



Lakefront Utilities Inc.

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Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

February 20, 2012

Dear Ms. Walli,

Re: Lakefront Utilities Inc. Interrogatory Responses to School Energy Coalition (SEC) in the proceeding EB-2011-0250

Lakefront Utilities Inc. (LUI) hereby submits its responses to SEC Interrogatories to the Ontario Energy Board ("the Board")

Please find attached to this cover letter:

- 2 paper copies of the Interrogatory Responses to SEC in proceeding EB-2011-0250
- 1 electronic copy of the Interrogatory Responses to SEC in proceeding EB-2011-0250

A copy of the Interrogatory Responses to SEC has also been filed through the Web Portal and 1 paper copy and electronic copies were forwarded to all intervenors in EB-2011-0250.

In the event of any additional information, questions or concerns, please contact Jennifer Theoret, Director, Finance and Compliance, at jtheoret@lusi.on.ca or (905) 372-2193.

Sincerely,

{Original Signed}

Jennifer Theoret, CA
Director, Finance and Compliance
Lakefront Utilities Inc.

Cc: Dereck Paul, President, LUI
James C. Sidlofsky, Borden Ladner Gervais, LLP
Intervenors in proceeding EB-2011-0250

1. Please provide the number of publically-funded schools in the Applicant's franchise area, by customer class.

LUI'S RESPONSE:

LUI has four (4) publically-funded schools in the GS>50 customer class;

LUI has eight (8) publically-funded schools in the GS<50 customer class.

2. [Ex.2/p.9-10]

Please update table 2-4A and 2-4B to reflect actual 2011 numbers.

LUI's RESPONSE:

Please find below, LUI's updated Table 2-4A and 2-4B respectively. LUI is emphasizing the fact that the 2011 figures are unaudited at this time, and therefore subject to change.

Rate Base Variances (MIFRS) - 2011 Unaudited Updated

Rate Base:

Description	2008 OEB Approved	2008 Actual	Variance from 2008 OEB Approved	2009 Actual	2009 Variance from 2008 Actual	2010 Actual	2010 Variance from 2009 Actual	2011 Bridge	2011 Variance from 2010 Actual	2012 Test	2012 Variance from 2011 Bridge
Gross Fixed Assets	20,351,477	20,383,574	32,097	17,756,449	(2,627,125)	18,318,391	561,942	21,216,127	2,897,736	23,344,673	2,128,547
Accumulated Depreciation	9,297,933	9,640,718	342,785	6,903,141	(2,737,577)	7,412,314	509,173	8,674,205	1,261,891	9,103,379	429,174
Net Book Value (Actual not approved)	11,053,544	10,742,856	(310,688)	10,853,308	110,452	10,906,077	52,769	12,541,922	1,635,845	14,241,294	1,699,373
Average Net Book Value(Act not App)	11,053,544	10,539,841	(513,703)	10,798,082	258,241	10,879,692	81,611	11,723,999	844,307	13,391,608	1,667,609
Working Capital	22,710,874	21,670,175	(1,040,699)	21,492,619	(177,557)	22,910,816	1,418,197	25,305,878	2,395,063	26,173,467	867,588
Working Capital Allowance (15%)	3,406,631	3,250,526	(156,105)	3,223,893	(26,634)	3,436,622	212,730	3,795,882	359,259	3,926,020	130,138
Rate Base	14,460,175	13,790,367	(669,808)	14,021,975	231,607	14,316,315	294,340	15,519,881	1,203,566	17,317,628	1,797,747

Rate Base Variances (CGAAP) - 2011 UNAUDITED Update

Rate Base:

Description	2008 OEB Approved	2008 Actual	Variance from 2008 OEB Approved	2009 Actual	Variance from 2008 Actual	2010 Actual	Variance from 2009 Actual	2011 Bridge	Variance from 2010 Actual	2012 Test	Variance from 2011 Bridge
Gross Fixed Assets	20,351,477	20,383,574	32,097	17,756,449	(2,627,125)	18,318,391	561,942	21,216,127	2,927,283	23,344,673	2,099,000
Accumulated Depreciation	9,297,933	9,640,718	342,785	6,903,141	(2,737,577)	7,412,314	509,173	8,682,943	874,857	9,541,584	1,254,414
Net Book Value (Actual not approved)	11,053,544	10,742,856	(310,688)	10,853,308	110,452	10,906,077	52,769	12,958,503	2,052,426	13,803,089	844,586
Average Net Book Value(Act not App)	11,006,545	10,539,841	(466,704)	10,798,082	258,241	10,879,692	81,611	11,932,290	1,052,598	13,380,796	1,448,506
Working Capital	22,710,874	21,670,175	(1,040,699)	21,492,619	(177,557)	22,910,816	1,418,197	25,305,878	2,395,063	26,173,466	867,587
Working Capital Allowance	3,406,631	3,250,526	(156,105)	3,223,893	(26,634)	3,436,622	212,730	3,795,882	359,259	3,926,020	130,138
Rate Base	14,413,176	13,790,367	(622,809)	14,021,975	231,608	14,316,315	294,340	15,728,172	1,411,857	17,306,816	1,578,644

3. [Ex. 2]

Please provide an update on all 2011 and 2012 capital projects.

LUI's RESPONSE:

LUI has completed an update of all 2011 & 2012 capital projects in excess of materiality of \$25,000, in the Table below.

LUI has used the abbreviation "NCM" for all capital projects that are "not considered material" (or less than materiality).

2011 Forecast Capital Projects		
	Total	Project Status as of February 2012
Blake Street	48,070	100% complete
Burke Street	57,746	100% complete
White Street	120,000	100% complete
Burnham Street	85,000	Deferred until 2012
Charles Street	70,000	50% complete. Conduit installed, no wire installed as of year end
Havelock Street	48,616	100% complete
Mathew Street	101,356	100% complete
Victoria Street	57,265	100% complete
William Street	79,923	100% complete
Kerr Street	230,185	100% complete
Ball Street	15,439	NCM
Buchanan Street	123,235	100% complete
Bond Street	9,424	NCM
Burwash Street	4,047	NCM
Darcy Street	1,050	NCM
Ewart Street Bell Roger Tower	6,200	NCM
Maquire Street - Victoria Street	20,825	NCM
Weston Street	450	NCM
Queen Street	5,000	NCM
Orange Street	2,282	NCM
National Car Rental- Ontario Street	27,265	100% complete
Ontario/Victoria Distr. Station	60,500	100% complete
Brook Rd Distribution Station	62,500	100% complete
Four Line Reclosers	100,000	Installation in progress.
Ewart Street Extension	70,000	Deferred until 2012
Westpark Village Phase 2C	10,067	NCM
Westpark Village Phase 3A	11,510	NCM
VanDyk - Westpark Village	1,576	NCM
Porter - Brook Meadows Brook Rd	479	NCM
New Amherst Phase 3	121	NCM
New Amherst Phase 3	10,730	NCM
Meters	261,550	Meter upgrades are 100% complete
Overhead Upgrades	15,352	NCM
GIS handhelds	55,000	Deferred until 2012
Miscellaneous Other Projects	316,140	Partial completion of misc. projects

2012 Forecast Capital Projects		
	Total	Project Status as of February 2012
Burnham Street South	69,363	No progress as of February 15 2012
King St West	78,679	No progress as of February 15 2012
Monk Street	25,252	No progress as of February 15 2012
Sinclair Street South	14,926	NCM
Stuart Street	46,636	No progress as of February 15 2012
Tremaine Street	52,092	No progress as of February 15 2012
Burnham Street North	107,222	No progress as of February 15 2012
Ruth Street	15,826	NCM
Norma Street	14,826	NCM
Shirley Street	57,666	No progress as of February 15 2012
Elizabeth Street	46,673	No progress as of February 15 2012
Burnham Manor	14,835	NCM
Barbara Street	23,799	NCM
Tremaine Terrace	10,133	NCM
Liquor Store Expansion	30,000	No progress as of February 15 2012
Albert Street Townhome Development	160,000	No progress as of February 15 2012
No Frills Expansion	30,000	No progress as of February 15 2012
Residential Upgrade Services	24,000	NCM
Boardroom	72,500	No progress as of February 15 2012
Operational Work Center Expansion	357,500	No progress as of February 15 2012
Metering System Upgrade	50,000	No progress as of February 15 2012
Phone system	40,000	No progress as of February 15 2012
New financial software	325,000	In progress. Vendor selection for April 1, 2012
SCADA System Implementation	286,000	No progress as of February 15 2012
Radio equipment (municipal initiative)	97,000	10% complete
Reel Trailer	11,000	100% complete
Existing hardware upgrades	80,000	15% complete - server upgrade(s)
Line Truck	55,000	25% complete
Miscellaneous Other Projects	3,072	NCM

4. [Ex. 2,/p.21]

With respect to depreciation, please confirm that the Applicant is using the useful lives for its assets as set out in the Kinetics' Asset Depreciation Study prepared for the Ontario Energy Board, dated July 8th, 2010.

LUI'S REPONSE:

LUI confirms that with respect to depreciation, LUI is using the useful lives for its assets as set out in the Kinetics' Asset Depreciation Study as prepared for the Ontario Energy Board, dated July 8th, 2010.

Account	Name		LUI	OEB MIN	TUL	OEB MAX
1808	Building		50	50	N/A	75
1820	Substations	Transformers	45	30	40-45	60
		Switchgear	45	30	40	60
		switches	45	30	50	60
		Breakers	45	35	45	65
		Solid State Relays	45	10	30	45
		Electromechanical Relays	45	25	35	50
		Busbars	45	30	50	90
		Steel Structure	45	35	65	75
1830	Poles	Wood	45	35	45	75
		Composite	NIL	50	50	80
1835	OH Conductor & Devices	Conductor	55	50	60	75
		Other	45	15	20	75
1840	Conduit	Concrete	50	35	55	80
		Plastic	50	30	50	85
1845	UG Conductor & Devices	Conductor	35	30	35	50
		Other	35	30	35	50
1850	Transformers	OH Transformers	35	30	40	60
		Pad Mounted	35	25	40	45
1855	Components		55			
1860	Dumb Meters		25	15	N/A	30
1860	Smart Meters		15	5	N/A	15
1915	Office Equipment		10	5	N/A	15
1920	Computer Hardware		5	3	N/A	5
1925	Software Hardware		5	2	N/A	5
1925	Software Hardware Smart Meter		5	2	N/A	5
1930	Transportation	Vans Trucks	5	5	N/A	10
		Bucket Trucks	8	5	N/A	15
1940	Tools & Equipment		10	5	N/A	10
1945	Measurement Equipment		10	5	N/A	10

5. [Ex.4/p.5]

Please provide actual 2011 bridge year OM&A spending by category and explain all non-*de minimis* differences with 2011 budgeted amounts.

LUI's RESPONSE:

LUI has provided, in the table below, the unaudited actual bridge year (2011) OM&A spending by category and explained the differences with 2011 budgeted amounts.

Table OM&A Cost Table			
Expense Description	2011 BUDGET	2011 UNAUDITED ACTUALS	Difference
Operations			
5005-Operation Supervision and Engineering	\$188,943	\$184,940	(\$4,003)
5010-Load Dispatching	\$0	\$0	\$0
5012-Station Buildings and Fixtures Expense	\$0	\$0	\$0
5014-Transformer Station Equipment - Operation Labour	\$0	\$0	\$0
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$0	\$0	\$0
5016-Distribution Station Equipment - Operation Labour	\$2,523	\$8,487	\$5,965
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$29,642	\$38,052	\$8,411
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$178,880	\$244,986	\$66,106
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$122,488	\$128,782	\$6,294
5030-Overhead Subtransmission Feeders - Operation	\$0	\$0	\$0
5035-Overhead Distribution Transformers- Operation	\$0	\$0	\$0
5040-Underground Distribution Lines and Feeders - Operation Labour	\$18,023	\$28,779	\$10,756
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$19,352	\$40,932	\$21,579
5050-Underground Subtransmission Feeders - Operation	\$0	\$0	\$0
5055-Underground Distribution Transformers - Operation	\$0	\$0	\$0
5060-Street Lighting and Signal System Expense	\$0	\$0	\$0
5065-Meter Expense	\$15,202	\$0	(\$15,202)
5070-Customer Premises - Operation Labour	\$0	\$0	\$0
5075-Customer Premises - Materials and Expenses	\$0	\$0	\$0
5085-Miscellaneous Distribution Expense	\$4,556	\$8,088	\$3,532
5090-Underground Distribution Lines & Feeders-Rental Paid	\$0	\$0	\$0
5095-Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0
5096-Other Rent	\$0	\$0	\$0
Sub-Total	\$579,609	\$683,046	\$103,437
			\$0
Maintenance			
5105-Maintenance Supervision and Engineering	\$34,875	\$0	(\$34,875)
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$0	\$0	\$0
5112-Maintenance of Transformer Station Equipment	\$0	\$0	\$0
5114-Maintenance of Distribution Station Equipment	\$0	\$0	\$0
5120-Maintenance of Poles, Towers and Fixtures	\$40,570	\$304	(\$40,266)
5125-Maintenance of Overhead Conductors and Devices	\$0	\$0	\$0
5130-Maintenance of Overhead Services	\$0	\$0	\$0
5135-Overhead Distribution Lines and Feeders - Right of Way	\$44,863	\$20,323	(\$24,540)
5145-Maintenance of Underground Conduit	\$0	\$0	\$0
5150-Maintenance of Underground Conductors and Devices	\$0	\$0	\$0
5155-Maintenance of Underground Services	\$8,960	\$7,089	(\$1,871)
5160-Maintenance of Line Transformers	\$35,674	\$13,098	(\$22,576)
5165-Maintenance of Street Lighting and Signal Systems	\$0	\$0	\$0
5170-Sentinel Lights - Labour	\$0	\$0	\$0
5172-Sentinel Lights- Materials and Expenses	\$0	\$0	\$0
5175-Maintenance of Meters	\$141,277	\$100,539	(\$40,737)
5178-Customer Installations Expenses - Leased Property	\$0	\$0	\$0
5195-Maintenance of Other Installations on Customer Premises	\$0	\$0	\$0
Sub-Total	\$306,219	\$141,354	(\$164,865)
			\$0
Billing and Collections			
5305-Supervision	\$0	\$0	\$0
5310-Meter Reading Expense	\$134,191	\$85,152	(\$49,040)
5315-Customer Billing	\$130,575	\$124,246	(\$6,329)
5320-Collecting	\$106,842	\$96,021	(\$10,821)
5325-Collecting- Cash Over and Short	\$0	\$225	\$225
5330-Collection Charges	\$4,050	\$4,442	\$391
5335-Bad Debt Expense	\$21,888	(\$2,560)	(\$24,449)
5340-Miscellaneous Customer Accounts Expenses	\$103,995	\$84,513	(\$19,482)
Sub-Total	\$501,542	\$392,038	(\$109,504)
			\$0
Community Relations			
5405-Supervision	\$0	\$0	\$0
5410-Community Relations - Sundry	\$13,927	\$17,619	\$3,692
5415-Energy Conservation	\$0	\$0	\$0
5420-Community Safety Program	\$0	\$0	\$0
5510-Demonstrating and Selling Expense	\$0	\$0	\$0
5515-Advertising Expense	\$0	\$0	\$0
5520-Miscellaneous Sales Expense	\$0	\$0	\$0
Sub-Total	\$13,927	\$17,619	\$3,692

Administrative and General Expenses			\$0
5605-Executive Salaries and Expenses	\$47,906	\$5,785	(\$42,120)
5610-Management Salaries and Expenses	\$449,700	\$408,665	(\$41,036)
5615-General Administrative Salaries and Expenses	\$93,985	\$147,213	\$53,228
5620-Office Supplies and Expenses	\$102,802	\$93,350	(\$9,453)
5625-Administrative Expense Transferred-Credit	\$0	\$0	\$0
5630-Outside Services Employed	\$101,364	\$83,296	(\$18,068)
5635-Property Insurance	\$27,878	\$26,458	(\$1,421)
5640-Injuries and Damages	\$60,558	\$43,830	(\$16,728)
5645-Employee Pensions and Benefits	\$0	\$704,523	\$704,523
5650-Franchise Requirements	\$0	\$0	\$0
5655-Regulatory Expenses	\$85,546	\$111,219	\$25,673
5660-General Advertising Expenses	\$2,583	\$1,751	(\$832)
5665-Miscellaneous General Expenses	\$830	\$0	(\$830)
5670-Rent	\$0	\$0	\$0
5675-Maintenance of General Plant	\$33,370	\$35,623	\$2,253
5680-Electrical Safety Authority Fees	\$41,306	\$42,511	\$1,204
5681-Special Purposes Charge Expense	\$0	\$0	\$0
5685-Independent Market Operator Fees and Penalties	\$0	\$0	\$0
Sub-Total	\$1,047,829	\$1,638,853	\$591,024
			\$0
Total Operating, Maintenance and Administration Expenses	\$2,449,126	\$2,872,909	\$423,783

LUI has explained below any differences in Budget vs Unaudited Actuals for the Bridge Year 2011, that exceed a \$25K threshold. LUI is emphasizing the fact that the 2011 figures are unaudited at this time, and therefore subject to change.

5020-Overhead Distribution Lines and Feeders - Operation Labour \$66,106: LUI noticed a higher than expected expense for overhead distribution lines, due to some delays in capital work, which increased preventative maintenance work that was done in its place.

5105-Maintenance Supervision and Engineering(\$34,875): LUI has postponed this budgeted expense due to a delay in the hiring of a technician, subject to Board approval.

5120-Maintenance of Poles, Towers and Fixtures (\$40,266): LUI was planning to do some maintenance of its poles , towers and fixtures in 2011, however this was deferred and more preventative maintenance was done on the overhead distributions instead.

5175-Maintenance of Meters (\$40,737): LUI was able to keep the cost down in this year due to smart meters being implemented in June 2011. LUI expects these costs to increase in 2012 again, due to the inclusion of smart meters into rate base, which will exclude smart meters from variance accounts and put them into our income statement expenses.

5310-Meter Reading Expense (\$49,040): LUI has spent below budget in this account due to the large decrease in meter reading and the implementation of smart meters.

5605-Executive Salaries and Expenses (\$42,120): LUI has not yet been billed for administrative costs that have been incurred to date. Therefore this account balance is not reasonable. It is forecasted that LUI will be within the expected budget following the year end process.

5610-Management Salaries and Expenses (\$41,036): LUI has under spent its expected budget in this account due to the reallocation of management staff, a tightened policy on expenses, as well as the leave of absence of the company treasurer.

5615-General Administrative Salaries and Expenses \$53,228: LUI has overspent in this account due to the addition of one staff member, to replace the shift in organization.

5645-Employee Pensions and Benefits \$704,523: This account reflects a positive, however will be cleared out during the year-end process as per usual Accounting Procedure Handbook procedures.

5655-Regulatory Expenses \$25,673: LUI has spent over budget in the regulatory expense account due to the consulting needs necessary for completion of the PILS Model, and the implementing of MIFRS into the Rate Application Model.

6. [Ex.4/p.25/Table 4.14]

Please explain the difference between 2008 actuals and approved amounts in the area of Third Party Services.

LUI's RESPONSE:

LUI had been approved for an amount of \$138,624 for 2008 Third Party Services Expense, by the Ontario Energy Board. In 2008 LUI had incurred only \$7,309 of costs in the Third Party Services .

A summary table of Non Affiliate Services is provided in Exhibit 4, page 70. Individuals amounts fluctuate annually based on requirements each year.

The variance in this account as compared to the approved OEB budget can be accounted for as follows:

With respect to the actual amount incurred in 2008, in 2007 LUI anticipated incurring third party services fees in the amount of \$55,000 and had set up an audited accrual in this amount. In 2008, the actual costs associated with these third party services fees were significantly less than the amount set up and therefore the reversal of this accrual resulted in a much lower year end figure for this account. Had the overaccrual in 2007 not occurred, the account would be have been \$62,309.

With respect to the Board Approved amount in 2008 there were anticipated fees due to the implementation of IFRS, and the consulting that would be expected to be hired during the 2008 Rate Application. IFRS implementation by LDC's has been deferred further to the current 2012 rate application year and is shown by the gradual increase from 2009-2012 between 5630 – Outside Services Employed.

7. [Ex.4/p.74]

Please provide a copy of the Applicant's current collective agreement with CUPE.

LUI'S RESPONSE:

LUI has a service agreement with LUSI (its affiliate) for resources and attached is Lakefront Utility Services Inc.'s (LUSI) current collective agreement with CUPE. The revenues and expenses associated with LUSI providing the services are allocated to LUI at cost. Appendix 7A contains the agreement.

8. [Ex.4/p.83]

How long is the overlap between the retiring lineman and his/her replacement?

LUI's RESPONSE:

The overlap will be a maximum of two years. The retiring lineman is eligible and expected to retire on August 31, 2014. LUI's plans are to hire a 2nd/3rd year lineman apprentice to work on capital projects. The apprentice will be fully qualified at the time the retiring lineman retires. The addition of the apprentice will also assist the operation of the distribution department as the retiring lineman has a high vacation entitlement and higher than department average amount of sick time. This position will also eliminate the need for multiple temporary summer students in the distribution department for the next two to three years.

9. [Ex.4/p.83]

How long is the overlap between the newly hired employee in the collections department and the retiring employee(s)?

LUI's RESPONSE:

In the Billing and Collections department LUI has 3 possible employees who are eligible for retirement and have been employed for as much time as 20-43 years at the utility. LUI planned to overlap the hiring of one new employee by planning a smooth transition and LUI forecasted two years of transition time for cross training over the three various positions that are eligible to retire, in different billing cycles. A plan of such will also benefit the replacement of the other two employees that will potentially be retiring before or as of the next rate application period and will also be overlapped in a similar method. This overlapping of staff is to be effective and consistent, and this is why LUI forecasts the addition of a partial member in this department.

10. [Ex.4/p.83-84]

Please provide further details and rationale for the hiring of the Meter Technician Apprentice and Technical Services Technician.

LUI's RESPONSE:

The need for the hiring the combined meter technician and technical services technician apprentice (one FTE) is based on the following. The present supervisor of technical service is scheduled for retirement on Oct/31/2014. There are very few available qualified candidates as these positions are specialized to electric utilities only. To train new staff member (apprentice), a qualified meter technician and technical service technician is required. The goal is to hire a recent graduate in the electric discipline and provide the required training before the present qualified staff member retires. The apprentice will work with the present staff members and on his or her own over the next few years to change electric meters, install meters, install complex metering installations, maintain smart meter operation, test and verify metering installations, reduce meter errors, find metering errors, perform system optimization studies, voltage drop calculations, fault level calculations, improve operational processes, work on the GIS system, perform field data asset collection, outage management, distribution system planning, various capital project designs and estimations, create offer to connects, work order drawing creation, contribute in SCADA deployment, etc.

This position will also eliminate the need for temporary summer help in the technical service and meter department for the next two to three years and fill in as required for vacations of other departmental staff.

11. [Ex.4/p.84]

Please provide the eligibility date of retirement for each of the Applicant's lineman.

LUI's RESPONSE:

The retirement eligibility date of retirement for LUI's linemen are as follows:

Lineman 1	October 31, 2013
Lineman 2	August 31, 2014
Lineman 3	December 31, 2020
Lineman 4	September 30, 2028
Lineman 5	May 31, 2028
Lineman 6	June 30, 2034

12. [Ex.5/p.4]

Please provide a copy of the loan with Infrastructure Ontario.

LUI's RESPONSE:

Please find following a copy of the loan agreement between Lakefront Utilities Inc. and Infrastructure Ontario in Appendix 12A.

13. [Ex.8/p.6]

Please provide the MSC ceiling for each rate class.

LUI'S RESPONSE:

The MSC ceiling for each rate class is provided in the table below.

Summary

Customer Unit Cost per month -
Minimum System with PLCC
Adjustment

1	2	3	5	7	8	9
Residential	General Service Less Than 50 kW	General Service 50 to 2,999 kW	General Service 3,000 to 4,999 kW	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
\$17.91	\$27.55	\$80.01	\$305.79	\$8.70	\$9.59	\$52.02

14. [Ex.8/p.8]

Please update the Retail Transmission Service Rates using the approved 2012 Uniformed Transmission Rates.

LUI's RESPONSE:

LUI has updated the Retail Transmission Service Rates using the approved 2012 Uniformed Transmission Rates, and is included in the Appendix 14A that follows.

APPENDIX 14A – RTSR (reference #14)

COLLECTIVE AGREEMENT

BETWEEN

LAKEFRONT UTILITY SERVICES INC.
(hereinafter referred to as LUSI)

AND
LOCAL 25
CANADIAN UNION OF PUBLIC EMPLOYEES
(OUTSIDE AND OFFICE EMPLOYEES)
(hereinafter referred to as the Union)

FEBRUARY 1, 2010 TO JANUARY 31, 2014

Table of Contents – Collective Agreement

Article 1 – Purpose of Agreement	1
Article 2 – Union Recognition	1
2.1 Sole Bargaining Agent	1
2.2 Employer Discrimination Clause	1
2.3 Union Discrimination Clause	1
Article 3 – Management Rights	1
3.1 Right to Run Business/Manage Affairs	1
3.2 Executed in Manner Consistent with Intent of Agreement	1
Article 4 – Union Security and Check-Off	1
4.1 Union Membership	1
4.2 Union Dues	1
4.3 Employee Lists Covered by Agreement	1
4.4 New Employees	2
4.5 Disciplinary Meetings	2
Article 5 – Status of Employees	2
5.1 Temporary Employees	2
5.2 Probationary Employees	2
5.3 Regular Employees	3
Article 6 – Grievance Procedure	3
6.1 Complaints & Grievances	3
6.2 Grievance Procedure Steps	3
Article 7 – Provision for Arbitration	3
7.1 Failing Settlement	3
7.2 Requesting Arbitration	3
7.3 Choosing an Arbitrator	3
7.4 Decision of Arbitrator	3
7.5 Arbitrator & Agreement	3
7.6 Arbitrator Fees	4
Article 8 – Management and Employee Responsibilities	4
8.1 Providing Services to Citizens	4
8.2 Strikes/Lockouts	4
Article 9 – Hours of Work	4
9.1 Regular Hours	5
9.2 Overtime	5
9.3 Banked Overtime	5
9.4 On-Call	5
9.5 Minimum Call Out	5
9.6 Meal Allowance	6
9.7 Shift Differential	6
Article 10 – Paid Holidays	6
10.1 Holiday List	6
10.2 Holiday Pay	6
10.3 Floating Holiday	6
Article 11 – Vacation Entitlement	6
11.1 Vacation Entitlement per Years of Service	7
11.2 Minimum Vacation Allowed	7
11.3 Vacation Arrangements	7
11.4 Vacation Carryover	7
11.5 Vacation Calculation	7
11.6 Vacation Reduction	7

Article 12 – Sick Leave Plan	7
12.1 Doctor's Certificate	7
12.2 Disclosure to Insurer	7
12.3 Notification of Illness or Injury	7
12.4 Description of Short Term and Long Term Coverage	7
12.5 Short Term Sick Leave Benefits	8
12.6 Long Term Disability Coverage	8
12.7 Workplace Safety and Insurance Board (WSIB)	9
12.8 General Conditions for Sick Leave Coverage	9
Article 13 – Health Insurance Plan	9
13.1 Coverage/Deductible	9
13.2 Chiropractic, Naturopath, Massage Therapy	9
13.3 Vision Care Plan	9
13.4 Dental Plan	9
13.5 Orthodontics Plan	9
13.6 Equivalent Coverage	10
13.7 Spousal Benefit Coverage following Employee Death	10
13.8 Ontario Health Premium Co-Share	10
13.9 Retiree Benefits	10
Article 14 – Life Insurance	10
14.1 Basic Life Insurance	10
14.2 Optional Life Insurance	10
Article 15 – OMERS Pension	10
Article 16 – Seniority and Promotion	11
16.1 Seniority (Promotions/Layoffs)	11
16.2 Job Vacancy Posting	11
16.3 Successful Applicant Posting	11
16.4 Trial Period for Promotions	11
16.5 Progression through Classifications	11
16.6 Commencement of Seniority	11
16.7 Loss of Seniority	11
16.8 Layoff and Recall	11
16.9 New Employees - Experience Credit Toward Vacation	11
Article 17 – Relief Pay	12
17.1 Outside Employees	12
17.2 Office Employees	12
17.3 Acting Foreperson	12
Article 18 – Leave of Absence	12
18.1 Union Consultation	12
18.2 Union Functions	12
18.3 Maternity, Paternity & Adoption Leave	12
18.4 Bereavement	12
18.5 Jury or Court Witness Duty	12
18.6 Compassionate Leave for Office Employees	13
Article 19 – Allowances	13
19.1 Terms	13
19.2 Safety Footwear	13
19.3 Office Clothing Allowance	13
19.4 Protective Rubber Equipment Lines	13
19.5 Wearing of Protective Equipment	13
19.6 E&USA Rule Book	14
19.7 Stockkeeper Shopcoat	14
19.8 WTP Coveralls	14

Article 20 – Union Committee & Stewards	14
20.1 Committee Selection	14
20.2 Permission to Meet during Working Hours	14
20.3 Union Appointment in absence of Representative	14
20.4 Joint Employee Relations Committee	14
Article 21 – General	15
21.1 Inclement Weather.....	15
21.2 Alcoholic Beverages.....	15
21.3 Time of Pay.....	15
Article 22 – Classification and Wage Schedule	15
22.1 Electric Department.....	15
22.2 Electric & Water Departments.....	16
22.3 Office Employees.....	17
22.4 General Wage Increase.....	17
22.5 Hourly Rates.....	18
Article 23 – Term of Agreement	19
Letter of Understanding – Benefits	20
Letter of Understanding – Shift Differential	21
Letter of Understanding – WSIB Claims	21
Letter of Understanding – Cross-Training Hourly Rate Adder	22

ARTICLE 1 - PURPOSE OF AGREEMENT

- 1.1 The Purpose of this Agreement is to maintain a harmonious relationship between LUSI and the employees and to provide a means of settling differences through the grievance/arbitration process.

ARTICLE 2 – UNION RECOGNITION

- 2.1 LUSI agrees to recognize the Union as the sole bargaining agent in respect to hours of work, wages and working conditions set out in the agreement for all employees, save and except the President, Corporate Secretary, Vice President, Treasurer, Financial Assistant, Manager of Information Systems, Office Supervisor, Administrative Assistant, Forepersons (Electric and Water) and persons above the ranks so listed.
- 2.2 The Employer will not condone any discrimination, bullying or harassment of employees by any of its management staff, representatives or employees.
- 2.3 The Union will not condone any discrimination, bullying or harassment of employees by any of its members or representatives.

ARTICLE 3 – MANAGEMENT RIGHTS

- 3.1 The Union acknowledges that except as specifically restricted by this Agreement, LUSI retains all rights to run the business and direct the working force and, not restricting the generality of the foregoing, LUSI has the right to:
- (a) Manage its affairs, hire, promote, transfer, lay off or demote employees.
 - (b) Discipline, or discharge any employee for just cause.
- 3.2 LUSI agrees that these functions shall be executed in a manner consistent with the general purpose and intent of this Agreement and subject to the right of an employee to lodge a grievance as set forth herein.

ARTICLE 4 – UNION SECURITY AND CHECK-OFF

- 4.1 All future employees (in accordance with Article 2.1) must become members within sixty (60) days of their employment and retain their membership so long as the Union is recognized as the Collective Bargaining Agent for all the employees (in accordance with Article 2.1) of LUSI.
- 4.2 LUSI agrees that it be a condition of employment whether members or non-members after the waiting period of sixty (60) days, each employee shall pay an amount equal to the monthly dues and such money shall be deducted from every pay cheque, and remitted to the Secretary-Treasurer of the Union. The Union agrees to keep LUSI informed of the name of the Secretary-Treasurer, and to give one (1) month's notice of any change in the amount of dues to be deducted.
- 4.3 LUSI will provide the Union with a listing of employees covered by this Agreement. This listing will indicate for each employee his/her date of hire and occupational classification. The Employer will provide notification to the Union, in writing, of the engagement of any new bargaining-unit member, defining the particulars of employment.
- 4.4 Every new employee shall be given a copy of this Collective Agreement upon joining LUSI.

- 4.5 When Management holds a disciplinary meeting with an employee, the Union Steward shall be present.

ARTICLE 5 – STATUS OF EMPLOYEES

- 5.1 **Temporary Employees** – A temporary employee is an employee hired for a period of limited duration, for relief during sick leave, vacation, maternity leave and swing shift relief, or for a position which is not likely to become a continuing position within LUSI, not to exceed six (6) months. Such period may be extended as deemed necessary by both parties. When a Paternity Leave has been granted, the notice of a temporary replacement to the Union shall suffice for the entire leave.

The hiring of a temporary employee will not result in the layoff or demotion of full-time employees. The hiring of temporary employees will not be used in any way as to eliminate continuous full-time positions.

All temporary employees, covering unionized positions, shall pay union dues after sixty (60) days worked. A temporary employee will not be entitled to the benefits provided in this Agreement except as specifically provided in this Agreement.

- 5.2 **Probationary Employees** – A probationary employee is an employee hired on trial for a period not exceeding six (6) months. During this probationary period an employee shall not be considered having regular status and will be entitled only to those provisions of this collective Agreement specifically identified as applying to probationary employees. The probationary employee may be terminated at the sole discretion of Management without recourse to the grievance and arbitration procedure.

Management may grant a time extension to a probationary employee to meet the relocation requirements.

- 5.3 **Regular Employees** – If a probationary employee satisfactorily completes his/her probationary period of six (6) months, then that employee is deemed to be a regular employee.

If a time extension is granted to satisfy a relocation requirement, then regular status will only apply once the employee has completed the relocation. Failure to relocate within the specified time requirements may result in termination.

ARTICLE 6 – GRIEVANCE PROCEDURE

- 6.1 Complaints and grievances shall be dealt with in the following manner and all grievances must be in writing and recorded within seven (7) working days of the alleged grievances.

The employee shall take the complaint up with their Supervisor verbally. Failing satisfactory settlement, the employee shall proceed to Step 1.

6.2 **Step 1**

The employee, accompanied by a Steward, shall take the grievance up with the Supervisor. Failing settlement within five (5) working days the Union may proceed to Step 2.

Step 2

The employee, within five (5) working days of the reply of Step 1, accompanied by a Steward, may take the matter up with the President. Failing settlement within five (5) working days the Union may proceed to Step 3.

Step 3

Within five (5) working days of the reply to Step 2, the employee, accompanied by the Steward and/or a Representative of the Union, may take the matter up with the President, at which time any or all of the people concerned may be present. Failing a settlement at this level within seven (7) working days, the grievance may then be referred to Article 7 of this Agreement.

ARTICLE 7 – PROVISION FOR ARBITRATION

- 7.1 Failing settlement at Step 3, any difference of opinion involving the interpretation or application of this Agreement may be submitted to arbitration.
- 7.2 When either party requests that a question be submitted to arbitration, it shall make such request in writing to the other party and at the same time inform the other party that it is the first party's intention to do so after five (5) working days. If no request for arbitration is received within ten (10) working days after the decision rendered at Step 3 is given, it shall be deemed to be abandoned or settled.
- 7.3 Along with the request for arbitration the party requesting shall submit either the name of a nominee to an arbitration board or a list of selections for a sole arbitrator. Should the parties or their nominees fail to agree on an arbitrator, the matter will be referred to the Ministry of Labour.
- 7.4 The decision of the arbitrator shall be final and binding on both parties.
- 7.5 No arbitrator or arbitration board shall have the power to alter or change any of the provisions of this Agreement or substitute any new provision for any existing provision or to provide a decision which is inconsistent with any provision of this Agreement.
- 7.6 Each party to this Agreement will bear the expense and fee of its nominee, and the parties will share equally the expenses and fee of the arbitrator or arbitration board chairman.

ARTICLE 8 – MANAGEMENT AND EMPLOYEE RESPONSIBILITIES

- 8.1 It is recognized that LUSI provides service for the safety, health, comfort and general welfare of the citizens. Therefore, the employee must be prepared at all hours of the day or night to assist in providing the many services and agree this complies with consent for overtime required by S20(3) of the Employment Standards Act.
- 8.2 The responsibility of providing the services to our customers is mutual to both LUSI and the employees and necessitates that any difference of opinion of the interpretation of the terms of this Agreement will be settled in an orderly manner in accordance with Article 6 and 7. There shall be no strikes or lockouts so long as this Agreement continues to operate. The definition of a strike or lockout is as dictated by the Ontario Labour Relations Act.

ARTICLE 9 – HOURS OF WORK

- 9.1 The following shall be considered straight time or regular hours.

(a) **Outside Employees**

40 hours per week
Monday to Thursday 7:00 a.m. to 4:30 p.m.
with ½ hour for lunch
Friday 7:00 a.m. to 11:00 a.m.

The Union acknowledges that regularly scheduled staff may perform work from 11:00 a.m. to 4:30 p.m. on Fridays.

Outside employees refers to the categories, as contained in the Hourly Rates Schedule, Electric Department, Water Distribution Department and the Electric and Water Departments combined.

(b) **Water Treatment Plant Employees**

40 hours per week
Day Shift
Monday to Thursday 7:00 a.m. to 4:30 p.m.
with ½ hour for lunch.
Friday 7:00 a.m. to 11:00 a.m.

Afternoon Shift
Monday to Thursday 4:00 p.m. to 12:30 a.m.
Friday 11:00 a.m. to 7:30 p.m.
with ½ hour for lunch.

(c) **Office Employees**

Cashier & Clerks
33 ¾ hours per week with ¾ hour for lunch

Assistant Cashier/Receptionist
35 hours per week with ½ hour for lunch

Monday to Friday between the hours of (as per schedule) 8:30 a.m. to 4:30 p.m.

9.2 **Overtime**

All time worked outside the regular or normal hours as set forth in the Agreement will be classed as overtime and paid at double time except the hours between normal quitting time and 6:00 p.m. Monday to Friday, which will be paid at time and one-half.

9.3 **Banked Overtime**

Employees will be allowed to bank time off in lieu of overtime payment. In such cases, an employee may elect to bank one (1) hour off with pay for each hour paid outside of normal scheduled hours of work. A cap of forty (40) hours will apply to the overtime bank.

Once time is banked, no payment will be made for time worked until such time as the employee ceases to become an employee of LUSI, at such time the employee will be paid at the current rate of pay. Time off will be given on an hour-for-hour basis from the overtime bank at a mutually agreed upon time.

It is understood that such days off will be taken in a manner consistent with the efficient operation of LUSI as determined by Management.

9.4 **On-Call**

(a) A Journeyman Lineman, a Water Distribution Employee and a Water Treatment Plant Employee will be required to perform on-call duty as determined by Management.

(b) The normal on-call schedule for outside employees and Water Treatment Plant employees shall be from quitting time on Friday to start time the following Friday. If Friday is a Statutory Holiday, on-call will commence at the normal start time on Friday. On any subsequent calls during the following week they are to be called first.

(c) Qualified employees will be informed in advance of their scheduled on-call; it will be distributed on as equitable a basis as possible.

(d) The on-call person may call another person for assistance as they deem necessary.

(e) The daily on-call allowance shall be:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Weekday	\$22	\$23	\$24	\$25
Weekend & Statutory Holidays	\$47	\$48	\$49	\$50

(f) The Water Treatment Plant employee that is on-call will be required to check the Plant once per day on Saturdays, Sundays and Statutory Holidays. A weekend maintenance schedule to be performed by the on-call employee for which he will receive one and one-half (1 ½) hours at double time per day.

When the Water Treatment Plant operates on a single daily shift, the on-call allowance will be in accordance with the electric and water distribution department on-call rates.

9.5 **Minimum Call Out**

When employees are called to perform emergency response, they will be allowed a minimum of two (2) hours at the appropriate premium rate except that more than one call within two (2) hours from the start of the previous call, shall be considered as continuous time.

9.6 **Meal Allowance**

When an employee is required to work overtime, the employer will provide a meal allowance of twelve (\$12.00) Dollars. Meal allowances will be provided (not including scheduled overtime) as follows:

(a) When called out on emergency work when the duration of the time worked is five (5)

consecutive hours, and every four (4) hours thereafter, exclusive of meal breaks, or one (1) hour before normal start time.

- (b) When working past normal quitting time, after performing a normal day's work and the duration of the time worked is three (3) hours, and every four (4) hours thereafter.

9.7 Shift Differential

When employees are required to work shifts, a shift differential of \$0.80 per hour shall be paid. The employer reserves the right to implement an 11:00 p.m. to 7:00 a.m. shift provided the employee receives 48 hours notice of the implementation of the shift.

ARTICLE 10 – PAID HOLIDAYS

- 10.1 The following holidays are recognized as time off with pay for all employees:

New Year's Day
Family Day (3rd Monday of February)
Good Friday
Easter Monday
Victoria Day
Canada Day
Civic Holiday
Labour Day
Thanksgiving Day
Half working day before Christmas
Christmas Day
Boxing Day
Half working day before New Years
Any other day proclaimed by Federal, Ontario or Municipal Government

When one of the above listed holidays falls on a Saturday or Sunday, the following Monday will be observed as the holiday.

- 10.2 All employees must work the regular day preceding and the next regular day following any of the Paid Holidays listed in Article 10.1 to receive pay for the holiday, unless pre-arranged with Management.
- 10.3 Regular employees will be allowed one floating holiday per year to be taken at a time mutually agreeable between the employee and his/her supervisor.

ARTICLE 11 – VACATION ENTITLEMENT

- 11.1 (a) Employees with less than one (1) year of service shall receive one (1) day for each month of service, to be taken in that calendar year, to a maximum of ten (10) days.
- (b) In the year that an employee completes one (1) year of service, the employee shall be entitled to ten (10) days vacation, to be taken in that calendar year.
- (c) In the year that an employee completes four (4) years of service, the employee shall be entitled to fifteen (15) days vacation, to be taken in that calendar year.
- (d) In the year than an employee completes ten (10) years of service, the employee shall be entitled to twenty (20) days vacation, to be taken in that calendar year.

- (e) In the year that an employee completes seventeen (17) years of service, the employee shall be entitled to twenty-five (25) days vacation, to be taken in that calendar year.
 - (f) Effective February 1st, 2013, in the year that an employee completes twenty-eight (28) years of service, the employee shall be entitled to thirty (30) days vacation, to be taken in that calendar year.
- 11.2 The minimum vacation allowed for Outside Staff will be in (1) day blocks except in special cases when a half (1/2) day may be allowed. Minimum vacation allowed for Office Staff will be two (2) hour blocks.
- 11.3 Vacation shall be arranged by Management and the employee.
- 11.4 Annual Vacation Days for the previous calendar year shall be taken by March 31st of the following year.
- 11.5 For the purposes of calculating vacation time, the following shall apply:
- (a) Outside employees (40 hour work week), 8 hours will represent 1 day.
 - (b) Inside employees (33 ¾ hour work week), 6 ¾ hours will represent 1 day.
 - (c) Assistant Cashier/Receptionist (35 hour work week), 7 hours will represent 1 day.
 - (d) Vacation is earned in the same year that it is taken.
- 11.6 An employee's vacation pay will be reduced on a pro rata basis if:
- (a) Absent without pay for a period exceeding twenty (20) working days in the vacation accumulation period.
 - (c) The employee has left LUSI's service.

ARTICLE 12 – SICK LEAVE PLAN

- 12.1 LUSI shall have the right at any time, after three (3) consecutive working days of illness, to have an employee claiming sick pay produce a Doctor's Certification of Illness attesting to the nature of the illness or injury, the course of treatment and the prognosis for recovery.
- The employer will reimburse the employee for the cost of a medical certificate, up to twenty (\$20) dollars, if requested by Management.
- 12.2 Sick Leave benefits are not payable to an employee who refuses to authorize disclosure to the insurers of any medical information required under this Collective Agreement.
- 12.3 Any employee who, because of illness or injury, is unable to report for work must notify LUSI by normal starting time.
- 12.4 The Sick Leave Plan will provide coverage during periods of illness or injury as follows:
- (a) Short Term Coverage – Periods of less than one hundred and nineteen (119) consecutive calendar days.
 - (b) Long Term Coverage – Periods in excess of one hundred and nineteen (119) consecutive calendar days.

12.5 Short Term Sick Leave

Short Term Sick Leave pay for regular employees for each occurrence of illness or injury, including illness resulting from pregnancy, childbirth, miscarriage or abortion is:

	Length of Service	Income Security Benefits
(a)	Less than 3 months	Up to 17 weeks 75% of normal straight time wage rate
(b)	3 months but less than 1 year	2 weeks full salary Next 15 weeks 75% of normal straight time wage rate
(c)	1 year but less than 2 years	4 weeks full salary Next 13 weeks 75% of normal straight time wage rate
(d)	2 years but less than 3 years	8 weeks full salary Next 9 weeks 75% of normal straight time wage rate
(e)	3 years but less than 4 years	12 weeks full salary Next 5 weeks 75% of normal straight time wage rate
(f)	4 years but less than 5 years	16 weeks full salary Next 1 week 75% of normal straight time wage rate
(g)	5 years and over	17 weeks full salary 100% of normal straight time wage rate
(h)	If the disability is new, full benefits must be reinstated no later than one (1) month after the employee returns to work.	
(i)	If the disability is a recurrence of an earlier one, full benefits must be reinstated no later than three (3) months after the employee returns to work.	

12.6 Long Term Disability

- (a) Benefits in the long term for regular employees are those provided under the Long Term Disability Plan in Article 12.4 (b) of this Agreement and begin after the one hundred and nineteenth (119th) day of illness at which time the Insurance Carrier shall maintain payments in the amount of the long term disability coverage at sixty-six and two-thirds (66 2/3%) percent of normal straight time monthly earnings up to a maximum of Three Thousand (\$3,000) Dollars per month until the employee reaches age sixty-five (65). Long Term Disability payments will not be paid to an employee on Worker's Compensation.
- (b) For a period of time not to exceed twenty-four (24) months from the first day of non-occupational sickness or injury, the employee shall be eligible to return to the same job if capable of performing the required work. If unable to perform the required work, the employee shall be given all reasonable consideration for any available job for which the employee is able and qualified to perform.

12.7 **Workplace Safety and Insurance Board (WSIB)**

When an employee, through his/her paid employment by the Board, suffers an illness or injury which is compensable under the Workplace Safety and Insurance Act, the employee will receive payment in accordance with the Act.

For a period of time not to exceed twenty-four (24) months, only those employees on leave covered by the Workplace Safety and Insurance Board shall be given consideration for any job, if available, and if the employee is capable and qualified to perform.

12.8 **General Conditions for Sick Leave Coverage**

- (a) After the one hundred and nineteenth (119th) day of illness or injury an employee's vacation or recognized holiday shall be paid and prorated only on the basis of time worked.
- (b) LUSI shall continue to pay, for a period of time not to exceed twelve (12) months from the first day of sickness or injury, the premiums for benefits in Article 13 and Article 14 of this Agreement. After the twelve month period, employees on disability shall be entitled to pay the full cost of premiums in order to continue on the group plan for a further twelve months.
- (c) In consideration of the benefits granted by LUSI, the employees agree to make no claim against any savings in UIC premiums resulting from the Sick Leave Plan.

ARTICLE 13 – HEALTH INSURANCE PLAN

- 13.1 LUSI agrees to pay for all regular and probationary employees one hundred (100%) percent of the premium cost of the Sun Life Insurance Semi Private Plan and the Sun Life Insurance Extended Health Care Plan (\$25 per employee, family coverage, deductible per year). Coverage shall commence after the normal notification of the Carrier.

- 13.2 Included in the extended health care plan:

- (a) **Chiropractic Plan** up to a maximum of \$500 per calendar year.
- (b) **Naturopath** coverage up to a maximum of \$500 per calendar year.
- (c) **Massage Therapist** coverage up to a maximum of \$500 per calendar year.

- 13.3 LUSI agrees to pay one hundred (100%) percent of the premium cost of the Sun Life Insurance **Vision Care Plan** to a maximum coverage of three hundred and fifty (\$350) dollars every two years for adults, three hundred (\$300) dollars every twelve (12) months for children under eighteen (18) years of age.

The employer will increase **eye exam coverage** from fifty (\$50) dollars to one hundred (\$100) dollars per family member. The employer has the option of self-insuring the increased benefit.

- 13.4 LUSI agrees to pay one hundred (100%) percent of the premium cost of the Sun Life Insurance **Dental Plan**, including 50% reimbursement of the initial cost of dentures, based on the current ODA rates for all regular and probationary employees in receipt of normal straight time wage rates from LUSI. Dental Recall Examination coverage every 9 months.

- 13.5 LUSI agrees to pay one hundred (100%) percent of the premium cost of the Sun Life Insurance **Orthodontics Plan** to a maximum of two thousand five hundred (\$2500) dollars Lifetime, fifty (50%) percent co-insurance. Management has the option of self-administering the orthodontic benefit.
- 13.6 LUSI agrees to pay these benefits for all regular and probationary employees in receipt of normal base pay from LUSI. Should Lakefront change to another benefit provider during the life of this collective agreement, every effort will be made to mirror existing benefits provided on date of ratification.
- 13.7 In the event of the death of an active employee, who is in receipt of benefits, the employee's current spouse and dependants will continue to have the above employee health benefits and dental coverage for a maximum of twelve (12) months or age sixty-five (65) or until they remarry, whichever comes first.
- 13.8 The Employer agrees to co-share (50/50), with the employee, the cost of the income tax payroll deduction for the Ontario Health Premium.
- 13.9 Benefits for Retirees
- a) Employees who retire on a reduced pension between the ages of fifty-five (55) and sixty-five (65), may continue to participate in the Group Extended Health Benefits Plan upon payment to Lakefront Utility Services Inc. the full cost of the billed premium applicable to each employee providing only that the employee is eligible to participate in such plan or plans.
 - b) Lakefront will provide an option to all employees who retire on an unreduced pension from the Ontario Municipal Employees Retirement System to the age of sixty-five (65) years to continue Group Extended Health Benefits Plan for the employee, at Lakefront's cost providing the employee is eligible to participate in the plans.
 - c) In the event of a death of a retiree, prior to age 65, the retiree's spouse (and any applicable dependents) may remain on the benefit plan until the retiree would have attained the age of 65, however, they will be responsible for the full cost of the 'Retiree Benefit Coverage'.

Note: This Extended Health Coverage does not include "Out of Province" coverage.

ARTICLE 14 – LIFE INSURANCE

- 14.1 All regular employees will continue to be enrolled in LUSI's insurance plan for which LUSI pays one hundred (100%) percent of the premiums for coverage up to one and one-half (1 ½) times salary in accordance with the terms of the policy in force.
- 14.2 Employees will be able to take advantage of the insurance options offered under the life insurance program. LUSI will pay for the basic coverage, as defined in the plan, and the employee will be responsible for the cost of the optional insurance, which will be deducted through payroll.

ARTICLE 15 – OMERS PENSION

- 15.1 All regular and probationary employees will participate in the Ontario Municipal Employees Retirement System (OMERS) basic pension plan in accordance with the OMERS regulations.

ARTICLE 16 – SENIORITY AND PROMOTION

- 16.1 Seniority shall be given special consideration in making promotions, layoffs, or re-employment, providing the qualifications and ability are satisfactory to Management. Subject to grievance procedure.
- 16.2 When a vacancy occurs within the bargaining unit it shall be posted for a period of seven (7) calendar days on the bulletin board(s) in order to give employees an opportunity to make an application for the position. The job posting will contain a job classification, required education, skills, hours of work, job requirements, and rate of pay.
- 16.3 Management shall not be precluded from selecting a candidate from outside the existing bargaining unit if no employee(s) have the necessary qualifications, skills and ability to perform the job. The name(s) of the successful applicant(s) shall be posted on the designated bulletin boards for five (5) calendar days.
- 16.4 When employees are promoted they shall receive a trial period not exceeding two (2) months during which time they may return or be returned to their former job.
- 16.5 Progression in the line, meter and water classifications are not automatic but based on the successful completion of the Electricity Distributors Association/Electricity & Utility Safety Association Lineman Certification or the successful completion of the appropriate Ontario Ministry of the Environment Water Certificate.
- 16.6 Seniority shall commence from the date the employee last entered the employ of LUSI as a probationary employee. Temporary employees shall not accumulate seniority.
- 16.7 An employee shall lose seniority and shall cease to be an employee if he or she:
- (a) Quits voluntarily or is discharged and such discharge is not reversed by the grievance arbitration procedure;
 - (b) Retires;
 - (c) Fails to report for work after a layoff within seven (7) working days of recall, notice of which has been mailed by registered mail to the last address of which LUSI was notified by the employee; an employee shall have his or her seniority frozen if laid off;
 - (d) Is absent from work because of occupational or non-occupational illness or injury for twenty-four (24) months.
- 16.8 **Layoff and Recall**
Layoff will be in reverse order of seniority provided the employees retained have the skill and ability to perform the remaining jobs. Recall will be in reverse order of layoff provided the employees recalled have the skill and ability to do the required work.
- Employees will receive layoff notice in accordance with the current Employment Standards Act.
- 16.9 Management has the option to credit a new employee with a portion of the employee's previous relevant experience with respect to calculating vacation entitlement only.

ARTICLE 17 – RELIEF PAY

17.1 Outside

When an outside regular employee is relieving in a higher grade for a period of more than one (1) working day upon instructions from Management he/she shall receive the rate for that classification for all time so worked.

17.2 Office

When a regular office employee is relieving in a higher classification for a period of one (1) working day or more, upon instruction from Management, the employee shall receive the rate for that classification for all time so worked.

17.3 Acting Foreperson

When an employee is assigned by Management to an Acting Foreperson position for a period of one (1) working day or more, he/she shall receive a rate of pay ten (10%) percent higher than the employee's regular rate.

ARTICLE 18 – LEAVE OF ABSENCE

18.1 Union Consultation

Leave of absence with pay will be granted to representatives of the Union while in consultation with LUSI on matters pertaining to the agreement during working hours.

18.2 Union Functions

Upon request of the Union, LUSI agrees to allow leave of absence without pay or loss of seniority to members for Union functions, provided that the leave concerned does not exceed ten (10) days. LUSI may grant a leave of absence to any employee for any reasonable request, without pay.

Such request shall be in writing two (2) weeks prior to the leave of absence if possible. Any leave of absence granted by LUSI shall be in writing. Any employee granted leave of absence shall not lose his/her seniority rights.

18.3 Maternity, Paternity & Adoption Leave

"As per Employment Standards Act"

18.4 Bereavement

- (a) An employee will be allowed five (5) days off with pay when a death occurs in the employee's immediate family. Immediate family means current spouse, common-law spouse, child or stepchild.
- (b) An employee will be allowed three (3) days off with pay in the event of the death of a parent, current spouse's parent, sister, brother, grandchild, current son-in-law or current daughter-in-law.
- (c) An employee will be allowed one (1) day with pay, to regular employees, in the event of the death of a grandparent, current grandparent-in-law, current sister-in-law or current brother-in-law, for the purpose of attending the funeral on a scheduled work day.

18.5 Jury or Court Witness Duty

The employer shall grant leave of absence without loss of seniority to an employee who serves as a juror or witness in any court. The employer shall pay such an employee the difference between his/her normal earnings and the payment he/she receives for jury service or court witness, excluding payment for traveling, meals, or other expenses. The employee will present proof of service and the amount of pay received.

18.6 Compassionate Leave

Employees within the "Office Employees" classification (Cashier, Clerk, Assistant Cashier/Receptionist) shall be entitled, with pay, up to one and one half (1 1/2) days annually for Compassionate Leave which can be taken in increments up to the one and one half (1 1/2) days allotment to address personal emergencies or personal family matters involving their immediate family or parents. Effective February 1st, 2013 the allowance will be increased to two (2) days.

ARTICLE 19 – ALLOWANCES

- 19.1 LUSI will provide all tools and equipment necessary to carry out the work of LUSI, each employee whose duties call for the same will be issued with tools and equipment to enable satisfactory working conditions.

Each employee will use the tools and equipment in a safe and proper manner and will provide proper care for these tools.

- 19.2 All regular full time employees (as referred to in Article 5.3) will be eligible to receive the following clothing and footwear allowance as outlined for their department.

LUSI will contribute, per contract year, toward the replacement of CSA approved appropriate safety footwear (including green patch and/or OHM rating), for applicable employees. Employees will be reimbursed upon the presentation of a properly dated receipt evidencing the purchase of new safety footwear. The employee, in accepting this safety footwear allowance, agrees to wear approved safety footwear (in good condition) during all working hours.

LUSI will provide rubber safety footwear for the Linemen, Water Distribution and Water Treatment Operators as required and will be replaced on an exchange basis.

Employees will be allowed to carry forward any unused boot allowance (to a maximum of one (1) year's boot allowance) to the following year.

Reimbursement by employee category will be as follows:

	2010	2011	2012	2013
Electric Distribution	\$210.00	\$215.00	\$220.00	\$230.00
Water Distribution	\$210.00	\$215.00	\$220.00	\$230.00
Others	\$185.00	\$190.00	\$195.00	\$200.00

LUSI will contribute, per contract year, toward the purchase of approved appropriate safety clothing for each applicable employee. The employee, in accepting this safety clothing allowance, agrees to wear approved safety clothing (in good condition) as required.

	2010	2011	2012	2013
Electric Distribution	\$500.00	\$525.00	\$550.00	\$600.00
Water Distribution/Metering	\$300.00	\$300.00	\$325.00	\$350.00

- 19.3 LUSI will provide an annual allowance of One Hundred (\$100.00) Dollars to the Office Staff for the purchase of suitable clothing.
- 19.4 LUSI will supply protective equipment for use against live conductors, including rubber gloves, line hose and rubber blankets.
- 19.5 Safety hats and safety equipment provided by LUSI shall be worn and used during working hours by employees that have been issued such equipment. Failure to comply with these regulations, the employee shall be subject to disciplinary action as the Management and LUSI see fit.

19.6 The current accident prevention rule book E&USA and such other safety rules as Management may stipulate from time to time shall be observed by all employees.

19.7 LUSI will supply the Stockkeeper with a shop coat.

19.8 Water Treatment Plant Employees will be issued two (2) pair (non-orange work-wear) coveralls and replaced on an as-needed basis.

Information Note: Each employee presently has been issued one (1) pair.

ARTICLE 20 – UNION COMMITTEE & STEWARDS

20.1 LUSI acknowledges the right of the Union to appoint or otherwise select Committees and Stewards in accordance with the selections of this Article. The Union shall advise the Management of the personnel serving on these Committees and also the names of the Stewards.

LUSI will recognize a Negotiating Committee comprised of five (5) union representatives as follows:

1 – CUPE National Representative

1 – Local CUPE Executive Representative (President/Vice-President)

1 – Representative each from Electric, Water and Office for a 2-day period.

If negotiations continue beyond the second day, the Union will incur the cost of the 4th local representative, or choose to have one less committee member.

20.2 The Union acknowledges that Stewards, members of the Committee and Union Officers have regular duties to perform on behalf of LUSI. Such persons shall not leave their regular duties without receiving permission from their Supervisor and such permission shall not be unreasonably withheld.

When resuming their regular duties they shall report to their Supervisor.

It is clearly understood that Stewards and other Union Officials shall not absent themselves from their regular duties unreasonably in order to deal with the grievances of employees up to but not including arbitration. In accordance with this, the Management shall not make any pay deduction from such employees for the time spent in handling grievances and meetings with Management. This does not apply to the time spent on such matters outside regular working hours.

20.3 Notwithstanding the above, it is understood in the absence of a water, electric and/or office representative, the Union shall appoint or elect a replacement representative.

20.4 Joint Employee Relations Committee

Management and the Union recognize the importance of maintaining employee and employer relations and to that end agree to participate in semi-annual meetings, or as may be required from time to time, to discuss matters of mutual interest to improve their relationship. The Committee shall consist of the President and Corporate Secretary, representing Management, and the CUPE Local Executive Member (President/Vice-President) and the Union Steward, representing the Union.

ARTICLE 21 – GENERAL

21.1 Inclement Weather

LUSI will provide alternative work, for employees who usually work outside during inclement weather. Inclement weather will be determined by Management.

When it is necessary for employees to work in inclement weather, Management will provide suitable rainwear.

21.2 Alcoholic Beverages

It is the policy of LUSI that no employee will use alcoholic beverages during working hours. Failure to observe this policy will result in disciplinary action up to and including discharge.

21.3 Time of Pay

Employees will be paid for their time worked from the end of the normal workday Friday, to the end of the normal workday Friday, by 4:00 p.m. on the following Thursday. In the event of a Statutory Holiday falling on a normal pay day, an estimated pay will be issued on the nearest work day prior to the Statutory Holiday.

ARTICLE 22 – CLASSIFICATION AND WAGE SCHEDULE

22.1 Electric Department

Journeyman Lineman	100% of Journeyman Lineman Rate
Learner Lineman 'A'	Fourth 2000 hours of service–90% of Journeyman Lineman Rate
Learner Lineman 'B'	Third 2000 hours of service–85% of Journeyman Lineman Rate
Learner Lineman 'C'	Second 2000 hours of service-80% of Journeyman Lineman Rate
Learner Lineman 'D'	First 2000 hours of service-70% of Journeyman Lineman Rate

Progressions are not automatic to the Journeyman Lineman 'A' rate but are based on the successful completion of the 8000 hours, Electricity Distributors Association/Electricity & Utility Safety Association Training Programs.

22.2 Electric & Water Departments

Engineering Technologist	100% of Engineering Technologist Rate
Engineering Technologist Learner 'A'	Fourth 2000 hours of service 90% of Engineering Technologist Rate
Engineering Technologist Learner 'B'	Third 2000 hours of service 85% of Engineering Technologist Rate
Engineering Technologist Learner 'C'	Second 2000 hours of service 80% of Engineering Technologist Rate
Engineering Technologist Learner 'D'	First 2000 hours of service 70% of Engineering Technologist Rate

22.3 Office Employees

New Hires in all classifications within the office (Cashier, Clerk, Assistant Cashier/Receptionist) have a progressive wage schedule from new hire to an accepted level of competency:

24 months	100% of Rate
18 months	90% of Rate
12 months	80% of Rate
6 months	70% of Rate
New Hire	60% of Rate

* Increments/Increases are based on ability and performance.

22.4 General Wage Increase

February 1 st , 2010	3%
February 1 st , 2011	3%
February 1 st , 2012	3%
February 1 st , 2013	3%

22.5 HOURLY RATES

	Feb 1/10	Feb 1/11	Feb 1/12	Feb 1/13
Electric Department				
Journeyman Lineman	\$32.51	\$33.49	\$34.49	\$35.52
Driver Handyman	\$24.88	\$25.63	\$26.40	\$27.19
Labourer *	\$21.19	\$21.83	\$22.48	\$23.15

Water Treatment & Distribution Departments				
Operator In Training (OIT)	\$19.67	\$20.26	\$20.87	\$21.50
Class I Operator	\$22.15	\$22.81	\$23.49	\$24.19
Class II Operator	\$27.58	\$28.41	\$29.26	\$30.14
Class II Operator w/Class III Exam	\$27.92	\$28.76	\$29.62	\$30.51
Class III Operator	\$28.81	\$29.67	\$30.56	\$31.48
Safety/Special Projects/Water Oper.	\$30.90	\$31.83	\$32.78	\$33.76
Labourer *	\$21.19	\$21.83	\$22.48	\$23.15

For each progression in Classification, the level of responsibility will increase. The Operator will be required to obtain the minimum certification of the Cobourg Water Treatment or Water Distribution System to attain Journeyman Status. A maximum of two (2) years will be allowed to attain the next level of certification until Journeyman status has been attained.

* Increments/increases based on ability and performance.

Electric & Water Departments Combined				
Stockkeeper	\$24.62	\$25.36	\$26.12	\$26.90
Customer Service Representative	\$25.95	\$26.73	\$27.53	\$28.36
Engineering Technologist	\$28.92	\$29.79	\$30.68	\$31.60

New hires in the classification of Stockkeeper and Customer Service Representative have a progressive wage schedule from new hire to an accepted level of competency.

Increments/Increases are based on ability and performance.

24 months	100% of Rate
12 months	85% of Rate
New Hire	75% of Rate

Office Employees				
Cashier **	\$26.89	\$27.70	\$28.53	\$29.39
Clerk	\$23.74	\$24.45	\$25.18	\$25.94
Assistant Cashier/Receptionist	\$20.10	\$20.70	\$21.32	\$21.96

** It is agreed that upon the retirement of the Cashier, the position becomes rated as a Clerk position at the Clerk rate.

Temporary Employee

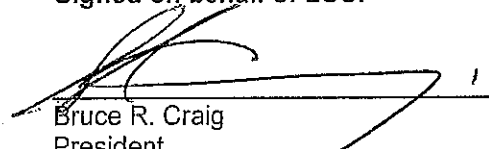
Temporary Employee (minimum 75% of Classification)

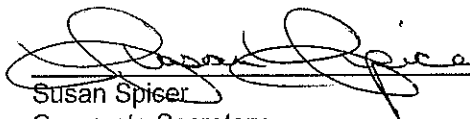
ARTICLE 23 – TERM OF AGREEMENT

23.1 This agreement shall be operative for a period of four (4) years dating from February 1st, 2010 and expiring January 31st, 2014.

Dated at Cobourg, Ontario this 22nd day of SEPTEMBER, 2010.

Signed on behalf of LUSI

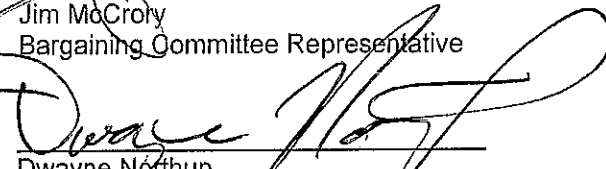

Bruce R. Craig
President



Susan Spicer
Corporate Secretary

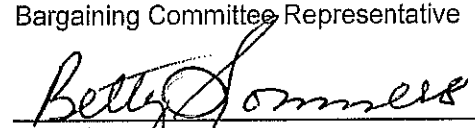
Signed on behalf of the Union


Garth Beer
Vice-President


Jim McCrory
Bargaining Committee Representative


Dwayne Northup
Bargaining Committee Representative


Susan O'Neil
Bargaining Committee Representative


Betty Sommers
CUPE National Representative

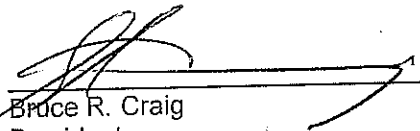
LETTER OF UNDERSTANDING – BENEFITS

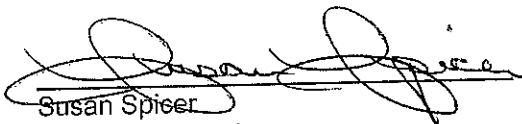
The employee listed below will be entitled to receive twenty-four (24) months of benefits under Article 13, notwithstanding Article 12.8 (b) of the Collective Agreement:

W. Bowman

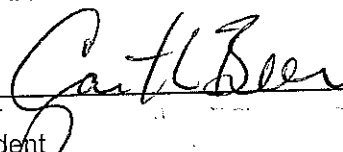
Dated at Cobourg, Ontario this 22ND day of SEPTEMBER, 2010.

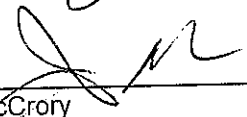
Signed on behalf of LUSI


Bruce R. Craig
President

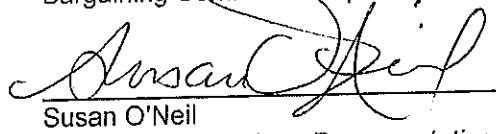

Susan Spicer
Corporate Secretary


Signed on behalf of the Union


Garth Beer
Vice-President


Jim McCrory
Bargaining Committee Representative


Dwayne Northup
Bargaining Committee Representative


Susan O'Neil
Bargaining Committee Representative


Betty Sommers
CUPE National Representative

LETTER OF UNDERSTANDING – SHIFT DIFFERENTIAL

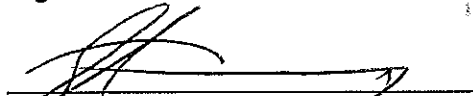
Re: Article 9.7 Shift Differential

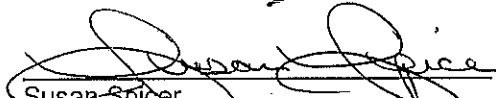
For further clarification of Article 9.7 and its reference to LUSI's right to implement an 11:00 p.m. to 7:00 a.m. shift, it is the intent of LUSI to not use this clause as a vehicle by which to implement a regular shift. LUSI will only invoke this clause if it is necessary under emergency or unusual circumstances.

Should LUSI implement an 11:00 p.m. to 7:00 a.m. shift, the person on-call would continue to perform on-call services as may be required from time to time during this time period.


Dated at Cobourg, Ontario this 22nd day of SEPTEMBER, 2010.


Signed on behalf of LUSI



Bruce R. Craig
President



Susan Spicer
Corporate Secretary


Signed on behalf of the Union


Garth Beer
Vice-President


Jim McGroarty
Bargaining Committee Representative


Dwayne Northup
Bargaining Committee Representative


Susan O'Neil
Bargaining Committee Representative

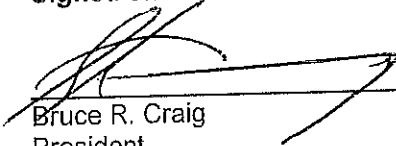

Betty Sommers
CUPE National Representative

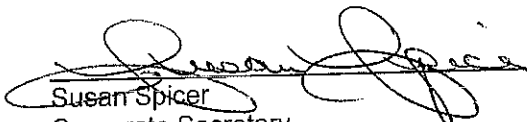
LETTER OF UNDERSTANDING – WSIB CLAIMS

LUSI, in an effort to assist employees in their time of need, agrees to provide to an employee who is establishing a claim under the Workers' Compensation Insurance Board (WSIB), bridge payments until the WSIB claim has been established and payment has been received by the employee. The employee, upon receiving payments from the WSIB, will reimburse the employer the amount of the bridge payments received from LUSI.

Dated at Cobourg, Ontario this 22ND day of SEPTEMBER, 2010.

Signed on behalf of LUSI

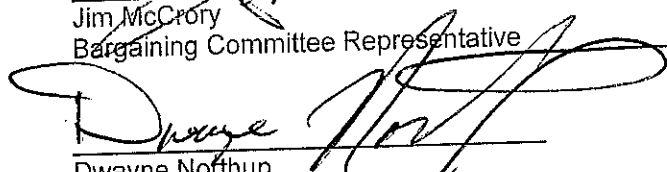

Bruce R. Craig
President

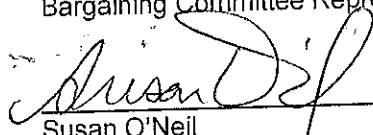

Susan Spicer
Corporate Secretary

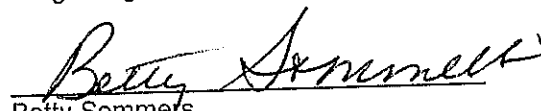
Signed on behalf of the Union


Garth Beer
Vice-President


Jim McCrory
Bargaining Committee Representative


Dwayne Northup
Bargaining Committee Representative


Susan O'Neil
Bargaining Committee Representative


Betty Sommers
CUPE National Representative

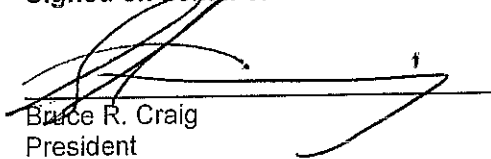
LETTER OF UNDERSTANDING – CROSS-TRAINING HOURLY RATE ADDERS

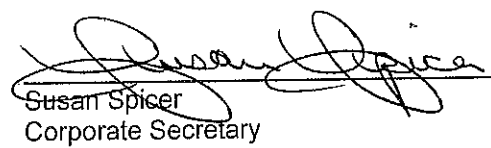
The following people have an 'adder' to their rate as detailed below:

Employee	Hourly Adder	Qualification
Bob Cowin	\$.30	Class 3 WD Exam + Class 1 WT Exam
Rob Fisher	\$.30	Class 1 WT Exam
Earl McGinn	\$.30	Class 1 WT Exam
Darren Hanbidge	\$.30	Class 1 WT Exam

Dated at Cobourg, Ontario this 22ND day of SEPTEMBER, 2010.

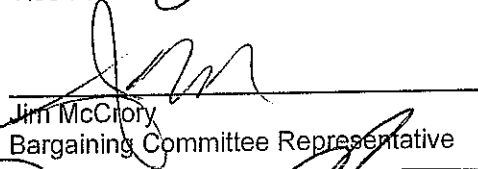
Signed on behalf of LUSI

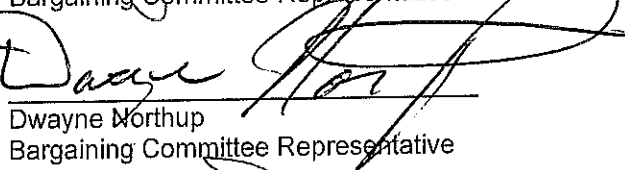

Bruce R. Craig
President


Susan Spicer
Corporate Secretary

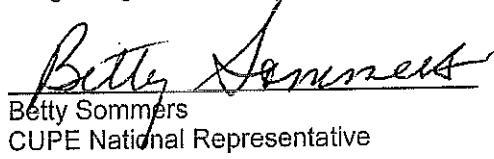
Signed on behalf of the Union


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Betty Sommers
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Infrastructure Ontario

777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8
Tel.: 416 212-7289
Fax: 416 325-4646

Infrastructure Ontario

777, rue Bay, 9^e étage
Toronto, Ontario M5G 2C8
Tél. : 416 212-7289
Télééc. : 416 325-4646



September 29, 2009

VIA COURIER

Stewart Cunningham
LAKEFRONT UTILITIES INC.
207 Division Street,
Cobourg., ON K9A 4L3

Dear Stewart Cunningham,

Please find enclosed a fully executed copy of Financing Agreement #09Lak904709011FA for your files. To enquire about short-term advances or debentures, please feel free to contact Judy Lam at (416) 326-7812 at your convenience.

We thank you for considering the Infrastructure Ontario's Loan Program for your infrastructure project. If you have any questions or concerns, please do not hesitate to call us.

Best Regards,

A handwritten signature in dark ink, appearing to read "Steve Rohacek". The signature is fluid and cursive, with a large initial "S" and a stylized "R".

Steve Rohacek
Vice President, Business Development
& Customer Relations

Encl.

FINANCING AGREEMENT

THIS AGREEMENT ("the Agreement"), made in duplicate, dated and effective as of the 26th day of August, 2009 ("the Effective Date")

BETWEEN:

**ONTARIO INFRASTRUCTURE PROJECTS
CORPORATION**

(herein after referred to as "OIPC");

and

LAKEFRONT UTILITIES INC.

(an Ontario corporation created under the *Business Corporations Act* (Ontario) herein after referred to as the "Borrower")

WHEREAS:

OIPC has advised the Borrower that its loan application number 9011, (the "Application") has been approved;

OIPC agrees to make financing available to the Borrower up to a maximum aggregate principal amount of \$3,800,000.00 (THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS) (the "Committed Amount") for the projects listed in the Application and more particularly described in Schedule "A" hereto (the "Project"), subject to the terms and conditions set out in this Agreement.

NOW THEREFORE in consideration of the covenants of each of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Borrower and OIPC hereby agree as follows:

1. Definitions

In this Agreement:

- (a) "Acquired Assets" means any assets, rights or properties, of any nature or kind, acquired, constructed or improved by the Borrower or any Related Entity after the date of this Agreement and, for greater certainty, shall include any buildings or other fixtures, acquired, constructed or improved by the Borrower after the date of this Agreement.
- (b) "Advance" means a short-term loan made by OIPC to the Borrower in Canadian dollars pursuant to the terms and conditions of this Agreement.
- (c) "Advance Date" has the meaning given to it in paragraph 6(a) hereof.
- (d) "Advance Interest Rate" has the meaning given to it in paragraph 9(a) hereof.

- (e) **"Agreement"** means the agreement constituted by this agreement including all attached schedules and referenced documents including the debenture(s) and the general security agreement and the respective terms and conditions thereunder, as the same may be amended, restated, modified or replaced from time to time. Terms such as "hereof", "herein" and "hereto" refer to this Agreement.
- (f) **"Applicable Law"** means, in respect of any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, treaties, judgments and decrees and all present or future applicable published directives, rules, policy statements, instruments and orders of any Public Authority and all applicable orders and decrees of courts and arbitrators of like application.
- (g) **"Application"** has the meaning given to it in the first recital hereof.
- (h) **"Authorized Officer"** means with respect to the Borrower, the President, or Treasurer or any other officer or Person designated from time to time by a resolution of the Board of Directors of the Borrower.
- (i) **"Business Day"** means a day on which banking institutions in Toronto, Ontario, Canada are not authorized or obligated by law or executive order to be closed, other than Saturday or Sunday.
- (j) **"Capital Lease Obligation"** means, in respect of any Person, the obligation of such Person, as lessee, to pay rent or other payment amounts under a lease of real or personal property which is required to be classified and accounted for as a capital lease or liability of such Person, in accordance with GAAP.
- (k) **"Committed Amount"** has the meaning given to it in the second recital hereof;
- (l) **"Current Ratio"** means current assets divided by current liabilities where current assets shall exclude any loans and/or receivables due from related companies, subsidies, officers and employees.
- (m) **"Debt Service Coverage Ratio"** means, in respect of the Borrower, on a consolidated basis, at any time, the amount determined in accordance with the formula: the sum of net profit after taxes (excluding extraordinary items) plus depreciation/amortization, plus the change in deferred taxes and plus the interest divided by the sum of scheduled payments of principal and interest as required on any Indebtedness of the Borrower plus the dividend paid during the fiscal year in question.
- (n) **"Debt to Capital Ratio"** means all interest-bearing liabilities divided by total capital where total capital includes all interest-bearing liabilities and shareholder's equity including common stock, preferred stock and minority interest.
- (o) **"Debentures"** means secured debentures of the Borrower issued from time to time pursuant to the terms and conditions of this Agreement.
- (p) **"Debenture Interest Rate"** has the meaning given to it in paragraph 11(e) hereof.

- (q) **"Debenture Purchase Certificate"** means a certificate substantially in the form as provided by OIPC to the Borrower.
- (r) **"Debenture Purchase Date"** has the meaning given to it in paragraph 10(a) hereof.
- (s) **"Drawdown Certificate"** means a certificate substantially in the form as provided by OIPC to the Borrower.
- (t) **"Eligible Borrower"** means a public body that is eligible to borrow from OIPC pursuant to the *Ontario Infrastructure Projects Corporation Act, 2006* (Ontario).
- (u) **"Equity"** means, on a consolidated basis, the book value, preferred and common shares, contributed surpluses and retained earnings of the Borrower.
- (v) **"Event of Default"** means any of the events described in paragraph 13(c).
- (w) **"Facility Termination Date"** means the earlier of 26th day of August, 2014 and the date on which the obligations of OIPC hereunder have been terminated pursuant to paragraphs 13(b) or 13(c) hereof.
- (x) **"Financial Instrument Obligations"** means all obligations and liabilities of the Borrower or a Related Entity under or in respect of any interest or currency rate swap, forward agreement or other instrument which is a financial derivative.
- (y) **"Fiscal Year"** means the fiscal year of the Borrower ending on December 31st in each calendar year.
- (z) **"GAAP"** means the generally accepted accounting principles stated from time to time in the Handbook of the Canadian Institute of Chartered Accountants.
- (aa) **"Indebtedness"** means, at any time and in respect of any Person, without duplication:
 - (i) all obligations of such Person for money borrowed including:
 - (A) obligations with respect to bankers' acceptances;
 - (B) contingent reimbursement obligations with respect to letters of credit and other financial instruments; and
 - (C) all Purchase Money Obligations which would be indebtedness under GAAP but excluding, for greater certainty, trade indebtedness accounted for as accounts payable, accrued expenses and other similar current liabilities incurred in the ordinary course of operations determined in accordance with GAAP;
 - (ii) any Capital Lease Obligation of such Person; and

- (iii) all undertakings of such Person in respect of obligations of any Person of the type described in (i) which such Person has guaranteed, directly or indirectly, or the holder of which such Person has otherwise assured against loss thereon.
- (bb) **"Interest Period"** for an Advance means: (i) initially, the period from and including the date of the Advance to but excluding the next following Reset Date; and (ii) subsequently, each period from and including a Reset Date to but excluding the next following Reset Date.
- (cc) **"Issue Date"** for a Debenture means the date on which the Debenture is issued.
- (dd) **"Lien"** means any mortgage, hypothec, lien, pledge, assignment, charge, security interest, title retention agreement intended as security, or other similar encumbrance and any other arrangement which has the effect of granting security.
- (ee) **"Limited Recourse Debt"** means Indebtedness, under which recourse in respect of a default in the repayment of such Indebtedness is limited to the asset or assets acquired with such Indebtedness by the Borrower or any Related Entity.
- (ff) **"Material Related Entity"** means, at any relevant time, any Related Entity, the book value of whose assets, rights and properties constitutes in excess of 10% of the book value of the assets, rights and properties of the Borrower and all its Related Entities, considered as a whole.
- (gg) **"Maturity Date"** has the meaning given to it in paragraph 11(a) hereof.
- (hh) **"Obligations"** means the amount of all Advances provided to the Borrower pursuant to this Agreement and any unpaid interest thereon.
- (ii) **"Officer's Certificate"** means a certificate of the Borrower that has been signed by an Authorized Officer.
- (jj) **"Operating Line of Credit"** means a credit facility funding the day-to-day operating requirements of the Borrower and does not include use for long-term capital investments.
- (kk) **"Permitted Liens"** means and refers to:
 - (i) Liens to which any Acquired Assets are subject at the time such Acquired Assets are acquired by the Borrower or any Related Entity provided that such Lien is limited to the Acquired Assets and such Lien has not been created or incurred in anticipation of such acquisition;
 - (ii) any Lien on or against cash or marketable debt securities to secure Financial Instrument Obligations incurred by the Borrower or any Related Entity in the course of its operations and not for speculative purposes;
 - (iii) any Lien in respect of a Purchase Money Obligation, Capital Lease Obligation or Limited Recourse Debt incurred in connection with or

within 180 days of the acquisition, construction or improvement of any Acquired Assets and which secures the purchase price of such asset or the cost of acquiring, constructing or improving such asset provided that the amount secured by such Lien does not exceed the purchase price or cost of acquiring, constructing or improving such asset (including any applicable interest and/or lease payments to be paid);

- (iv) any Liens to which assets acquired or which are deemed to have been acquired by the Borrower or any Related Entity pursuant to a merger or other combination with any other entity are subject at the time of such merger or other combination;
- (v) Liens for Taxes, utility charges, levies, assessments or governmental charges:
 - (A) not at such time past due; or
 - (B) the validity of which are being contested in good faith and by appropriate proceedings;
- (vi) the Lien of any judgment rendered, or claim filed, which is being contested in good faith and by appropriate proceedings;
- (vii) undetermined or inchoate Liens and charges incidental to, purchases of goods, construction, maintenance or current operations which have not at such time been filed or registered pursuant to law, which relate to obligations which are at such time not past due or which, if filed or registered, are being contested in good faith and by appropriate proceedings;
- (viii) easements, rights-of-way, servitudes or other similar rights in property (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons;
- (ix) security given to a public utility or any municipality or governmental or other public authority when and to the extent required by such utility or municipality or other authority in the ordinary course of operations of the Borrower or any Related Entity and not in connection with the borrowing of money or obtaining of credit by the Borrower or any Related Entity;
- (x) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;
- (xi) the reservation in any original grant from the Crown of any land or interests therein and statutory exceptions to title;

- (xii) Liens created or assumed by the Borrower or any Related Entity if an Authorized Officer has certified to OIPC that such Liens secure amounts which are not material having regard to the then current market value of the assets, rights and properties of the Borrower and its Related Entities, considered as a whole;
 - (xiii) any renewal, replacement or temporal extension (or successive renewals, replacements or extensions) in whole or in part of any Permitted Lien so long as the principal amount secured by such Permitted Lien does not exceed the principal amount secured by the Permitted Lien immediately prior to such extension;
 - (xiv) any and all Liens, whether direct or indirect, contingent or otherwise, to which any of the assets, rights and properties of the Borrower and its Related Entities are subject on the date of this Agreement;
 - (xv) Liens or any rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease;
 - (xvi) an Operating Line of Credit with the Toronto Dominion Bank in the amount of \$500,000.00 which is secured by a general security agreement registered under the *Personal Property Security Act (Ontario)*; and
 - (xvii) a promissory note with the Town of Cobourg in the amount of \$7,000,000.00.
- (ll) “**Person**” includes an individual, firm, partnership, trust, trustee, executor, administrator, legal personal representative, government, governmental body or authority, corporation or other incorporated or unincorporated entity.
- (mm) “**Prime Rate**” means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the Reference Banks as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the “Prime Rate” shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.
- (nn) “**Principal Amount**” of an interest-bearing Debenture means the amount stated to be payable at maturity, exclusive of any interest.
- (oo) “**Project**” has the meaning given to it in the second recital hereof.
- (pp) “**Public Authority**” means any governmental, regional, municipal or local body having authority over either of the parties.
- (qq) “**Purchase Money Obligation**” means any unpaid part of, or indebtedness incurred or assumed for the purpose of acquiring, a particular asset, right or property, the repayment of which is secured by recourse against such asset, right or property.

- (rr) **"Reference Banks"** means, collectively, The Toronto-Dominion Bank, Bank of Nova Scotia, Bank of Montreal, Royal Bank of Canada and Canadian Imperial Bank of Commerce.
- (ss) **"Related Entity"** means any company, corporation, partnership or other entity which is controlled by the Borrower either through the ownership of voting securities, by contract or otherwise.
- (tt) **"Reset Date"** has the meaning given to it in paragraph 9(a) hereof.
- (uu) **"Successor Entity"** has the meaning given to it in paragraph 14 hereof.
- (vv) **"Taxes"** means any present or future income, excise, stamp, capital, goods and services, property or other taxes, levies or withholding imposed by any taxing authority.

2. Representations and Warranties

The Borrower represents and warrants to OIPC that:

- (a) the information contained in the Application, to the extent that it relates to the Borrower or the Project, is true and correct in all material respects as of the date of this Agreement;
- (b) the Borrower has been duly incorporated pursuant to Section 142 of the *Electricity Act*, 1998 (Ontario) as amended, all of the shares of the Borrower are held by one or more municipal corporations and the Borrower is in the business of generating, transmitting, distributing, or retailing electricity and has the corporate power and capacity to:
 - (i) own, lease and operate its properties and assets and to carry on its activities as a generator, transmitter, distributor or retailer of electricity;
 - (ii) to borrow money;
 - (iii) to enter into and complete the Project; and
 - (iv) to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) the Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (d) the Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a valid and legally binding obligation, enforceable against the Borrower in accordance with its respective terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally;

- (e) the execution and delivery by the Borrower of this Agreement and the performance by the Borrower of its obligations hereunder do not violate, result in a breach of, or constitute a default under:
 - (i) any of the terms, conditions or provisions of its constituting documents or by-laws of the Borrower;
 - (ii) any resolution of the board of directors or any financial plan, budget, borrowing strategy or investment strategy of the Borrower; or
 - (iii) any statute, regulation or other law applicable to the Borrower;
- (f) the Borrower is not currently in default under any Indebtedness and undertakes to immediately inform OIPC if it is in default under any Indebtedness at any time; and
- (g) subject only to minor title defects not individually or in the aggregate material nor materially and adversely affecting the use thereof and subject to any security granted to OIPC pursuant to the provisions hereof, the Borrower has good and marketable title to its real and personal properties.

The representations and warranties set out in this paragraph 2 shall survive the execution and delivery of this Agreement and the making of any Advances to the Borrower, notwithstanding any investigations or examinations which may be made by OIPC or any counsel to it.

3. Covenants

The Borrower covenants and agrees with OIPC that, unless OIPC otherwise consents in writing, so long as any Advance is outstanding:

- (a) the proceeds of all Advances provided by OIPC to the Borrower shall be applied only to capital expenditures in respect of hard and soft capital costs actually incurred or to be incurred by the Borrower, if such costs and expenditures are directly related to the Project and not for any other purpose;
- (b) the proceeds of each Debenture shall be applied only to either:
 - (i) repayment of Advances, as more particularly set out in paragraph 11 below; or
 - (ii) capital expenditures in respect of hard and soft capital costs actually incurred or to be incurred if OIPC in its sole discretion has agreed to purchase a Debenture prior to making any Advance or prior to the expenditure of all or any portion of the Committed Amount on the Project, by the Borrower, if such costs and expenditures are directly related to the Project in respect of which the Debenture is being issued; or
 - (iii) legal costs and expenses directly related to the issue of such Debenture;

and not for any other purpose;

- (c) the Borrower shall duly and punctually pay or cause to be paid when due and payable the principal of and interest on all Advances and all other amounts owing in respect of all Advances, in conformity with the terms of this Agreement, and it shall faithfully observe and perform all the conditions, covenants and requirements of this Agreement;
- (d) the Borrower will not, nor will it permit any Material Related Entity to, create, assume or suffer to exist any Lien upon the whole or any part of its assets, rights or properties (both real and personal, including licences, franchises, permits and leasehold interests) whether now owned or hereafter acquired if such Lien secures Indebtedness and is a Lien for the benefit of any Person other than OIPC unless such Lien is a Permitted Lien;
- (e) the Borrower will not, nor will it permit any Material Related Entity to, sell, assign or otherwise dispose of any of its assets, rights and properties whether in a single transaction or a series of transactions, other than to the Borrower, unless:
 - (i) such sale, assignment or other disposition is not material having regard to the assets, rights and properties of the Borrower and the Material Related Entities, taken as a whole or effected in the ordinary course of operations of the Borrower or the Material Related Entities, as applicable;
 - (ii) the Borrower, concurrent with the completion of such sale, assignment or other disposition, provides OIPC with a certificate of an Authorized Officer to the effect that such Authorized Officer has no reason to believe that, after giving effect to such sale, assignment or other disposition, the Borrower will not be able to meet all of its financial obligations in accordance with their terms; including its obligation to pay principal and interest on the Advances; or
 - (iii) in the case of a disposition of all or substantially all of its assets, the Borrower complies with paragraph 14 of this Agreement;
- (f) the Borrower shall as soon as practicable following the approval thereof by the Borrower and, in any event, within 120 days after the end of each Fiscal Year of the Borrower, furnish OIPC with such number of copies as OIPC may reasonably request of an annual balance sheet, statement of revenue and expense, statement of changes in net assets, statement of cash flows, prepared in accordance with GAAP as applied to the presentation of financial information of the Borrower and reported on by an independent accountant and independent auditor; the Borrower shall furnish OIPC at the same time with a separate note with a detailed calculation of financial ratios as required under this Agreement;
- (g) the Borrower shall furnish OIPC as soon as practicable with any other financial reporting information that OIPC may require at its discretion and at any time prepared in accordance with GAAP.

- (h) the Borrower will at all times maintain its existence as a body corporate with all necessary approvals to carry on its operations as a municipal corporation that generates, transmits, distributes, or retails electricity under Applicable Law and conduct its operations in a proper and efficient manner, and will keep or cause to be kept proper books of account and will take all necessary steps to ensure that its Material Related Entities conduct their operations in a proper and efficient manner and keep or cause to be kept proper books of account;
- (i) the Borrower shall maintain in force with reputable insurers insurance with respect to losses of or damage to its assets from such risks, casualties and contingencies and of such types and in such amounts and subject to such deductible amounts as are customary in the case of prudent persons of established reputation engaged in the same or similar businesses with similar assets, and any other form(s) of appropriate insurance that a prudent person in the business of operating a municipal corporation for the purposes of generating, transmitting, distributing or retailing electricity under Applicable Law would maintain. The Borrower's insurance carriers and policy provisions must be acceptable to OIPC and must remain in effect for the duration of this Agreement. OIPC shall be named as an additional insured on all such insurance policies. The Borrower shall submit certificates of insurance as evidence of the above required insurance to OIPC prior to any Advances pursuant to this Agreement. Subsequent to Project completion, the Borrower shall maintain adequate liability, machinery replacement insurance naming OIPC as an additional insured on said insurance policies;
- (j) the Borrower shall execute and deliver the general security agreement in the form provided and attached as Schedule "E" to this Agreement in order to give OIPC a second-ranking security interest behind the Toronto Dominion Bank in the present assets of the Borrower as well as those assets acquired subsequent to the effective date of this Agreement;
- (k) since the date of incorporation of the Borrower, there has been no development materially adversely affecting the business or financial condition or position of the Borrower or its ability to carry on business as presently conducted or as contemplated hereunder to be conducted;
- (l) the Borrower shall submit project management reports to OIPC for the Project (the "Reports") pursuant to the attached Schedule "D" to this Agreement; such Reports to be completed to the satisfaction of OIPC;
- (m) the Borrower shall not issue any preferred shares without first seeking the written approval of OIPC;
- (n) the Borrower shall notify OIPC in writing prior to any new debt issuance and shall seek the written approval of OIPC where: (1) the Debt Service Coverage Ratio subsequent to any new debt issue would fall below 1.30 to 1 at any time, (2) the Current Ratio would fall below 1.1 to 1 at any time, and (3) the Debt to Capital Ratio exceeds 75% at any time, otherwise these ratios will be tested and calculated as of the end of each Fiscal Year as applicable; and

- (o) the Borrower shall notify OIPC as soon as practicable after becoming aware of the occurrence of any Event of Default or of the occurrence of any event or circumstance which, after notice or lapse of time, would become an Event of Default.

For greater certainty, OIPC is not responsible for ensuring that the proceeds of Advances and Debentures provided to the Borrower are in fact used in the manner specified in paragraphs 3(a) and 3(b) above.

4. Project Expenditure Requirements

The Borrower shall not request an Advance in respect of the Project hereunder unless expenditures in an amount no less than the amount of the Advance to be allocated to the Project have actually been incurred by the Borrower prior to the date of such request subject to the right of OIPC to waive this requirement at its sole discretion.

5. Evidence of Advances

OIPC shall open and maintain in accordance with its usual practice books of account evidencing all Advances and all other amounts owing by the Borrower to OIPC. OIPC shall enter in the foregoing accounts details of each Advance and of all amounts from time to time owing or paid by the Borrower to OIPC hereunder, the amounts of principal, interest and fees payable from time to time hereunder. The information entered in the foregoing accounts shall constitute, in the absence of manifest error, *prima facie* evidence of the obligations of the Borrower to OIPC hereunder, the date OIPC made each Advance available to the Borrower and the amounts the Borrower has paid from time to time on account of the principal of, interest on and fees related to the Advances.

6. Procedure for Obtaining Advances

(a) The Borrower may request an Advance to be made on either the 1st or the 15th day of any calendar month or the first Business Day following such date if such date is not a Business Day (either of which is defined as the "Advance Date") by delivering to OIPC at the address shown on Schedule "B" hereto no later than five (5) Business Days prior to the Advance Date on which the Advance is required, by courier or fax, an irrevocable Drawdown Certificate.

(b) The principal amount of all Advances will be tendered to the Borrower by electronic transfer of funds to an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to OIPC by the execution and delivery of the attached Schedule "C" to this Agreement and the Borrower undertakes to notify OIPC immediately in writing of any changes in its designated account for the purposes of such deposit.

7. Conditions Precedent to Advances

OIPC shall not make any Advance until each of the following conditions precedent has been satisfied:

- (a) OIPC shall have received a Drawdown Certificate in respect of the Advance requested;

- (b) at OIPC's discretion, if any issues that were raised in any audit conducted under paragraph 18(a) have been resolved to OIPC's satisfaction and/or OIPC has neither required an audit under paragraph 18(a) nor is such an audit ongoing;
- (c) the amount of the requested Advance when added to the aggregate amount of Advances then outstanding in respect of the Project does not exceed the Committed Amount for the Project;
- (d) the representations and warranties of the Borrower set out in paragraph 2 hereof shall be true and correct as at the date of the Advance, as evidenced by a Drawdown Certificate;
- (e) the Borrower shall not be in material default of any of its obligations under this Agreement as at the date of the Advance, as evidenced by a Drawdown Certificate;
- (f) no Event of Default shall have occurred and be continuing;
- (g) expenditures on the Project shall have been incurred subject to paragraph 4, as evidenced by a Drawdown Certificate;
- (h) a legal opinion from the Borrower's external legal counsel addressed to OIPC and in the form and substance satisfactory to OIPC shall have been delivered to OIPC on or prior to the first Advance made by OIPC;
- (i) at OIPC's discretion, the requested Advance when added to the aggregate amount of all Advances then outstanding does not exceed the Advance requests as noted in Schedule "A" hereto;
- (j) OIPC shall have received evidence in the form of valid certificates of insurance from the Borrower that OIPC has been named as an additional insured on all insurance policies in association with the construction of the Project by the entity that is responsible for the development of the Project and that has been retained by the Borrower;
- (k) OIPC shall have either been named as a dual obligee on any surety bonds (e.g., performance and labour and materials bond) issued to the Borrower by the surety or the Borrower shall have ensured that a dual obligee rider (naming OIPC as a obligee) has been inserted into any surety bond issued to the Borrower by the surety; and
- (l) the Borrower shall have provided OIPC with copies of any powers of attorney which accompany any surety bonds issued to it as evidence of authorization from the surety company.

8. Conditions Precedent to Debenture Purchases

OIPC shall not purchase any Debenture until each of the following conditions precedent, has been satisfied, subject also to paragraphs 10 and 11:

- (a) OIPC shall have received a Debenture Purchase Certificate;
- (b) the amount from the proceeds of the Debenture purchase when added to the aggregate amount of Debentures then outstanding in respect of the Project does not exceed the Committed Amount;
- (c) the representations and warranties of the Borrower set out in paragraph 2 hereof shall be true and correct as at the date of the Debenture purchase, as evidenced by a Debenture Purchase Certificate;
- (d) the Borrower shall not be in material default of any of its obligations under this Agreement as at the date of the Debenture purchase, as evidenced by a Debenture Purchase Certificate;
- (e) at OIPC's discretion, if any issues that were raised in any audit conducted under paragraph 18(a) have been resolved to OIPC's satisfaction and/or OIPC has neither required an audit under paragraph 18(a) nor is such an audit ongoing;
- (f) no Event of Default shall have occurred and be continuing;
- (g) a legal opinion from the Borrower's external legal counsel addressed to OIPC and in the form and substance satisfactory to OIPC shall have been delivered to OIPC;
- (h) expenditures on the Project shall have been incurred or will be incurred if OIPC in its sole discretion has agreed to purchase a Debenture prior to making any Advance or prior to the expenditure of all or any portion of the Committed Amount on the Project, as evidenced by a Debenture Purchase Certificate;
- (i) OIPC shall have received evidence in the form of valid certificates of insurance from the Borrower that OIPC has been added as a named insured on all insurance policies in association with the construction of the Project by the entity that is responsible for the development of the Project and that has been retained by the Borrower;
- (j) OIPC shall have either been named as a dual obligee on any surety bonds (e.g., performance and labour and materials bond) issued to the Borrower by the surety or the Borrower shall have ensured that a dual obligee rider (naming OIPC as a obligee) has been inserted into any surety bond issued to the Borrower by the surety; and
- (k) the Borrower shall have provided OIPC with copies of any powers of attorney which accompany any surety bonds issued to it as evidence of authorization from the surety company.

9. Interest on Advances

(a) Each Advance shall bear interest at a floating rate per annum as determined by OIPC based on OIPC's cost of funds plus OIPC's prevailing spread assigned to the borrower sector for program delivery costs and risks (the "Advance Interest Rate"). The Advance Interest Rate for an Advance for the initial Interest Period shall be set by OIPC based on OIPC's cost of

funds plus OIPC's prevailing spread assigned to the borrower sector for program delivery costs and risks and will be effective on the date of the Advance. The Advance Interest Rate for each subsequent Interest Period shall be reset on the first Business Day of each calendar month (each such Business Day, a "Reset Date") for the following Interest Period as set by OIPC at its discretion and will be effective on the Reset Date, which Advance Interest Rate as so reset shall apply to the Advance for such Interest Period until reset again.

(b) Interest accrued during an Interest Period on the principal balance of an Advance outstanding during such Interest Period shall be payable in arrears on the first Business Day of the calendar month following the Interest Period in an amount equal to the product of the Advance Interest Rate in effect during such Interest Period and the principal balance of the Advance outstanding as at the Reset Date for such Interest Period, or in the case of an initial Interest Period the principal balance outstanding on the date of the Advance, multiplied by a fraction, the numerator of which is the number of days in the Interest Period and the denominator of which is 365.

(c) Payments of interest due by the Borrower for any Advance, and any other payments due under this Agreement, shall be made by pre-authorized debit from an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to OIPC by the execution and delivery of the attached Schedule "C" to this Agreement which Schedule forms part of this Agreement, together with such other authorizations, voided cheques and other documentation as the deposit-taking institution and the rules of the Canadian Payments Association may require for such pre-authorized debit, and the Borrower undertakes to notify OIPC immediately in writing of any changes in its designated account for the purposes of pre-authorized debits.

(d) The Borrower shall pay interest to OIPC on any overdue amount of principal or interest in respect of any Advance, both before and after demand, default, maturity and judgment, at a rate per annum equal to the Prime Rate plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue, and the Borrower shall pay to OIPC any and all costs and losses incurred by OIPC as a result of the payment having been overdue.

(e) For purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal amount of any Advance for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

10. Purchase of Debentures

(a) Provided that the Borrower is not in default under this Agreement, that all of the conditions precedent listed in paragraph 8 have been satisfied and that none of the events specified in paragraph 13(c) shall have occurred and be continuing, and upon satisfaction of such other usual and customary conditions precedent as OIPC and its legal counsel may reasonably require, and subject to paragraph 11 hereof, OIPC agrees to purchase Debentures from the Borrower on the 1st or 15th of the calendar month next following the debenture purchase date(s)

as noted on the attached Schedule "A" and as determined in the sole discretion of OIPC ("Debt Purchase Date") and/or at a time or times to be determined at the sole discretion of OIPC, on or prior to the Facility Termination Date in an aggregate Principal Amount not to exceed the Committed Amount and subject to the detailed Debt purchase process to be provided to the Borrower.

(b) The purchase price for any Debt issued in accordance with paragraph 10(a) shall be satisfied by virtue of and to the extent of the satisfaction of the Obligations effected by such issuance pursuant to paragraph 11(d). Satisfaction of such purchase price by such means shall be deemed to be equivalent for all purposes, to the receipt by the Borrower from OIPC of a sum of money equal to the amount of the Obligations so satisfied. If such purchase price exceeds the amount of the Obligations so satisfied, OIPC shall pay such excess to the Borrower in immediately available funds upon the issue of the Debentures.

(c) If OIPC agrees to purchase a Debt(s) from the Borrower prior to making any Advance or prior to the expenditure of all or any portion of the Committed Amount on the Project, the Borrower agrees that it will submit an annual report to OIPC, in the form to be provided by OIPC, verifying that all proceeds of such Debt(s) have been used exclusively for the financing of the Project during the relevant period. The first such report shall be due on the first anniversary of the purchase of the Debt(s) by OIPC and subsequent reports shall be due annually thereafter on subsequent anniversaries until such time as all the proceeds of such Debt(s) have been expended.

(d) The purchase price for Debentures, in excess of the principal amount of any outstanding Obligations, will be tendered to the Borrower by electronic transfer of funds to an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to OIPC by the execution and delivery of the attached Schedule "C" to this Agreement and the Borrower undertakes to notify OIPC immediately in writing of any changes in its designated account for the purposes of such deposit.

11. Issue of Debentures and Repayment of Advances

(a) Each Advance shall be due and payable in full on the earlier of the Facility Termination Date or the Debt Purchase Date for the Project for which the Advance was made (the "Maturity Date"), subject to OIPC's right to extend the Maturity Date in its sole discretion. The Borrower shall repay the Advance on the Maturity Date by:

- (i) paying an amount equal to the Advance to OIPC in immediately available funds;
- (ii) converting the Advance into long term financing by issuing to OIPC one or more Debentures in a principal amount at least equal to the Advance to be repaid; or
- (iii) any combination of (i) and (ii).

(b) The Borrower shall notify OIPC at least sixty (60) days in advance of the Debt Purchase Date as noted on Schedule "A" hereto if the Debt(s) will not be offered for purchase on such date and the Borrower shall propose another Debt Purchase Date

subject to OIPC's rights under paragraph 10(a) and subject to OIPC's right to reject the new Debenture Purchase Date.

(c) An Advance may be repaid at any time prior to its Maturity Date at the discretion of OIPC and subject to such terms and conditions as may be imposed at OIPC's discretion. The principal amount of any such repaid Advance cannot be subsequently borrowed by the Borrower.

(d) The issuance of Debentures shall satisfy the Obligations then outstanding to the extent of the aggregate Principal Amount of such issuance with the exception that any amount owing for interest on the Obligations on the Issue Date will be payable on the next following Reset Date and will not be added to the aggregate Principal Amount of such issuance. If such aggregate Principal Amount is less than the total amount of the Obligations, then the principal owing on the balance of the Obligations shall be repaid on the Issue Date to the extent of such aggregate Principal Amount and the interest owing on such balance on the Issue Date will be payable on the next following Reset Date, subject to the right of OIPC to permit the Borrower to satisfy the said balance of the Obligations at a later date.

(e) The interest rate for each Debenture (the "Debenture Interest Rate") shall be fixed by OIPC based on OIPC's cost of funds plus OIPC's prevailing spread assigned to the borrower sector for program delivery costs and risks. A rate confirmation letter will be sent to the Borrower by OIPC confirming the interest rate to be offered for the Debenture and the Borrower's acceptance of such rate shall be conclusive proof of acceptance of the rate offered.

(f) Payments of principal and interest due on each Debenture, and any other payments due under this Agreement, shall be made by pre-authorized debit from an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to OIPC by the execution and delivery of the attached Schedule "C" to this Agreement, together with such other authorizations, voided cheques and other documentation as the deposit-taking institution and the rules of the Canadian Payments Association may require for such pre-authorized debit, and the Borrower undertakes to notify OIPC immediately in writing of any changes in its designated account for the purposes of pre-authorized debits.

12. Security and Standby Fees

(a) As continuing collateral security for the payment by the Borrower to OIPC under the terms of this Agreement and for performance by the Borrower of its obligations hereunder, the Borrower acknowledges and agrees that OIPC is to have the benefit of the general security agreement as more particularly described in Schedule "E" hereto.

(b) The Borrower shall pay OIPC a standby fee (the "Standby Fee") calculated at the rate of 25 basis points (0.25% per annum) on the unadvanced balance of the Committed Amount should the Borrower fail to draw any funds pursuant to this Agreement from OIPC during any period of twelve (12) consecutive months commencing initially from the Effective Date of this Agreement and subsequently from the date of the draw of any such funds until the earlier of the Facility Termination Date or the full advance of the Committed Amount. The Standby Fee shall be calculated daily on the basis of a calendar year of 365 or 366 days, as the case may be, and shall be due and payable by the Borrower monthly in arrears on the last Business Day of each month in accordance with the pre-authorized debit procedure outlined in paragraphs 9(c) and 11(f) above.

13. Term, Termination and Default

(a) This Agreement shall terminate ten (10) Business Days following the date on which the last Obligations outstanding hereunder are paid in full or following the last payment made by the Borrower to OIPC as specified on the Debenture(s) and or general security agreement pursuant to this Agreement unless earlier terminated in accordance with paragraphs (b) or (c) below.

(b) OIPC may terminate its obligations under this Agreement on thirty (30) days prior notice in writing to the Borrower if in the reasonable opinion of OIPC the Borrower is in material default under this Agreement, other than for any cause enumerated in (c) below or if OIPC rejects a new Debenture Purchase Date pursuant to section 11(b).

(c) OIPC may terminate any or all of its obligations under this Agreement immediately, subject to paragraph (d) below,

(i) if the Borrower:

- (A) fails to make one or more payments of principal or interest in respect of any Advance or Debenture within five (5) Business Days after the same becomes due and payable;
- (B) reaches or exceeds any updated debt and financial obligation limit imposed by its by-laws or any resolution of the Board of Directors of the Borrower;
- (C) has failed to pay principal of or interest on any Indebtedness other than the Advances or Debentures issued under this Agreement when due and such default continues for five (5) Business Days;
- (D) has failed to meet and pay any of its liabilities and obligations other than Indebtedness when due and default in payment is occasioned from financial difficulties affecting the Borrower;
- (E) has or may become involved in financial difficulties such that default or unusual difficulty in meeting debts or obligations or in providing adequate funds to meet current expenditures may ensue;
- (F) uses any Advance or the proceeds of any Debenture financing provided by OIPC for any purpose other than financing the Project;
- (G) takes any action to authorize the termination of the existence of the Borrower or a resolution is passed authorizing the termination of the existence of the Borrower, unless such action or resolution is being pursued by the Borrower on the basis that it has made provision for payment of all of its Indebtedness including all of the Advances and Debentures issued under this Agreement, that no court proceedings are pending against it and that it has obtained the approval of its creditors to a plan for the rateable distribution of all of its property; or

- (H) is subject to any proceeding whereby such proceeding shall be instituted against the Borrower or applying to a substantial part of its property or assets seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or any substantial part of its property or debt under any law relating to bankruptcy, insolvency or reorganization or relief of debts, or seeking an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and such proceeding shall have continued undismissed or unstayed for sixty (60) days, or a creditor or creditors of the Borrower shall privately appoint a receiver, trustee or similar official for any substantial part of the property of the Borrower and, if the Borrower shall be contesting such appointment in good faith, such appointment shall continue for ninety (90) days; or any such action or proceeding shall have been consented to or not expeditiously opposed by the Borrower;
- (ii) if the Borrower shall fail to observe or perform any covenant or condition contained herein and the Borrower shall not make good such default within a period of thirty (30) days after written notice has been given to the Borrower by OIPC;
- (iii) if the representations and warranties made by the Borrower in this Agreement and/or the Application, or in any certificate or other document delivered hereunder shall be incorrect in any material respect when made and, if such incorrect representation or warranty is curable, the Borrower shall fail to make good such default within a period of thirty (30) days after notice in writing has been given to the Borrower by OIPC;
- (iv) if issues raised in an audit required under paragraph 18(a) have not been resolved to OIPC's satisfaction within a reasonable time after the Borrower has been notified of such issues;
- (v) if the report of the auditors on any annual financial statements delivered pursuant to paragraph 3(f) or any other financial information requested by OIPC delivered pursuant to paragraph 3(g) hereof shall be qualified in any way which OIPC acting reasonably deems to be materially adverse or if the Borrower should fail to supply any documents requested pursuant to paragraphs 3(f) and (g);
- (vi) if any final judgment is obtained against the Borrower for an amount in excess of \$100,000 and, within 10 days of the obtaining thereof, such judgment has not been discharged or execution thereunder stayed; or
- (vii) if at any time any licence or approvals required by the Borrower by any Applicable Law or Public Authority to carry on the business of a municipal corporation for the purposes of generating, transmitting,

distributing or retailing electricity has been assigned, cancelled or suspended;

- (viii) if the Borrower shall fail to have obtained the consent required under paragraph 14(i);
- (ix) if the Borrower shall enter into any Indebtedness which is senior to any Indebtedness to OIPC, other than pursuant to this Agreement, subsequent to the date of this Agreement without the prior written consent of OIPC;
- (x) if the shares of the Borrower are no longer held exclusively by one or more municipal corporations as further described in paragraph 2(b) above; or
- (xi) if the Borrower fails to comply with any financial or project management requirement described herein.

(d) If OIPC elects to terminate its obligations under this Agreement pursuant to paragraph 13(c) hereof, it shall give notice in writing of such termination to the Borrower, specifying the reason for such termination. Upon delivery of such notice OIPC shall have no further obligation to make any Advances or to purchase any Debentures hereunder. In such notice OIPC may also declare all Obligations and Debentures outstanding hereunder to be immediately due and payable, whereupon such Obligations and Debentures shall become immediately due and payable pursuant to paragraph 11(f) in addition to any other rights or remedies that OIPC may have at law or in equity to enforce such Obligations and Debentures.

(e) No delay on the part of OIPC in exercising any remedy and no waiver by OIPC of any of its rights against the Borrower shall operate as a waiver of any other rights nor shall any single or partial exercise of any remedy against the Borrower restrict other or further exercises of such remedy, all remedies being cumulative and not exclusive.

(f) If OIPC elects to terminate its obligations under this Agreement in accordance with paragraphs 13(b) or (c) above, OIPC, at its discretion, shall assess any losses that it may incur as a result of the early termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the net present value of the Debenture, the Borrower shall pay the difference between these two amounts to OIPC. Net present value will be calculated based on the following formulae: For Bullet Debenture – $[(\text{principal}) / (1+(r/2))^n] + [\text{interest payment} / (r/2) * (1 - (1/(1+(r/2))^n))]$ or for Serial Debenture – $[(\text{principal}) / (1+(r/2))^n] + [\text{interest payment} / (r/2) * (1 - (1/(1+(r/2))^n))]$ for each remaining serial principal repayment or for Amortizing Debenture – $[\text{loan payment} / (r/2) * (1 - (1/(1+(r/2))^n))]$, where “r” is the prevailing lending rate less an appropriate basis point deduction for costs incurred and “n” is the number of semi-annual periods to maturity.

14. Successor Corporations

The Borrower may:

- (a) amalgamate, merge, consolidate or otherwise combine pursuant to statute or by private agreement with any other Person, or

- (b) sell, lease or otherwise dispose of all or substantially all of its assets, rights and properties, whether in a single transaction or a series of related transactions, to any other Person;

provided, in either case that:

- (i) the prior written consent of OIPC is obtained;
- (ii) the resulting or acquiring entity (the "Successor Entity") is a body corporate existing and organized under the laws of Canada or any province or territory thereof;
- (iii) the Successor Entity is an Eligible Borrower;
- (iv) the Successor Entity expressly assumes the due and punctual payment of the principal of, and all interest on all Advances and all other amounts owing hereunder and the performance and observance of all of the covenants and conditions of this Agreement on the part of the Borrower to be performed;
- (v) the Successor Entity delivers an opinion acceptable to counsel for OIPC, acting reasonably, to the effect that the Successor Entity has validly assumed such obligations; and
- (vi) no Event of Default shall have occurred or be continuing as of the effective date of each such transaction or shall arise as of the effective date of each such transaction and as a result thereof and the Borrower shall have provided OIPC with an Officer's Certificate to such effect.

15. Communications Requirements

(a) OIPC and the Borrower will work together to ensure that OIPC financing of the Project receives recognition and prominence through agreed upon communications activities. An example of such activity could include signage at the project site signifying Government of Ontario project financing.

(b) OIPC reserves the right to undertake its own communications activities in relation to OIPC financing of the Project at anytime in its sole discretion and at its expense.

(c) All joint communications activities between the Borrower and OIPC must comply with the Government of Ontario's Visual Identity Directive and guidelines.

16. Project Management Requirements

(a) As a condition of OIPC making financing available to the Borrower as further described in the second recital hereof, the Borrower shall: (1) be required to have a qualified project manager in place for the Project subject to OIPC approval; (2) comply with OIPC's project management reporting requirements for the Project; and (3) shall submit the Reports to OIPC pursuant to and as further described in the attached Schedule "D" to this Agreement.

(b) Reports submitted by the Borrower to OIPC are for OIPC's reference only and in no way shall OIPC, its officers, directors, agents, subcontractors, or employees be held responsible or liable at law for: (a) any claim, demand or action brought forward by any party, including third parties, against OIPC; and (b) direct or indirect consequential damages, including bodily injury, death or property damages, arising out of or in any way related to the Reports, this Agreement or the Project.

17. Indemnity

To the fullest extent permitted by law, the Borrower shall indemnify and hold harmless OIPC, its officers, directors, employees and agents (the "Indemnified Parties") from and against all (a) claims and causes of action, pending or threatened, of any kind (whether based in contract, tort or otherwise) by third parties or by whomever made related to or arising out of or in any way related to the Reports, this Agreement or the Project and (b) liabilities, losses, damages, costs and expenses (including, without limitation, legal fees and disbursements) suffered or incurred by any of the Indemnified Parties in connection with any claims or causes of action described in (a) above. The obligations contained in this paragraph shall survive the termination or expiry of this Agreement.

18. General Provisions

(a) OIPC reserves the right to audit compliance with this Agreement at any time. Such right will survive any termination of this Agreement. The cost of any such audit will be at OIPC's or the Borrower's expense at OIPC's discretion. The Borrower is required to keep any supporting documents required for any such audit for a minimum of seven (7) years.

(b) No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each party.

(c) The Borrower may not assign its rights or transfer its obligations under this Agreement without the prior written consent of OIPC. OIPC may assign its rights or transfer its obligations under this Agreement without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

(d) This Agreement, together with the Schedules, the Application, the Drawdown Certificate, the Debenture Purchase Certificate, the Officer's Certificates delivered hereunder, the annual report provided for in paragraph 10(c) hereof, the Debenture(s) and the general security agreement and their respective terms and conditions delivered hereunder constitute the entire agreement between the parties with respect to the subject matter referenced in those documents and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

(e) Each party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

(f) This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(g) This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

(h) Either party may deliver an executed copy of this Agreement by fax but that party shall immediately deliver to the other party an original executed copy of this Agreement.

(i) Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the address or fax number set out in Schedule "B".

(j) If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (i) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (ii) the legality, validity or enforceability of that provision in any other jurisdiction.

(k) All covenants, agreements, representations and warranties made herein or in any document delivered pursuant to the provisions hereof are material, shall be deemed to have been relied upon by each party hereto and, notwithstanding any investigation heretofore or hereafter made by such party shall survive the execution and delivery of this Agreement until all amounts owing pursuant to the provisions hereof have been paid in full.

(l) Words importing the singular include the plural and vice versa.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first above written.

**ONTARIO INFRASTRUCTURE PROJECTS
CORPORATION**

By: 

Name: Bill Ralph

Title: Senior Vice President, Infrastructure Lending and
Chief Financial Officer

I have authority to bind the Corporation.

LAKEFRONT UTILITIES INC.

By: 

Name: Bruce Craig

Title: President

I have authority to bind the Corporation.

By: 

Name: Stewart Cunningham

Title: Treasurer

I have authority to bind the Corporation.

SCHEDULE "A"
FINANCING SCHEDULE

ONTARIO INFRASTRUCTURE PROJECTS CORPORATION

Financing Schedule

Program Year: 2009/2010

Organization Name: Lakefront Utilities Inc.

Date: Aug 27, 2009

Approved Loan Amount: \$3,800,000.00

Please review, complete areas where indicated, sign, date and return the form to OIPC. The following information will be incorporated into the OIPC Financing Agreement.

The following lists the project information outlined in your application. Please verify that the project details are correct. You may amend the project completion dates or the total project cost if this information has changed since the application was submitted. Transfers between projects or categories are at OIPC's discretion and require pre-approval.

A Project Details

Project Information						Financing Information						
App ID	Project Name	Category	Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)	Total Project Cost	OIPC Loan Amount	Project ID	Term	Type	Amount	Application Request Date * (mm/dd/yyyy)	Revised Request Date (mm/dd/yyyy)
9011	Smart meter installation project	MCOther	7/2/2009	6/30/2010	\$2,100,000.00	\$2,100,000.00	6332	15 y	Amortizing	\$2,100,000.00	9/30/2010	
9011	conversion of existing 4kv electric lines to 27.6k	MCOther	1/2/2009	12/31/2009	\$230,000.00	\$230,000.00	6333	15 y	Amortizing	\$230,000.00	9/1/2009	
9011	2008 capital projects including conversion of 4kv	MCOther	1/2/2008	12/31/2008	\$1,470,000.00	\$1,470,000.00	6334	15 y	Amortizing	\$1,470,000.00	12/1/2009	
						\$3,800,000.00				\$3,800,000.00		

* Please note, debentures are to be purchased after expenditures have been incurred. Please review and adjust the Application Debenture Purchase Date if required ensuring adequate time for the debenture purchase. For further clarifications or questions, please contact Debbie Chen-yin, Loan Operations, Community Loans Management at 416-326-1149.

ONTARIO INFRASTRUCTURE PROJECTS CORPORATION

Financing Schedule

Program Year: 2009/2010

Date: Aug 27, 2009

Organization Name: Lakefront Utilities Inc.

Approved Loan Amount: \$3,800,000.00

B Construction Financing Quarterly Forecast

If you wish to participate in the construction loan program, please indicate the amount of construction financing you require per fiscal quarter and per debenture. A reminder that OIPC provides construction advances based on incurred project expenditures, unless prior approval has been sought.

Project ID	JUL-SEP 2009	OCT-DEC 2009	JAN-MAR 2010	APR-JUN 2010	JUL-SEP 2010	OCT-DEC 2010	JAN-MAR 2011	APR-JUN 2011	JUL-SEP 2011	OCT-DEC 2011
6332										
6333										
6334										

Project ID	JAN-MAR 2012	APR-JUN 2012	JUL-SEP 2012	OCT-DEC 2012	JAN-MAR 2013	APR-JUN 2013	JUL-SEP 2013	OCT-DEC 2013	JAN-MAR 2014	APR-JUN 2014
6332										
6333										
6334										

ONTARIO INFRASTRUCTURE PROJECTS CORPORATION

Financing Schedule

Program Year: 2009/2010

Date: Aug 27, 2009

Organization Name: Lakefront Utilities Inc.

Approved Loan Amount: \$3,800,000.00

C Authorization

I agree that these are the terms for the OIPC loan. I understand that OIPC will use this information to draft the Financing Agreement.

<u>Stewart Cunningham</u>	<u>Stewart Cunningham</u>	<u>Sept 18 / 09.</u>
Treasurer	Signature	Date
PRINT NAME		

DIRECTIONS: Please mail or courier the original signed Financing Schedule to OIPC, 777 Bay Street, 9th Floor, Toronto, ON M5G 2C8

SCHEDULE "B"

ADDRESSES FOR NOTICE

Ontario Infrastructure Projects Corporation
777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8

Attn: Director, Loans Operations
Tel.: 416-326-1149
Fax: 416-263-5900

Lakefront Utilities Inc.
207 Division Street
Cobourg, Ontario K9A 4L3

Attn: Stewart Cunningham, Treasurer
Tel.: 905 372-2193
Fax: 905-372-2581

SCHEDULE "C"

PRE-AUTHORIZED DEBIT ("PAD") AND ACCOUNT FOR DEPOSIT

LAKEFRONT UTILITIES INC.

(1) **Account Holder Information**

Full Legal Name: Lakefront Utility Services Inc.

Exact account name: Lakefront Utility Services Inc.

Address: 207 Division St ^{P.O. Box} 577 City: Cobourg

Province: ON Postal Code: K9A 4L3 Phone #: 905-312-2193

(2) **Financial Institution Information** (Note: Please attach VOID cheque)

(i) **Inflow of Deposits**

Name of Financial Institution: TD Canada Trust

Address: 1 King St. W. + Division St City: Cobourg

Province: ON Postal Code: K9A 4K2 Phone #: 905-312-5411

Transit #: 22722 Institution #: 004 Account #: 324-0847203

(ii) **Outflow of Pre-Authorized Debit**

☒ Same as above

☐ If different from above fill out banking information below

Name of Financial Institution: _____

Address: _____ City: _____

Province: _____ Postal Code: _____ Phone #: _____

Transit #: _____ Institution #: _____ Account #: _____

Sample of the numbering at the bottom of a cheque

001234	01234 - 001		111-222-3
↓	↗	↘	↓
Cheque #	Transit #	Institution #	Account #

SCHEDULE "C"

PRE-AUTHORIZED DEBIT ("PAD") AND ACCOUNT FOR DEPOSIT

LAKEFRONT UTILITIES INC.

Attach VOID Cheque Here:



LAKEFRONT UTILITY SERVICES

207 Division St., P.O. Box 577,
Cobourg, Ontario K9A 4L3
Tel: (905) 372-2193

TD CANADA TRUST
1 KING ST. W. & DIVISION ST.
COBOURG, ONTARIO K9A 4K2

CHEQUE NO.

DATE

M M D D Y Y Y Y

PAY

/ DOLLARS

\$

TO THE
ORDER
OF

LAKEFRONT UTILITY SERVICES INC.

PER _____

PER _____

VOID

⑈0011263⑈ ⑆22722⑈004⑆ 0324⑈0847203⑈

Sample:

Transit/Branch # Financial Institution # Bank Account #

⑈001⑈ ⑆12345⑈678⑆ 1234567⑈

1. Purpose of Debits

☒ **Business PAD**

2. Pre Notification of Amounts

Fixed Amounts: The Company will provide written notice of the amount to be debited and the date of the debit at least ten (10) calendar days before the date of the first debit and every time there is a change in the amount or payment date.

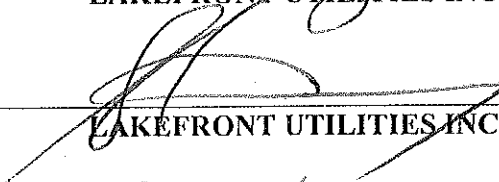
Variable Amounts: The Company will provide written notice of each amount to be debited and the date of the debit at least ten (10) calendar days before the date of each debit.

The Customer and Company agree to waive the above pre notification requirements.

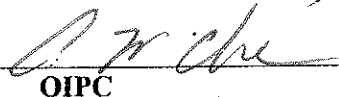
Authorized Signature of Customer: _____


LAKEFRONT UTILITIES INC.

Authorized Signature of Customer: _____


LAKEFRONT UTILITIES INC.

Authorized Signature of Company: _____


OIPC

3. Rights of Dispute

The Customer may dispute a debit under the following conditions: (i) the debit was not drawn in accordance with this Authorization; (ii) this Authorization was revoked or cancelled; or (iii) prenotification (as set out in paragraph 2 above) was not received.

In order to be reimbursed, the Customer must complete a Declaration Form at the above indicated branch of the Bank up to and including ten (10) calendar days, after the date on which the debit in dispute was posted to the Customer's account.

The Customer acknowledges that disputes after the above noted time limitations are matters to be resolved solely between the Company and Customer.

4. Terms of Authorization to Debit the Above Account

The Customer authorizes the Company to debit the above account(s) in the amount of \$ (intentionally left blank) for payments payable to the Company in respect of its indebtedness to OIPC as further identified in the Financing Agreement between the Company and the Customer.

The Bank is not required to verify that any debits drawn by the Company are in accordance with this Authorization or the agreement made between the Customer and the Company.

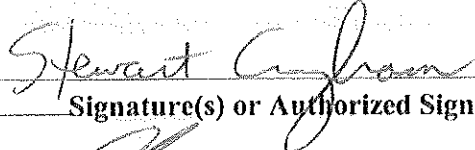
This authorization is to remain in effect until the Company has received written notification from the Customer of its change or termination. This notification must be received at least thirty (30) days before the next scheduled debit by the Company from the account(s) noted above. The Customer may obtain a sample cancellation form, or more information on the right to cancel a PAD Agreement by visiting www.cdnpay.ca. This Authorization applies only to a method of payment and cancellation of this Authorization does not mean that the Customer's contractual obligations to the Company are ended.

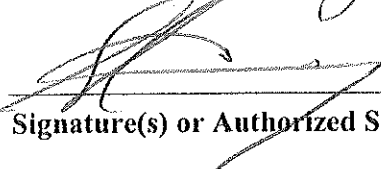
The Customer will notify the Company promptly in writing if there is any change in the above account information.

Ontario Infrastructure Projects Corporation
777 Bay Street, 9th Floor
Toronto, ON M5G 2C8
Attention: Loan Operations Manager

The Customer has certain recourse rights if any debit does not comply with this agreement. For example, the Customer has the right to receive reimbursement for any PAD that is not authorized or is not consistent with this PAD. To obtain more information on the Customer's recourse rights, the Customer can visit www.cdnpay.ca.

Any delivery of this Authorization to the Company constitutes delivery by the Customer to the Bank. It is warranted by the Customer that all persons whose signatures are required to sign on the above account have signed this Authorization. The Customer acknowledges receipt of a signed copy of this Authorization.


Signature(s) or Authorized Signature(s) of Account Holder(s) (Date) Sept. 18/09


Signature(s) or Authorized Signature(s) of Account Holder(s) (Date) Sept 18/09

SCHEDULE "D"

ONTARIO INFRASTRUCTURE PROJECTS CORPORATION PROJECT MANAGEMENT AND BEST PRACTICES REPORTING REQUIREMENTS

Construction Reporting

To help ensure effective and efficient delivery of projects financed (in whole or in part) with funds from the Infrastructure Ontario Loan Program, Ontario Infrastructure Projects Corporation (Infrastructure Ontario) has introduced reporting requirements for all **capital construction projects**. Borrowers are responsible to submit project reports according to the Estimated Project Start Date as indicated in their online application.

Depending on the size of the project, borrowers will be subject to the following requirements.

For projects under \$10,000,000, borrowers will:

- Be required to have a qualified project manager in place for the Project subject to OIPC approval
- Submit standard **quarterly** project management report(s)
- For projects three months in duration or less, only a **final** report is required

For projects over \$10,000,000, borrowers will:

- Be required to have a qualified project manager in place for the Project subject to OIPC approval
- Submit **monthly** project management reports using the Infrastructure Ontario template prior to the end of the second week of each month (for the preceding month)
- The final project management report shall be submitted to Infrastructure Ontario one month after the Project is completed in accordance with subsection 2(3) of the *Construction Lien Act* (Ontario)

Please forward all reports to:

Mail: Customer Relations Coordinator
Infrastructure Ontario
777 Bay St., 9th Fl.
Toronto, Ontario M5G 2C8

Email: Customer.Relations@infrastructureontario.ca

Fax: (416) 263-5900

*For more details on Project Management and Best Practices Reporting, please visit
www.infrastructureontario.ca/private/pmr/index.asp.*

SCHEDULE "E"
GENERAL SECURITY AGREEMENT

For valuable consideration the undersigned (the "Borrower") agrees with Ontario Infrastructure Projects Corporation ("OIPC") as follows:

1. GRANT OF SECURITY INTEREST

As general and continuing security for the payment and performance when due of all Obligations, the Borrower hereby mortgages, charges and assigns to OIPC, and grants to OIPC, and OIPC takes, a Security Interest in the property described in the following paragraphs of this section, and in all property described in any schedules, documents or listings that the Borrower may from time to time sign and provide to OIPC in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment of the obligations payable under the Financing Agreement (the "Financing Agreement") dated and effective as of the 26th day of August, 2009 and made between the Borrower and Ontario Infrastructure Projects Corporation:

- (a) **Accounts Receivable.** All debts, book debts, accounts, claims, demands, money and choses in action, including without limitation, all claims against Her Majesty the Queen in right of Canada or any Province (other than Ontario) or Territory and all claims and benefits under any insurance policies;
- (b) **Inventory.** All inventory, including, without limitation, all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property now or hereafter held for sale, lease or resale or that are to be furnished or have been furnished under a contract of service or that are used or consumed in the business of the Borrower;
- (c) **Equipment.** All goods which are not inventory or consumer goods, including, without limitation, all fixtures, equipment, machinery, vehicles and other tangible personal property;
- (d) **Chattel Paper, Instruments, Securities etc.** All chattel paper, instruments, warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, shares, stock, warrants, bonds, debentures, debenture stock and other securities;

- (e) **Intangibles.** All intangibles, including, without limitation, all contractual rights, goodwill, patents, trade-marks, copyrights, industrial designs and other industrial or intellectual property or rights therein;
- (f) **Books and Accounts, etc.** All books, accounts, invoices, letters, papers, writings, certificates, receipts, documents and other records and data in any form or medium evidencing, representing, creating, giving rise to any rights in respect of or otherwise relating to the property described in paragraphs (a) to (e) inclusive;
- (g) **Real Property.** All real and immovable property, wherever situate, and all buildings, structures, fixtures, hereditaments and appurtenances thereon or relating thereto; and
- (h) **Proceeds.** All property in any form derived directly or indirectly from any dealing with any undertaking or property subject to the Security Interest or that indemnifies or compensates for such undertaking or property being destroyed, damaged, expropriated, stolen or lost and proceeds or proceeds whether of the same type or kind as the original proceeds.

2. GOVERNING LAW

This Agreement is governed by the laws of Ontario.

LAKEFRONT UTILITIES INC.

By: _____

Name: Bruce Craig

Title: President

c/s

I have authority to bind the Corporation.

By: _____

Name: Stewart Cunningham

Title: Treasurer

c/s

I have authority to bind the Corporation.

ADDITIONAL TERMS AND CONDITIONS. THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES

FORM PART OF THIS AGREEMENT.

The Borrower has signed this Agreement on September 18, 2009.

**GENERAL SECURITY AGREEMENT
ADDITIONAL TERMS AND CONDITIONS**

3. FINANCING AGREEMENT

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the liability of the Borrower for payment of the Obligations, the terms, conditions, covenants and warranties upon which the Obligations are issued and held, and the rights and remedies of OIPC, all to the same effect as if the provisions of the Financing Agreement were herein set out.

4. PLACES OF BUSINESS

The Borrower represents and warrants that the locations of all existing Places of Business are specified in Schedule AA. The Borrower will promptly notify OIPC in writing of any additional Places of Business as soon as they are established. Subject to Section 5, the Collateral will at all times be kept at the Places of Business and will not be removed without OIPC's prior written consent.

5. COLLATERAL FREE OF CHARGES

The Borrower represents and warrants that the Collateral is, and agrees that the Collateral will at all times be free, of any Charge or trust except in favour of OIPC or incurred with OIPC's prior written consent. OIPC may, but will not have to, pay any amount or take any action required to remove or redeem any unauthorized Charge. The Borrower will immediately reimburse OIPC for any amount so paid and will indemnify OIPC in respect of any action so taken.

6. USE OF COLLATERAL

The Borrower will not, without OIPC's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Borrower's business). All Proceeds of the Collateral (including among other things received in respect of Receivables), whether or not arising in the ordinary course of the Borrower's business, will be received by the Borrower as trustee for OIPC and will be immediately paid to OIPC.

7. INSURANCE

The Borrower will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as OIPC may reasonably require). At OIPC's request, all policies in respect of such insurance will contain a loss payable clause in favour of OIPC and in any event the Borrower assigns all proceeds of insurance on the Collateral to OIPC. The Borrower will, from time to time at OIPC's request, deliver such policies (or satisfactory evidence of such policies) to OIPC. If the Borrower does not obtain or maintain such insurance, OIPC may, but will not have to, do so. The Borrower

will immediately reimburse OIPC for any amount so paid. The Borrower will promptly give OIPC written notice of any loss or damage to all or any part of the Collateral.

8. INFORMATION AND INSPECTION

The Borrower will from time to time immediately give OIPC in writing all information requested by OIPC relating to the Collateral, the Places of Business, and the Borrower's financial or business affairs. The Borrower will promptly advise OIPC of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Borrower ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. OIPC may from time to time inspect any Books and Records and any Collateral, wherever located. For that purpose OIPC may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Borrower authorizes any Person holding any Books and Records to make them available to OIPC, in a readable form upon request by OIPC.

9. RECEIVABLES

If the Collateral includes Receivables, OIPC may advise any Person who is liable to make any payment to the Borrower of the existence of this Agreement. OIPC may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon an Event of Default, OIPC may collect and otherwise deal with the Receivables in such manner and upon such terms, as OIPC considers appropriate.

10. RECEIPTS PRIOR TO DEFAULT

Until an Event of Default, all amounts received by OIPC as Proceeds of the Collateral will be applied on account of the Obligations in such manner and at such times as OIPC may consider appropriate or, at OIPC's option, may be held unappropriated in a collateral account or released to the Borrower.

11. DEFAULT

(1) **Events of Default.** "Event of Default" means any of the events described in paragraph 13(c) of the Financing Agreement. In case an Event of Default shall occur and be continuing, the full unpaid principal amount together with interest accrued thereon of any obligations outstanding payable under the Financing Agreement at the time of the occurrence, may become or be declared due before stated maturity by OIPC.

(2) **Additional Rights upon Default.** Upon the occurrence of any Event of Default, OIPC and a Receiver, as applicable, will to the extent permitted by law have the following additional rights:

- (a) Appointment of Receiver. OIPC may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. OIPC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by OIPC

will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Borrower's agent. OIPC may from time to time fix the Receiver's remuneration and the Borrower will pay OIPC the amount of such remuneration. OIPC will not be liable to the Borrower or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.

- (b) Dealings with the Collateral. OIPC or a Receiver may take possession of all or any part of the Collateral and retain it for as long as OIPC or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Borrower's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as OIPC or the Receiver considers appropriate. OIPC or the Receiver may (without charge and to the exclusion of all other Persons including the Borrower), enter upon any Place of Business.
- (c) Realization. OIPC or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Borrower or other Persons and otherwise deal with, the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as OIPC or the Receiver considers appropriate. OIPC or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Borrower or otherwise.
- (d) Application of Proceeds After Default. All Proceeds of Collateral received by OIPC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing OIPC's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by OIPC or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Obligations in such manner and at such times as OIPC considers appropriate and thereafter will be accounted for as required by law.
- (e) Other Legal Rights. Before and After Default. OIPC will have in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.

- (f) Deficiency. The Borrower will remain liable to OIPC for payment of any obligations under the Financing Agreement that are outstanding following realization of all or any part of the Collateral.

12. OIPC NOT LIABLE

OIPC will not be liable to the Borrower or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of any Collateral). None of OIPC, a Receiver or any agent of OIPC is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Securities or Instrument in possession of OIPC, a Receiver or OIPC's agent.

13. CHARGES AND EXPENSES

The Borrower agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by OIPC in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by OIPC or any Receiver in exercising any remedy under this Agreement (including among other things, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Borrower's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Obligations, and the Borrower will reimburse OIPC upon demand for any amount so paid.

14. FURTHER ASSURANCES

The Borrower will from time to time immediately upon request by OIPC take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules, documents or listings describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement) as OIPC may require in connection with the Collateral or as OIPC may consider necessary to give effect to this Agreement. If permitted by law, the Borrower waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Borrower irrevocably appoints the Senior Vice President, Infrastructure Lending and Chief Financial Officer of OIPC as the Borrower's attorney (with full powers of substitution and delegation) to sign, upon an Event of Default, all documents required to give effect to this section. Nothing in this section affects the right of OIPC as secured party, or any other Person on OIPC's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as OIPC or such other Person considers appropriate.

15. DEALINGS BY OIPC

OIPC may from time to time increase, reduce, discontinue or otherwise vary the Borrower's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Borrower, Borrowers of the Borrower, guarantors and others, and with the Collateral and any Charges held by OIPC, as OIPC considers appropriate without affecting the Borrowers obligations to OIPC or OIPC's rights under this Agreement.

16. DEFINITIONS IN THIS AGREEMENT

"Accessions", "Account", "Chattel Paper", "Collateral", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA.

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Borrower (or any Person on the Borrower's behalf) has access.

"Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention-agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is or could be prior to the right of any other creditor in respect of such property.

"Consumer Goods" has the meaning given to it in the PPSA.

"Event of Default" has the meaning set out in subsection 11(1).

"Obligations" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to OIPC, wherever and however incurred and any unpaid balance thereof, including, without limitation, under or in respect of the Financing Agreement.

"Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency

"Person" means any natural person or artificial body (including among others any firm, corporation or government).

"Personal Property" means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money and Securities, and includes all Accessions to such property.

"Place of Business" means a location where the Borrower carries on business or where any of the Collateral is located (including any location described in Schedule AA).

"PPSA" means the *Personal Property Security Act, 1990* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

"Receivables" means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) - now or in the future due or owing to or owned by the Borrower.

"Receiver" means a receiver or a receiver and manager.

"Securities" has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.

"Serial Number" means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.

"Serial Number Good" means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.

17. GENERAL

- (a) Reservation of the Last Day of any Lease. The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Borrower will hold such last day in trust for OIPC and, upon the exercise by OIPC of any of its rights under this Agreement following Default, will assign such last day as directed by OIPC.
- (b) Attachment of Security Interest. The Security Interests created by this Agreement are intended to attach (i) to existing Collateral when the Borrower signs this Agreement, and (ii) to Collateral subsequently acquired by the Borrower, immediately upon the Borrower acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.
- (c) Purchase-Money Security Interest. If OIPC gives value for the purpose of enabling the Borrower to acquire rights in or to any of the Collateral, the Borrower will in fact apply such value to acquire those rights (and will provide OIPC with such evidence in this regard as OIPC may require), and the Borrower grants to OIPC, and OIPC takes, a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of OIPC's authorized representatives is admissible in evidence to establish the amount of any such value.
- (d) Entire Agreement. OIPC has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require OIPC to make, renew or extend the time for payment of any loan or other credit accommodation to the Borrower or any other Person.

- (e) Additional Security. The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by OIPC. No Charge held by OIPC will be exclusive of or dependent upon or merge in any other Charge, and OIPC may exercise its rights under such Charges independently or in combination.
- (f) Severability; Headings. Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- (g) Interpretation. When the context so requires, the singular will be read as the plural, and vice versa.
- (h) Copy of Agreement. The Borrower acknowledges receipt of a copy of this Agreement.
- (i) Notice. OIPC may send to the Borrower, by prepaid regular mail addressed to the Borrower at the Borrower's address last known to OIPC, copies of any document required by the PPSA to be delivered by OIPC to the Borrower. Any document mailed in this manner will be deemed to have been received by the Borrower upon the earlier of actual receipt by the Borrower and the expiry of 10 days after the mailing date. A certificate or affidavit of any of OIPC's authorized representatives is admissible in evidence to establish the mailing date.
- (j) Enurement; Assignment. This Agreement will enure to the benefit of and be binding upon (i) OIPC, its successors and assigns, and (ii) the Borrower and the Borrower's heirs, executors, administrators, successors and permitted assigns. The Borrower will not assign this Agreement without OIPC's prior written consent.

Schedule "AA"

The following are the Places of Business:

1. 207 Division Street, P.O. Box 577, Cobourg., Ontario, K9A 4L3



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Choose Your Utility:

Kitchener-Wilmot Hydro Inc.

Lakefront Utilities Inc.

Application Type: CoS

OEB Application #:

LDC Licence #: ED-2002-0545

Last COS OEB Application #: EB-2007-0761

Last COS Re-Basing Year: 2008

Application Contact Information

Name: Title: Phone Number: Email Address:

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[1. Info](#)

[2. Table of Contents](#)

[3. Rate Classes](#)

[4. RRR Data](#)

[5. UTRs and Sub-Transmission](#)

[6. Historical Wholesale](#)

[7. Current Wholesale](#)

[8. Forecast Wholesale](#)

[9. Adj Network to Current WS](#)

[10. Adj Conn. to Current WS](#)

[11. Adj Network to Forecast WS](#)

[12. Adj Conn. to Forecast WS](#)





Ontario Energy Board

RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

1. Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges.
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rates and Charges

Rate Class	Unit	RTSR - Network	RTSR - Connection
Residential	kWh	\$ 0.0054	\$ 0.0043
General Service Less Than 50 kW	kWh	\$ 0.0049	\$ 0.0039
General Service 50 to 2,999 kW	kW	\$ 1.9987	\$ 1.5466
General Service 3,000 to 4,999 kW	kW	\$ 2.2353	\$ 1.8241
Unmetered Scattered Load	kWh	\$ 0.0057	\$ 0.0048
Sentinel Lighting	kW	\$ 1.5148	\$ 1.2205
Street Lighting	kW	\$ 1.5074	\$ 1.1956
Choose Rate Class	kWh		





Ontario Energy Board
RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS

Lakefront Utilities Inc. - - CoS

In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	71,617,895		1.0541		75,492,423	-
General Service Less Than 50 kW	kWh	34,136,417		1.0541		35,983,197	-
General Service 50 to 2,999 kW	kW	120,251,065	300,323		54.88%	120,251,065	300,323
General Service 3,000 to 4,999 kW	kW	19,165,415	46,435		56.57%	19,165,415	46,435
Unmetered Scattered Load	kWh	718,651		1.0541		757,530	-
Sentinel Lighting	kW	46,220	128		49.49%	46,220	128
Street Lighting	kW	1,222,485	3,396		49.34%	1,222,485	3,396



Ontario Energy Board

**RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS**

Lakefront Utilities Inc. - - CoS

Uniform Transmission Rates

	Unit	Effective	Effective	Effective
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.97	\$ 3.22	\$ 3.22
Line Connection Service Rate	kW	\$ 0.73	\$ 0.79	\$ 0.79
Transformation Connection Service Rate	kW	\$ 1.71	\$ 1.77	\$ 1.77

Hydro One Sub-Transmission Rates

	Unit	Effective	Effective	Effective
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 2.14	\$ 2.14	\$ 2.14

Hydro One Sub-Transmission Rate Rider 6A

	Unit	Effective	Effective	Effective
Rate Description		Rate	Rate	Rate
RSVA Transmission network - 4714 - which affects 1584	kW	\$ 0.0470	\$ 0.0470	\$ 0.0470
RSVA Transmission connection - 4716 - which affects 1586	kW	-\$ 0.0250	-\$ 0.0250	-\$ 0.0250
RSVA LV - 4750 - which affects 1550	kW	\$ 0.0580	\$ 0.0580	\$ 0.0580
RARA 1 - 2252 - which affects 1590	kW	-\$ 0.0750	-\$ 0.0750	-\$ 0.0750
Hydro One Sub-Transmission Rate Rider 6A	kW	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>



Ontario Energy Board

**RTSR WORK FORM
FOR ELECTRICITY
DISTRIBUTORS**

Lakefront Utilities Inc. - CoS

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data".
For Hydro One Sub-transmission Rates, if you are charged a *combined* Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount			
January		\$0.00			\$0.00			\$0.00			\$	-	
February		\$0.00			\$0.00			\$0.00			\$	-	
March		\$0.00			\$0.00			\$0.00			\$	-	
April		\$0.00			\$0.00			\$0.00			\$	-	
May		\$0.00			\$0.00			\$0.00			\$	-	
June		\$0.00			\$0.00			\$0.00			\$	-	
July		\$0.00			\$0.00			\$0.00			\$	-	
August		\$0.00			\$0.00			\$0.00			\$	-	
September		\$0.00			\$0.00			\$0.00			\$	-	
October		\$0.00			\$0.00			\$0.00			\$	-	
November		\$0.00			\$0.00			\$0.00			\$	-	
December		\$0.00			\$0.00			\$0.00			\$	-	
Total	-	\$ -	\$ -	-	-	\$ -	-	\$ -	-	-	\$ -	\$ -	

HYDRO ONE				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount			
January	43,204	\$2.24	\$ 96,777	43,204	\$0.60	\$ 25,922	43,204	\$1.39	\$ 60,054	\$	85,976		
February	41,809	\$2.24	\$ 93,652	41,809	\$0.60	\$ 25,085	41,809	\$1.39	\$ 58,115	\$	83,200		
March	39,317	\$2.24	\$ 88,070	39,317	\$0.60	\$ 23,590	39,317	\$1.39	\$ 54,651	\$	78,241		
April	36,164	\$2.30	\$ 83,188	36,164	\$0.61	\$ 21,911	36,164	\$1.41	\$ 50,853	\$	72,764		
May	40,939	\$2.65	\$ 108,488	40,939	\$0.64	\$ 26,201	40,939	\$1.50	\$ 61,409	\$	87,609		
June	42,723	\$2.65	\$ 113,216	42,723	\$0.64	\$ 27,343	42,723	\$1.50	\$ 64,085	\$	91,427		
July	45,480	\$2.65	\$ 120,522	45,480	\$0.64	\$ 29,107	45,480	\$1.50	\$ 68,220	\$	97,327		
August	44,365	\$2.65	\$ 117,567	44,365	\$0.64	\$ 28,394	44,365	\$1.50	\$ 66,548	\$	94,941		
September	41,672	\$2.65	\$ 110,431	41,672	\$0.64	\$ 26,670	41,672	\$1.50	\$ 62,508	\$	89,178		
October	35,080	\$2.65	\$ 92,962	35,080	\$0.64	\$ 22,451	35,080	\$1.50	\$ 52,620	\$	75,071		
November	39,259	\$2.65	\$ 104,036	39,259	\$0.64	\$ 25,126	39,259	\$1.50	\$ 58,889	\$	84,014		
December	44,309	\$2.65	\$ 117,419	44,309	\$0.64	\$ 28,358	44,309	\$1.50	\$ 66,464	\$	94,821		
Total	494,321	\$ 2.52	\$ 1,246,329	494,321	\$ 0.63	\$ 310,158	494,321	\$ 1.47	\$ 724,412	\$	1,034,571		

TOTAL				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount			
January	43,204	\$2.24	\$ 96,777	43,204	\$0.60	\$ 25,922	43,204	\$1.39	\$ 60,054	\$	85,976		
February	41,809	\$2.24	\$ 93,652	41,809	\$0.60	\$ 25,085	41,809	\$1.39	\$ 58,115	\$	83,200		
March	39,317	\$2.24	\$ 88,070	39,317	\$0.60	\$ 23,590	39,317	\$1.39	\$ 54,651	\$	78,241		
April	36,164	\$2.30	\$ 83,188	36,164	\$0.61	\$ 21,911	36,164	\$1.41	\$ 50,853	\$	72,764		
May	40,939	\$2.65	\$ 108,488	40,939	\$0.64	\$ 26,201	40,939	\$1.50	\$ 61,409	\$	87,609		
June	42,723	\$2.65	\$ 113,216	42,723	\$0.64	\$ 27,343	42,723	\$1.50	\$ 64,085	\$	91,427		
July	45,480	\$2.65	\$ 120,522	45,480	\$0.64	\$ 29,107	45,480	\$1.50	\$ 68,220	\$	97,327		
August	44,365	\$2.65	\$ 117,567	44,365	\$0.64	\$ 28,394	44,365	\$1.50	\$ 66,548	\$	94,941		
September	41,672	\$2.65	\$ 110,431	41,672	\$0.64	\$ 26,670	41,672	\$1.50	\$ 62,508	\$	89,178		
October	35,080	\$2.65	\$ 92,962	35,080	\$0.64	\$ 22,451	35,080	\$1.50	\$ 52,620	\$	75,071		
November	39,259	\$2.65	\$ 104,036	39,259	\$0.64	\$ 25,126	39,259	\$1.50	\$ 58,889	\$	84,014		
December	44,309	\$2.65	\$ 117,419	44,309	\$0.64	\$ 28,358	44,309	\$1.50	\$ 66,464	\$	94,821		
Total	494,321	\$ 2.52	\$ 1,246,329	494,321	\$ 0.63	\$ 310,158	494,321	\$ 1.47	\$ 724,412	\$	1,034,571		



Ontario Energy Board

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ELECTRICITY DISTRIBUTORS**

Lakefront Utilities Inc. - CoS

The purpose of this sheet is to calculate the expected billing when current 2011 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
February	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
March	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
April	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
May	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
June	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
July	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
August	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
September	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
October	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
November	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
December	-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
Total	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	43,204	\$ 2.6970	\$ 116,521	43,204	\$ 0.6150	\$ 26,570	43,204	\$ 1.5000	\$ 64,806	\$ 91,376
February	41,809	\$ 2.6970	\$ 112,759	41,809	\$ 0.6150	\$ 25,713	41,809	\$ 1.5000	\$ 62,714	\$ 88,426
March	39,317	\$ 2.6970	\$ 106,038	39,317	\$ 0.6150	\$ 24,180	39,317	\$ 1.5000	\$ 58,976	\$ 83,155
April	36,164	\$ 2.6970	\$ 97,534	36,164	\$ 0.6150	\$ 22,241	36,164	\$ 1.5000	\$ 54,246	\$ 76,487
May	40,939	\$ 2.6970	\$ 110,412	40,939	\$ 0.6150	\$ 25,177	40,939	\$ 1.5000	\$ 61,409	\$ 86,586
June	42,723	\$ 2.6970	\$ 115,224	42,723	\$ 0.6150	\$ 26,275	42,723	\$ 1.5000	\$ 64,085	\$ 90,359
July	45,480	\$ 2.6970	\$ 122,660	45,480	\$ 0.6150	\$ 27,970	45,480	\$ 1.5000	\$ 68,220	\$ 96,190
August	44,365	\$ 2.6970	\$ 119,652	44,365	\$ 0.6150	\$ 27,284	44,365	\$ 1.5000	\$ 66,548	\$ 93,832
September	41,672	\$ 2.6970	\$ 112,389	41,672	\$ 0.6150	\$ 25,628	41,672	\$ 1.5000	\$ 62,508	\$ 88,136
October	35,080	\$ 2.6970	\$ 94,611	35,080	\$ 0.6150	\$ 21,574	35,080	\$ 1.5000	\$ 52,620	\$ 74,194
November	39,259	\$ 2.6970	\$ 105,882	39,259	\$ 0.6150	\$ 24,144	39,259	\$ 1.5000	\$ 58,889	\$ 83,033
December	44,309	\$ 2.6970	\$ 119,501	44,309	\$ 0.6150	\$ 27,250	44,309	\$ 1.5000	\$ 66,464	\$ 93,714
Total	494,321	\$ 2.70	\$ 1,333,184	494,321	\$ 0.62	\$ 304,007	494,321	\$ 1.50	\$ 741,482	\$ 1,045,489

TOTAL	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	43,204	\$ 2.70	\$ 116,521	43,204	\$ 0.62	\$ 26,570	43,204	\$ 1.50	\$ 64,806	\$ 91,376
February	41,809	\$ 2.70	\$ 112,759	41,809	\$ 0.62	\$ 25,713	41,809	\$ 1.50	\$ 62,714	\$ 88,426
March	39,317	\$ 2.70	\$ 106,038	39,317	\$ 0.62	\$ 24,180	39,317	\$ 1.50	\$ 58,976	\$ 83,155
April	36,164	\$ 2.70	\$ 97,534	36,164	\$ 0.62	\$ 22,241	36,164	\$ 1.50	\$ 54,246	\$ 76,487
May	40,939	\$ 2.70	\$ 110,412	40,939	\$ 0.62	\$ 25,177	40,939	\$ 1.50	\$ 61,409	\$ 86,586
June	42,723	\$ 2.70	\$ 115,224	42,723	\$ 0.62	\$ 26,275	42,723	\$ 1.50	\$ 64,085	\$ 90,359
July	45,480	\$ 2.70	\$ 122,660	45,480	\$ 0.62	\$ 27,970	45,480	\$ 1.50	\$ 68,220	\$ 96,190
August	44,365	\$ 2.70	\$ 119,652	44,365	\$ 0.62	\$ 27,284	44,365	\$ 1.50	\$ 66,548	\$ 93,832
September	41,672	\$ 2.70	\$ 112,389	41,672	\$ 0.62	\$ 25,628	41,672	\$ 1.50	\$ 62,508	\$ 88,136
October	35,080	\$ 2.70	\$ 94,611	35,080	\$ 0.62	\$ 21,574	35,080	\$ 1.50	\$ 52,620	\$ 74,194
November	39,259	\$ 2.70	\$ 105,882	39,259	\$ 0.62	\$ 24,144	39,259	\$ 1.50	\$ 58,889	\$ 83,033
December	44,309	\$ 2.70	\$ 119,501	44,309	\$ 0.62	\$ 27,250	44,309	\$ 1.50	\$ 66,464	\$ 93,714
Total	494,321	\$ 2.70	\$ 1,333,184	494,321	\$ 0.62	\$ 304,007	494,321	\$ 1.50	\$ 741,482	\$ 1,045,489



Ontario Energy Board

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Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to calculate the expected billing when forecasted 2012 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO		Network			Line Connection			Transformation Connection			Total Line
Month		Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
February		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
March		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
April		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
May		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
June		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
July		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
August		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
September		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
October		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
November		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
December		-	\$ 3.2200	\$ -	-	\$ 0.7900	\$ -	-	\$ 1.7700	\$ -	\$ -
Total		-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -

HYDRO ONE		Network			Line Connection			Transformation Connection			Total Line
Month		Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		43,204	\$ 2.6970	\$ 116,521	43,204	\$ 0.6150	\$ 26,570	43,204	\$ 1.5000	\$ 64,806	\$ 91,376
February		41,809	\$ 2.6970	\$ 112,759	41,809	\$ 0.6150	\$ 25,713	41,809	\$ 1.5000	\$ 62,714	\$ 88,426
March		39,317	\$ 2.6970	\$ 106,038	39,317	\$ 0.6150	\$ 24,180	39,317	\$ 1.5000	\$ 58,976	\$ 83,155
April		36,164	\$ 2.6970	\$ 97,534	36,164	\$ 0.6150	\$ 22,241	36,164	\$ 1.5000	\$ 54,246	\$ 76,487
May		40,939	\$ 2.6970	\$ 110,412	40,939	\$ 0.6150	\$ 25,177	40,939	\$ 1.5000	\$ 61,409	\$ 86,586
June		42,723	\$ 2.6970	\$ 115,224	42,723	\$ 0.6150	\$ 26,275	42,723	\$ 1.5000	\$ 64,085	\$ 90,359
July		45,480	\$ 2.6970	\$ 122,660	45,480	\$ 0.6150	\$ 27,970	45,480	\$ 1.5000	\$ 68,220	\$ 96,190
August		44,365	\$ 2.6970	\$ 119,652	44,365	\$ 0.6150	\$ 27,284	44,365	\$ 1.5000	\$ 66,548	\$ 93,832
September		41,672	\$ 2.6970	\$ 112,389	41,672	\$ 0.6150	\$ 25,628	41,672	\$ 1.5000	\$ 62,508	\$ 88,136
October		35,080	\$ 2.6970	\$ 94,611	35,080	\$ 0.6150	\$ 21,574	35,080	\$ 1.5000	\$ 52,620	\$ 74,194
November		39,259	\$ 2.6970	\$ 105,882	39,259	\$ 0.6150	\$ 24,144	39,259	\$ 1.5000	\$ 58,889	\$ 83,033
December		44,309	\$ 2.6970	\$ 119,501	44,309	\$ 0.6150	\$ 27,250	44,309	\$ 1.5000	\$ 66,464	\$ 93,714
Total		494,321	\$ 2.70	\$ 1,333,184	494,321	\$ 0.62	\$ 304,007	494,321	\$ 1.50	\$ 741,482	\$ 1,045,489

TOTAL		Network			Line Connection			Transformation Connection			Total Line
Month		Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		43,204	\$ 2.70	\$ 116,521	43,204	\$ 0.62	\$ 26,570	43,204	\$ 1.50	\$ 64,806	\$ 91,376
February		41,809	\$ 2.70	\$ 112,759	41,809	\$ 0.62	\$ 25,713	41,809	\$ 1.50	\$ 62,714	\$ 88,426
March		39,317	\$ 2.70	\$ 106,038	39,317	\$ 0.62	\$ 24,180	39,317	\$ 1.50	\$ 58,976	\$ 83,155
April		36,164	\$ 2.70	\$ 97,534	36,164	\$ 0.62	\$ 22,241	36,164	\$ 1.50	\$ 54,246	\$ 76,487
May		40,939	\$ 2.70	\$ 110,412	40,939	\$ 0.62	\$ 25,177	40,939	\$ 1.50	\$ 61,409	\$ 86,586
June		42,723	\$ 2.70	\$ 115,224	42,723	\$ 0.62	\$ 26,275	42,723	\$ 1.50	\$ 64,085	\$ 90,359
July		45,480	\$ 2.70	\$ 122,660	45,480	\$ 0.62	\$ 27,970	45,480	\$ 1.50	\$ 68,220	\$ 96,190
August		44,365	\$ 2.70	\$ 119,652	44,365	\$ 0.62	\$ 27,284	44,365	\$ 1.50	\$ 66,548	\$ 93,832
September		41,672	\$ 2.70	\$ 112,389	41,672	\$ 0.62	\$ 25,628	41,672	\$ 1.50	\$ 62,508	\$ 88,136
October		35,080	\$ 2.70	\$ 94,611	35,080	\$ 0.62	\$ 21,574	35,080	\$ 1.50	\$ 52,620	\$ 74,194
November		39,259	\$ 2.70	\$ 105,882	39,259	\$ 0.62	\$ 24,144	39,259	\$ 1.50	\$ 58,889	\$ 83,033
December		44,309	\$ 2.70	\$ 119,501	44,309	\$ 0.62	\$ 27,250	44,309	\$ 1.50	\$ 66,464	\$ 93,714
Total		494,321	\$ 2.70	\$ 1,333,184	494,321	\$ 0.62	\$ 304,007	494,321	\$ 1.50	\$ 741,482	\$ 1,045,489



Ontario Energy Board

**RTSR WORK FORM
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Lakefront Utilities Inc. - - CoS

The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit	Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	kWh	\$ 0.0054	75,492,423	-	\$ 407,659	31.4%	\$ 418,819	\$ 0.0055
General Service Less Than 50 kW	kWh	\$ 0.0049	35,983,197	-	\$ 176,318	13.6%	\$ 181,144	\$ 0.0050
General Service 50 to 2,999 kW	kW	\$ 1.9987	120,251,065	300,323	\$ 600,256	46.3%	\$ 616,688	\$ 2.0534
General Service 3,000 to 4,999 kW	kW	\$ 2.2353	19,165,415	46,435	\$ 103,796	8.0%	\$ 106,638	\$ 2.2965
Unmetered Scattered Load	kWh	\$ 0.0057	757,530	-	\$ 4,318	0.3%	\$ 4,436	\$ 0.0059
Sentinel Lighting	kW	\$ 1.5148	46,220	128	\$ 194	0.0%	\$ 199	\$ 1.5563
Street Lighting	kW	\$ 1.5074	1,222,485	3,396	\$ 5,119	0.4%	\$ 5,259	\$ 1.5487
					\$ 1,297,659			



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The purpose of this sheet is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Unit	Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Connection
Residential	kWh	\$ 0.0043	75,492,423	-	\$ 324,617	31.8%	\$ 332,083	\$ 0.0044
General Service Less Than 50 kW	kWh	\$ 0.0039	35,983,197	-	\$ 140,334	13.7%	\$ 143,562	\$ 0.0040
General Service 50 to 2,999 kW	kW	\$ 1.5466	120,251,065	300,323	\$ 464,480	45.4%	\$ 475,161	\$ 1.5822
General Service 3,000 to 4,999 kW	kW	\$ 1.8241	19,165,415	46,435	\$ 84,702	8.3%	\$ 86,650	\$ 1.8660
Unmetered Scattered Load	kWh	\$ 0.0048	757,530	-	\$ 3,636	0.4%	\$ 3,720	\$ 0.0049
Sentinel Lighting	kW	\$ 1.2205	46,220	128	\$ 156	0.0%	\$ 160	\$ 1.2486
Street Lighting	kW	\$ 1.1956	1,222,485	3,396	\$ 4,060	0.4%	\$ 4,154	\$ 1.2231
					\$ 1,021,986			



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The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0055	75,492,423	-	\$ 418,819	31.4%	\$ 418,819	\$ 0.0055
General Service Less Than 50 kW	kWh	\$ 0.0050	35,983,197	-	\$ 181,144	13.6%	\$ 181,144	\$ 0.0050
General Service 50 to 2,999 kW	kW	\$ 2.0534	120,251,065	300,323	\$ 616,688	46.3%	\$ 616,688	\$ 2.0534
General Service 3,000 to 4,999 kW	kW	\$ 2.2965	19,165,415	46,435	\$ 106,638	8.0%	\$ 106,638	\$ 2.2965
Unmetered Scattered Load	kWh	\$ 0.0059	757,530	-	\$ 4,436	0.3%	\$ 4,436	\$ 0.0059
Sentinel Lighting	kW	\$ 1.5563	46,220	128	\$ 199	0.0%	\$ 199	\$ 1.5563
Street Lighting	kW	\$ 1.5487	1,222,485	3,396	\$ 5,259	0.4%	\$ 5,259	\$ 1.5487
					\$ 1,333,184			



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The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0044	75,492,423	-	\$ 332,083	31.8%	\$ 332,083	\$ 0.0044
General Service Less Than 50 kW	kWh	\$ 0.0040	35,983,197	-	\$ 143,562	13.7%	\$ 143,562	\$ 0.0040
General Service 50 to 2,999 kW	kW	\$ 1.5822	120,251,065	300,323	\$ 475,161	45.4%	\$ 475,161	\$ 1.5822
General Service 3,000 to 4,999 kW	kW	\$ 1.8660	19,165,415	46,435	\$ 86,650	8.3%	\$ 86,650	\$ 1.8660
Unmetered Scattered Load	kWh	\$ 0.0049	757,530	-	\$ 3,720	0.4%	\$ 3,720	\$ 0.0049
Sentinel Lighting	kW	\$ 1.2486	46,220	128	\$ 160	0.0%	\$ 160	\$ 1.2486
Street Lighting	kW	\$ 1.2231	1,222,485	3,396	\$ 4,154	0.4%	\$ 4,154	\$ 1.2231
					\$ 1,045,489			



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For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	\$	0.0055	\$	0.0044
General Service Less Than 50 kW	kWh	\$	0.0050	\$	0.0040
General Service 50 to 2,999 kW	kW	\$	2.0534	\$	1.5822
General Service 3,000 to 4,999 kW	kW	\$	2.2965	\$	1.8660
Unmetered Scattered Load	kWh	\$	0.0059	\$	0.0049
Sentinel Lighting	kW	\$	1.5563	\$	1.2486
Street Lighting	kW	\$	1.5487	\$	1.2231