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October 22, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli

Re: Innisfil Hydro Distribution Systems Limited (IHDSL)
EB-2012-0139
2013 Cost of Service Rate Application

Innisfil Hydro Distribution Systems Limited (IHDSL) submitted an application for the 2013 Distribution Rates, utilizing the 2013 Cost of Service methodology, on September 13, 2012.

On October 9, 2012, IHDSL received a letter from the Board outlining items that were incomplete in the application. The attached information addresses those omissions. This will also be filed on RESS and paper copies submitted to the Board Secretary.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "B. L. Pinke", is written over a horizontal line.

Brenda L. Pinke,
Regulatory & Conservation Manager
(705)431-6870 Ext 262
brendap@innisfilhydro.com

BLP/lmc
Attach.

c: Laurie Ann Cooledge, CFO IHDSL

Exhibit 1 – Administrative Documents

Chapter 2 Filing Requirements References – IHDSL

In response to the Board letter received on October 9, 2012 with respect to incomplete items for IHDSL's COS Application EB-2011-0139, IHDSL respectfully submits the following information.

Chapter 2 Filing Requirement Reference – Page 5

IHDSL has modified Exhibit 1, Tab 5, Schedule 1, with a statement as to when the forecast was prepared and approved by IHDSL's Board of Directors. The revised Exhibit 1 section is enclosed.

Chapter 2 Filing Requirement Reference – Page 13

IHDSL has provided a copy of the most recent Board approved revenue requirement and breakdown from our 2009 COS Application EB-2008-0233.

Chapter 2 Filing Requirement Reference – Page 10

IHDSL has provided a summary of the impacts resulting from MIFRS. This summary is a new Tab in Exhibit 1, Tab 6, Schedule 5, MIFRS Summary for IHDSL and has been filed on colored paper as requested.

Exhibit 3 – Operating Revenue

Chapter 2 Filing Requirement Reference – Page 26

IHDSL has provided an excel file of the data utilized to determine our load forecast. IHDSL will upload the Load Forecast file to RESS in excel format. The file name is as follows;

Innisfil_2013_Load Forecast Data_20121018.xlsx

Exhibit 4 – Operating Costs

Chapter 2 Filing Requirement Reference – Page 30

In accordance with the Chapter 2 Filing Requirements IHDSL has enclosed the 2012 Actuary Report.

OMERS Pension Expense and Post Retiree Benefits:

- **OMERS Pension**

All IHDSL employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). Accordingly, IHDSL has provided the OMERS pension premium information for the 2011 Actual, 2012 Bridge Year and the 2013 Test Year in Table 2 below.

- **Post-Retirement Benefits - OMERS Members:**

IHDSL post-retirement benefits have been provided to its employees as of Jan 2009.

Post-retirement benefits accounting information:

IHDSL pays 50% of the premiums of health, dental and life insurance benefits for early retirees from age 55 to 65 that have a minimum of 15 years of service with IHDSL.

- **Accounting treatment of post-retirement benefits:**

Employee future benefits are recorded on an accrual basis. The accrued benefit obligations and current service cost are calculated using the projected benefit method prorated on length of service and reflect management's best estimate of certain underlying assumptions by an actuary. The current service cost is for a period equal to the actuarial present value of benefits attributed to that period in which employees rendered their services. Significant assumptions underlying the valuation include management's best estimate of the interest (discount) rate, salary escalation, the average retirement age of employees, employee turnover and expected health and dental care costs.

- **Treatment of changes in actuarial value in post-retirement benefits:**

The excess of actuarial gains (losses) over 10% of the accrued benefit obligation is amortized into expense on a straight-line basis over the expected average remaining service life of active employees.

Table 2
Pension Premium Information

Pension	2009	2010	2011	2012 Bridge Year	2013 Test Year
Pension premiums	\$124,423	\$162,970	\$197,293	\$216,671	\$298,251
Less: amount capitalized	\$8,585	\$17,926	\$32,120	\$45,885	\$61,420
Amount expensed	\$115,838	\$145,044	\$165,173	\$170,786	\$236,831

The increase in pension premiums is reflective of the additional headcount for IHDSL. From a materiality threshold perspective the only \$50,000 increase occurs in the 2012 Bridge to the 2013 Test year. The variance of \$81,580 is as a result of the planned 5 additional FTE's in January 2013.

Chapter 2 Filing Requirement Reference – Page 30

IHDSL has not incorporated any pay for performance plans for Management, non-Management and or Union positions.

As per IHDSL's current contract with PWU (Power Workers Union), all staff will receive a 3% increase in July.

Chapter 2 Filing Requirement Reference – Page 31

2.75 Shared Services and Corporate Cost Allocation:

Innisfil Energy Services Limited

1 Innisfil Energy Services Ltd. (IESL) is a wholly-owned corporation of the Town of Innisfil and
2 was incorporated on October 5, 2000 under the laws of the Province of Ontario. The principal
3 activities of the Company were to provide hot water tank and sentinel light rentals.

4 In order to remain in compliance with the Affiliate Code (ARC), IHDSL determined that it could
5 no longer provide customer service services. The outcome of this decision was the sale of the
6 water heaters to Reliance in 2009.

7 With the sale of the water heaters, IHDSL continued to operate the sentinel light rentals with
8 minimal cost causality from IHDSL. In our 2009 COS Application EB-2008-0233 IHDSL did not
9 project intercompany revenues beyond 2009.

10
11 IHDSL provides services under a Services Agreement to IESL of which a copy is attached.

12
13 Appendix 2-N is enclosed for IESL shared services.

Appendix 2-N Shared Services and Corporate Cost Allocation

Shared Services

Year: 2009

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Innisfil Hydro	Innisfil Energy Services	Accounting & CSR	Cost plus	29,091	15,630

Year: 2010

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Innisfil Hydro	Innisfil Energy Services	Accounting & CSR	Cost plus	5,449	2,888

Year: 2011

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Innisfil Hydro	Innisfil Energy Services	Accounting & CSR	Cost plus	7,575	3,965

Year: 2012

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Innisfil Hydro	Innisfil Energy Services	Accounting & CSR	Cost plus	6,700	3,400

Year: 2013

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Innisfil Hydro	Innisfil Energy Services	Accounting & CSR	Cost plus	6,800	3,400

1

2

3 **CORPORATE COST ALLOCATION:**

4 N/A

Chapter 2 Filing Requirement Reference – Page 32

2.7.6 Purchase of Non-Affiliate Services “For any such transactions above the materiality threshold that were procured without a competitive tender, or are not in compliance with the procurement policy, the applicant should provide an explanation as to why this was the case, as well as the following information for Historical (actuals):

- Summary of the nature of the product or service that is the subject of the transaction; and
- A description of the specific methodology used in determining the vendor

IHDSL respectfully submits that the purchase of goods and services as identified in Exhibit 4, Tab 2, Schedule 5 have followed the procurement and approval policy.

Chapter 2 Filing Requirement Reference – Page 34

Notice of Assessments

IHDSL has enclosed the notices of tax assessments received for the three immediate tax years for this COS application.

Integrity Checks

IHDSL has undertaken the integrity checks as outlined in the Chapter 2 Filing requirements on pages 34-35.

Exhibit 5 – Cost of Capital and Capital Structure

Chapter 2 Filing Requirement Reference – Page 40

IHDSL has enclosed copies of promissory notes as requested with respect to debt arrangements.

Exhibit 8 – Rate Design

IHDSL has provided the following table to reflect the calculation of revenues per class under both the current and proposed rates.

Class	Revenue Requirement - 2013 Cost Allocation Model - Line 40 from O1 in CA	2013 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2013 Cost Allocation Model - Line 19 from O1 in CA	Total Revenue
Residential	7,902,557	6,941,361	477,568	7,418,929
GS < 50 kW	550,328	715,928	30,913	746,841
GS >50 to 4999 kW	442,688	736,916	13,018	749,934
Sentinel Lights	41,367	34,819	2,565	37,385
Street Lighting	464,773	384,036	31,350	415,386
Unmetered and Scattered	17,922	49,626	1,534	51,160
TOTAL	9,419,635	8,862,687	556,948	9,419,635

Additional Items

IHDSL discovered that the pro-forma balance sheets for 2012 and 2013 were not submitted in our original application. They have now been enclosed.

IHDSL 5 YEAR BUSINESS PLAN

IHDSL has attached its 5 Year Business Plan, which provides the foundation for IHDSL's Cost of Service application, EB-2011-0139.

The forecast for the 5 Year Business Plan was prepared in May 2012 following the budget process as outlined below. IHDSL's 5 Year Business Plan was approved by IHDSL's Board of Directors on August 24, 2012 under Resolution NO. 12-91.

A copy of the August 24, 2012 Board Meeting minutes and approved resolutions have also been enclosed.

Overview of IHDSL's Budget Process

The annual and 5 year budget plan is prepared annually by management and is reviewed and approved by the Board of Directors. The budget is prepared before the start of each fiscal year. Once approved, it does not change, but provides a plan against which actual results may be measured and evaluated.

Responsibilities

- It is the responsibility of the Finance department to coordinate the development of the operating budget, capital budget and forecast processes.
- Each department is responsible for preparing its operating budget, capital budget, and rolling forecasts.
- The President is responsible for presenting and recommending the budget to the Board of Directors for approval.
- It is the responsibility of the Board of Directors, on behalf of the shareholders, to approve the budget.

The budget is an important planning tool for IHDSL. It puts capital and operational plans into a common financial plan. The final document provides a comprehensive package of department budgets that collectively ensure that appropriate resources are designated for the various capital and operational needs of the utility for the coming year. The departmental Budget Plans represent the output of detailed work plans based on required activities for the year. The Budget Plans address both capital and operating requirements.

Budget Review Process

IHDSL's budget review process is as follows:

- Each department budget is reviewed and approved by the corresponding Director and submitted to the Finance department.
- The Finance department consolidates all departmental work plan budgets to produce budget reports by functional areas to be reviewed by the Executive Team members.
- The Executive Team members will then have an opportunity to make recommendations to the consolidated budgets.
- A final budget package is produced for final review and approval by the Executive Team.

The Actual-to-Budget Review Process

Once the budget is final, each department reviews and tracks progress against the budget on a monthly basis. Further, quarterly reviews and forecasts of actual and/or expected results against the budget are performed during the budget year. This review process involves the following activities:

- All Directors/Managers review the year-to-date ("YTD") operating results for their area(s) of responsibility on a monthly basis.
- Significant variances in capital and operating expenditures based on YTD results are reviewed along with work plans in order to identify any changes that may have an impact on the forecast of actual expenditures.
- Any significant and/or material expenditures/savings that will affect the current year's operating results are incorporated into the actual-to-budget forecast. All expenditures in

52 excess of the budget and all savings are reported. An initial draft of the forecast is prepared
53 based on the information provided and a review of significant variances/changes is conducted
54 with each Manager/Director to create the forecast.

55 • The Executive Team reviews the forecast and provides feedback, comments and adjustments
56 before the forecast is finalized.

57 • The President approves the final forecast for presentation to the Board of Directors.

58 • Receive approval from the Board of Directors

59

MINUTES**INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED****BOARD OF DIRECTORS MEETING****12-04****DATE:** Monday, April 16, 2012**LOCATION:** Innisfil Hydro Office, 2073 Commerce Park Drive, Innisfil

ATTENDEES:	John Skorobohacz	Chairman/C.A.O.
	Barb Baguley	Director/Mayor
	Robert Lake	Director
	George Shaparew	President and Secretary
	Laurie Ann Cooledge	CFO/Treasurer
	Wade Morris	Vice President, Engineering & Operations
	Marj Stewart	Vice President, Corporate Services

1. CALL TO ORDER

The Chairman called the meeting to order at 11:01 a.m.

2. PROCEDURAL MATTERS

a) Agenda Approval

MOVED BY: Barb Baguley

SECONDED BY: Robert Lake

RESOLUTION NO. 12-35

Be it resolved that the agenda be approved as circulated.

CARRIED

3. MINUTES

MOVED BY: Robert Lake

SECONDED BY: Barb Baguley

RESOLUTION NO. 12-36

Be it resolved that the minutes of the March 19, 2012 Board meeting be adopted as circulated.

CARRIED

4. OEB UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-37

Be it resolved that the Board hereby receive the OEB Update staff report, for information purposes.

CARRIED

5. OPA UPDATE

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-38

Be it resolved that the Board hereby receive the OPA Update staff report, for information purposes.

CARRIED

6. 2011 AUDITED FINANCIAL STATEMENTS

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-39

Be it resolved that the Board hereby receive the 2011 Audited Financial Statements staff report, and

Further resolved that the Board receive and approve the signing of the audited financials by the Chairperson and one Director, to be received by the Shareholder at the annual meeting.

CARRIED

7. SERVICE AGREEMENT WITH INNISFIL ENERGY SERVICES LIMITED

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-40

Be it resolved that the Board approve the 2012 and 2013 one-year Schedule of Management Fees between Innisfil Hydro Distribution Systems Limited and Innisfil Energy Services Limited.

CARRIED

8. BANKING

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-41

Be it resolved that the Board hereby receive the Banking Information staff report, for information purposes.

CARRIED

9. CORPORATE SERVICES UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-42

Be it resolved that the Board hereby receive the Corporate Services Update staff report, for information purposes.

CARRIED

10. LINE TENDER

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-43

Be it resolved that the Board hereby receive the Line Tender staff report, for information purposes, and

Further provide approval to award the Line Construction contract (Project IHDSL2012DO017), for labour and equipment, to Riggs Distler in the amount of \$195,040.48 plus HST.

CARRIED

11. ANNUAL GENERAL MEETING

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-44

Be it resolved that the Board hereby receive the Annual General Meeting staff report, for information purposes, and

Further call the Annual General Meeting for May 2, 2012, and

Approve the 2012 AGM agenda as presented, and

Approve the 2011 AGM minutes as presented, and

Approve the amendments to By-law #1 as presented.

CARRIED

12. BUILDING MOVE UPDATE

MOVED BY: Robert Lake

SECONDED BY: Barb Baguley

RESOLUTION NO. 12-45

Be it resolved that the Board hereby receive the Building Move Update staff report, for information purposes.

CARRIED

13. BRANDING

MOVED BY: Robert Lake

SECONDED BY: John Skorobohacz

RESOLUTION NO. 12-46

Be it resolved that the Board hereby receive the Branding staff report, for information purposes, and

The Board has provided direction to further investigate Innisfil Power with the swirl logo.

CARRIED

14. HEALTH & SAFETY UPDATE

MOVED BY: Robert Lake

SECONDED BY: Barb Baguley

RESOLUTION NO. 12-47

Be it resolved that the Board hereby receive the Health & Safety Committee staff report, for information purposes.

CARRIED

15. INFORMATIONAL ITEMS

MOVED BY: Barb Baguley

SECONDED BY: Robert Lake

RESOLUTION NO. 12-48

Be it resolved that the Board hereby receive the Informational Items staff report, for information purposes.

CARRIED

16. ADJOURNMENT

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-49

Be it resolved that the meeting of the Board of Directors of Innisfil Hydro Distribution Systems Limited adjourn at the hour of 12:08 p.m.

CARRIED

CHAIRMAN

SECRETARY

MINUTES**INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED****BOARD OF DIRECTORS MEETING****12-08**

DATE: Monday, August 24, 2012

LOCATION: Innisfil Hydro Office, 2073 Commerce Park Drive, Innisfil

ATTENDEES:

John Skorobohacz	Chairman/C.A.O.
Barb Baguley	Director/Mayor
Robert Lake	Director
George Shaparew	President and Secretary
Laurie Ann Cooledge	CFO/Treasurer
Wade Morris	Vice President, Engineering & Operations
Marj Stewart	Vice President, Corporate Services

1. CALL TO ORDER

The Chairman called the meeting to order at 9:30 a.m.

2. PROCEDURAL MATTERS

a) Agenda Approval

MOVED BY: Barb Baguley

SECONDED BY: Robert Lake

RESOLUTION NO. 12-82

Be it resolved that the agenda be approved as circulated.

CARRIED

b) Disclosure of pecuniary interests.
There were none.

3. MINUTES

MOVED BY: Robert Lake

SECONDED BY: Barb Baguley

RESOLUTION NO. 12-83

Be it resolved that the minutes of the July 16, 2012 Board meeting be adopted as circulated.

CARRIED

4. 2013 RATE APPLICATION

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-84

Be it resolved that the Board hereby receive the 2013 Rate Application staff report, for information purposes.

CARRIED

5. 2012 SECOND QUARTER FINANCIAL STATEMENTS

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-85

Be it resolved that the Board hereby receive the 2012 Second Quarter Financial Statements staff report, for information purposes, and

Further declare a dividend of \$156,250 for Quarter 2.

CARRIED

6. 2012 SECOND QUARTER CAPITAL REPORT

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-86

Be it resolved that the Board hereby receive the 2012 Second Quarter Capital Report staff report, for information purposes.

CARRIED

7. SCADA SYSTEM UPGRADE

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-87

Be it resolved that the Board hereby receive the SCADA System Upgrade staff report, and

That the Board approve the budget overage, for this project only, and

That the Board approve Survalent as the SCADA system provider for Innisfil Hydro.

CARRIED

8. CORPORATE SERVICES UPDATE

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-88

Be it resolved that the Board receive the Corporate Services Update staff report, for information purposes.

CARRIED

9. OLAMETER CONTRACT EXTENSION

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-89

Be it resolved that the Board receive the Olameter Meter Reading Contract Extension staff report, and

Further approve a two year Olameter Meter Reading contract extension to June 30, 2014.

CARRIED

10. MINISTRY OF ENERGY

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-90

Be it resolved that the Board hereby receive the Ministry of Energy staff report, for information purposes.

CARRIED

11. BUSINESS PLAN

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-91

Be it resolved that the Board receive the Business Plan staff report, for information purposes, and

That the Board approve the 2013 Five Year Business Plan pending some minor housekeeping amendments.

CARRIED

12. ENERGY MANAGER

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-92

Be it resolved that the Board receive the Energy Manager staff report, for information purposes, and

That the Board approve Innisfil Hydro to host the Energy Manager for CHEC.

CARRIED

13. BUILDING MOVE UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-93

Be it resolved that the Board hereby receive the Building Move Update staff report, and

THAT Board Resolution 12-67 be amended to reflect the Board's approval to sell 2061 Commerce Park Drive to the Town of Innisfil with an option for the Town to purchase 2073 Commerce Park Drive by February 28, 2014 at the appraised price of \$425k and provide staff the authority to sign the necessary documents, and

Approve the License Agreement as presented for the Town to construct a water reservoir and pumping station at 2061 Commerce Park Drive and provide staff the authority to sign the necessary documents.

CARRIED

14. INFORMATIONAL ITEMS

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 12-94

Be it resolved that the Board hereby receive the Informational Items staff report, for information purposes.

CARRIED

15. ADJOURNMENT

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 12-95

Be it resolved that the meeting of the Board of Directors of Innisfil Hydro Distribution Systems Limited adjourn at the hour of 10:55 a.m.

CARRIED

Original signed by

CHAIRMAN

SECRETARY

MINUTES**INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED****BOARD OF DIRECTORS MEETING****11-10**

DATE: Monday, October 17, 2011

LOCATION: Innisfil Hydro Office, 2073 Commerce Park Drive, Innisfil

ATTENDEES:

John Skorobohacz	Chairman/C.A.O.
Barb Baguley	Director/Mayor
Robert Lake	Director
George Shaparew	President and Secretary
Laurie Ann Cooledge	CFO/Treasurer
Wade Morris	Vice President, Engineering & Operations
Marj Stewart	Vice President, Corporate Services

1. CALL TO ORDER

The Chairman called the meeting to order at 11:01 a.m.

2. PROCEDURAL MATTERS**a) Agenda Approval**

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-92

Be it resolved that the agenda be approved as circulated.

CARRIED**b) Disclosure of pecuniary interests.
There were none.**

3. MINUTES

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 11-93

Be it resolved that the minutes of the September 19, 2011 Board meeting be adopted as amended.

CARRIED

4. OEB UPDATE

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 11-94

Be it resolved that the Board hereby receive the OEB Update staff report, for information purposes.

CARRIED

5. OPA UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-95

Be it resolved that the Board hereby receive the OPA Update staff report, for information purposes, and

That Staff continue to raise concern at the EDA CDM caucus.

CARRIED

6. DRAFT BUDGET 2012

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-96

Be it resolved that the Board approve the budget as presented incorporating the following:

Total GM & Other Revenue of	\$ 8,276,500
Total Operating Expenses of	\$ 6,853,201
Net Earnings of	\$ 482,690
Total Capital Expenditures of	\$ 7,887,561.

CARRIED

7. SMART METERING UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-97

Be it resolved that the Board hereby receive the Smart Metering Update staff report, for information purposes.

CARRIED

8. HYDRO MOVE UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-98

Be it resolved the Board hereby receive the Hydro Move Update staff report, and

The Board provided the following feedback toward the continuing development of the plans:

- (1) Costing for Option 3 with a mezzanine only;
- (2) Costing for Option 3 with two floors built over the new operations centre and provision for rental income; and
- (3) Costing for a new option to demolish the old building and build a new building slab on grade.

CARRIED

9. WATER AND WASTEWATER BILLING UPDATE

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-99

Be it resolved that the Board hereby receive the Water and Wastewater Billing Update Staff Report, for information purposes, and

It is recommended that the Board approve in principle the concept to bill and collect the Town of Innisfil's water and wastewater billing onto Innisfil Hydro's monthly electricity bills, subject to Town Council approval; and further

That the Board direct staff to develop and negotiate a service agreement with the Town of Innisfil, subject to the confirmation of the Town's acceptancy of this proposal.

CARRIED

10. CONDITIONS OF SERVICE

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 11-100

Be it resolved that the Board hereby receive the Conditions of Service Staff Report, for information purposes.

CARRIED

11. INFORMATIONAL ITEMS

MOVED BY: Barb Baguley
SECONDED BY: Robert Lake

RESOLUTION NO. 11-101

Be it resolved that the Board hereby receive the Informational Items staff report, for information purposes.

CARRIED

12. ADJOURNMENT

MOVED BY: Robert Lake
SECONDED BY: Barb Baguley

RESOLUTION NO. 11-102

Be it resolved that the meeting of the Board of Directors of Innisfil Hydro Distribution Systems Limited adjourn at the hour of 12:35 p.m.

CARRIED

Original signed by:

Original signed by:

CHAIRMAN

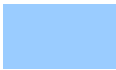
SECRETARY

**Innisfil Hydro Distribution Systems Limited
Revenue Deficiency Determination**

Description	2008 Bridge Actual	2009 Test Existing Rates	2009 Test Required Return
Revenue			
Revenue Deficiency			856,544.00
Distribution Revenue	6,705,188.67	6,707,279.90	6,707,279.90
Other Operating Revenue (Net)	478,394.00	481,257.00	481,257.00
Smart Meter Deferral Account Adjustment			
Total Revenue	7,183,582.67	7,188,536.90	8,045,080.90
Costs and Expenses			
Administrative & General, Billing & Collecting	2,198,725.00	2,487,085.00	2,487,085.00
Operation & Maintenance	1,313,800.00	1,435,655.00	1,435,655.00
Depreciation & Amortization	1,757,949.00	1,918,491.00	1,918,491.00
Property Taxes	10,300.00	10,600.00	10,600.00
Capital Taxes	12,349.89	17,707.48	17,707.48
Deemed Interest	874,660.82	890,091.79	890,091.79
Total Costs and Expenses	6,167,784.71	6,759,630.26	6,759,630.26
Less OCT Included Above			
Total Costs and Expenses Net of OCT	6,167,784.71	6,759,630.26	6,759,630.26
Utility Income Before Income Taxes	1,015,797.96	428,906.64	1,285,450.64
Income Taxes:			
Corporate Income Taxes	463,016.11	209,583.88	492,243.44
Total Income Taxes	463,016.11	209,583.88	492,243.44
Utility Net Income	552,781.85	219,322.76	793,207.20
Capital Tax Expense Calculation:			
Total Rate Base	20,488,838.14	22,869,990.04	22,869,990.04
Exemption	15,000,000.00	15,000,000.00	15,000,000.00
Deemed Taxable Capital	5,488,838.14	7,869,990.04	7,869,990.04
Ontario Capital Tax	12,349.89	17,707.48	17,707.48
Income Tax Expense Calculation:			
Accounting Income	1,015,797.96	428,906.64	1,285,450.64
Tax Adjustments to Accounting Income	366,339.67	206,196.03	206,196.03
Taxable Income	1,382,137.63	635,102.66	1,491,646.67
Income Tax Expense	463,016.11	209,583.88	492,243.44
	33.50%	33.00%	33.00%
Actual Return on Rate Base:			
Rate Base	20,488,838.14	22,869,990.04	22,869,990.04
Interest Expense	874,660.82	890,091.79	890,091.79
Net Income	552,781.85	219,322.76	793,207.20
Total Actual Return on Rate Base	1,427,442.68	1,109,414.54	1,683,299.00
Actual Return on Rate Base	6.97%	4.85%	7.36%
Required Return on Rate Base:			
Rate Base	20,488,838.14	22,869,990.04	22,869,990.04

Return Rates:			
Return on Debt (Weighted)	8.00%	6.86%	6.86%
Return on Equity	9.00%	8.01%	8.01%
Deemed Interest Expense	874,660.82	889,542.79	889,542.7
Return On Equity	860,592.67	793,756.29	793,756.2
Total Return	1,735,253.49	1,683,299.08	1,683,299.
Expected Return on Rate Base	8.47%	7.36%	7.36%
Revenue Deficiency After Tax	307,810.81	573,884.53	0.00
Revenue Deficiency Before Tax	462,873.41	856,544.08	0.00

Tax Exhibit		2009
Deemed Utility Income		793,207
Tax Adjustments to Accounting Income		206,196
Taxable Income prior to adjusting revenue to PILs		999,403
Tax Rate		33.00%
Total PILs before gross up		329,803
Grossed up PILs		492,243



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Summary of MIFRS Transition & Impact for IHDSL

1.0 Overview

1.1 Background

International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), are intended to provide transparency and comparability in a global context. Over 100 hundred countries worldwide are now required or have committed to conversion to IFRS.

On February 13, 2008, the Canadian Accounting Standards Board (“Canadian AcSB”) confirmed publicly accountable enterprises would be required to adopt IFRS in place of Canadian Generally Accepted Accounting Principles (“CGAAP”) for fiscal years beginning on or after January 1, 2011. Government Business Enterprises, e.g. municipally owned utilities such as Innisfil Hydro Distribution Systems Limited (“HDSL”), were also required by the Public Sector Accounting Board to adopt IFRS on January 1, 2011.

In many respects, CGAAP and IFRS are very comparable. The overall financial statement presentation is similar, although IFRS requires more disclosures about assumptions, estimates, and reconciliations of balance items. The overall principles and rules are also very similar and for the most part address analogous topics, although differences do lie within the details and any one area can involve different recognition, measurement, presentation, or disclosure issues.

There are, however, some important differences between the two accounting standards in the context of how IFRS would apply to rate-regulated entities like IHDSL. Accounting for regulatory assets and liabilities represents one of those important differences. In December 2008, the IASB initiated a project on the application of IFRS to rate-regulated activities, and in July 2009 the IASB issued an exposure draft on rate Hydro regulated activities that had many similarities to CGAAP.

The IASB received numerous comment letters relating to this exposure draft, many of which were not supportive. The deliberation process by the IASB occurred over many months, resulting in a final meeting on this topic on September 16, 2010. At this meeting, the IASB board members determined that the matter could not be easily resolved; therefore, the IASB deferred any decisions and included this matter as part of their three-year agenda consultation process.

Due to the uncertainty at the international level, the Canadian AcSB issued an exposure draft on July 28, 2010, which proposed that qualifying entities with rate-regulated activities would be permitted to continue to apply CGAAP for an additional two years.

On September 10, 2010, the Canadian AcSB issued its final decision, which stated that the deferral period would be granted, but for only 1 year. Since that timeframe, the Canadian AcSB has decided to extend the deferral of the mandatory IFRS changeover date twice. Qualifying rate-regulated entities are now allowed to defer IFRS adoption to January 1, 2014. Additionally, the IASB has made it known publicly the priority it intends to give rate-regulated activities when setting its future agenda.

The Ontario Energy Board (the “Board”) issued a report in July 2009 with guidance on IFRS within the regulatory environment entitled *Report of the Board on the Transition to International Financial Reporting Standards (EB-2008-0408)*. The Board also issued a clarification letter regarding the capitalization of overhead costs in February 2010.

A Board sponsored depreciation study was issued in July of 2010. On November 8, 2010, an amendment to the July report was issued to address the delay in implementing IFRS until January 2012. A letter was also issued on March 15, 2011 to address the use of IFRS in cost of service applications for 2012 rates. An *Addendum to the Report of the Board: Implementing International Financial Reporting Standards in an Incentive Rate Mechanism Environment (EB-2008-0408)* was issued on June 13, 2011. On December 21, 2011 the Board posted a revised Accounting Procedures Handbook for comment with many proposed revisions undertaken to recognize the transition to IFRS. On April 30, 2012 the Board issued a letter providing guidance for all electricity utilities regarding the deferral of implementing IFRS. On July 17, 2012 the Board issued a letter to provide regulatory accounting policy direction for changes to depreciation expense and capitalization policies in 2012 and 2013.

Collectively this set of guidance is referred to as the Board’s IFRS Guidance throughout the addendum. The Board’s IFRS Guidance uses the term Modified IFRS (“MIFRS”) to refer to IFRS accounting, as modified by the Board for regulatory purposes.

1.2 IHDSL - IFRS Conversion Project

IHDSL began the IFRS project in 2009. The project governance involved a committee consisting of senior management and external advisors. IHDSL’s key external advisor for the IFRS conversion project has been BDO. IHDSL has assessed the financial impacts of adopting IFRS and has implemented new processes for its 2011 financial year. The areas that will experience

the greatest impact are rate-regulated accounting and accounting for property, plant and equipment (“PP&E”) as well as the impact of initial adoption. IHDSL expects a significant increase in the annual financial statement disclosure under IFRS.

1.3 Accounting Basis for 2012 Cost of Service Application

The Board’s IFRS Guidance Section 9.1.3 required electricity distributors scheduled to file cost of service applications for rates in the year subsequent to the year they choose to adopt IFRS for financial reporting. To file the information for the year prior (i.e. 2011 historic year) to the year they choose to adopt IFRS (i.e. 2012) for the financial reporting in both CGAAP and MIFRS format, and provide the bridge year (i.e. 2012) and the forecasts for the test year (i.e. 2013) information in MIFGRS. The years required to be filed prior to the historic year (i.e. 2009 and 2010) may be provided in CGAAP only.

Therefore, IHDSL has presented 2009 and 2010 historic years in CGAAP, 2011 historic in CGAAP and MIFRS, 2012 Bridge Year and 2013 Test Year in MIFRS.

1.4 Overall Impact

The overall impact to the 2012 rate base is an increase of \$639,864, and a revenue requirement decrease of \$639,864.

The key area impacted by the transition to the new useful lives is PP & E as indicated by the table below. The table reflects the impact to the net assets for the change in useful lives due to the Kinetic study. As a result IHDSL’s net assets are increasing due to longer useful lives.

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Appendix 2-EB
IFRS-CGAAP Transitional PP&E Amounts
2013 Adopters of IFRS for Financial Reporting Purposes

For applicants that adopt IFRS on **January 1, 2013** for financial reporting purposes

Note: this sheet should be filled out if the applicant adopts IFRS for its financial reporting purpose as of January 1, 2013.

Reporting Basis Forecast vs. Actual Used in Rebasing Year	2009 Rebasing Year				2013 Rebasing Year			
	CGAAP	IRM	IRM	IRM	MIFRS	IRM	IRM	IRM
	Forecast	Actual	Actual	Forecast	Forecast			
			\$	\$	\$	\$	\$	\$
PP&E Values under CGAAP								
Opening net PP&E - Note 1				26,060,063				
Additions				6,032,445				
Depreciation (amounts should be negative)				-2,179,090				
Closing net PP&E (1)				29,913,418				

PP&E Values under MIFRS (Starts from 2012, the transition year)

Opening net PP&E - Note 1				26,060,063				
Additions				6,032,445				
Depreciation (amounts should be negative)				-1,539,226				
Closing net PP&E (2)				30,553,282				

Difference in Closing net PP&E, CGAAP vs. MIFRS (Shown as adjustment to rate base on rebasing)				-639,864				
---	--	--	--	----------	--	--	--	--

Account 1575 - IFRS-CGAAP Transitional PP&E Amounts

Opening balance				0	-639864	-479898	-319932	-159966
Amounts added in the year				-639864				
Sub-total				-639864	-639864	-479898	-319932	-159966
Amount of amortization, included in depreciation expense - Note 2					159966	159966	159966	159966
Closing balance in deferral account				-639864	-479898	-319932	-159966	0

Effect on Revenue Requirement

Amortization of deferred balance as above - Note 2		-159966	WACC	6.59%
Return on Rate Base Associated with deferred PP&E balance at WACC - Note 3	-	42,167	Disposition Period - Note 4	4
Amount included in Revenue Requirement on rebasing		-202133		

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2.0 Property, Plant and Equipment

IHDSL's IFRS project involved an important number of changes relating to PP&E. A significant amount of the conversion project was dedicated to this area. The major issues dealt with in the transition to MIFRS included opening balance sheet accounting, componentization, depreciation and capitalization. These issues are discussed further below.

The IASB amended IFRS 1 in May 2010 to allow rate-regulated entities to use the previous accounting Net Books Value ("NBV") as the IFRS cost on the date of transition; this is referred to as the deemed cost exemption. IHDSL will utilize this deemed cost exemption for PP&E which allows for the use of the CGAAP NBV on December 31, 2011 as the MIFRS opening cost on January 1, 2012.

2.1 Componentization and Depreciation

International Accounting Standard 16 Property, Plant and Equipment ("IAS 16") requires each part of an item of PP&E with a cost that is significant in relation to the total cost of the item to be depreciated separately. This requirement is more stringent than CGAAP.

IAS 16 also requires that entities perform a review of its useful lives, depreciation methods, and residual values on an annual basis. Under CGAAP, IHDSL has followed the useful lives as prescribed by the Board.

The Board has stated that it will no longer prescribe useful lives for PP&E; however, a generic depreciation study may be useful, specifically the Board's IFRS Guidance stated: "While utilities remain solely responsible for complying with financial reporting requirements, the Board notes that a generic depreciation study could assist utilities with IFRS compliance in addition to providing considerable regulatory benefits. The study should provide a good starting point for the determination of service lives for distribution assets ...".

The Board's objective in providing a generic depreciation study: "is to assist the distributors in their transition from Canadian Generally Accepted Accounting Principles applicable in a regulatory environment ...".

For historical years 2009 to 2011, IHDSL adhered to the Board's depreciation rates as set out in Appendix B of the 2006 Electricity Distribution Rate Handbook. For the 2012 Bridge and 2013 Test Year, IHDSL has adhered to the rates as set in Kinectrics' study.

130 The Table below lists IHDSL's IFRS Useful lives by Uniform System of Account ("USofA").

USofA Account #	Description	(1) OEB Useful Life (years)	IFRS Useful Life (years)
1805	Land	n/a	n/a
1806	Land Rights	50	50
1808	Buildings and Fixtures	50	50
1815	Station Equipment (above 50kV)	25-40	30
1820	Station Equipment (below 50kV)	25-30	40
1830	Poles, Towers, Fixtures	25	45
1835	Overhead Conductors and Devices	25	60
1840	Underground Conduit	25	40
1845	Underground Conductors and Devices	25	40
1850	Line Transformers	25	40
1855	Services	25	40
1860	Meters	25	25
1860	Smart Meters	15	15
1905	Land	n/a	n/a
1906	Land Rights	50	50
1908	Buildings and Fixtures	50	50
1908	Buildings and Fixtures – Other	25	25
1915	Office Furniture and Equipment	10	10
1920	Computer Equipment – Hardware	5	5
1925	Computer Software	3	3
1930	Trucks Less Than 3 Tonnes	5	5
1930	Bucket and Other Large Trucks	5	10
1935	Stores Equipment	10	10
1940	Tools, Shop & Garage Equipment	10	10
1945	Measurement & Testing Equipment	10	10
1955	Communication Equipment	10	10
1980	System Supervisor Equipment	15	15

2.2 Capitalization

IAS indicates that only costs that are directly attributable to bringing an asset to the location and working condition for its intended use can be capitalized. IAS 16 specifically prohibits the capitalization of administration, general overhead costs and training.

In Section 34 .3 of the Board's IFRS Guidance, the following direction is provided regarding capitalization: "The Board will require utilities to adhere to IFRS capitalization accounting requirements for rate making and regulatory reporting purposes after the date of adoption of IFRS. The utility will file a copy of its capitalization policy, identifying any updates to the policy, as part of its first cost of service rate filing after IFRS adoption ...".

In its letter dated February 24, 2010, the Board indicated that:

- "the test generally applied to determine which overhead costs may be capitalized under IAS 16 is that they be costs that would have been avoided only if the specific asset had not been constructed or acquired ..."
- "based on IFRS consultations EB-2008-0104/0408 survey results this may mean a reduction in capitalized overhead for some electricity distributors that have previously capitalized administration and other general overhead costs ..."

IHDSL's current CGAAP capitalization practice includes capitalization of costs such as materials, outside services (external contractors), labour and fleet costs. These costs are directly attributed to capital projects and the accounting treatment does not change under MIFRS requirements.

IHDSL does not capitalize costs that are not directly attributed to the capital projects.

NEXUS ACTUARIAL CONSULTANTS LTD.

January 10, 2012

Laurie Ann Cooledge, CMA, CPA
CFO/Treasurer
Innisfil Hydro Distribution Systems Limited
2073 Commerce Park Drive
Innisfil, Ontario
L9S 4A2

Dear Ms Cooledge:

**RE: 2010 Actuarial Valuation of Innisfil Hydro's Retirement Benefit PSAB
Obligations & Expenses**

Innisfil Hydro retained Nexus Actuarial Consultants to provide Innisfil Hydro with actuarial estimates of its Non-Pension Retirement Benefit Liabilities for Extended Health Care, Dental, and Life. Specifically, Innisfil Hydro requires:

1. Accrued benefit obligations (liabilities) at December 31, 2010; and
2. Fiscal 2011, 2012 and 2013's expenses and year end obligations;

to meet the financial reporting requirements under the Public Sector Accounting Board (PSAB) recommendations for local governments.

This report is based upon our understanding that Innisfil Hydro recognized the impact of its new benefits in 2009 and that there have been no changes to the benefit provisions since our last report dated January 5, 2010. With regards the benefit provisions we understand that the benefit provisions for both active and early retired members include some coverage for out of province health coverage and that the premiums for out of province health coverage for active members is included in the EHC premiums. At this time we again concluded that it is acceptable for management to assume that the Extended Health Care premiums will continue to cover out of province health coverage, including retirees and repeat our advise that more information should be obtained from your carrier prior to the next valuation.

In our draft report we noted:

At this time our DRAFT report, see Appendix 1, observes the difference between the family membership used in the valuation, 28 members, and the 23 family members shown in the 2011 renewal report. Understanding this difference and making adjustments if required is needed before our report can be finalized.

We understand that Innisfil Hydro has considered the data we used for the valuation and is of the opinion that it is appropriate.

This valuation was performed using information provided to us by Innisfil Hydro, including per employee data extracted from Innisfil Hydro's records in early 2011.

Limitations of the Valuation

The prior valuation was for benefits granted in the middle of 2007 for employees who retire on or after January 1, 2009. However, given the fact that the benefits were granted in mid 2007, our

understanding is that the granting of future benefits in mid 2007 gave rise to a mid 2007 amendment even though the plan only provides benefits to January 1, 2009 and later retirees. Nonetheless we understand that the obligations and expenses were first recognized in 2009 and our accounting results recognize this understanding.

Our valuation results are based upon data and information provided by Innisfil Hydro. We worked with Innisfil Hydro to reduce errors or omissions in the data and information provided.

We reviewed the data and information for reasonableness, summarized it and presented it to Innisfil Hydro to confirm its reasonableness. The summarized membership data are included in Appendix A. The benefit provisions are outlined in this report and summarized in Appendix D – Benefit Provisions and Assumptions. The summary of the historical cost experience analysis is included in Appendix E – Historical Experience. Each appendix was included in the report submitted to Innisfil Hydro in draft form to enable Innisfil Hydro to confirm our understanding of the information. Based upon our subsequent review and discussions with Innisfil Hydro, we believe the data and information provided are sufficient for the valuation.

We have also reviewed the management assumptions. We consider the management assumptions and our selected methodology appropriate for an actuarial valuation of Innisfil Hydro's retirement benefits & gratuities to support determination of PSAB obligations & expenses.

The results of the valuation are based upon our analyses of Innisfil Hydro's past experience and the projections for the future using the management assumptions. To the extent that the valuation assumptions for the future are not met, the future experience will emerge differently from that projected. In any event, another complete analysis and valuation should be performed in three years, unless future events, such as a change in the employee benefit package, suggest the need for an earlier analysis and valuation.

Non-Pension Benefits

1. **Sick Leave Accumulation Plan:** Innisfil Hydro does not provide its employees with a Sick Leave Accumulation Plan for eligible employees.
2. **Health Care:** Effective January 1, 2009 employees of Innisfil Hydro are provided with health care benefits while in early retirement between the ages of 55 and 65 provided the employee has 15 years of service with Innisfil Hydro. The features of the health care benefit package in early retirement are the same as that when active.
3. **Travel benefits:** Innisfil Hydro provides its active and early retired employees with out of province health coverages.
4. **Dental benefits:** Effective January 1, 2009 employees of Innisfil Hydro are provided with dental benefits while in early retirement between the ages of 55 and 65 provided the employee has 15 years of service with Innisfil Hydro. The features of the dental benefit package in early retirement are the same as that when active.
5. **Life Insurance:** Effective January 1, 2009 employees of Innisfil Hydro are provided with life insurance of two (2) times annual salary at time of early retirement while in early retirement between the ages of 55 and 65 provided the employee has 15 years of service with Innisfil Hydro..

6. **Other:** The other employee benefits, such as Long Term Disability (LTD) are insured and terminate upon retirement or early retirement. Since the LTD is insured, there is no accrued benefit obligation for the LTD to be reported to meet the PSAB requirements.
7. We also understand that:
 - Innisfil Hydro pays 50% of the cost of the non-pension retirement benefits. We understood that Innisfil Hydro would arrange for separate premium rates for early retirees so that they pay 50% of the true cost of their benefits rather than 50% of blended (active and early retiree) cost of all members. At the time of preparing this draft report we are unaware of actions taken regarding arrangements for separate rates for retirees;
 - For Health Care and Dental, Innisfil Hydro has an experience rated contract with Manulife;
 - The salary based Life Insurance coverage is provided under insured contracts with Manulife;
 - The maximum fee schedules are reasonably current and are revised on a reasonably frequent basis so that they stay in line with current prices; and
 - There are no concrete plans or commitments to significantly change the current benefit package.

Historical Experience

Health Care & Dental

Whereas Innisfil Hydro's historical experience, as shown in more detail in Appendix E, was trending up somewhat consistently with general trends, since 2008-2009 Health Care rates have been flat whereas Dental rates have increased by about 40% over 3 years. Nevertheless we continue to suggest use of current rates (the May 2011 renewal rates) for the current year (2011) as overall (the blend of health care and dental) are reasonably in line with the earlier projections for 2011.

Life

For life benefits, we continue to suggest premium rates based upon GAM 1994 and the use of a pure loss ratio of 60% even though the life cost rate and note that the current rate is similar to the rate for 2008-2009 (the base used to suggest the prior valuation's assumption).

Management Assumptions

For each key actuarial assumption, Innisfil Hydro is required to establish its best estimate of expected long-term experience and short-term forecasts. The key actuarial assumptions established for this valuation (summarized in Appendix D) with (*prior valuation assumption in italics*) are:

o Financial:

- o Future cost of long term debt 4.75% per year (*5%*)
- o Future inflation rates 2.0% per year (*same*)
- o Future salaries Escalate at 3.0% per year (*same*)
- o Future dental premium rates Future per annum escalations at 4.0% (*same*)
- o Future health care premium rates: Future per annum escalations of 6.667% (2012 vs. 2011) down to 4% over 8 years (in 2020) (*same*)
- o Pensionable earnings Annual Salary 3 years prior to Retirement (*same*)

o Demographic:

- o Expected future mortality rates: Group annuity mortality 1994 (*same*)
- o Expected future termination rates: Ontario Light Termination Rates (*same*)
- o Early future retirement rates: 25% in the earliest year of meeting rules for no reduction in pension; 10% in subsequent years (*same*)
- o Pension Plan eligibility factors: Age 55 and age + service \geq 90 or 30 years service (*same*)
- o EARSLL: 16 years

o Benefit Provisions and Premium Rates:

- o Normal Retirement Age (NRA): Age 65 (*same*)
- o Average age at retirement: Age 62 (*same*)
- o Dental: May 2011 rate by family status (\$173.33 per month family) and PST (8% load), plus future dental

- Health Care including Travel:
 - Salary based Life:
 - Retiree Benefit Election Rate
 - Expected future sales tax:
 - Expected future administration:
 - Expected future changes in benefits:

premium rate per annum escalations (*same approach – use current billed rate*)

May 2011 rate by family status (\$225.65 per month family) loaded 25% for age and 8% for PST plus future health care premium rate per annum escalations (*same approach – use current billed rate*);

GAM94 gender specific mortality rates applied to \$1 of sum assured, adjusted for carrier's margin for administration, taxes, profit etc. (i.e. a pure loss ratio of 60%) (*same*)

100% of those eligible will elect to receive retiree benefits.

8% (*same*)

0% (*same*)

Future benefit caps and fee schedules will track expected future premium escalation rates (*same*)

Actuarial Cost Methods

As recommended by PSAB, the projected benefit method pro-rated on services has been adopted to attribute the cost of non-pension retirement benefits to the periods of employee service.

Under this method, the present value of all fiscal 2011 and later costs to be incurred by Innisfil Hydro for each active and retired employee for non-pension retirement benefits (health, dental and life), as at December 31, 2010, are pro-rated. The pro-ration is between the employee's date of employment to the date the employee first becomes eligible to receive the benefit. Benefit eligibility is when a member is age 55 with 15 years service with Innisfil Hydro. However for the salary related life benefit service to average retirement age which has been set at age 62.

Valuation Results

The following table summarizes the valuation results, which are shown in more detail in the appendices for illustrative purposes.

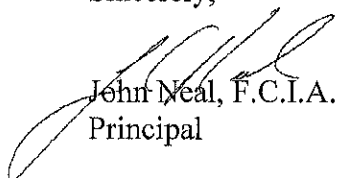
Accumulated Benefit Obligation December 31, 2010	Dental	\$9,032
	Health	\$16,511
	Life	\$6,258
		\$31,801
2011 Benefit Expense	Dental	\$809
	Health	\$1,477
	Life	\$528
		\$2,814
2011 Interest Expense	Dental	\$448
	Health	\$819
	Life	\$310
		\$1,577
2011 Payments	Dental	\$0
	Health	\$0
	Life	\$0
		\$0

There is a small actuarial gain, \$582, likely due to lower than expected health care rates offset by higher dental rates.

Please note that the accounting results do not recognize Innisfil Hydro's reserves earmarked for their obligations as PSAB only recognizes assets that are in a segregated fund, or its equivalent.

In my opinion, given our understanding that Innisfil Hydro reported the impact of its new benefits for the first time in its 2009 financial statements, these results comply with our understanding of PSAB recommendations and are appropriate for use in Innisfil Hydro's fiscal 2011 financial statements.

Sincerely,



John Neal, F.C.I.A.
Principal

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Appendix A - Membership Data

Group	HealthCover	Members	Average		
			Age	Serv	Salary
InnisfilHydro-Active-65	Family	28	45.1	8.6	72,826
	None	3	47.8	0.4	41,098
	Single	3	36.5	4.3	67,468
Grand Total		34	44.6	7.5	69,554

We note that the members with family coverage of 28 are 5 higher than the 23 in the 2011 renewal.

Appendix B – Accounting Results

Based upon the valuation and our understanding that the impact the new benefits were included in the 2009 financial statements for the first time the results are as follows:

Accounting Results - InnisfilHydro-All - RB								
Non-Pension Post-Employment Benefit Accounting Results								
Exhibits In Accordance with CICA PSAB Accounting Handbook Section 3250.B Example 2								
Exhibit I	Interest during the year	2013	2012	2011	2010	2009	2008	2007
	Accrued benefit obligation (ABO) - opening balance	40,989	36,192	31,801	28,828	-	-	-
	Add: 50% of current period benefit cost	1,608	1,503	1,407	1,031	963	-	-
	Add: 50% of increase in ABO due to plan amendments	-	-	-	-	25,576	-	-
	Deduct: 50% of current period benefit payments	-	-	-	-	-	-	-
	Average ABO	42,595	37,695	33,208	29,859	26,539	-	-
	Interest on average ABO based on discount rate	2,023	1,791	1,577	1,493	1,327	-	-
		4.75%	4.75%	4.75%	5.00%	5.00%	5.00%	5.00%
Exhibit II	Expected closing balance of ABO	2013	2012	2011	2010	2009	2008	2007
	ABO - opening balance	40,989	36,192	31,801	28,828	-	-	-
	Add: Current period benefit expense	3,212	3,006	2,814	2,062	1,925	-	-
	Increase due to plan amendment	-	-	-	-	25,576	-	-
	Interest accrued (Exhibit I)	2,023	1,791	1,577	1,493	1,327	-	-
	Deduct: Benefit payments	-	-	-	-	-	-	-
	Expected closing balance	46,224	40,989	36,192	32,383	28,828	-	-
Exhibit III	Amortization of actuarial gains/losses on ABO	2013	2012	2011	2010	2009	2008	2007
	Expected closing balance of ABO at December 31	46,224	40,989	36,192	32,383	28,828	-	-
	Actual ABO per December 31 actuarial valuation	46,224	40,989	36,192	31,801	28,828	-	-
	Actuarial gain / (loss)	-	-	-	582	-	-	-
	EARS years	16	16	16	16	16	16	16
	Annual amortization over EARS	-	-	-	36	-	-	-
Exhibit IV	Unamortized actuarial gains and losses	2013	2012	2011	2010	2009	2008	2007
	Unamortized actuarial gains and losses							
	- Opening balance	510	546	582	-	-	-	-
	Actuarial gains (losses) due to:							
	- ABO (Exhibit III)	-	-	-	582	-	-	-
	Amortization recorded during the year:							
	- ABO (Exhibit III)	(36)	(36)	(36)	-	-	-	-
	- Recognition of net unamortized actuarial gains as an offset to prior period service cost	-	-	-	-	-	-	-
	Unamortized actuarial gains and (losses)	474	510	546	582	-	-	-
Exhibit V	Liability for Post-employment benefits recorded in the statement of financial position	2013	2012	2011	2010	2009	2008	2007
	ABO - closing balance (Exhibit III)	46,224	40,989	36,192	31,801	28,828	-	-
	Unamortized actuarial gains/(losses) (Exhibit IV)	474	510	546	582	-	-	-
	Liability for Post-employment benefits	46,698	41,499	36,738	32,383	28,828	-	-
Exhibit VI	Expenditures/expenses recorded in the statement of revenues and expenditures/expenses	2013	2012	2011	2010	2009	2008	2007
	Current period benefit cost	3,212	3,006	2,814	2,062	1,925	-	-
	Prior period cost of plan amendment incurred during the year	-	-	-	-	25,576	-	-
	Recognition of unamortized net actuarial gains	-	-	-	-	-	-	-
	Amortization of actuarial gains/losses (Exhibit III)	(36)	(36)	(36)	-	-	-	-
	Post-employment benefit expenditure/expense	3,176	2,970	2,778	2,062	27,501	-	-
	Post-employment benefit interest expenditure/expense (Exhibit I)	2,023	1,791	1,577	1,493	1,327	-	-
	Total expenditures/expenses related to Post-employment benefits	5,199	4,761	4,355	3,555	28,828	-	-

Appendix C – Actuarial Valuation Results

Accumulated Benefit Obligation December 31, 2010	Dental	\$9,032
	Health	\$16,511
	Life	\$6,258
		\$31,801
2011 Benefit Expense	Dental	\$809
	Health	\$1,477
	Life	\$528
		\$2,814
2011 Interest Expense	Dental	\$448
	Health	\$819
	Life	\$310
		\$1,577
2011 Payments	Dental	\$0
	Health	\$0
	Life	\$0
		\$0

Appendix D - Benefit Provisions and Assumptions

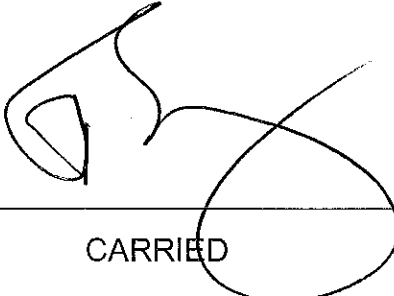
Benefit Provisions					
	At Terminations	During Early Retirement to age 65			After Age 65
Employee Group	NONE	Dental	Health	Life	NONE
All		50% employer paid	50% employer paid	2 X salary 50% employer paid	
Assumptions					
Discount Rate		4.75%	4.75%	4.75%	
Benefit Escalation		4%	6.667% (2012) to 4% (2020+)	4% to retirement date	
Mortality		GAM 94	GAM 94	GAM 94	
Termination		Ont Light	Ont Light	Ont Light	
Normal Retirement Age		65			
Retirement rates (1st year with unreduced pension / subsequent years)		25% / 10%	25% / 10%	25% / 10%	
Future Service for attributing liability to past and future service		Age 55 and 15 years service	Age 55 and 15 years service	Age 62 i.e. salary related so average retirement age	

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

MOVED BY: Burb NO.: 12-39
SECONDED BY: Burb DATE: April 16, 2012

Be it resolved that the Board hereby receive the 2011 Audited Financial Statements staff report, and

Further recommend that the Board receive and approve the signing of the audited financials by the Chairperson and one Director, to be received by the Shareholder at the annual meeting.


CARRIED

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

MOVED BY: BOB

NO.: 12- 91

SECONDED BY: BARB

DATE: August 24, 2012

Be it resolved that the Board hereby receive the Business Plan staff report, and

THAT the Board approve the 2013 Five Year Business Plan. *PENDING SOME MINOR
HOUSEKEEPING AMENDMENTS.*

VS

CARRIED

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
(hereinafter called the "Service Provider")

INNISFIL ENERGY SERVICES LIMITED
(hereinafter called the "Client")

MANAGEMENT, OPERATIONS AND MAINTENANCE AGREEMENT

SCHEDULE OF MANAGEMENT FEES

This Schedule of Management Fees has been prepared and approved pursuant to sections 4.1 and 7.5 of the Management, Operations and Maintenance Agreement, dated December 20, 2004, between the parties hereto (the "Agreement"). All terms herein shall have the meanings set forth or provided by context in the Agreement.

1. Management Services

Time spent by employees of the Service Provider providing management services to the Client shall be charged to the Client on an hourly basis at a rate equal to 145 percent of the employee's base hourly rate or equivalent, to cover wages, salary, benefits and a mark-up of 15 percent for return on invested capital.

2. Accounting Services

Billing, Collection and Customer Services

Fees for billing, collection and customer services shall be equivalent to those set by the Ontario Energy Board for Retail Service Charges pursuant to section 11.2 of the Electricity Distribution Rate Handbook:

CHARGE TYPE	AMOUNT	BASIS
Monthly Fixed Charge	\$20.00	Per month
Monthly Variable Charge	0.50	Per month per customer
Billing Charge	0.30	Per month per customer

Accounts Payable

Fees for maintaining, processing and paying trade accounts and other disbursements shall be as follows:

CHARGE TYPE	AMOUNT	BASIS
Account set-up	\$24.00	Per account
Information change	5.00	Per request
Processing fee	2.00	Per invoice
Disbursement fee	5.00	Per cheque

3. Settlement

The Service Provider shall invoice the Client for services provided at the end of each calendar quarter, such invoices to provide details of services and related charges. The Client shall pay such invoices by the end of the month following the date of the invoice.

4. Term

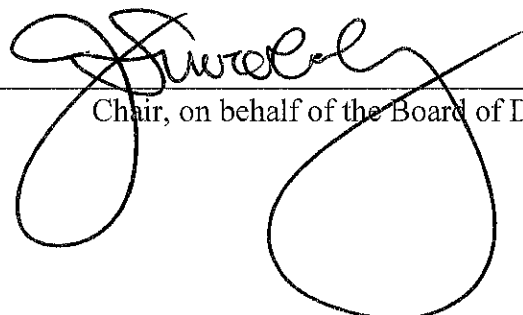
The term of this Schedule of Management Fees shall be effective as of January 1, 2012 to December 31, 2012 unless sooner terminated.

APPROVED by the parties hereto as of the 16th day of April, 2012.

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Per: _____
President

INNISFIL ENERGY SERVICES LIMITED

Per: _____
Chair, on behalf of the Board of Directors

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
(hereinafter called the "Service Provider")

INNISFIL ENERGY SERVICES LIMITED
(hereinafter called the "Client")

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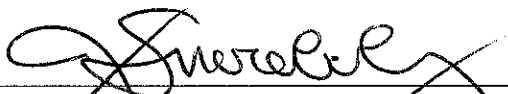
Per:



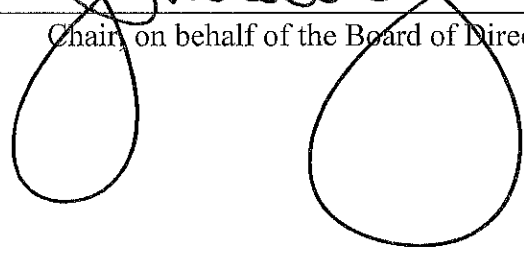
President

INNISFIL ENERGY SERVICES LIMITED

Per:



Chair, on behalf of the Board of Directors





Ministry of Revenue
33 King St W
PO Box 622
Oshawa ON L1H 8H6



MIN04

0000001

HPL - 1L060
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITE
ATTENTION: C/O LAURIE ANN COOLEGE TREASUR
2073 COMMERCE PARK DR
INNISFIL ON L9S 4A2

Issue Date 24-Jan-2012

Identification No. 1800117

Reference No. L0975809408

RECEIVED FEB 01 2012

Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

We have received and processed your return for the period ending 31-Dec-2009. Based on the information provided, your return has been corrected as follows:

	Previous	Revised
Total Federal Tax	\$400,456.00	\$332,171.00
Total Ontario Tax	\$318,722.00	\$303,068.00
Total Credits	\$0.00	(\$19,190.00)
Loss Carry-back	\$0.00	\$0.00
Total Tax Payable	\$704,909.00	\$616,049.00
Interest		\$532.90
Current Penalty		\$0.00
Credits/Payments		(\$616,581.90)
Total Assessment		\$0.00

As of 24-Jan-2012, including the amount assessed above, you have an overall credit balance on your account of (\$2,436.72).

If you have any questions concerning this Notice of Re-Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this re-assessment you have the right to file a Notice of Objection with the Tax Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the re-assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Revenue at the number listed below.

Ministry use only

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 1 866 888-3850

Teletypewriter (TTY)
Internet

1 800 263-7776
ontario.ca/revenue



Ministry of Revenue
33 King St W
PO Box 622
Oshawa ON L1H 8H6



MIN04

1000000

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITE
ATTENTION: C/O LAURIE ANN COOLEGE TREASUR
2073 COMMERCE PARK DR
INNISFIL ON L9S 4A2

HPL - 0080

Issue Date 16-Jan-2012

Identification No. 1800117

Reference No. L1478726528

RECEIVED JAN 24 2012

Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

We have received and processed your return for the period ending 31-Dec-2010. Based on the information provided, your return has been corrected as follows:

	Previous	Revised
Total Federal Tax	\$491,811.00	\$433,582.00
Total Ontario Tax	\$364,409.00	\$359,283.00
Total Credits	(\$19,931.00)	(\$23,684.00)
Loss Carry-back	\$0.00	\$0.00
Total Tax Payable	\$836,289.00	\$769,181.00
Interest		\$79.98
Current Penalty		\$0.00
Credits/Payments		(\$769,260.98)
Total Assessment		\$0.00

As of 16-Jan-2012, including the amount assessed above, you have an overall credit balance on your account of (\$2,604.67).

If you have any questions concerning this Notice of Re-Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this re-assessment you have the right to file a Notice of Objection with the Tax Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the re-assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Revenue at the number listed below.

Feb 24/12 deposit
less \$10 fee
\$2,594.67

Ministry use only

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 1 866 888-3850

Teletypewriter (TTY)
Internet

1 800 263-7776
ontario.ca/revenue

**Innisfil Hydro Distribution Systems Limited
2012 BALANCE SHEET**

Account Description
1050-Current Assets
1005-Cash
1010-Cash Advances and Working Funds
1020-Interest Special Deposits
1030-Dividend Special Deposits
1040-Other Special Deposits
1060-Term Deposits
1070-Current Investments
1100-Customer Accounts Receivable
1102-Accounts Receivable - Services
1104-Accounts Receivable - Recoverable Work
1105-Accounts Receivable - Merchandise, Jobbing, etc.
1110-Other Accounts Receivable
1120-Accrued Utility Revenues
1130-Accumulated Provision for Uncollectable Accounts -- Credit
1140-Interest and Dividends Receivable
1150-Rents Receivable
1170-Notes Receivable
1180-Prepayments
1190-Miscellaneous Current and Accrued Assets
1200-Accounts Receivable from Associated Companies
1210-Notes Receivable from Associated Companies
1050-Current Assets Total
1100-Inventory
1305-Fuel Stock
1330-Plant Materials and Operating Supplies
1340-Merchandise
1350-Other Material and Supplies
1100-Inventory Total
1150-Non-Current Assets
1405-Long Term Investments in Non-Associated Companies
1408-Long Term Receivable - Street Lighting Transfer
1410-Other Special or Collateral Funds
1415-Sinking Funds
1425-Unamortized Debt Expense
1445-Unamortized Discount on Long-Term Debt--Debit
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses
1460-Other Non-Current Assets
1465-O.M.E.R.S. Past Service Costs
1470-Past Service Costs - Employee Future Benefits

1475-Past Service Costs -Other Pension Plans
1480-Portfolio Investments - Associated Companies
1485-Investment In Subsidiary Companies - Significant Influence
1490-Investment in Subsidiary Companies
1150-Non-Current Assets Total

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1556-Smart Meters OM & A
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1563-Deferred PILs - Contra
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1566-C & DM Costs Contra
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1450-Distribution Plant
1805-Land
1806-Land Rights
1808-Buildings and Fixtures
1810-Leasehold Improvements
1815-Transformer Station Equipment - Normally Primary above 50 kV

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1835-Overhead Conductors and Devices
1840-Underground Conduit
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1850-Line Transformers
1855-Services
1860-Meters
1865-Other Installations on Customer's Premises
1875-Street Lighting
1450-Distribution Plant Total

1500-General Plant
1905-Land
1906-Land Rights
1908-Buildings and Fixtures
1910-Leasehold Improvements
1915-Office Furniture and Equipment
1920-Computer Equipment - Hardware
1925-Computer Software
1930-Transportation Equipment
1935-Stores Equipment
1940-Tools, Shop and Garage Equipment
1945-Measurement and Testing Equipment
1950-Power Operated Equipment
1955-Communication Equipment
1960-Miscellaneous Equipment
1970-Load Management Controls - Customer Premises
1975-Load Management Controls - Utility Premises
1980-System Supervisory Equipment
1985-Sentinel Lighting Rentals
1990-Other Tangible Property
1995-Contributions and Grants
1500-General Plant Total

1550-Other Capital Assets
2005-Property Under Capital Leases
2010-Electric Plant Purchased or Sold
2020-Experimental Electric Plant Unclassified
2030-Electric Plant and Equipment Leased to Others
2040-Electric Plant Held for Future Use
2050-Completed Construction Not Classified--Electric
2055-Construction Work in Progress--Electric
2060-Electric Plant Acquisition Adjustment
2065-Other Electric Plant Adjustment
2070-Other Utility Plant

2075-Non-Utility Property Owned or Under Capital Lease
1550-Other Capital Assets Total

1600-Accumulated Amortization
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment
2120-Accumulated Amortization of Electric Utility Plant - Intangibles
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment
2160-Accumulated Amortization of Other Utility Plant
2180-Accumulated Amortization of Non-Utility Property
1600-Accumulated Amortization Total

Total Assets

1650-Current Liabilities
2205-Accounts Payable
2208-Customer Credit Balances
2210-Current Portion of Customer Deposits
2215-Dividends Declared
2220-Miscellaneous Current and Accrued Liabilities
2225-Notes and Loans Payable
2240-Accounts Payable to Associated Companies
2242-Notes Payable to Associated Companies
2250-Debt Retirement Charges (DRC) Payable
2252-Transmission Charges Payable
2254-Electric Safety Authority Fees Payable
2256-Independent Market Operator Fees and Penalties Payable
2260-Current Portion of Long Term Debt
2262-Ontario Hydro Debt - Current Portion
2264-Pensions and Employee Benefits - Current Portion
2268-Accrued Interest on Long Term Debt
2270-Matured Long Term Debt
2272-Matured Interest on Long Term Debt
2285-Obligations Under Capital Leases--Current
2290-Commodity Taxes
2292-Payroll Deductions / Expenses Payable
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.
2296-Future Income Taxes - Current
1650-Current Liabilities Total

1700-Non-Current Liabilities
2305-Accumulated Provision for Injuries and Damages
2306-Employee Future Benefits
2308-Other Pensions - Past Service Liability
2310-Vested Sick Leave Liability
2315-Accumulated Provision for Rate Refunds
2320-Other Miscellaneous Non-Current Liabilities
2325-Obligations Under Capital Lease--Non-Current

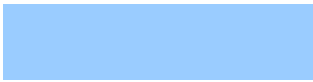
2330-Devolpment Charge Fund
2335-Long Term Customer Deposits
2340-Collateral Funds Liability
2345-Unamortized Premium on Long Term Debt
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion
2350-Future Income Tax - Non-Current
2405-Other Regulatory Liabilities
2410-Deferred Gains From Disposition of Utility Plant
2415-Unamortized Gain on Reacquired Debt
2425-Other Deferred Credits
2435-Accrued Rate-Payer Benefit
1700-Non-Current Liabilities Total

1800-Long-Term Debt
2505-Debentures Outstanding - Long Term Portion
2510-Debenture Advances
2515-Required Bonds
2520-Other Long Term Debt
2525-Term Bank Loans - Long Term Portion
2530-Ontario Hydro Debt Outstanding - Long Term Portion
2550-Advances from Associated Companies
1800-Long-Term Debt Total

1850-Shareholders' Equity
3005-Common Shares Issued
3008-Preference Shares Issued
3010-Contributed Surplus
3020-Donations Received
3022-Devolpment Charges Transferred to Equity
3026-Capital Stock Held in Treasury
3030-Miscellaneous Paid-In Capital
3035-Installments Received on Capital Stock
3040-Appropriated Retained Earnings
3045-Unappropriated Retained Earnings
3046-Balance Transferred From Income
3047-Appropriations of Retained Earnings - Current Period
3048-Dividends Payable-Preference Shares
3049-Dividends Payable-Common Shares
3055-Adjustment to Retained Earnings
3065-Unappropriated Undistributed Subsidiary Earnings
1850-Shareholders' Equity Total

Total Liabilities & Shareholder's Equity

Balance Sheet Total



Total
0
0
0
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0
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0
2,956,000
(70,000)
329,000
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370,000
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966,493
0
16,607,937

39,605,957

0

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1925-Computer Software
1930-Transportation Equipment
1935-Stores Equipment
1940-Tools, Shop and Garage Equipment
1945-Measurement and Testing Equipment
1950-Power Operated Equipment
1955-Communication Equipment
1960-Miscellaneous Equipment
1970-Load Management Controls - Customer Premises
1975-Load Management Controls - Utility Premises
1980-System Supervisory Equipment
1985-Sentinel Lighting Rentals
1990-Other Tangible Property
1995-Contributions and Grants
1500-General Plant Total

1550-Other Capital Assets
2005-Property Under Capital Leases
2010-Electric Plant Purchased or Sold
2020-Experimental Electric Plant Unclassified
2030-Electric Plant and Equipment Leased to Others
2040-Electric Plant Held for Future Use
2050-Completed Construction Not Classified--Electric
2055-Construction Work in Progress--Electric
2060-Electric Plant Acquisition Adjustment
2065-Other Electric Plant Adjustment
2070-Other Utility Plant

2075-Non-Utility Property Owned or Under Capital Lease
1550-Other Capital Assets Total

1600-Accumulated Amortization
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment
2120-Accumulated Amortization of Electric Utility Plant - Intangibles
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment
2160-Accumulated Amortization of Other Utility Plant
2180-Accumulated Amortization of Non-Utility Property
1600-Accumulated Amortization Total

Total Assets

1650-Current Liabilities
2205-Accounts Payable
2208-Customer Credit Balances
2210-Current Portion of Customer Deposits
2215-Dividends Declared
2220-Miscellaneous Current and Accrued Liabilities
2225-Notes and Loans Payable
2240-Accounts Payable to Associated Companies
2242-Notes Payable to Associated Companies
2250-Debt Retirement Charges (DRC) Payable
2252-Transmission Charges Payable
2254-Electric Safety Authority Fees Payable
2256-Independent Market Operator Fees and Penalties Payable
2260-Current Portion of Long Term Debt
2262-Ontario Hydro Debt - Current Portion
2264-Pensions and Employee Benefits - Current Portion
2268-Accrued Interest on Long Term Debt
2270-Matured Long Term Debt
2272-Matured Interest on Long Term Debt
2285-Obligations Under Capital Leases--Current
2290-Commodity Taxes
2292-Payroll Deductions / Expenses Payable
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.
2296-Future Income Taxes - Current
1650-Current Liabilities Total

1700-Non-Current Liabilities
2305-Accumulated Provision for Injuries and Damages
2306-Employee Future Benefits
2308-Other Pensions - Past Service Liability
2310-Vested Sick Leave Liability
2315-Accumulated Provision for Rate Refunds
2320-Other Miscellaneous Non-Current Liabilities
2325-Obligations Under Capital Lease--Non-Current

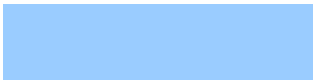
2330-Devolpment Charge Fund
2335-Long Term Customer Deposits
2340-Collateral Funds Liability
2345-Unamortized Premium on Long Term Debt
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion
2350-Future Income Tax - Non-Current
2405-Other Regulatory Liabilities
2410-Deferred Gains From Disposition of Utility Plant
2415-Unamortized Gain on Reacquired Debt
2425-Other Deferred Credits
2435-Accrued Rate-Payer Benefit
1700-Non-Current Liabilities Total

1800-Long-Term Debt
2505-Debentures Outstanding - Long Term Portion
2510-Debenture Advances
2515-Required Bonds
2520-Other Long Term Debt
2525-Term Bank Loans - Long Term Portion
2530-Ontario Hydro Debt Outstanding - Long Term Portion
2550-Advances from Associated Companies
1800-Long-Term Debt Total

1850-Shareholders' Equity
3005-Common Shares Issued
3008-Preference Shares Issued
3010-Contributed Surplus
3020-Donations Received
3022-Devolpment Charges Transferred to Equity
3026-Capital Stock Held in Treasury
3030-Miscellaneous Paid-In Capital
3035-Installments Received on Capital Stock
3040-Appropriated Retained Earnings
3045-Unappropriated Retained Earnings
3046-Balance Transferred From Income
3047-Appropriations of Retained Earnings - Current Period
3048-Dividends Payable-Preference Shares
3049-Dividends Payable-Common Shares
3055-Adjustment to Retained Earnings
3065-Unappropriated Undistributed Subsidiary Earnings
1850-Shareholders' Equity Total

Total Liabilities & Shareholder's Equity

Balance Sheet Total



Total
0
0
0
0
0
0
0
0
3,129,000
(75,000)
333,000
0
380,000
3,113,965
(300,000)
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63,000
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325,000
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6,968,965

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450,000
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0
450,000

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1,740,000
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1,761,721

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5,000
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77,000
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(20,500)
(20,500)
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86,252
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46,639,282

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