	0.90		0.90	0.90	0.90	
Retrofit	1.11	n/a	n/a		0.72	n/a	n/a		0.91	n/a	n/a		0.75	n/a	n/a	
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26		0.70	1.00	1.00		0.32	0.99	0.88		1.00	1.00	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05		n/a	n/a	1.00		n/a	n/a	0.95		n/a	n/a	1.00	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a		0.54	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.49	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	1.13	n/a	n/a		0.50	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a		0.78	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	1.00	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	1.06	1.00		n/a	1.00	1.00		1.06	2.26	1.00		1.00	1.00	1.00	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Provincial Progress Towards CDM Targets

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014				
Verified Net Annual Peak Demand Savings in 2014:				**359.2**
2014 Annual CDM Capacity Target:				**1,330**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**27.0%**

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
2012†	18.7	503.6	498.4	492.6	1,513.3
2013†	1.7	44.4	603.3	583.4	1,232.8
2014					
Verified Net Cumulative Energy Savings 2011-2014:					**5,139.1**
2011-2014 Cumulative CDM Energy Target:					**6,000**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**85.7%**

†Includes adjustments to previous Years' verified results

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	**Gross Savings = Activity * Per Unit Assumption** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Engineered and Custom Projects	**Gross Savings = Reported Savings * Realization Rate** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Demand Response	**Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio** **Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW** **All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)**
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2013)		
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011, 2012 or 2013.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Retrofit Sector (C&I vs. Industrial Mapping)

Building Type	Sector
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%

Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: Waterloo North Hydro Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	49	14	21		359,259	99,292	135,218	
Appliance Exchange**	Appliances	5	11	25		5,919	18,832	44,220	
HVAC Incentives	Equipment	691	512	494		1,292,287	893,954	855,951	
Conservation Instant Coupon Booklet	Items	10	2	5		169,297	13,284	68,551	
Bi-Annual Retailer Event	Items	15	16	11		269,499	292,770	164,723	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	72	0	196		0	0	652	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	0	0		0	0	0	
Consumer Program Total		**842**	**556**	**751**		**2,096,261**	**1,318,132**	**1,269,315**	
Business Program									
Retrofit	Projects	372	1,099	797		1,949,090	6,430,988	4,340,396	
Direct Install Lighting	Projects	231	110	121		664,665	369,939	433,193	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	8	1		0	24,046	1,939	
Energy Audit	Audits	0	36	430		0	176,234	2,345,942	
Small Commercial Demand Response	Devices	5	0	6		0	0	10	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	111	111	113		4,323	1,614	1,504	
Business Program Total		**719**	**1,364**	**1,468**		**2,618,079**	**7,002,822**	**7,122,984**	
Industrial Program									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	0		0	0	0	
Retrofit	Projects	249	0	0		1,453,318	0	0	
Demand Response 3	Facilities	392	1,260	1,151		23,003	30,360	30,917	
Industrial Program Total		**641**	**1,260**	**1,151**		**1,476,321**	**30,360**	**30,917**	
Home Assistance Program									
Home Assistance Program	Homes	0	2	12		0	25,825	170,106	
Home Assistance Program Total		**0**	**2**	**12**		**0**	**25,825**	**170,106**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	346	0	0		1,742,736	0	0	
High Performance New Construction	Projects	363	43	0		1,865,774	210,767	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		**709**	**43**	**0**		**3,608,510**	**210,767**	**0**	
Other									
Program Enabled Savings	Projects	0	0	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
Other Total		**0**	**0**	**0**		**0**	**0**	**0**	
Adjustments to 2011 Verified Results		**0**	**290**	**0**		**0**	**156,341**	**0**	
Adjustments to 2012 Verified Results		**0**	**0**	**81**		**0**	**0**	**439,367**	
Energy Efficiency Total		**2,330**	**1,854**	**1,916**		**9,771,844**	**8,555,931**	**8,560,238**	
Demand Response Total		**580**	**1,371**	**1,466**		**27,327**	**31,974**	**33,083**	
Adjustments to Previous Years' Verified Results Total		**0**	**290**	**81**		**0**	**156,341**	**439,367**	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**2,910**	**3,515**	**3,463**		**9,799,171**	**8,744,246**	**9,032,688**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to Waterloo North Hydro Inc. Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-111	13			-204,642	22,576		
Conservation Instant Coupon Booklet	Items	0	0			2,565	0		
Bi-Annual Retailer Event	Items	1	0			23,781	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			0	0		
Consumer Program Total		**-109**	**13**			**-178,296**	**22,576**		
Business Program									
Retrofit	Projects	0	63			0	391,615		
Direct Install Lighting	Projects	9	0			20,111	0		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	0	0			0	0		
Energy Audit	Audits	16	5			75,529	25,176		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		**25**	**69**			**95,639**	**416,791**		
Industrial Program									
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	0			0	0		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		**0**	**0**			**0**	**0**		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		**0**	**0**			**0**	**0**		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total									
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	0	0			0	0		
High Performance New Construction	Projects	374	0			238,998	0		
Toronto Comprehensive	Projects	0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		**374**	**0**			**238,998**	**0**		
Other									
Program Enabled Savings	Projects	0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		**0**	**0**			**0**	**0**		
Adjustments to 2011 Verified Results		**290**				**156,341**			
Adjustments to 2012 Verified Results			**81**				**439,367**		
Total Adjustments to Previous Years' Verified Results		**290**	**81**			**156,341**	**439,367**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151		45,971,627	13,424,518	18,616,239	
Appliance Exchange**	Appliances	719	556	2,101		873,531	974,621	3,746,106	
HVAC Incentives	Equipment	53,209	38,346	40,418		99,413,430	66,929,213	71,225,037	
Conservation Instant Coupon Booklet	Items	1,184	231	464		19,192,453	1,325,898	6,842,244	
Bi-Annual Retailer Event	Items	1,504	1,622	1,142		26,899,265	29,222,072	16,441,329	
Retailer Co-op	Items	0	0	0		3,917	0	0	
Residential Demand Response	Devices	10,390	49,038	93,076		23,597	359,408	390,303	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	1	29		1,813	4,884	259,826	
Consumer Program Total		**73,757**	**91,805**	**140,380**		**192,379,633**	**112,240,615**	**117,521,084**	
Business Program									
Retrofit	Projects	34,201	78,965	82,896		184,070,265	387,817,248	478,410,896	
Direct Install Lighting	Projects	22,155	20,469	19,807		65,777,197	68,896,046	68,140,249	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	247	1,596	2,934		823,434	3,755,869	9,183,826	
Energy Audit	Audits	0	1,450	4,283		0	7,049,351	23,386,108	
Small Commercial Demand Response	Devices	55	187	773		131	1,068	373	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	21,390	19,389	23,706		633,421	281,823	346,659	
Business Program Total		**78,048**	**122,056**	**134,399**		**251,304,448**	**467,801,406**	**579,468,111**	
Industrial Program									
Process & System Upgrades	Projects	0	0	313		0	0	2,799,746	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	1,034	3,953		0	7,067,535	24,438,070	
Retrofit	Projects	6,372	0	0		38,412,408	0	0	
Demand Response 3	Facilities	176,180	74,056	162,543		4,243,958	1,784,712	4,309,160	
Industrial Program Total		**182,552**	**75,090**	**166,809**		**42,656,366**	**8,852,247**	**31,546,976**	
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361		56,119	5,524,230	20,987,275	
Home Assistance Program Total		**4**	**1,777**	**2,361**		**56,119**	**5,524,230**	**20,987,275**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	267		0	0	1,609,393	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**267**		**0**	**0**	**1,609,393**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0		223,956,390	0	0	
High Performance New Construction	Projects	10,197	6,501	772		52,371,183	23,803,888	3,522,240	
Toronto Comprehensive	Projects	33,467	0	0		174,070,574	0	0	
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0		9,774,792	0	0	
LDC Custom Programs	Projects	534	0	0		649,140	0	0	
Pre-2011 Programs completed in 2011 Total		**87,169**	**6,501**	**772**		**460,822,079**	**23,803,888**	**3,522,240**	
Other									
Program Enabled Savings	Projects	0	2,177	3,692		0	525,011	4,075,382	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
Other Total		**0**	**2,177**	**3,692**		**0**	**525,011**	**4,075,382**	
Adjustments to 2011 Verified Results			**13,266**	**645**			**48,705,294**	**1,744,645**	
Adjustments to 2012 Verified Results				**8,707**				**55,101,043**	
Energy Efficiency Total		**213,515**	**156,735**	**168,583**		**942,317,539**	**616,320,385**	**753,683,966**	
Demand Response Total		**208,015**	**142,670**	**280,099**		**4,901,107**	**2,427,011**	**5,046,495**	
Adjustments to Previous Years' Verified Results Total		**0**	**13,266**	**9,352**		**0**	**48,705,294**	**56,845,688**	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**421,530**	**312,671**	**458,033**		**947,218,646**	**667,452,690**	**815,576,149**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-8,762	1,036			-16,245,279	1,854,833		
Conservation Instant Coupon Booklet	Items	15	0			255,975	0		
Bi-Annual Retailer Event	Items	117	0			2,373,616	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			328,256	0		
Consumer Program Total		**-8,630**	**1,036**			**-13,287,430**	**1,854,833**		
Business Program									
Retrofit	Projects	4,504	6,218			22,046,931	40,101,273		
Direct Install Lighting	Projects	541	217			1,346,618	781,858		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	3,243	0			11,323,593	0		
Energy Audit	Audits	492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		**8,780**	**6,771**			**37,108,886**	**42,519,588**		
Industrial Program									
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	75			0	799,151		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		**0**	**75**			**0**	**799,151**		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		**0**	**0**			**0**	**0**		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total		**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0			1,049,108	0		
High Performance New Construction	Projects	12,872	0			23,905,663	0		
Toronto Comprehensive	Projects	0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		**13,137**	**0**			**24,954,771**	**0**		
Other									
Program Enabled Savings	Projects	624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		**624**	**824**			**1,673,712**	**9,927,473**		
Adjustments to 2011 Verified Results		**13,911**				**50,449,939**			
Adjustments to 2012 Verified Results			**8,707**				**55,101,043**		
Adjustments to Previous Years' Verified Results Total		**13,911**	**8,707**			**50,449,939**	**55,101,043**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

ATTACHMENT 4-8

OEB
INCOME TAX/PILS
WORKFORM FOR
2016 FILERS

Ontario Energy Board

Income Tax/PILs Workforms for 2015 Filers

Version 3.0

Utility Name	Waterloo North Hydro Inc.
Assigned EB Number	EB-2015-0108
Name and Title	Albert P. Singh, Vice President Finance & CFO
Phone Number	519-888-5542
Email Address	asingh@wnhydro.com
Date	1-May-15
Last COS Re-based Year	**2011**

Note: Drop-down lists are shaded blue; Input cells are shaded green.

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Rate Base			**$ 217,478,741**	
Return on Ratebase				
Deemed ShortTerm Debt %	4.00%	T	$ 8,699,150	*W = S * T*
Deemed Long Term Debt %	56.00%	U	$ 121,788,095	*X = S * U*
Deemed Equity %	40.00%	V	$ 86,991,496	*Y = S * V*
Short Term Interest Rate	2.16%	Z	$ 187,902	*AC = W * Z*
Long Term Interest	4.23%	AA	$ 5,149,408	*AD = X * AA*
Return on Equity (Regulatory Income)	9.30%	AB	**$ 8,090,209**	*AE = Y * AB*
Return on Rate Base			**$ 13,427,518**	*AF = AC + AD + AE*

Questions that must be answered	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	Yes	No	No

WNH pays dividends to its Parent Company, a Connected Corporation (non-eligible), thus, there are no tax implications in WNH's Tax Return. WNH also does not receive a Refundable Dividend Tax Credit.

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Tax Rates Federal & Provincial As of June 20, 2012	Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
Federal income tax						
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business						
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 - Historical Year

2014				
Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	60,309,605		60,309,605
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	19,889,220		19,889,220
2	Distribution System - pre 1988			0
8	General Office/Stores Equip	8,282,247		8,282,247
10	Computer Hardware/ Vehicles	2,356,558		2,356,558
10.1	Certain Automobiles			0
12	Computer Software	71,554		71,554
13_1	Lease # 1			0
13_2	Lease #2			0
13_3	Lease # 3			0
13_4	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04	35		35
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	84,657,990		84,657,990
50	Data Network Infrastructure Equipment - post Mar 2007	587,101		587,101
52	Computer Hardware and system software			0
95	CWIP			0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	176,154,310	0	176,154,310

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**0**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**0**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**0**
Current Year Deduction		**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance				**0**

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

2014			
Description	**Historical Balance as per tax returns**	**Non-Distribution Eliminations**	**Utility Only**
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**0**	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts	200,000		200,000
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave	131,530		131,530
- Termination Cost	188,433		188,433
- Other Post-Employment Benefits	4,390,991		4,390,991
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs	37,829		37,829
Accrued Self-Insurance Costs			0
Other Contingent Liabilities	30,000		30,000
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	**4,978,783**	**0**	**4,978,783**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual Historical	0		0

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual Historical	0		0

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

2014				
	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	5,435,383		5,435,383
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	7,766,628		7,766,628
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112	38,105		38,105
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120	11,962		11,962
Non-deductible meals and entertainment expense	121	45,700		45,700
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126	4,978,783		4,978,783
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received		134,598		134,598
Unrealized loss on derivatives		2,542,608		2,542,608

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**15,518,384**	**0**	**15,518,384**
Deductions:				
Gain on disposal of assets per financial statements	401	175		175
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	13,848,715		13,848,715
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414	4,787,883		4,787,883
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Valuation in sick leave booked to retained earnings		131,530		131,530
Property taxes included with PILs on FS		469,951		469,951
				0
				0
				0
				0
				0
Total Deductions		**19,238,254**	**0**	**19,238,254**
Net Income for Tax Purposes		**1,715,513**	**0**	**1,715,513**
Charitable donations from Schedule 2	311	38,104		38,104
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		**1,677,409**	**0**	**1,677,409**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

2014

Wires Only

Note: Input the actual information from the tax returns for the historical year.

Regulatory Taxable Income						$ 1,677,409	**A**
Ontario Income Taxes							
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$ 192,902	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**				
	Rate reduction (negative)		**E**	$ -	**F = D * E**		
Ontario Income tax						$ 192,902	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate			11.50%	**K = J / A**		
	Federal tax rate (Maximum 15%)			15.00%	**L**		
	Combined tax rate					26.50%	**M = K + L**
Total Income Taxes						**$ 444,513**	**N = A * M**
Investment Tax Credits						$ 159,741	**O**
Miscellaneous Tax Credits						$ 19,829	**P**
Total Tax Credits						**$ 179,570**	**Q = O + P**
Corporate PILs/Income Tax Provision for Historical Year						**$ 264,943**	**R = N - Q**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	$ 60,309,605			$ 60,309,605	$ -	$ 60,309,605	4%	$ 2,412,384	$ 57,897,221
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	$ 19,889,220	$ 197,198		$ 20,086,418	$ 98,599	$ 19,987,819	6%	$ 1,199,269	$ 18,887,149
2	Distribution System - pre 1988				$ -	$ -	$ -	6%	$ -	$ -
8	General Office/Stores Equip	$ 8,282,247	$ 1,066,010		$ 9,348,257	$ 533,005	$ 8,815,252	20%	$ 1,763,050	$ 7,585,207
10	Computer Hardware/ Vehicles	$ 2,356,558	$ 912,044	-$ 34,000	$ 3,234,602	$ 439,022	$ 2,795,580	30%	$ 838,674	$ 2,395,928
10.1	Certain Automobiles				$ -	$ -	$ -	30%	$ -	$ -
12	Computer Software	$ 71,554	$ 150,564		$ 222,118	$ 75,282	$ 146,836	100%	$ 146,836	$ 75,282
13 1	Lease # 1				$ -	$ -	$ -		$ -	$ -
13 2	Lease #2				$ -	$ -	$ -		$ -	$ -
13 3	Lease # 3				$ -	$ -	$ -		$ -	$ -
13 4	Lease # 4				$ -	$ -	$ -		$ -	$ -
14	Franchise				$ -	$ -	$ -		$ -	$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs				$ -	$ -	$ -	8%	$ -	$ -
42	Fibre Optic Cable				$ -	$ -	$ -	12%	$ -	$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment				$ -	$ -	$ -	30%	$ -	$ -
43.2	Certain Clean Energy Generation Equipment				$ -	$ -	$ -	50%	$ -	$ -
45	Computers & Systems Software acq'd post Mar 22/04	$ 35			$ 35	$ -	$ 35	45%	$ 16	$ 19
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				$ -	$ -	$ -	30%	$ -	$ -
47	Distribution System - post February 2005	$ 84,657,990	$ 13,327,695		$ 97,985,685	$ 6,663,848	$ 91,321,838	8%	$ 7,305,747	$ 90,679,938
50	Data Network Infrastructure Equipment - post Mar 2007	$ 587,101	$ 740,282		$ 1,327,383	$ 370,141	$ 957,242	55%	$ 526,483	$ 800,900
52	Computer Hardware and system software				$ -	$ -	$ -	100%	$ -	$ -
95	CWIP				$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -	5%	$ -	$ -
					$ -	$ -	$ -	10%	$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
	TOTAL	$ 176,154,310	$ 16,393,793	-$ 34,000	$ 192,514,103	$ 8,179,897	$ 184,334,207		$ 14,192,460	$ 178,321,643

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital				**0**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**0**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**0**
Current Year Deduction		**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance				**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

				Bridge Year Adjustments				
Description	**Historical Utility Only**	**Eliminate Amounts Not Relevant for Bridge Year**	**Adjusted Utility Balance**	**Additions**	**Disposals**	**Balance for Bridge Year**	**Change During the Year**	**Disallowed Expenses**
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	200,000		200,000			200,000	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accmulated Sick Leave	131,530		131,530			131,530	0	
- Termination Cost	188,433		188,433		178,433	10,000	-178,433	
- Other Post-Employment Benefits	4,390,991		4,390,991	204,547		4,595,538	204,547	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	37,829		37,829		37,829	0	-37,829	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	30,000		30,000		30,000	0	-30,000	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**4,978,783**	**0**	**4,978,783**	**204,547**	**246,262**	**4,937,068**	**-41,715**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	**Total**
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	**Total**
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	**A**	5,976,924
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	8,966,411
Amortization of intangible assets	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	24,201
Charitable donations	112	34,000
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	11,962
Non-deductible meals and entertainment expense	121	45,700
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	
Reserves from financial statements- balance at end of year	126	4,937,068
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		**14,019,342**
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	14,192,460
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	4,978,783
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		**19,171,243**
Net Income for Tax Purposes		**825,023**
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		**825,023**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILS Tax Provision - Bridge Year

						Wires Only	
Regulatory Taxable Income						$ 825,023	**A**
Ontario Income Taxes							
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$ 94,878	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**				
	Rate reduction		**E**	$ -	**F = D * E**		
Ontario Income tax						$ 94,878	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate			11.50%	**K = J / A**		
	Federal tax rate (Maximum 15%)			15.00%	**L**		
	Combined tax rate					26.50%	**M = K + L**
Total Income Taxes						**$ 218,631**	**N = A * M**
Investment Tax Credits						$ 148,671	**O**
Miscellaneous Tax Credits							**P**
Total Tax Credits						**$ 148,671**	**Q = O + P**
Corporate PILs/Income Tax Provision for Bridge Year						**$ 69,960**	**R = N - Q**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	$ 57,897,221			$ 57,897,221	$ -	$ 57,897,221	4%	$ 2,315,889	$ 55,581,332
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	$ 18,887,149	171,309		$ 19,058,458	$ 85,655	$ 18,972,803	6%	$ 1,138,368	$ 17,920,090
2	Distribution System - pre 1988	$ -			$ -	$ -	$ -	6%	$ -	$ -
8	General Office/Stores Equip	$ 7,585,207	1,041,003		$ 8,626,210	$ 520,502	$ 8,105,708	20%	$ 1,621,142	$ 7,005,068
10	Computer Hardware/ Vehicles	$ 2,395,928	619,409	-21,000	$ 2,994,337	$ 299,205	$ 2,695,133	30%	$ 808,540	$ 2,185,797
10.1	Certain Automobiles	$ -			$ -	$ -	$ -	30%	$ -	$ -
12	Computer Software	$ 75,282	57,171		$ 132,453	$ 28,586	$ 103,868	100%	$ 103,868	$ 28,586
13 1	Lease # 1	$ -			$ -	$ -	$ -		$ -	$ -
13 2	Lease #2	$ -			$ -	$ -	$ -		$ -	$ -
13 3	Lease # 3	$ -			$ -	$ -	$ -		$ -	$ -
13 4	Lease # 4	$ -			$ -	$ -	$ -		$ -	$ -
14	Franchise	$ -			$ -	$ -	$ -		$ -	$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	$ -			$ -	$ -	$ -	8%	$ -	$ -
42	Fibre Optic Cable	$ -			$ -	$ -	$ -	12%	$ -	$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	$ -			$ -	$ -	$ -	30%	$ -	$ -
43.2	Certain Clean Energy Generation Equipment	$ -			$ -	$ -	$ -	50%	$ -	$ -
45	Computers & Systems Software acq'd post Mar 22/04	$ 19			$ 19	$ -	$ 19	45%	$ 9	$ 11
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	$ -			$ -	$ -	$ -	30%	$ -	$ -
47	Distribution System - post February 2005	$ 90,679,938	13,977,048		$ 104,656,986	$ 6,988,524	$ 97,668,462	8%	$ 7,813,477	$ 96,843,509
50	Data Network Infrastructure Equipment - post Mar 2007	$ 800,900	923,239		$ 1,724,139	$ 461,620	$ 1,262,519	55%	$ 694,386	$ 1,029,753
52	Computer Hardware and system software	$ -			$ -	$ -	$ -	100%	$ -	$ -
95	CWIP	$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	5%	$ -	$ -
		$ -			$ -	$ -	$ -	10%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
	TOTAL	$ 178,321,643	$ 16,789,179	-$ 21,000	$ 195,089,822	$ 8,384,090	$ 186,705,733		$ 14,495,677	$ 180,594,145

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital **0**

Additions				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**0**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**0**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")		**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance				**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	200,000		200,000			200,000	0	
Accrued Employee Future Benefits:	0		0			0	0	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accmulated Sick Leave	131,530		131,530			131,530	0	
- Termination Cost	10,000		10,000		10,000	0	-10,000	
- Other Post-Employment Benefits	4,595,538		4,595,538	176,076		4,771,614	176,076	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**4,937,068**	**0**	**4,937,068**	**176,076**	**10,000**	**5,103,144**	**166,076**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	**Total**	**Non-Distribution Portion**	**Utility Balance**
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	0		0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year	0		0
Balance available for use post Test Year	0	0	0

Net Capital Loss Carry Forward Deduction	**Total**	**Non-Distribution Portion**	**Utility Balance**
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		8,090,209

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104	8,905,686
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	10,987
Charitable donations	112	21,000
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	11,962
Non-deductible meals and entertainment expense	121	45,700
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	5,103,144
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Other Additions: (please explain in detail the nature of the item)		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		**14,098,479**
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	14,495,677
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	4,937,068
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		**19,432,745**
NET INCOME FOR TAX PURPOSES		**2,755,943**
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		**2,755,943**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Test Year

						Wires Only	
Regulatory Taxable Income						$ 2,755,943	**A**
Ontario Income Taxes							
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$ 316,933	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**				
	Rate reduction		**E**	$ -	**F = D * E**		
Ontario Income tax						$ 316,933	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate			11.50%	**K = J / A**		
	Federal tax rate (Maximum 15%)			15.00%	**L**		
	Combined tax rate					26.50%	**M = K + L**
Total Income Taxes						**$ 730,325**	**N = A * M**
Investment Tax Credits						$ 139,521	**O**
Miscellaneous Tax Credits							**P**
Total Tax Credits						**$ 139,521**	**Q = O + P**
Corporate PILs/Income Tax Provision for Test Year						**$ 590,804**	**R = N - Q**
Corporate PILs/Income Tax Provision Gross Up [1]				73.50%	**S = 1 - M**	**$ 213,011**	**T = R / S - R**
Income Tax (grossed-up)						**$ 803,815**	**U = R + T**

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.