

<u>Ex.</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
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**4 - Operating Costs**

1		<b>Overview</b>
	1	Overview of Operating Costs
	2	Summary of Operating Costs Table
2		<b>OM&amp;A Costs</b>
	1	OM&A Costs Table
	2	Manager's Summary: Department and Corporate OM & A Activities
	3	Variance Analysis on OM & A Cost Table
	4	Variance Analysis on OM & A Costs
	5	Employee Description
	6	Purchase of Products and Services
	7	Depreciation, Amortization and Depletion
	8	Loss Adjustment Factor Calculation
	9	Materiality Analysis on Distribution Losses
3		<b>Income Tax, Large Corporation Tax</b>
	1	Tax Calculations
	2	Interest Expense
	3	Capital Cost Allowance (CCA)
	4	2011 Tax Returns

**OVERVIEW OF OPERATING COSTS**

Operating Costs

The operating costs presented in this exhibit represent the annual expenditures required to sustain Distribution Operations for West Coast Huron Energy. The information presented in this exhibit is grouped into two different categories: Operation & Maintenance and Other Costs which include items such as Administration & General, Depreciation, Amortization and Depletion and Loss Adjustment Factor.

The second category includes Income Tax, Large Corporation Tax and Ontario Capital Taxes. Exhibit 4, Tab 1, Schedule 2 provides a summary of The Applicant's Operating Costs for the historical, bridge and test years.

OM&A Costs

The OM&A costs in this exhibit represents WCHE'S's integrated set of asset maintenance and customer activity needs to meet public and employee safety objectives; to comply with the Distribution System Code, environmental requirements and Government direction; and to maintain distribution business service quality and reliability at targeted performance levels. These costs also include providing services to customers connected to the Applicant's Distribution system, and to meet the service levels stipulated in the Standard Supply Service Code and the Retailer Settlement Codes. When the cost of power is removed from the expenses the change between 2009 vs 2013 is \$200k with the majority of the increase in Administration and general. The costs have increased due to the Tornado but is now moving in the right direction coming back to a more sustainable level. A large portion of the overage for the Test year is due to WCHE having allocated \$200k as the anticipated costs of rate filing for the 2012 COS and Cost Allocation.

OM&A expenditures are set out in the following table:

**SUMMARY OF OPERATING COSTS TABLE**

	2009 Board Approved CGAAP	2009 Actual CGAAP	2010 Actual CGAAP	2011 Actual CGAAP	2012 Bridge CGAAP	2012 Bridge MIFRS	2013 Test MIFRS
Operation	380,750	218,927	217,124	227,431	418,000	418,000	381,959
Maintenance	91,800	151,973	120,457	118,958	131,200	131,200	138,500
Billing and Collections	436,800	362,260	371,012	417,264	514,800	514,800	494,400
Community Relations	26,000	15,665	7,561	14,296	15,000	15,000	15,000
Administrative and General	609,000	686,168	590,426	598,870	1,022,515	1,022,515	815,970
Amortization	352,001	254,776	256,030	236,491	414,310	210,639	257,104
Cost of Power	6,625,506	6,783,075	7,251,608	7,612,712	7,796,218	7,796,218	7,787,257
<b>TOTAL OPERATING COSTS</b>	<b>8,521,857</b>	<b>8,472,844</b>	<b>8,814,218</b>	<b>9,226,022</b>	<b>10,312,043</b>	<b>10,108,372</b>	<b>9,890,190</b>

**West Coast Huron Energy**  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 2**  
**Schedule: 1**

**OM&A COSTS TABLE**

Account Description	Last Rebasings Year (2009 Actuals)	2010 Actual	2011 Actual <sup>2</sup>	Bridge Year 2012 <sup>3</sup>	Bridge Year 2012 <sup>3</sup>	Test Year 2013
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS
<b>Operations</b>						
5005 Operation Supervision and Engineering	\$ 11,879	\$ 9,664	\$ 20,569	\$ 20,000	\$ 20,000	\$ 20,600
5010 Load Dispatching	\$ 512	\$ 1,442	\$ 4,984	\$ 4,000	\$ 4,000	\$ 4,000
5012 Station Buildings and Fixtures Expense						
5014 Transformer Station Equipment - Operation Labour	\$ 19,167	\$ 32,848	\$ 26,083	\$ 21,000	\$ 21,000	\$ 22,000
5015 Transformer Station Equipment - Operation Supplies and Expenses	\$ 50					
5016 Distribution Station Equipment - Operation Labour			\$ 950			
5017 Distribution Station Equipment - Operation Supplies and Expenses						
5020 Overhead Distribution Lines and Feeders - Operation Labour	\$ 142,175	\$ 142,124	\$ 165,091	\$ 287,500	\$ 287,500	\$ 259,269
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses						
5030 Overhead Sub-transmission Feeders - Operation						
5035 Overhead Distribution Transformers - Operation						
5040 Underground Distribution Lines and Feeders - Operation Labour						
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses						
5050 Underground Sub-transmission Feeders - Operation	\$ 45,144	\$ 31,046	\$ 9,754	\$ 83,500	\$ 83,500	\$ 74,090
5055 Underground Distribution Transformers - Operation						
5060 Street Lighting and Signal System Expense						
5065 Meter Expense						
5070 Customer Premises - Operation Labour						
5075 Customer Premises - Operation Materials and Expenses				\$ 2,000	\$ 2,000	\$ 2,000
5085 Miscellaneous Distribution Expenses						
5090 Underground Distribution Lines and Feeders - Rental Paid						
5095 Overhead Distribution Lines and Feeders - Rental Paid						
5096 Other Rent						
<b>Total - Operations</b>	<b>\$ 218,927</b>	<b>\$ 217,124</b>	<b>\$ 227,431</b>	<b>\$ 418,000</b>	<b>\$ 418,000</b>	<b>\$ 381,959</b>

Account Description	Last Rebasings Year (2009 Actuals)	2010 Actual	2011 Actual <sup>2</sup>	Bridge Year 2012 <sup>3</sup>	Bridge Year 2012 <sup>3</sup>	Test Year 2013
<b>Maintenance</b>						
5105 Maintenance Supervision and Engineering	\$ 2,321	\$ 12,827	\$ 6,905	\$ 10,000	\$ 10,000	\$ 10,500
5110 Maintenance of Buildings and Fixtures - Distribution Stations						
5112 Maintenance of Transformer Station Equipment						
5114 Maintenance of Distribution Station Equipment	\$ 3,058	\$ 4,601	\$ 13,133	\$ 8,000	\$ 8,000	\$ 8,300
5120 Maintenance of Poles, Towers and Fixtures	\$ 17,094	\$ 6,638	\$ 5,896	\$ 20,000	\$ 20,000	\$ 21,000
5125 Maintenance of Overhead Conductors and Devices						
5130 Maintenance of Overhead Services	\$ 25,684	\$ 27,803	\$ 20,167	\$ 20,000	\$ 20,000	\$ 21,000
5135 Overhead Distribution Lines and Feeders - Right of Way						
5145 Maintenance of Underground Conduit						
5150 Maintenance of Underground Conductors and Devices	\$ 64,492	\$ 43,491	\$ 50,699	\$ 36,000	\$ 36,000	\$ 37,000
5155 Maintenance of Underground Services	\$ 12,651	\$ 7,345	\$ 5,666	\$ 8,000	\$ 8,000	\$ 8,300
5160 Maintenance of Line Transformers	\$ 14,104	\$ 10,983	\$ 5,396	\$ 10,000	\$ 10,000	\$ 10,000
5165 Maintenance of Street Lighting and Signal Systems						
5170 Sentinel Lights - Labour						
5172 Sentinel Lights - Materials and Expenses						
5175 Maintenance of Meters	\$ 12,569	\$ 6,769	\$ 11,096	\$ 19,200	\$ 19,200	\$ 22,400
5178 Customer Installations Expenses - Leased Property						
5195 Maintenance of Other Installations on Customer Premises						
<b>Total - Maintenance</b>	<b>\$ 151,973</b>	<b>\$ 120,457</b>	<b>\$ 118,958</b>	<b>\$ 131,200</b>	<b>\$ 131,200</b>	<b>\$ 138,500</b>

**West Coast Huron Energy**  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 2**  
**Schedule: 1**

Account Description	Last Rebasing Year (2009 Actuals)	2010 Actual	2011 Actual <sup>2</sup>	Bridge Year 2012 <sup>3</sup>	Bridge Year 2012 <sup>3</sup>	Test Year 2013
<b>Billing and Collecting</b>						
5305 Supervision						
5310 Meter Reading Expense	\$ 87,665	\$ 85,080	\$ 91,173	\$ 97,900	\$ 97,900	\$ 102,100
5315 Customer Billing	\$ 274,605	\$ 276,032	\$ 325,991	\$ 406,900	\$ 406,900	\$ 382,300
5320 Collecting						
5325 Collecting - Cash Over and Short	-\$ 10	-\$ 100	\$ 100			
5330 Collection Charges						
5335 Bad Debt Expense		\$ 10,000		\$ 10,000	\$ 10,000	\$ 10,000
5340 Miscellaneous Customer Accounts Expenses						
<b>Total - Billing and Collecting</b>	<b>\$ 362,260</b>	<b>\$ 371,012</b>	<b>\$ 417,264</b>	<b>\$ 514,800</b>	<b>\$ 514,800</b>	<b>\$ 494,400</b>
Account Description	Last Rebasing Year (2009 Actuals)	2010 Actual	2011 Actual <sup>2</sup>	Bridge Year 2012 <sup>3</sup>	Bridge Year 2012 <sup>3</sup>	Test Year 2013
<b>Community Relations</b>						
5405 Supervision						
5410 Community Relations - Sundry	\$ 11,701	\$ 3,654	\$ 10,951	\$ 10,000	\$ 10,000	\$ 10,000
5415 Energy Conservation						
5420 Community Safety Program						
5425 Miscellaneous Customer Service and Informational Expenses						
5505 Supervision						
5510 Demonstrating and Selling Expense						
5515 Advertising Expenses	\$ 3,964	\$ 3,907	\$ 3,345	\$ 5,000	\$ 5,000	\$ 5,000
5520 Miscellaneous Sales Expense						
<b>Total - Community Relations</b>	<b>\$ 15,665</b>	<b>\$ 7,561</b>	<b>\$ 14,296</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>



West Coast Huron Energy

EB-2012-0175

Exhibit: 4

Tab: 2

Schedule: 1

Account Description	Last Rebasing Year (2009 Actuals)	2010 Actual	2011 Actual <sup>2</sup>	Bridge Year 2012 <sup>3</sup>	Bridge Year 2012 <sup>3</sup>	Test Year 2013
<b>Administrative and General Expenses</b>						
5605 Executive Salaries and Expenses	\$ 50,128	\$ 50,160	\$ 50,715	\$ 56,500	\$ 56,500	\$ 57,000
5610 Management Salaries and Expenses	\$ 11,526	\$ 10,188	\$ 10,315	\$ 13,750	\$ 13,750	\$ 14,250
5615 General Administrative Salaries and Expenses	\$ 83,647	\$ 81,501	\$ 85,917	\$ 84,825	\$ 84,825	\$ 87,325
5620 Office Supplies and Expenses	\$ 3,329	\$ 2,579	\$ 1,040	\$ 1,500	\$ 1,500	\$ 1,500
5625 Administrative Expense Transferred - Credit						
5630 Outside Services Employed	\$ 310,801	\$ 252,344	\$ 260,204	\$ 637,970	\$ 637,970	\$ 431,400
5635 Property Insurance	\$ 26,323	\$ 23,644	\$ 26,070	\$ 27,200	\$ 27,200	\$ 28,500
5640 Injuries and Damages						
5645 OMERS Pensions and Benefits						
5646 Employee Pensions and OPEB						
5647 Employee Sick Leave						
5650 Franchise Requirements						
5655 Regulatory Expenses	\$ 31,703	\$ 15,123	\$ 17,769	\$ 35,900	\$ 35,900	\$ 25,100
5660 General Advertising Expenses						
5665 Miscellaneous General Expenses	\$ 52,131	\$ 48,737	\$ 47,228	\$ 48,870	\$ 48,870	\$ 50,895
5670 Rent	\$ 32,829	\$ 58,616	\$ 62,362	\$ 66,000	\$ 66,000	\$ 70,000
5672 Lease Payment Charge						
5675 Maintenance of General Plant	\$ 83,751	\$ 47,534	\$ 37,250	\$ 50,000	\$ 50,000	\$ 50,000
5680 Electrical Safety Authority Fees						
5681 Special Purpose Charge Expense						
5685 Independent Electricity System Operator Fees and Penalties						
5695 OM&A Contra Account						
6205 Donations						
6205 Donations, Sub-account LEAP Funding						
<b>Total - Administrative and General Expenses</b>	<b>\$ 686,168</b>	<b>\$ 590,426</b>	<b>\$ 598,870</b>	<b>\$ 1,022,515</b>	<b>\$ 1,022,515</b>	<b>\$ 815,970</b>
<b>Total OM&amp;A</b>	<b>\$ 1,434,993</b>	<b>\$ 1,306,580</b>	<b>\$ 1,376,819</b>	<b>\$ 2,101,515</b>	<b>\$ 2,101,515</b>	<b>\$ 1,845,829</b>

**MANAGERS SUMMARY DEPARTMENTAL AND CORPORATE OM&A ACTIVITIES:**

**OPERATIONS & MAINTENANCE:**

The expenses for this department include all costs relating to the operation (5000-5095) and maintenance (5105-5195) of the West Coast Huron Energy Corp electrical system. This includes both direct labor costs and non-capital material spending to support both scheduled and reactive maintenance events. In addition, costs are allocated to these accounts from both Engineering, and Fleet. West Coast Huron Energy Corp's maintenance strategy is, to the extent possible, to minimize reactive and emergency-type work through an effective planned maintenance program (including predictive and preventative actions). West Coast Huron Energy Corp's customer responsiveness and system reliability are monitored continually to ensure that its maintenance strategy is effective. This effort is coordinated with West Coast Huron Energy Corp's capital project work, so that where maintenance programs have identified matters the correction of which require capital investments, West Coast Huron Energy Corp may adjust its capital spending priorities to address those matters.

**Predictive Maintenance:**

Predictive maintenance activities involve the testing of elements of the West Coast Huron Energy Corp distribution system. These activities include, but not limited to, transformer oil analysis, and planned visual inspections. These analysis and inspections are all administered using a planned schedule. Any identified deficiencies found are prioritized and addressed within a suitable time frame. In establishing the predictive maintenance requirements, WCHE'S considers the distribution system code requirements, ESA regulation 22/04 and good utility practices.

**Preventative Maintenance:**

Preventative maintenance activities include inspection, servicing and repair of network components. This includes tree trimming, overhead and pad-mounted load break switch maintenance, and cleaning/inspection of underground vaults. Also included are regular inspection and repair of substation components, relays, and ancillary equipment. The work is performed using a combination of time and condition based methodologies. In establishing the preventative maintenance requirements, WCHE'S considers the distribution system code requirements, ESA regulation 22/04 and good utility practices.

**Emergency Maintenance:**

This item includes unexpected system repairs to the electrical system that must be addressed immediately. The costs include those related to repairs caused by storm damage, emergency tree trimming and on-call premiums. West Coast Huron Energy Corp constantly evaluates its maintenance data to adjust predictive and preventative actions. The objective is to keep this emergency maintenance to a minimum.

### **Service Work:**

The majority of costs related to this work pertain to service upgrades requested by customers, and requests to provide safety coverage for work (overhead line cover ups). This includes service disconnections and reconnections by West Coast Huron Energy Corp for all service classes; assisting pre-approved contractors; the making of final connections after Electrical Safety Authority ("ESA") inspection for service upgrades; and changes of service locations.

### **Metering:**

The Metering function is a combination of in-house and third party personnel. They are responsible for the installation, testing, and commissioning of new and existing simple and complex metering installations. Testing of complex metering installations ensures the accuracy of the installation and verifies meter multipliers for billing purposes. Revenue Protection is another key activity performed by Metering, by proactively investigating potential diversion and theft of Powerlines.

### **Substation Services:**

Substation services activities address the maintenance of all equipment at West Coast Huron Energy Corp's substations. This includes both labor costs and non-capital material spending to support both scheduled and emergency maintenance events. As with the maintenance activities, West Coast Huron Energy Corp's substation maintenance strategy focuses on minimizing, to the extent possible, emergency-type work by improving the effectiveness of West Coast Huron Energy Corp planned maintenance program (including predictive and preventative actions) for its substations. West Coast Huron Energy Corp is primarily an old 4kV system which has just started to convert to a modern 27kV system. This will ultimately allow West Coast Huron Energy Corp to decommission its three old municipal substations, which in return will reduce distribution losses and ongoing operating costs. West Coast Huron Energy used both internal and external third party personnel to maintain our three substations, this is the most efficient and cost effective method for us.

### **Engineering Department:**

Due to WCHE'S's size engineering functions are outsourced helping to reduce ongoing O & M costs. They are responsible for delivering for design and construction activities including new capital projects, maintenance projects and customer connections. Engineering also provides distribution system asset information too many departments within West Coast Huron Energy Corp. Engineering costs are allocated to operations, maintenance, capital, and Third Party receivable accounts based on job costing through work orders. A standard overhead percentage is set at the beginning of the year and adjusted throughout the year as necessary.



**Stores/Warehouse:**

Stores staff are accountable for control, and movement of materials within West Coast Huron Energy service center in Goderich. This includes monitoring inventory levels, issuing material receipts, material issues, and material returns as required. The cost of the stores department is allocated to all departmental, capital, intercompany receivables, and Third Party receivable accounts as an overhead cost based on direct material costs. Costs are allocated on a job by job basis and tracked in our work order system. West Coast Huron Energy is part of a purchasing group and Purchases are administrated by Erie Thames Powerline on our behalf.

**Garage/Fleet:**

Management is responsible for the maintenance and control of all vehicles. Its objectives include maintenance of vehicle reliability and safety, and the minimization of vehicle down time. Vehicle costs are allocated to operations, maintenance and capital. A standard hourly cost/hr is set for all vehicles within the fleet.

**Labour Burden:**

Management collects the cost of all employee benefits and payroll taxes such as EI, CPP, EHT, WSIB, and group insurances. Costs are allocated to all departments, capital projects, intercompany receivable and Third Party receivable amounts based on direct labour. An overhead rate is set at the beginning of each year and adjusted throughout the year as necessary.

**Safety & Health:**

Costs include Health & Safety program supplies, the costs of third party training facilitators, as well internal labour costs associated with safety training and meetings. West Coast Huron Energy Corp is committed to maximizing productivity and reducing risk of injury by initiating safety and health measures that focus on preventative actions. The commitment to safety and health is significant, and involves documenting unsafe behaviors, monitoring conformance to established standards and policies, determining the effectiveness of safety training and monitoring the resolution of safety recommendations/audits; commitment to continuous improvement in training; and identifying and correcting root causes for system deficiencies. The costs of Safety and Health for lineman are allocated to capital and O & M expenses based on standard overhead set at the beginning of the year, and adjusted throughout the year as necessary. Health and Safety costs for employees other than lineman are charged directly to each general ledger account for a given department.

### **Customer Service:**

Customer Service is responsible for the customer care activities for the customers in West Coast Huron Energy Corp's service area. These activities include meter reading, billing, call centre, collections, and other back office functions. West Coast Huron Energy aspires to achieve customer service excellence in its processes and customer programs. The costs associated with the Customer Service department are collected in accounts 5305 to 5515. WCHE'S continues to outsource the provision, hosting and maintenance of the Harris billing software system to Ecaliber. All other functions are performed by WCHE'S staff.

### **Meter Reading:**

Meter reading services are contracted out to Utilismart under a service contract agreement these have increased due to the smart meters process.

### **Billing:**

West Coast Huron Energy customers are billed on monthly billing. An annual billing schedule is created based on the meter reading schedule to ensure timely billing of services. The billing functions include the VEE processes; account adjustments; processing meter changes; various account related field service orders and mailing services and EBT and retailer settlement functions for retailer accounts. West Coast Huron Energy Corp offers customers a number of billing and payment options including an equal payment plan, electronic payments billing, and a preauthorized payment plan. This service is outsourced to Ecaliber Inc.

### **Collections:**

WCHE is responsible for the collection of overdue active accounts, security deposits and final bills for service termination. In determining the bad debt expenses for the year, West Coast Huron Energy Corp refers to its past history of losses by rate class to establish amounts for the year. There are also specific adjustments to the current provision based on other factors such as the economic factors, with special considerations for specific industries facing difficulties. In an effort to minimize credit losses, West Coast Huron Energy Corp enforces prudent credit policies in accordance with the Distribution System Code. Customer deposits are required according to the Distribution system Code, and are outlined in West Coast Huron Energy Corp's Conditions of Service. Active overdue accounts are collected by in-house staff through notices, letters and direct telephone contact.

### **Customer Service:**

The Customer Service function is performed by our customer service staff who are responsible for such activities as payment processing; move in and out requests; and call centre activities for West Coast Huron Energy's service territory. Call volumes are fairly constant year over year, but may vary due to factors such as storm damages/outages, distribution rate changes, and retailers going door to door in the service territory.

### **Community Relations:**

West Coast Huron Energy Corp is committed to providing consumer information and responses, in a timely and proactive manner, on electricity distribution and related issues. Since LDCs are the "face-to-the-customer" for the electricity industry, West Coast Huron Energy has an important role to play in educating the public about electricity safety and energy conservation, as described below:

### **Education – Electricity Safety:**

West Coast Huron Energy supports elementary schools in its service territory by providing Electricity Safety and Conservation sessions for students in grade five. These highly interactive sessions educate children in the dangers of electricity.

### **Education – Energy Conservation:**

Building a conservation culture continues to be an important objective for West Coast Huron Energy. WCHE'S is very active in the community promoting conservation initiatives, attending a number of community events each year, distributing compact florescent light bulbs and energy conservation handbooks. West Coast Huron Energy Corp dispersed all of its third tranche funding on various CDM programs. It has since actively participated with the OPA in administering their programs directed at Energy Conservation, which includes Every Kilowatt Counts, Great Refrigerator Round Up, Summer Sweepstakes, Electricity Rebate Incentive Program (ERIP), Powerlines Savings Blitz and PeakSaver Program.

### **Administration & General Expenses:**

Administrative and general expenses include expenses incurred in connection with the general administration of the utility's operations. Within West Coast Huron Energy Corp, the following functional areas are considered to be part of general administration and, as such, all expenses incurred within these functional areas are accounted for as administrative and general expenses:

- Executive Management (5605);
- General Administrative Salaries and Expenses (5615);

### **Executive Salaries and Expenses: 5605**

Remuneration and other expenses of the members of the West Coast Huron Energy Board of Directors are included in this account. The President is responsible for all aspects of West Coast Huron Energy and his salary and benefits are charged to account 5605.

**General Administrative Salaries and Expenses: 5615**

**Financial Services:**

Management, third party accountants and regulatory specialists are responsible for the preparation of statutory, management and Board of Directors financial reporting in accordance with GAAP/IFRS; all daily accounting functions, including accounts payable, accounts receivable, and general accounting; treasury functions including cash management, risk management, accounting systems and internal control processes; preparation of consolidated budgets and forecasts; and supporting tax compliance. Expenses include salaries and all related expenses associated with the Financial, Regulatory reporting, Accountant, Accounts Payable Clerk, and General Office Clerk. The Finance Department is also responsible for all regulatory reporting and compliance with applicable codes and legislation governing West Coast Huron Energy Corp. Regulatory reporting includes development and preparation of rate filings, performance reporting, and compliance. Expenses include salary and related costs associated with the Financial and Regulatory department.

**Information Technology Services:**

Management and third party specialists are responsible for the development, operation, maintenance and security of all business system applications utilized by the utility in its operations. These include the customer information, financial management and work management systems. Expenses and all related costs associated with the Management of Information Systems are charged to an account then re-allocated to other departments.

**Outside Service Employed: 5630**

Outside Services Employed include, but are not limited to, consulting and professional fees of accountants and auditors, actuaries, legal services, environmental monitoring costs, human resource professionals and tax consultants. Professional and other expenses related to the 2010 Cost of Service Rate Application is included in 5655 Regulatory Expenses.

**Employee Post-Retirement Benefits: 5645**

Employee Post-Retirement Benefits include annual expenses for post-retirement benefits provided to eligible West Coast Huron Energy Corp employees in accordance with company policy and as provided in the collective bargaining agreement between West Coast Huron Energy Corp and its union. The annual expense and liability are determined in accordance with Section 3461 of the CICA Handbook and supported by an actuarial valuation that is completed every three years. Also included in this account are actual premiums paid for benefits for existing retirees.

**Regulatory Expenses: 5655**

Regulatory Expenses include those expenses incurred in connection with Decisions and Orders on Cost Awards for hearings, proceedings, technical sessions, and other matters before the OEB or other regulatory bodies, including annual assessment fees paid to a regulatory body. Annual fees assessed by the OEB are included in this expenditure category. All incremental costs associated with the 2013 Cost of Service Rate Application are included in this account and are included at one fourth their cost to allow for recovery over four years.

**Miscellaneous General Expense: 5665**

Miscellaneous General Expense includes EDA membership fees. Also included in this category are health and safety costs (general – not charged to specific departments) and other miscellaneous costs.

**Electrical Safety Authority Fees: 5680**

Expenses under Electrical Safety Authority (“ESA”) fees include all annual charges from the ESA.



**VARIANCE ANALYSIS ON OM&A COSTS TABLE**

**Appendix 2-H**  
**OM&A Detailed Variance Analysis**  
(excluding Depreciation and Amortization)

		Last Board- approved Rebasing Year (2009 Year)	Most Current Actuals Year 2011	Test Year 2013	Test Year Versus Last Rebasing		Test Year Versus Most Current Actuals	
Account	Description				Variance (\$)	Percentage	Variance (\$)	Percentage
Reporting Basis		CGAAP	CGAAP	MIFRS				
Operations								
	5005 Operation Supervision and Engineering	\$ 11,879	\$ 20,569	\$ 20,600	\$ 8,721	73.42%	\$ 31	0.15%
	5010 Load Dispatching	\$ 512	\$ 4,984	\$ 4,000	\$ 3,488	681.25%	\$ 984	-19.74%
	5012 Station Buildings and Fixtures Expense				\$ -		\$ -	
	5014 Transformer Station Equipment - Operation Labour	\$ 19,167	\$ 26,083	\$ 22,000	\$ 2,833	14.78%	\$ 4,083	-15.65%
	5015 Transformer Station Equipment - Operation Supplies and Expenses	\$ 50			\$ 50	-100.00%	\$ -	
	5016 Distribution Station Equipment - Operation Labour		\$ 950		\$ -		\$ 950	-100.00%
	5017 Distribution Station Equipment - Operation Supplies and Expenses				\$ -		\$ -	
	5020 Overhead Distribution Lines and Feeders - Operation Labour	\$ 142,175	\$ 165,091	\$ 259,269	\$ 117,094	82.36%	\$ 94,178	57.05%
	5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses				\$ -		\$ -	
	5030 Overhead Sub-transmission Feeders - Operation				\$ -		\$ -	
	5035 Overhead Distribution Transformers - Operation				\$ -		\$ -	
	5040 Underground Distribution Lines and Feeders - Operation Labour				\$ -		\$ -	
	5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses				\$ -		\$ -	
	5050 Underground Sub-transmission Feeders - Operation	\$ 45,144	\$ 9,754	\$ 74,090	\$ 28,946	64.12%	\$ 64,336	659.59%
	5055 Underground Distribution Transformers - Operation				\$ -		\$ -	
	5060 Street Lighting and Signal System Expense				\$ -		\$ -	
	5065 Meter Expense				\$ -		\$ -	
	5070 Customer Premises - Operation Labour				\$ -		\$ -	
	5075 Customer Premises - Operation Materials and Expenses			\$ 2,000	\$ 2,000		\$ 2,000	
	5085 Miscellaneous Distribution Expenses				\$ -		\$ -	
	5090 Underground Distribution Lines and Feeders - Rental Paid				\$ -		\$ -	
	5095 Overhead Distribution Lines and Feeders - Rental Paid				\$ -		\$ -	
	5096 Other Rent				\$ -		\$ -	
Total - Operations		\$ 218,927	\$ 227,431	\$ 381,959	\$ 163,032	74.47%	\$ 154,528	67.95%
Account Description								
Maintenance								
	5105 Maintenance Supervision and Engineering	\$ 2,321	\$ 6,905	\$ 10,500	\$ 8,179	352.39%	\$ 3,595	52.06%
	5110 Maintenance of Buildings and Fixtures - Distribution Stations				\$ -		\$ -	
	5112 Maintenance of Transformer Station Equipment				\$ -		\$ -	
	5114 Maintenance of Distribution Station Equipment	\$ 3,058	\$ 13,133	\$ 8,300	\$ 5,242	171.42%	\$ 4,833	-36.80%
	5120 Maintenance of Poles, Towers and Fixtures	\$ 17,094	\$ 5,896	\$ 21,000	\$ 3,906	22.85%	\$ 15,104	256.17%
	5125 Maintenance of Overhead Conductors and Devices				\$ -		\$ -	
	5130 Maintenance of Overhead Services	\$ 25,684	\$ 20,167	\$ 21,000	\$ 4,684	-18.24%	\$ 833	4.13%
	5135 Overhead Distribution Lines and Feeders - Right of Way				\$ -		\$ -	
	5145 Maintenance of Underground Conduit				\$ -		\$ -	
	5150 Maintenance of Underground Conductors and Devices	\$ 64,492	\$ 50,699	\$ 37,000	\$ 27,492	-42.63%	\$ 13,699	-27.02%
	5155 Maintenance of Underground Services	\$ 12,651	\$ 5,666	\$ 8,300	\$ 4,351	-34.39%	\$ 2,634	46.49%
	5160 Maintenance of Line Transformers	\$ 14,104	\$ 5,396	\$ 10,000	\$ 4,104	-29.10%	\$ 4,604	85.32%
	5165 Maintenance of Street Lighting and Signal Systems				\$ -		\$ -	
	5170 Sentinel Lights - Labour				\$ -		\$ -	
	5172 Sentinel Lights - Materials and Expenses				\$ -		\$ -	
	5175 Maintenance of Meters	\$ 12,569	\$ 11,096	\$ 22,400	\$ 9,831	78.22%	\$ 11,304	101.87%
	5178 Customer Installations Expenses - Leased Property				\$ -		\$ -	
	5195 Maintenance of Other Installations on Customer Premises				\$ -		\$ -	
Total - Maintenance		\$ 151,973	\$ 118,958	\$ 138,500	\$ 13,473	-8.87%	\$ 19,542	16.43%

**West Coast Huron Energy**  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 2**  
**Schedule: 3**

<b>Billing and Collecting</b>								
5305 Supervision				\$ -		\$ -		
5310 Meter Reading Expense	\$ 87,665	\$ 91,173	\$ 102,100	\$ 14,435	16.47%	\$ 10,927	11.98%	
5315 Customer Billing	\$ 274,605	\$ 325,991	\$ 382,300	\$ 107,695	39.22%	\$ 56,309	17.27%	
5320 Collecting				\$ -		\$ -		
5325 Collecting - Cash Over and Short	-\$ 10	\$ 100		\$ 10	-100.00%	\$ 100	-100.00%	
5330 Collection Charges				\$ -		\$ -		
5335 Bad Debt Expense			\$ 10,000	\$ 10,000		\$ 10,000		
5340 Miscellaneous Customer Accounts Expenses				\$ -		\$ -		
<b>Total - Billing and Collecting</b>	<b>\$ 362,260</b>	<b>\$ 417,264</b>	<b>\$ 494,400</b>	<b>\$ 132,140</b>	<b>36.48%</b>	<b>\$ 77,136</b>	<b>18.49%</b>	
<b>Account Description</b>								
<b>Community Relations</b>								
5405 Supervision				\$ -		\$ -		
5410 Community Relations - Sundry	\$ 11,701	\$ 10,951	\$ 10,000	-\$ 1,701	-14.54%	\$ 951	-8.68%	
5415 Energy Conservation				\$ -		\$ -		
5420 Community Safety Program				\$ -		\$ -		
5425 Miscellaneous Customer Service and Informational Expenses				\$ -		\$ -		
5505 Supervision				\$ -		\$ -		
5510 Demonstrating and Selling Expense				\$ -		\$ -		
5515 Advertising Expenses	\$ 3,964	\$ 3,345	\$ 5,000	\$ 1,036	26.14%	\$ 1,655	49.48%	
5520 Miscellaneous Sales Expense				\$ -		\$ -		
<b>Total - Community Relations</b>	<b>\$ 15,665</b>	<b>\$ 14,296</b>	<b>\$ 15,000</b>	<b>\$ 665</b>	<b>-4.25%</b>	<b>\$ 704</b>	<b>4.92%</b>	
<b>Account Description</b>								
<b>Administrative and General Expenses</b>								
5605 Executive Salaries and Expenses	\$ 50,128	\$ 50,715	\$ 57,000	\$ 6,872	13.71%	\$ 6,285	12.39%	
5610 Management Salaries and Expenses	\$ 11,526	\$ 10,315	\$ 14,250	\$ 2,724	23.63%	\$ 3,935	38.15%	
5615 General Administrative Salaries and Expenses	\$ 83,647	\$ 85,917	\$ 87,325	\$ 3,678	4.40%	\$ 1,408	1.64%	
5620 Office Supplies and Expenses	\$ 3,329	\$ 1,040	\$ 1,500	-\$ 1,829	-54.94%	\$ 460	44.23%	
5625 Administrative Expense Transferred - Credit				\$ -		\$ -		
5630 Outside Services Employed	\$ 310,801	\$ 260,204	\$ 431,400	\$ 120,599	38.80%	\$ 171,196	65.79%	
5635 Property Insurance	\$ 26,323	\$ 26,070	\$ 28,500	\$ 2,177	8.27%	\$ 2,430	9.32%	
5640 Injuries and Damages				\$ -		\$ -		
5645 OMERS Pensions and Benefits				\$ -		\$ -		
5646 Employee Pensions and OPEB				\$ -		\$ -		
5647 Employee Sick Leave				\$ -		\$ -		
5650 Franchise Requirements				\$ -		\$ -		
5655 Regulatory Expenses	\$ 31,703	\$ 17,769	\$ 25,100	-\$ 6,603	-20.83%	\$ 7,331	41.26%	
5660 General Advertising Expenses				\$ -		\$ -		
5665 Miscellaneous General Expenses	\$ 52,131	\$ 47,228	\$ 50,895	\$ 1,236	-2.37%	\$ 3,667	7.76%	
5670 Rent	\$ 32,829	\$ 62,362	\$ 70,000	\$ 37,171	113.23%	\$ 7,638	12.25%	
5672 Lease Payment Charge	\$ 83,751	\$ 37,250	\$ 50,000	-\$ 33,751	-40.30%	\$ 12,750	34.23%	
5675 Maintenance of General Plant				\$ -		\$ -		
5680 Electrical Safety Authority Fees				\$ -		\$ -		
5681 Special Purpose Charge Expense				\$ -		\$ -		
5685 Independent Electricity System Operator Fees and Penalties				\$ -		\$ -		
5695 OM&A Contra Account				\$ -		\$ -		
6205 Donations				\$ -		\$ -		
6206 Donations, Sub-account LEAP Funding				\$ -		\$ -		
<b>Total - Administrative and General Expenses</b>	<b>\$ 686,168</b>	<b>\$ 598,870</b>	<b>\$ 815,970</b>	<b>\$ 129,802</b>	<b>18.92%</b>	<b>\$ 217,100</b>	<b>36.25%</b>	
<b>Total OM&amp;A</b>	<b>\$ 1,434,993</b>	<b>\$ 1,376,819</b>	<b>\$ 1,845,829</b>	<b>\$ 410,836</b>	<b>28.63%</b>	<b>\$ 469,010</b>	<b>34.06%</b>	

**VARIANCE ANALYSIS ON OM&A COSTS**

**VARIANCE ANALYSIS ON OM&A COSTS:**

West Coast Huron Energy Corp has provided a detailed OM&A cost table covering the periods from 2009 Board Approved, 2009 Actual, 2010 Actual, 2011 Actual, 2012 Bridge Year and 2013 Test Year including the variances year over year in Exhibit 4, Tab 2, Schedule 3, above. Before moving to a variance analysis for each account that exceeds the materiality threshold, a summary of total OM&A expenses (excluding depreciation) are presented below along with an analysis of the total movement from 2009 Actual in the first column through to 2013 Test Year in the final column. Again the table shows the reduction of cost per customer from the 2009-2010 but increased due to the tornado in 2011-2013. The bridge to test year again show a decrease in cost per FTEE of over \$21,000.

**Recoverable OM&A Cost per Customer and per FTEE**

	Last Rebas- ing Year (2009 Board- Approved)	Last Rebas- ing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Bridge Year	2013 Test Year
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>MIFRS</b>
Number of Customers	5,285.00	5,056.00	5,067.00	5,001.00	5,019.00	5,055.00
Total Recoverable OM&A from Appendix 2-l	\$ 1,544,350	\$ 1,434,993	\$ 1,306,580	\$ 1,376,819	\$ 2,101,515	\$ 1,845,829
OM&A cost per customer	\$ 292.21	\$ 283.82	\$ 257.86	\$ 275.31	\$ 418.71	\$ 365.15
Number of FTEEs	12	12	12	11	12	12
Customers/FTEEs	440.42	421.33	422.25	454.64	418.25	421.25
OM&A Cost per FTEE	128,695.83	119,582.75	108,881.67	125,165.36	175,126.25	153,819.08

In addition, a table is provided indicating OM&A cost per customer and OM&A cost per FTE for 2009 through 2013 as well as a table that highlights various regulatory costs incurred and expected in the bridge and test years. The following table identifies key cost drivers from 2009 to 2013 Test year:



Appendix 2-J  
OM&A Cost Driver Table

OM&A	Last Rebasings Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Bridge Year	2013 Test Year
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>MIFRS</b>
Opening Balance	\$ 1,544,350	\$ 1,434,993	\$ 1,306,580	\$ 1,376,819	\$ 2,101,515
Wages and benefits increase		\$ 17,303	\$ 14,229	\$ 15,269	\$ 18,628
Additional staff				\$ 90,000	
Change in types and cost of materials used		-\$ 54,058	\$ 16,261	\$ 5,201	\$ 11,041
Increase overhead lines maintenance due to tornado				\$ 20,000	\$ 20,000
Decrease in wages and benefits due to reallocation of time spent from OM & A to tornado recovery work			-\$ 48,161	\$ 48,161	
Increase in bad debts expense	-\$ 10,000	\$ 10,000	-\$ 10,000		
Insulator washing at Salt Mine				\$ 20,000	-\$ 20,000
Overestimation of billing and meter reading costs	-\$ 64,530				
Increase in billings costs due to monthly billing implementation			\$ 56,052	\$ 25,000	
Increase in billing contract costs				\$ 56,000	
Increase in training costs - smart meters				\$ 10,000	-\$ 10,000
Harmonics work performed			\$ 6,300		
Increase cost of community relations - safety programs			\$ 7,059		
Third party professional fees - rate application		-\$ 80,900	\$ 7,860	\$ 183,000	-\$ 183,000
Third party professional fees - other				\$ 123,000	-\$ 20,000
Regulatory intervenors costs				\$ 10,000	-\$ 8,000
Additional costs - IFRS				\$ 25,000	
Implementation of One call system				\$ 6,000	
Upgrades to financial systems software				\$ 25,000	-\$ 25,000
Meter reading expense increase due to additional meter point				\$ 7,200	
Rent expense increase due to rental of additional space starting 2010		\$ 24,000	\$ 3,750		
Renovation of general plant building in 2009	\$ 29,510	-\$ 29,510			
Meter verification costs				\$ 11,000	
Increase is costs to maintain general plant				\$ 13,000	
Remaining balance	-\$ 64,337	-\$ 15,248	\$ 16,889	\$ 31,865	\$ 645
Closing Balance	\$ 1,434,993	\$ 1,306,580	\$ 1,376,819	\$ 2,101,515	\$ 1,845,829

As the above table indicates there has been an initial decrease in OM&A in 2010 and 2011 but due to the tornado WCHE has had an increase in the Bridge and Test Years.

## **EMPLOYEE DESCRIPTION**

### **OVERVIEW:**

West Coast Huron Energy has had very little change since its last Cost of Service application.

### **Number of employees (Full-time equivalents (FTE's)):**

WCHE'S 8 unionized staff:

- 6- Operations Staff
- 2- Customer Service/Office Staff

Executive/Management/Non Union:

- 3 – Executive (Board members)
- 1 - Management
- .4- Part time

### **Contract**

West Coast Huron Energy staff has a formal contract which expires on May 31<sup>st</sup>, 2014, the current contract's pay rates are in line with other LDC's in the Southwestern Region.

### **Benefits**

A comprehensive and competitive benefits package exists which include medical insurance, life insurance, vacation and a defined pension plan (see below) which are in line with other LDC's in the Province.

### **Pension**

WCHE and its employees contribute to the Ontario Municipal Employees Retirement Service (OMERS), a defined benefit pension plan.

### **Employee Incentive**

WCHE does not currently have an incentive plan.

### **Post Retirement Benefits**

WCHE'S has ongoing Post Retirement Benefits for retirees prior to 2006 and ongoing.



**Appendix 2-K  
Employee Costs**

	Last Rebasing Year (2009 Board- Approved)	Last Rebasing Year (2009 Actuals)	2010 Actuals	2011 Actuals	2012 Bridge Year	Bridge Year	2013 Test Year
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>
<b>Number of Employees (FTEs Including Part-Time)<sup>1</sup></b>							
Executive	3	3	3	3	3	3	3
Management	1	1	1	1	1	1	1
Non-Union							
Union	8	8	8	7	8	8	8
Total	12	12	12	11	12	12	12
<b>Number of Part-Time Employees</b>							
Executive							
Management							
Non-Union		0.50	0.40		0.40	0.40	0.40
Union							
Total	-	0.50	0.40	0.00	0.40	0.40	0.40
<b>Total Salary and Wages</b>							
Executive	\$ 30,385	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Management	\$ 135,564	\$ 62,258	\$ 67,810	\$ 69,667	\$ 72,000	\$ 72,000	\$ 74,000
Non-Union	\$ 22,200	\$ 9,171	\$ 8,273		\$ 8,500	\$ 8,500	\$ 8,800
Union	\$ 585,019	\$ 474,465	\$ 485,560	\$ 529,243	\$ 504,853	\$ 576,853	\$ 592,428
Total	\$ 773,168	\$ 570,894	\$ 586,643	\$ 623,910	\$ 610,353	\$ 682,353	\$ 700,228
<b>Current Benefits</b>							
Executive	\$ 715						
Management	\$ 39,639	\$ 21,704	\$ 22,018	\$ 22,664	\$ 23,400	\$ 23,400	\$ 24,100
Non-Union	\$ 3,011	\$ 577	\$ 537		\$ 520	\$ 520	\$ 530
Union	\$ 207,845	\$ 118,802	\$ 116,775	\$ 120,205	\$ 130,700	\$ 148,700	\$ 152,715
Total	\$ 251,210	\$ 141,083	\$ 139,330	\$ 142,869	\$ 154,620	\$ 172,620	\$ 177,345
<b>Accrued Pension and Post-Retirement Benefits</b>							
Executive							
Management		\$ 11,893	\$ 11,919	\$ 11,928	\$ 12,167	\$ 12,167	\$ 12,410
Non-Union							
Union		\$ 30,583	\$ 30,650	\$ 30,672	\$ 31,285	\$ 31,285	\$ 31,911
Total	\$ -	\$ 42,476	\$ 42,569	\$ 42,600	\$ 43,452	\$ 43,452	\$ 44,321
<b>Total Benefits (Current + Accrued)</b>							
Executive	\$ 715	\$ -	\$ -	\$ -	\$ -		\$ -
Management	\$ 39,639	\$ 33,597	\$ 33,937	\$ 34,592	\$ 35,567	\$ 35,567	\$ 36,510
Non-Union	\$ 3,011	\$ 577	\$ 537	\$ -	\$ 520	\$ 520	\$ 530
Union	\$ 207,845	\$ 149,385	\$ 147,425	\$ 150,877	\$ 161,985	\$ 179,985	\$ 184,626
Total	\$ 251,210	\$ 183,559	\$ 181,899	\$ 185,469	\$ 198,072	\$ 216,072	\$ 221,666
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>							
Executive	\$ 31,100	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Management	\$ 175,203	\$ 95,855	\$ 101,747	\$ 104,259	\$ 107,567	\$ 107,567	\$ 110,510
Non-Union	\$ 25,211	\$ 9,748	\$ 8,810	\$ -	\$ 9,020	\$ 9,020	\$ 9,330
Union	\$ 792,864	\$ 623,850	\$ 632,985	\$ 680,120	\$ 666,838	\$ 756,838	\$ 777,054
Total	\$ 1,024,378	\$ 754,453	\$ 768,542	\$ 809,379	\$ 808,425	\$ 898,425	\$ 921,894

West Coast Huron Energy  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 2**  
**Schedule: 5**

<b>Compensation - Average Yearly Base Wages</b>							
Executive	\$ 10,128	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333
Management	\$ 45,188	\$ 62,258	\$ 67,810	\$ 69,667	\$ 72,000	\$ 72,000	\$ 74,000
Non-Union	\$ 7,400	\$ 18,342	\$ 20,683		\$ 21,250	\$ 21,250	\$ 22,000
Union	\$ 73,127	\$ 59,308	\$ 60,695	\$ 71,519	\$ 72,122	\$ 72,106	\$ 74,053
Total							
<b>Compensation - Average Yearly Overtime</b>							
Executive							
Management		\$ 425	\$ 4,110	\$ 4,554	\$ 4,700	\$ 4,700	\$ 4,830
Non-Union							
Union		\$ 3,547	\$ 1,858	\$ 10,801	\$ 6,265	\$ 6,265	\$ 6,434
Total							
<b>Compensation - Average Yearly Incentive Pay</b>							
Executive	\$ 4,635	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Management	\$ 6,180	\$ 6,000	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Non-Union							
Union							
Total							
<b>Compensation - Average Yearly Benefits</b>							
Executive	\$ 238						
Management	\$ 13,213	\$ 33,597	\$ 33,937	\$ 34,592	\$ 25,567	\$ 25,567	\$ 36,510
Non-Union	\$ 1,004	\$ 1,154	\$ 1,343		\$ 1,300	\$ 1,300	\$ 1,325
Union	\$ 25,981	\$ 18,673	\$ 18,428	\$ 20,389	\$ 23,141	\$ 22,623	\$ 23,106
Total							
<b>Total Compensation</b>	<b>\$ 1,024,378</b>	<b>\$ 754,453</b>	<b>\$ 768,542</b>	<b>\$ 809,379</b>	<b>\$ 808,425</b>	<b>\$ 898,425</b>	<b>\$ 921,894</b>
<b>Total Compensation Capitalized (CGAAP)</b>					\$ 129,348	\$ 129,348	
<b>Total Compensation Charged to OM&amp;A (CGAAP)</b>	<b>\$ 1,024,378.00</b>	<b>\$ 754,453.00</b>	<b>\$ 768,542.00</b>	<b>\$ 809,379.00</b>	<b>\$ 679,077.00</b>	<b>\$ 769,077.00</b>	
<b>Total Compensation Capitalized (MIFRS)</b>					\$ 129,348	\$ 129,348	\$ 132,726
<b>Total Compensation Charged to OM&amp;A (MIFRS)</b>				\$ 809,379.00	\$ 679,077.00	\$ 769,077.00	\$ 789,168.00

## **PURCHASE OF PRODUCTS AND SERVICES**

West Coast Huron Energy, like other distributors, purchases many services and products from third parties.

The WCHE'S purchase policy is as follows:

The purchasing of goods and services fall into one of four categories:

- Tenders – are used for non-stock items or service contracts valued at \$50,000 or more.
- Quotations – above \$5,000
- Routine purchases
- Local Purchase orders

### **Tender:**

A Tender can only be issued by the President, or the treasurer, management or line foreman. Tender packages will typically be sent directly to at least three (3) vendors known to specialize in the item or service, however, a Request for Tender may be advertised if there are an insufficient number of known vendors. A period of at least two (2) weeks is required for the vendors to review the tender package and respond. Receipt of tenders must be in sealed envelopes clearly marked as to the contents. Tenders will be opened at the time of closing by the President, or designate. Unless otherwise specified by the Board of Directors, bidders are not permitted to attend the tender opening. The tenders will be evaluated by one or more suitable employees, and a recommendation prepared for approval by the Board of Directors. For specialized goods or services, it is permitted to have the tenders evaluated by an external third party such as an engineering consultant. Following award of the tender by the Board of Directors, the successful bidder will be immediately notified by the appropriate manager, and a purchase order initiated via a material requisition. The remaining bidders will be notified in writing of the name of the successful bidder.

### **Quotations:**

If quotations are used for purchases above \$5,000 they do not fit the tender category. Quotations may be issued by any Manager. The Request for Quotation package will typically be sent to at least three (3) vendors known to specialize in the item or service; however, there are some items and services with fewer than three (3) vendors. A period of two (2) weeks for evaluation and response is recommended for items that are usually made to order, or for service contracts such as line construction. Shorter periods are acceptable for "off the shelf" items or routine services. Quotations are normally accepted in hardcopy, fax, or email format but their contents must be kept confidential until the closing date. Sealed quotations are recommended for purchases above \$25,000. The quotations will be reviewed by the appropriate employee(s) after the closing date, and a recommendation made to the appropriate manager. Approval by the President is required for quotes valued above \$10,000 for stock items, and above \$2,500 for non-stock items or service contracts. The President will approve quotes for service contracts. Approval by the appropriate

Manager is required for quotes above \$2,500 for stock items. Once approval has been obtained, the successful bidder will be immediately notified by the appropriate manager, and a purchase order initiated via a material requisition.

**Routine Purchases:**

For routine purchases of items or services such as office supplies, computer support, low value stock items, safety equipment, cleaning supplies, lawn restoration, vacuum excavation, vehicle supplies and vehicle servicing, it is acceptable to request pricing once, then use the same low bidder(s) for a fixed period of time, generally not exceeding two (2) years. For routine purchases of higher value stock items, formal supplier alliances may be formed with the approval of the President.

**Local Purchase:**

Local Purchase Orders – are not used for purchases under \$250. These may be issued by any employee but require the approval of a Manager.

Recurring Invoices – are monthly fees typically for services that have been awarded via a quotation or a tender. These invoices are to be approved for payment by the appropriate Manager. Signing Authority may be delegated if necessary to avoid delays in the purchasing process. This delegation should be documented in a memo or email to the affected parties.

**Exemptions:**

- On the recommendation by the President and at the Sole Discretion of the Board of Directors may be renewed or extended, any Tender or Purchasing agreement.
- The Board of Directors, on the recommendation of the President, may Sole Source any product or service that it deems are in the best interest of the Company.

Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2013

Year 2012 MIFRS

Account	Description	Opening NBV as at Jan 1, 2012 <sup>5</sup>	Additions	Average Remaining Life of Opening NBV <sup>4</sup>	Years (new additions only) <sup>3</sup>	Depreciation Rate on New Additions	Depreciation Expense on Opening NBV	Depreciation Expense on Additions <sup>1</sup>	2012 Depreciation Expense	2012 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (l)	Variance <sup>2</sup>	Depreciation Expense on 2012 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2012 Full Year Depreciation <sup>6</sup>
		(a)	(d)	(i)	(f)	(g) = 1 / (f)	(j) = (a) / (i)	(h) = ((d) * 0.5) / (f)	(k) = (j) + (h)		(m) = (k) - (l)	(n) = ((d) / (f))		(p) = (j) + (n) * (o)
1611	Computer Software (Formally known as Account 1925)	\$ 52,062.00		6.40		0.00%	\$ 8,140.03	\$ -	\$ 8,140.03	\$ 8,140.00	\$ 0.03	\$ -	\$ 61.00	\$ 8,079.03
1612	Land Rights (Formally known as Account 1906)					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1805	Land	\$ 21,747.00	\$ 90,000.00			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1808	Buildings	\$ 49,545.00	\$ 910,000.00	9.83	25.00	4.00%	\$ 5,040.18	\$ 18,200.00	\$ 23,240.18	\$ 23,240.00	\$ 0.18	\$ 36,400.00		\$ 41,440.18
1810	Leasehold Improvements					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 85,318.00	\$ 20,000.00	14.01	25.00	4.00%	\$ 6,089.79	\$ 400.00	\$ 6,489.79	\$ 6,490.00	\$ 0.21	\$ 800.00		\$ 6,889.79
1825	Storage Battery Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 1,488,570.00	\$ 1,993,580.00	36.00	45.00	2.22%	\$ 41,349.17	\$ 22,150.89	\$ 63,500.06	\$ 63,500.00	\$ 0.06	\$ 44,301.78		\$ 85,650.94
1830	Poles, Towers & Fixtures - Tomado	\$ 770,866.00		45.00	45.00	2.22%	\$ 17,130.36	\$ -	\$ 17,130.36	\$ 17,130.00	\$ 0.36	\$ -		\$ 17,130.36
1835	Overhead Conductors & Devices	\$ 296,844.00	\$ 393,352.00	42.88	54.87	1.82%	\$ 6,922.67	\$ 3,584.40	\$ 10,507.07	\$ 10,507.00	\$ 0.07	\$ 7,168.80		\$ 14,091.47
1835	Overhead Conductors & Devices - Tomado	\$ 82,079.00		54.87	54.87	1.82%	\$ 1,495.88	\$ -	\$ 1,495.88	\$ 1,496.00	\$ 0.12	\$ -		\$ 1,495.88
1840	Underground Conduit	\$ 55,472.00	\$ 5,000.00	47.01	50.00	2.00%	\$ 1,180.00	\$ 50.00	\$ 1,230.00	\$ 1,230.00	\$ 0.00	\$ 100.00		\$ 1,280.00
1845	Underground Conductors & Devices	\$ 858,074.00	\$ 800,000.00	26.24	40.00	2.50%	\$ 32,701.74	\$ 10,000.00	\$ 42,701.74	\$ 42,703.00	\$ 1.26	\$ 20,000.00		\$ 52,701.74
1850	Line Transformers	\$ 671,965.00	\$ 485,000.00	35.00	40.00	2.50%	\$ 19,199.00	\$ 6,062.50	\$ 25,261.50	\$ 25,261.00	\$ 0.50	\$ 12,125.00		\$ 31,324.00
1850	Line Transformers - Tomado	\$ 276,369.00		40.00	40.00	2.50%	\$ 6,909.23	\$ -	\$ 6,909.23	\$ 6,909.00	\$ 0.23	\$ -		\$ 6,909.23
1855	Services (Overhead & Underground)	\$ 178,617.00	\$ 128,068.00	35.80	60.00	1.67%	\$ 4,989.86	\$ 1,067.23	\$ 6,057.09	\$ 6,057.00	\$ 0.09	\$ 2,134.47		\$ 7,124.33
1855	Services (Overhead & Underground) - Tomado	\$ 123,416.00		60.00	60.00	1.67%	\$ 2,056.93	\$ -	\$ 2,056.93	\$ 2,057.00	\$ 0.07	\$ -		\$ 2,056.93
1860	Meters	\$ 44,974.00	\$ 100,000.00	15.70	25.00	4.00%	\$ 2,864.95	\$ 2,000.00	\$ 4,864.95	\$ 4,865.00	\$ 0.05	\$ 4,000.00		\$ 6,864.95
1860	Meters (Smart Meters)	\$ 102,094.00		14.00	15.00	6.67%	\$ 7,293.00	\$ -	\$ 7,293.00	\$ 7,293.00	\$ 0.00	\$ -		\$ 7,293.00
1905	Land					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1908	Buildings & Fixtures					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1910	Leasehold Improvements					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 33,737.00		9.00		0.00%	\$ 3,748.14	\$ -	\$ 3,748.14	\$ 3,748.00	\$ 0.14	\$ -		\$ 3,748.14
1915	Office Furniture & Equipment (5 years)					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 4,944.00		5.00		0.00%	\$ 988.80	\$ -	\$ 988.80	\$ 988.00	\$ 0.80	\$ -	\$ 984.00	\$ 4.80
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 4,188.00		1.77		0.00%	\$ 2,364.10	\$ -	\$ 2,364.10	\$ 2,364.00	\$ 0.10	\$ -		\$ 2,364.10
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 20,162.00	\$ 15,000.00	6.40	10.00	10.00%	\$ 3,148.84	\$ 750.00	\$ 3,898.84	\$ 3,899.00	\$ 0.16	\$ 1,500.00		\$ 4,648.84
1930	Transportation Equipment	\$ 290,879.00	\$ 65,000.00	6.66	8.00	12.50%	\$ 43,682.08	\$ 4,062.50	\$ 47,744.58	\$ 47,744.00	\$ 0.58	\$ 8,125.00	\$ 931.00	\$ 50,876.08
1935	Stores Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 9,002.00	\$ 10,000.00	2.71	4.00	25.00%	\$ 3,327.05	\$ 1,250.00	\$ 4,577.05	\$ 4,577.00	\$ 0.05	\$ 2,500.00	\$ 545.00	\$ 5,282.05
1945	Measurement & Testing Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1950	Power Operated Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communications Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1980	System Supervisor Equipment					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets					0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1995	Contributions & Grants	-\$ 339,233.00	-\$ 2,000,000.00	28.85	46.37	2.16%	\$ 11,757.98	\$ 21,566.69	\$ 33,324.67	\$ 33,325.00	\$ 0.33	\$ 43,133.38		\$ 54,891.37
						0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ 5,181,691.00	\$ 3,015,000.00				\$ 208,863.81	\$ 48,010.83	\$ 256,874.65	\$ 256,873.00	\$ 1.65	\$ 96,021.66	\$ 2,521.00	\$ 302,364.48

DEPRECIATION, AMORTIZATION AND DEPLETION

Schedule: 7

West Coast Huron Energy  
EB-2012-0175  
Exhibit: 4  
Tab: 2



**West Coast Huron Energy**  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 2**  
**Schedule: 7**

Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2013

Year                      2013                      MIFRS

Account	Description	Additions	Years (new additions only)	Depreciation Rate on New Additions	2013 Depreciation Expense <sup>1</sup> (h)=2012 Full Year Depreciation + ((d)*0.5)/(f)	2013 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (l)	Variance <sup>2</sup> (m) = (h) - (l)
		(d)	(f)	(g) = 1 / (f)			
1611	Computer Software (Formally known as Account 1925)			0.00%	\$ 8,079.03	\$ 8,079.00	\$ 0.03
1612	Land Rights (Formally known as Account 1906)			0.00%	\$ -	\$ -	\$ -
1805	Land			0.00%	\$ -	\$ -	\$ -
1808	Buildings	\$ 200,000.00	25.00	4.00%	\$ 45,440.18	\$ 45,440.00	\$ 0.18
1810	Leasehold Improvements			0.00%	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV			0.00%	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 20,000.00	25.00	4.00%	\$ 7,289.79	\$ 7,290.00	\$ - 0.21
1825	Storage Battery Equipment			0.00%	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 865,224.00	45.00	2.22%	\$ 95,264.54	\$ 95,265.00	\$ - 0.46
1830	Poles, Towers & Fixtures - Tomado		45.00	2.22%	\$ 17,130.36	\$ 17,130.00	\$ 0.36
1835	Overhead Conductors & Devices	\$ 158,808.00	54.89	1.82%	\$ 15,537.96	\$ 15,537.00	\$ 0.96
1835	Overhead Conductors & Devices - Tomado		54.89	1.82%	\$ 1,495.88	\$ 1,496.00	\$ - 0.12
1840	Underground Conduit	\$ 5,000.00	50.00	2.00%	\$ 1,330.00	\$ 1,330.00	\$ 0.00
1845	Underground Conductors & Devices	\$ 20,000.00	40.00	2.50%	\$ 52,951.74	\$ 52,953.00	\$ - 1.26
1850	Line Transformers	\$ 479,000.00	40.00	2.50%	\$ 37,311.50	\$ 37,311.00	\$ 0.50
1850	Line Transformers - Tomado		40.00	2.50%	\$ 6,909.23	\$ 6,909.00	\$ 0.23
1855	Services (Overhead & Underground)	\$ 65,968.00	60.00	1.67%	\$ 7,674.06	\$ 7,674.00	\$ 0.06
1855	Services (Overhead & Underground) - Tomado		60.00	1.67%	\$ 2,056.93	\$ 2,057.00	\$ - 0.07
1860	Meters			0.00%	\$ 6,864.95	\$ 6,865.00	\$ - 0.05
1860	Meters (Smart Meters)			0.00%	\$ 7,293.00	\$ 7,293.00	\$ 0.00
1905	Land			0.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures			0.00%	\$ -	\$ -	\$ -
1910	Leasehold Improvements			0.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)			0.00%	\$ 3,748.14	\$ 3,748.00	\$ 0.14
1915	Office Furniture & Equipment (5 years)			0.00%	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware			0.00%	\$ 4.80	\$ 4.00	\$ 0.80
1920	Computer Equip.-Hardware(Post Mar. 22/04)			0.00%	\$ 2,364.10	\$ 2,363.00	\$ 1.10
1920	Computer Equip.-Hardware(Post Mar. 19/07)			0.00%	\$ 4,648.84	\$ 4,649.00	\$ - 0.16
1930	Transportation Equipment	\$ 300,000.00	8.00	12.50%	\$ 69,626.08	\$ 69,626.00	\$ 0.08
1935	Stores Equipment			0.00%	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 8,500.00	4.00	25.00%	\$ 6,344.55	\$ 6,345.00	\$ - 0.45
1945	Measurement & Testing Equipment			0.00%	\$ -	\$ -	\$ -
1950	Power Operated Equipment			0.00%	\$ -	\$ -	\$ -
1955	Communications Equipment			0.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)			0.00%	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment			0.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises			0.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment			0.00%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets			0.00%	\$ -	\$ -	\$ -
1995	Contributions & Grants	\$ - 275,000.00	\$ 40.00	2.50%	\$ 58,328.87	\$ 58,329.00	\$ - 0.13
				0.00%	\$ -	\$ -	\$ -
				0.00%	\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ 1,847,500.00</b>			<b>\$ 341,036.81</b>	<b>\$ 341,035.00</b>	<b>\$ 1.81</b>
Deduct Fully allocated depreciation - transportation equipment						\$ 69,626.00	
Add Transfer of Smart Meters costs from 1555						\$ 37,631.00	
Depreciation expense adjustment resulting from amortization of Account 1575						\$ 51,933.00	
<b>Total Depreciation expense to be included in the test year revenue requirement</b>						<b>\$ 257,107.00</b>	

### LOSS ADJUSTMENT FACTOR CALCULATION

Below is the West Coast Huron Energy loss factor calculation based on a 5 year average using 2007, 2008, 2009, 2010 and 2011 results.

#### **LOSS ADJUSTMENT FACTOR CALCULATION**

	2007	2008	2009	2010	2011	5 year average
"Wholesale" kWh (IESO)	150,210,128	158,943,653	160,147,594	143,170,517	149,114,365	761,586,257
Wholesale kWh for Large Use customer(s) (IESO)	62,029,064	69,504,960	75,068,856	60,219,889	68,188,925	335,011,694
Net "Wholesale" kWh (A)-(B)	88,181,064	89,438,693	85,078,738	82,950,628	80,925,440	426,574,563
Retail kWh (Distributor)	82,588,100	91,774,459	94,418,183	79,127,580	85,610,621	433,518,944
Retail kWh for Large Use Customer(s) (1% loss)	62,029,064	69,504,960	75,068,856	60,219,889	68,188,925	335,011,694
Net "Retail" kWh (D)-(E)	20,559,036	22,269,499	19,349,327	18,907,691	17,421,696	98,507,250
Loss Factor [(C)/(F)]	4.2892	4.0162	4.3970	4.3871	4.6451	4.3304
Distribution Loss Adjustment Factor						

#### **Total Utility Loss Adjustment Factor**

#### **LAF**

**Supply Facility Loss Factor** 1.045

#### **Distribution Loss Factors**

##### **Secondary Metered Customer**

Total Loss Factor - Secondary Metered Customer < 5,000kW 4.3304  
Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0100

##### **Primary Metered Customer**

Total Loss Factor - Primary Metered Customer < 5,000kW 4.2871  
Total Loss Factor - Primary Metered Customer > 5,000kW 1.0000

#### **Total Loss Factor**

##### **Secondary Metered Customer**

Total Loss Factor - Secondary Metered Customer < 5,000kW 4.5253  
Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0555

##### **Primary Metered Customer**

Total Loss Factor - Primary Metered Customer < 5,000kW 4.4800  
Total Loss Factor - Primary Metered Customer > 5,000kW 1.045

**MATERIALITY ANALYSIS ON DISTRIBUTION LOSSES**

The calculated loss factor is below the OEB 5% target.

TAX CALCULATIONS

## Wires Only

Regulatory Taxable Income

\$ 139,235 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

4.50%

B

\$

4,916 C = A \* B

Small business credit

Ontario Small Business Threshold

\$

D

Rate reduction

-7.00%

E

\$

- F = D \* E

Ontario Income tax

\$ 4,916 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate

4.50%

K = J / A

Federal tax rate

11.00%

L

Combined tax rate

15.50%

M = K + L

Total Income Taxes

\$ 16,931 N = A \* M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

\$ - Q = O + P

Corporate PILs/Income Tax Provision for Test Year

\$ 16,931 R = N - Q

Corporate PILs/Income Tax Provision Gross Up<sup>1</sup>

84.50%

S = 1 - M

\$ 3,106 T = R / S - R

Income Tax (grossed-up)

\$ 20,037 U = R + T

**Interest Expense**

DEBT	Deemed %	Amount	Deemed Interest Rate	Interest
Long-term	4.00%	414,828	2.08%	8,628
Short-term	36.00%	5,807,590	4.41%	256,115
		<u>6,222,418</u>		<u>264,743</u>



## Schedule 8 CCA - 2009

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 3,098,997	151,223		\$ 3,250,220	\$ 75,612	\$ 3,174,609	4%	\$ 126,985	\$ 3,123,235
1 Enhanced	Non-residential Building Reg. 1100(1)(a.1) election				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988				\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equipment	\$ 119,587	9,002		\$ 128,589	\$ 4,501	\$ 124,088	20%	\$ 24,818	\$ 103,771
10	Computer Hardware/Vehicles	\$ 75,314	335,657	-15,000	\$ 395,971	\$ 160,329	\$ 235,643	30%	\$ 70,693	\$ 325,278
10.1	Certain Automobiles				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
13.1	Lease #1				\$ -	\$ -	\$ -		\$ -	\$ -
13.2	Lease #2				\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease #3				\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease #4				\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise				\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 other than Bldgs				\$ -	\$ -	\$ -	8%	\$ -	\$ -
10	Fibre Optic Cable	\$ 11,976			\$ 11,976	\$ -	\$ 11,976	30%	\$ 3,593	\$ 8,383
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04				\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 515,893	540,602		\$ 1,056,495	\$ 270,301	\$ 786,194	8%	\$ 62,896	\$ 993,599
50	Data Network Infrastructure Equipment - post Mar 2007				\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP				\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
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					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 3,821,767	\$ 1,036,484	-\$ 15,000	\$ 4,843,251	\$ 510,742	\$ 4,332,509		\$ 288,984	\$ 4,554,267

## Schedule 8 CCA - 2010

<b>Class</b>	<b>Class Description</b>	<b>UCC Test Year Opening Balance</b>	<b>Additions</b>	<b>Disposals (Negative)</b>	<b>UCC Before 1/2 Yr Adjustment</b>	<b>1/2 Year Rule {1/2 Additions Less Disposals}</b>	<b>Reduced UCC</b>	<b>Rate %</b>	<b>Test Year CCA</b>	<b>UCC End of Test Year</b>
1	Distribution System - post 1987	\$ 3,123,236	504,969		\$ 3,628,205	\$ 252,485	\$ 3,375,721	4%	\$ 135,028	\$ 3,493,177
1 Enhanced	Non-residential Building Reg. 1100(1)(a.1) election				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988				\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equipment	\$ 103,771	4,909		\$ 108,680	\$ 2,455	\$ 106,226	20%	\$ 21,245	\$ 87,435
10	Computer Hardware/Vehicles	\$ 325,278	36,802		\$ 362,080	\$ 18,401	\$ 343,679	30%	\$ 103,103	\$ 258,977
10.1	Certain Automobiles				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
13.1	Lease #1		128,450		\$ 128,450	\$ 64,225	\$ 64,225		\$ 3,211	\$ 125,239
13.2	Lease #2				\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease #3				\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease #4				\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise				\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 other than Bldgs				\$ -	\$ -	\$ -	8%	\$ -	\$ -
10	Fibre Optic Cable	\$ 8,383		-52,000	\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04				\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 993,599	147,788		\$ 1,141,387	\$ 73,894	\$ 1,067,493	8%	\$ 85,399	\$ 1,055,988
50	Data Network Infrastructure Equipment - post Mar 2007				\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP				\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
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					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 4,554,267	\$ 822,918	-\$ 52,000	\$ 5,368,802	\$ 411,459	\$ 4,957,343		\$ 347,986	\$ 5,020,816

## Schedule 8 CCA - 2011

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 3,493,177	37,279		\$ 3,530,456	\$ 18,640	\$ 3,511,817	4%	\$ 140,473	\$ 3,389,983
1 Enhanced	Non-residential Building Reg. 1100(1)(a.1) election				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988				\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equipment	\$ 87,435	55,314		\$ 142,749	\$ 27,657	\$ 115,092	20%	\$ 23,017	\$ 119,732
10	Computer Hardware/Vehicles	\$ 258,977	63,973	-8,000	\$ 314,950	\$ 27,987	\$ 286,964	30%	\$ 86,089	\$ 228,861
10.1	Certain Automobiles				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
13.1	Lease #1	\$ 125,239		-125,239	\$ -	\$ -	\$ -		\$ -	\$ -
13.2	Lease #2				\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease #3				\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease #4				\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise				\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 other than Bldgs				\$ -	\$ -	\$ -	8%	\$ -	\$ -
42	Fibre Optic Cable				\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04				\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 1,055,988	362,601		\$ 1,418,589	\$ 181,301	\$ 1,237,289	8%	\$ 98,983	\$ 1,319,606
50	Data Network Infrastructure Equipment - post Mar 2007				\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP				\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 5,020,816	\$ 519,167	-\$ 133,239	\$ 5,406,744	\$ 255,584	\$ 5,151,161		\$ 348,562	\$ 5,058,182

West Coast Huron Energy  
EB-2012-0175  
Exhibit: 4  
Tab: 3  
Schedule: 3



### Schedule 8 CCA - Bridge Year

Class	Class Description	UCC Regulated Historic Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	\$ 3,389,983			\$ 3,389,983	\$ -	\$ 3,389,983	4%	\$ 135,599	\$ 3,254,384
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988				\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equip	\$ 119,732			\$ 119,732	\$ -	\$ 119,732	20%	\$ 23,946	\$ 95,786
10	Computer Hardware/ Vehicles	\$ 228,861	\$ 80,000		\$ 308,861	\$ 40,000	\$ 268,861	30%	\$ 80,658	\$ 228,203
10.1	Certain Automobiles				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
13 1	Lease # 1				\$ -	\$ -	\$ -		\$ -	\$ -
13 2	Lease #2				\$ -	\$ -	\$ -		\$ -	\$ -
13 3	Lease # 3				\$ -	\$ -	\$ -		\$ -	\$ -
13 4	Lease # 4				\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise				\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs				\$ -	\$ -	\$ -	8%	\$ -	\$ -
42	Fibre Optic Cable				\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04				\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 1,319,606	\$ 2,935,000		\$ 4,254,606	\$ 1,467,500	\$ 2,787,106	8%	\$ 222,968	\$ 4,031,638
50	Data Network Infrastructure Equipment - post Mar 2007				\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP				\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
					\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 5,058,182	\$ 3,015,000	\$ -	\$ 8,073,182	\$ 1,507,500	\$ 6,565,682		\$ 463,173	\$ 7,610,011

## Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 3,254,384			\$ 3,254,384	\$ -	\$ 3,254,384	4%	\$ 130,175	\$ 3,124,208
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
8	General Office/Stores Equip	\$ 95,786			\$ 95,786	\$ -	\$ 95,786	20%	\$ 19,157	\$ 76,628
10	Computer Hardware/ Vehicles	\$ 228,203	300,000		\$ 528,203	\$ 150,000	\$ 378,203	30%	\$ 113,461	\$ 414,742
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
13.1	Lease # 1	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.2	Lease #2	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease # 3	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease # 4	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than	\$ -			\$ -	\$ -	\$ -	8%	\$ -	\$ -
42	Fibre Optic Cable	\$ -			\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ -			\$ -	\$ -	\$ -	45%	\$ -	\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 4,031,638	1,547,500		\$ 5,579,138	\$ 773,750	\$ 4,805,388	8%	\$ 384,431	\$ 5,194,707
50	Data Network Infrastructure Equipment - post Mar 2007	\$ -			\$ -	\$ -	\$ -	55%	\$ -	\$ -
52	Computer Hardware and system software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
					\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 7,610,010	\$ 1,847,500	\$ -	\$ 9,457,510	\$ 923,750	\$ 8,533,760		\$ 647,224	\$ 8,810,288

**West Coast Huron Energy**  
**EB-2012-0175**  
**Exhibit: 4**  
**Tab: 3**  
**Schedule: 4**

**2011 Tax Return**



Canada Revenue  
Agency

Agence du revenu  
du Canada

## T2 CORPORATION INCOME TAX RETURN

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, paragraphs, and subparagraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information (GFI)*, to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see [www.cra.gc.ca](http://www.cra.gc.ca) or Guide T4012, *T2 Corporation - Income Tax Guide*.

055 Do not use this area

### Identification

Business Number (BN) 001 88699 5323 RC0001

#### Corporation's name

002 WEST COAST HURON ENERGY INC.

#### Address of head office

Has this address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

(If yes, complete lines 011 to 018.)

011 57 WEST STREET

012 City Province, territory, or state

015 GODERICH 016 ON

Country (other than Canada) Postal code/Zip code

017 018 N7A 2K5

#### Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

(If yes, complete lines 021 to 028.)

021 c/o

022 57 WEST STREET

023 City Province, territory, or state

025 GODERICH 026 ON

Country (other than Canada) Postal code/Zip code

027 028 N7A 2K5

#### Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No ☒

(If yes, complete lines 031 to 038.)

031 57 WEST STREET

032 City Province, territory, or state

035 GODERICH 036 ON

Country (other than Canada) Postal code/Zip code

037 038 N7A 2K5

#### 040 Type of corporation at the end of the tax year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation

2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)

3 ☐ Public corporation

If the type of corporation changed during the tax year, provide the effective date of the change. 043

YYYY MM DD

#### To which tax year does this return apply?

Tax year start 060 2011-01-01 Tax year-end 061 2011-12-31

YYYY MM DD YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? 063 1 Yes ☐ 2 No ☒

If yes, provide the date control was acquired 065

YYYY MM DD

#### Is the date on line 061 a deemed tax year-end in accordance with:

subparagraph 88(2)(a)(iv)? 064 1 Yes ☐ 2 No ☒

subsection 249(3.1)? 066 1 Yes ☐ 2 No ☒

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒

Amalgamation? 071 1 Yes ☐ 2 No ☒

If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 1 Yes ☒ 2 No ☐

If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085 1 ☐ Exempt under paragraph 149(1)(e) or (f)

2 ☐ Exempt under paragraph 149(1)(j)

3 ☐ Exempt under paragraph 149(1)(t)

4 ☐ Exempt under other paragraphs of section 149

Do not use this area

095

096



# Attachments

**Financial statement information:** Use GIFI schedules 100, 125, and 141.

**Schedules** – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered <b>yes</b> to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
Was the resident corporation the beneficiary of a non-resident discretionary trust or did it make a contribution to a non-resident discretionary trust at any time during the tax year?	168 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the <i>federal Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or	207 <input type="checkbox"/>	7
ii) does the corporation have aggregate investment income at line 440?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible for capital cost allowance?	210 <input checked="" type="checkbox"/>	10
Does the corporation have any property that is eligible capital property?	212 <input type="checkbox"/>	12
Does the corporation have any resource-related deductions?	213 <input type="checkbox"/>	13
Is the corporation claiming deductible reserves?	216 <input type="checkbox"/>	16
Is the corporation claiming a patronage dividend deduction?	217 <input type="checkbox"/>	17
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	218 <input type="checkbox"/>	18
Is the corporation an investment corporation or a mutual fund corporation?	220 <input type="checkbox"/>	20
Is the corporation carrying on business in Canada as a non-resident corporation?	221 <input type="checkbox"/>	21
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	227 <input type="checkbox"/>	27
Does the corporation have any Canadian manufacturing and processing profits?	231 <input type="checkbox"/>	31
Is the corporation claiming an investment tax credit?	232 <input type="checkbox"/>	T661
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	233 <input type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	234 <input type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	237 <input type="checkbox"/>	37
Is the corporation claiming a surtax credit?	238 <input type="checkbox"/>	38
Is the corporation subject to gross Part VI tax on capital of financial institutions?	242 <input type="checkbox"/>	42
Is the corporation claiming a Part I tax credit?	243 <input type="checkbox"/>	43
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	244 <input type="checkbox"/>	45
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	249 <input type="checkbox"/>	46
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?		
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	T1134-A
Did the corporation have any controlled foreign affiliates?	258	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269	54

**Additional Information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	561990	All Other Support Services	
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	HYDRO DISTRIBUTION	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294		
		YYYY	MM DD
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

**Taxable Income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	300	459,556	A
<b>Deduct:</b> Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
	Subtotal		B
	Subtotal (amount A minus amount B) (if negative, enter "0")	459,556	C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
<b>Taxable income</b> (amount C plus amount D)	360	459,556	
Income exempt under paragraph 149(1)(t)	370		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		459,556	Z

\* This amount is equal to 3.2 times the Part VI.1 tax payable at line 724 on page 8.

## Small business deduction

### Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	<b>400</b>	459,556	A
Taxable income from line 360 on page 3, <b>minus</b> 10/3 of the amount on line 632* on page 7, <b>minus</b> 1/(0.38 - X**) 3.77358 times the amount on line 636*** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	<b>405</b>	459,556	B
Business limit (see notes 1 and 2 below)	<b>410</b>	500,000	C

#### Notes:

- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
- For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

#### Business limit reduction:

Amount C	500,000	x	<b>415</b> ****	D	=		E
				11,250			
Reduced business limit (amount C <b>minus</b> amount E) (if negative, enter "0")						<b>425</b>	500,000 F

#### Small business deduction

Amount A, B, C, or F, whichever is the least	459,556	x	17 %	=	<b>430</b>	78,125	G
Enter amount G on line 1 on page 7.							

\* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* General rate reduction percentage for the tax year. It has to be pro-rated.

\*\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

#### \*\*\*\* Large corporations

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

### General tax reduction for Canadian-controlled private corporations

#### Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3						459,556	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27							B
Amount QQ from Part 13 of Schedule 27							C
Amount used to calculate the credit union deduction from Schedule 17							D
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least						459,556	E
Aggregate investment income from line 440 on page 6*							F
Total of amounts B to F						459,556	G
Amount A minus amount G (if negative, enter "0")							H
Amount H	x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=	I
		Number of days in the tax year	365				
Amount H	x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=	J
		Number of days in the tax year	365				
Amount H	x	Number of days in the tax year after December 31, 2010, and before January 1, 2012	365	x	11.5 %	=	K
		Number of days in the tax year	365				
Amount H	x	Number of days in the tax year after December 31, 2011		x	13 %	=	L
		Number of days in the tax year	365				

#### General tax reduction for Canadian-controlled private corporations – Total of amounts I to L

Enter amount M on line 638 on page 7.

\* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

### General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)							N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27							O
Amount QQ from Part 13 of Schedule 27							P
Amount used to calculate the credit union deduction from Schedule 17							Q
Total of amounts O to Q							R
Amount N minus amount R (if negative, enter "0")							S
Amount S	x	Number of days in the tax year after December 31, 2008, and before January 1, 2010		x	9 %	=	T
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year after December 31, 2009, and before January 1, 2011		x	10 %	=	U
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year after December 31, 2010, and before January 1, 2012	365	x	11.5 %	=	V
		Number of days in the tax year	365				
Amount S	x	Number of days in the tax year after December 31, 2011		x	13 %	=	W
		Number of days in the tax year	365				

#### General tax reduction – Total of amounts T to W

Enter amount X on line 639 on page 7.

## Refundable portion of Part I tax

### Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 **440**  $\times 26.2 / 3\% =$  **A**

Foreign non-business income tax credit from line 632 on page 7

### Deduct:

Foreign investment income from Schedule 7 **445**  $\times 9.1 / 3\% =$  **B**  
(if negative, enter "0")

Amount A minus amount B (if negative, enter "0") **C**

Taxable income from line 360 on page 3 **459,556**

### Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least **459,556**

Foreign non-business income tax credit from line 632 on page 7  $\times 25 / 9 =$

Foreign business income tax credit from line 636 on page 7  $1(0.38 \cdot X^*) \times 3.77358 =$

**459,556**  $\rightarrow$  **459,556**

$\times 26.2 / 3\% =$  **D**

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) **50,550** **E**

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least **450** **F**

\* General rate reduction percentage for the tax year. It has to be pro-rated.

## Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**

Deduct: Dividend refund for the previous tax year **465** **G**

### Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** **H**

Refundable dividend tax on hand at the end of the tax year – Amount G plus amount H **485**

## Dividend refund

### Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3  $\times 1 / 3$  **I**

Refundable dividend tax on hand at the end of the tax year from line 485 above **J**

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 on page 8)

**Part I tax**

**Base amount of Part I tax** – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % **550** 174,631 A  
**Recapture of investment tax credit from Schedule 31** **602** B

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 ..... i  
Taxable income from line 360 on page 3 ..... 459,556  
**Deduct:**  
Amount from line 400, 405, 410, or 425 on page 4, whichever  
is the least ..... 459,556  
Net amount ..... ii

**Refundable tax on CCPC's investment income** – 6 2 / 3 % of whichever is less: amount i or ii **604** C

Subtotal (add lines A to C) ..... 174,631 D

**Deduct:**

Small business deduction from line 430 on page 4 ..... 78,125 1  
Federal tax abatement **608** 45,956  
Manufacturing and processing profits deduction from Schedule 27 **616**  
Investment corporation deduction **620**  
Taxed capital gains **624**  
Additional deduction – credit unions from Schedule 17 **628**  
Federal foreign non-business income tax credit from Schedule 21 **632**  
Federal foreign business income tax credit from Schedule 21 **636**  
General tax reduction for CCPCs from amount M on page 5 **638**  
General tax reduction from amount X on page 5 **639**  
Federal logging tax credit from Schedule 21 **640**  
Federal qualifying environmental trust tax credit **648**  
Investment tax credit from Schedule 31 **652**

Subtotal ..... 124,081 E

**Part I tax payable** – Line D minus line E ..... 50,550 F

Enter amount F on line 700 on page 8.



## Summary of tax and credits

### Federal tax

Part I tax payable from page 7	700	50,550
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
<b>Total federal tax</b>		<b>50,550</b>

### Add provincial or territorial tax:

Provincial or territorial jurisdiction	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Quebec and Alberta)	760	20,680
Provincial tax on large corporations (Nova Scotia Schedule 342)	765	
	20,680	20,680
<b>Total tax payable</b>	<b>770</b>	<b>71,230</b> A

### Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	96,366
<b>Total credits</b>	<b>890</b>	<b>96,366</b> B

Refund code **894** **1** Overpayment **25,136** Balance (line A minus line B) **-25,136**



### Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** Branch number  
**914** Institution number **918** Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

**896** 1 Yes ☐ 2 No ☒

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

Enclosed payment **898**

### Certification

I. **950** MCCABE **951** LARRY **954** PRESIDENT  
Last name in block letters First name in block letters Position, office, or rank  
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

**955** 2012-06-29 **956** (519) 524-8344  
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below **957** 1 Yes ☐ 2 No ☒

**958** RON BURT **959** (519) 524-2677  
Name in block letters Telephone number

### Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.  
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

**990** 1

Name of corporation contact \_\_\_\_\_  
Telephone number \_\_\_\_\_

<b>Transfer</b>				
<b>Account number</b>	<b>Taxation year end</b>	<b>Amount</b>	<b>Effective interest date</b>	<b>Description</b>
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

**NOTES CHECKLIST**

Name of corporation	Business Number	Tax year-end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
  - For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and Guide T4012, *T2 Corporation - Income Tax Guide*.
  - Complete this schedule and include it with your T2 return along with the other GIFI schedules.
- If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

**Part 1 – Information on the accountant who prepared or reported on the financial statements**

Does the accountant have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accountant connected\* with the corporation? **097** 1 Yes ☐ 2 No ☒

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

**Note:** If the accountant does not have a professional designation or is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

**Part 2 – Type of involvement with the financial statements**

Choose the option that represents the highest level of involvement of the accountant:

**198**

Completed an auditor's report	1	<input checked="" type="checkbox"/>
Completed a review engagement report	2	<input type="checkbox"/>
Conducted a compilation engagement	3	<input type="checkbox"/>

**Part 3 – Reservations**

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** 1 Yes ☐ 2 No ☒

**Part 4 – Other information**

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

**110**

Prepared the tax return (financial statements prepared by client)	1	<input type="checkbox"/>
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	<input type="checkbox"/>

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes?	<b>104</b>	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
Is re-evaluation of asset information mentioned in the notes?	<b>105</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is contingent liability information mentioned in the notes?	<b>106</b>	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
Is information regarding commitments mentioned in the notes?	<b>107</b>	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

**Part 4 – Other information (continued)**

**Impairment and fair value changes**

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

**200** 1 Yes ☐ 2 No ☒

If yes, enter the amount recognized:

	In net income Increase (decrease)	In OCI Increase (decrease)
Property, plant, and equipment	<b>210</b>	<b>211</b>
Intangible assets	<b>215</b>	<b>216</b>
Investment property	<b>220</b>	
Biological assets	<b>225</b>	
Financial instruments	<b>230</b>	<b>231</b>
Other	<b>235</b>	<b>236</b>

**Financial instruments**

Did the corporation derecognize any financial instrument(s) during the tax year?

**250** 1 Yes ☐ 2 No ☒

Did the corporation apply hedge accounting during the tax year?

**255** 1 Yes ☐ 2 No ☒

Did the corporation discontinue hedge accounting during the tax year?

**260** 1 Yes ☐ 2 No ☒

**Adjustments to opening equity**

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

**265** 1 Yes ☐ 2 No ☒

If yes, you have to maintain a separate reconciliation.

## **T2 BAR CODE RETURN**

**Name: WEST COAST HURON ENERGY INC.**

**BN: 88699 5323 RC 0001**

**Tax Year Start: 2011-01-01**

**Tax Year End: 2011-12-31**

notes to follow by mail



Canada Revenue Agency  
Agence du revenu  
du Canada

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES

## SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 507,525 A

### Add:

Provision for income taxes – current	101	71,232	
Amortization of tangible assets	104	236,490	
Subtotal of additions		307,722	307,722

### Other additions:

#### Miscellaneous other additions:

604			
Total	294		
Subtotal of other additions	199		
Total additions	500	307,722	307,722

### Deduct:

Gain on disposal of assets per financial statements	401	6,517	
Capital cost allowance from Schedule 8	403	348,562	
Cumulative eligible capital deduction from Schedule 10	405	612	
Subtotal of deductions		355,691	355,691

### Other deductions:

#### Miscellaneous other deductions:

704			
Total	394		
Subtotal of other deductions	499		
Total deductions	510	355,691	355,691

Net income (loss) for income tax purposes – enter on line 300 of the T2 return 459,556



**CORPORATION LOSS CONTINUITY AND APPLICATION**

Name of corporation	Business Number	Tax year-end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending (TYE) before that time is deductible in computing taxable income in a TYE after that time. Also, no amount of capital loss incurred in a TYE after that time is deductible in computing taxable income of a TYE before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- Parts, sections, subsections, paragraphs, and subparagraphs mentioned in this schedule refer to the *Act*.

**Part 1 – Non-capital losses**

**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes ..... 459,556

**Deduct: (increase a loss)**

Net capital losses deducted in the year (enter as a positive amount) .....

Taxable dividends deductible under sections 112, 113(1), or subsection 138(6) .....

Amount of Part VI.1 tax deductible .....

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) .....

Subtotal (if positive, enter "0") .....

**Deduct: (increase a loss)**

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions .....

Subtotal .....

**Add: (decrease a loss)**

Current-year farm loss .....

(whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss. Enter this amount on line 310.)

Current-year non-capital loss .....

(if positive, enter "0"; if negative, enter this amount on line 110 as a positive)

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of the previous tax year .....

**Deduct: Non-capital loss expired\***

100

Non-capital losses at the beginning of the tax year .....

102

**Add:**

Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation .....

105

Current-year non-capital loss (from calculation above) .....

110

Subtotal .....



## Part 1 – Non-capital losses (continued)

Subtotal from page 1 \_\_\_\_\_

### Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year (enter on line 331 of the T2 return)	130	
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (enter on lines 330 and 335 of Schedule 3, <i>Dividends Received</i> , <i>Taxable Dividends Paid</i> , and <i>Part IV Tax Calculation</i> , respectively)	135	

Amount of non-capital losses available to carry back or carry forward to other years \_\_\_\_\_

### Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	

Closing balance of non-capital losses to be carried forward to future tax years **180** \_\_\_\_\_

#### \* A non-capital loss expires as follows:

- after 7 tax years if it arose in a tax year ending before March 23, 2004;
- after 10 tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005.

#### An allowable business investment loss becomes a net capital loss as follows:

- after 7 tax years if it arose in a tax year ending before March 23, 2004; and
- after 10 tax years if it arose in a tax year ending after March 22, 2004.

## Part 2 – Capital losses

### Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	22,689
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	205	
		22,689
		<b>22,689</b>

### Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	

Subtotal **22,689**

### Add: Current-year capital loss (from the calculation on Schedule 6)

Unused non-capital losses that expired in the tax year*	A	
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**	B	
Enter amount from line A or B, whichever is less	215	

ABILs expired as non-capital loss: line 215 divided by the inclusion rate\*\*\* 50.0000 % **220**

Subtotal **22,689**

## Part 2 – Capital losses (continued)

Subtotal from page 2 22,689

### Note

If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts, and enter the total at line 220 above.

**Deduct:** Capital losses from previous tax years applied against the current-year net capital gain (see Note 1) 225  
Amount of capital losses available to carry back or carry forward to other years 22,689

### Deduct – Request to carry back capital loss to (see Note 2):

	Capital gain (100%)	Amount carried back (100%)
First previous tax year	<u>951</u>	
Second previous tax year	<u>952</u>	
Third previous tax year	<u>953</u>	
		<u>280</u>
Capital losses – Closing balance		<u>22,689</u>

### Note 1

To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the purpose of current-year tax, enter the amount from line 225 multiplied by 50% on line 332 of the T2 return.

### Note 2

On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, multiply this amount by the 50% inclusion rate.

\* If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, and before 2006, enter the losses from the 11th previous tax year. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line A.

\*\* If the losses were incurred in a tax year ending before March 23, 2004, enter the losses from the 8th previous tax year. If the losses were incurred in a tax year ending after March 22, 2004, enter the losses from the 11th previous tax year. Enter the full amount on line B.

\*\*\* This inclusion rate is the rate used to calculate your ABIL referred to at line B. Therefore, use one of the following inclusion rates, whichever applies:

- For ABILs incurred in the 1999 and previous tax years, use 0.75.
- For ABILs incurred in the 2000 and 2001 tax years, the inclusion rate is equal to amount M on Schedule 6 – Version T2SCH6(01)
- For ABILs incurred in the 2002 and later tax years, use 0.50.

## Part 3 – Farm losses

### Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year 300

**Deduct:** Farm loss expired\* 302

Farm losses at the beginning of the tax year 305

**Add:**

Farm losses transferred on the amalgamation or the windup of a subsidiary corporation 310

Current-year farm loss 310

Subtotal 310

**Part 3 – Farm losses (continued)**

Subtotal from page 3

**Deduct:**

Other adjustments (includes adjustments for an acquisition of control) **350**

Section 80 – Adjustments for forgiven amounts **340**

Amount applied against taxable income (enter on line 334 of the T2 return) **330**

Amount applied against taxable dividends subject to Part IV tax **335**

Amount of farm losses available to carry back or carry forward to other years

**Deduct – Request to carry back farm loss to:**

First previous tax year to reduce taxable income **921**

Second previous tax year to reduce taxable income **922**

Third previous tax year to reduce taxable income **923**

First previous tax year to reduce taxable dividends subject to Part IV tax **931**

Second previous tax year to reduce taxable dividends subject to Part IV tax **932**

Third previous tax year to reduce taxable dividends subject to Part IV tax **933**

Farm losses – Closing balance **380**

\* A farm loss expires as follows:

- after 10 tax years if it arose in a tax year ending before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005.

**Part 4 – Restricted farm losses**

**Current-year restricted farm loss**

Total losses for the year from farming business **485** C

**Minus the deductible farm loss:**

\$2,500 plus D or E, whichever is less **2,500**

(amount C above – \$2,500) divided by 2 = **6,250** D

**2,500** E

Current-year restricted farm loss (amount C minus amount F) (enter this amount on line 410) **2,500** F

**Continuity of restricted farm losses and request for a carryback**

Restricted farm losses at the end of the previous tax year

**Deduct:** Restricted farm loss expired\* **400**

Restricted farm losses at the beginning of the tax year **402**

**Add:**

Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation **405**

Current-year restricted farm loss (enter on line 233 of Schedule 1) **410**

Subtotal

## Part 4 – Restricted farm losses (continued)

Subtotal from page 4

### Deduct:

Amount applied against farming income (enter on line 333 of the T2 return) 430

Section 80 – Adjustments for forgiven amounts 440

Other adjustments 450

Amount of restricted farm losses available to carry back or carry forward to other years

### Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income 941

Second previous tax year to reduce farming income 942

Third previous tax year to reduce farming income 943

Restricted farm losses – Closing balance 480

### Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

\* A restricted farm loss expires as follows:

- after 10 tax years if it arose in a tax year ending before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005.

## Part 5 – Listed personal property losses

### Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year

Deduct: Listed personal property loss expired after seven tax years 500

Listed personal property losses at the beginning of the tax year 502

Add: Current-year listed personal property loss (from Schedule 6) 510

Subtotal

### Deduct:

Previous year personal property losses applied in the current tax year against listed personal property gains (enter on line 655 of Schedule 6) 530

Other adjustments 550

Amount of listed personal property losses available to carry back or carry forward to other years

### Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains 961

Second previous tax year to reduce listed personal property gains 962

Third previous tax year to reduce listed personal property gains 963

Listed personal property losses – Closing balance 580

## Part 7 – Limited partnership losses

### Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 minus 6)
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>
1 ENERCONNECT	2011-12-31					
Total						
(enter this amount on line 222 of Schedule 1)						

### Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>
1 ENERCONNECT	2011-12-31					

### Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied in the current year (cannot be more than column 650)	Current year limited partnership losses closing balance to be carried forward to future years (662 + 664 + 670 - 675)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>
1 ENERCONNECT					
Total					
(enter this amount on line 335 of the T2 return)					

#### Note

If you have any current–or previous–year losses, please enter your partnership identifier on line 600, 630, or 660.

## Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box

**190** Yes ☐

Further to a winding-up of a subsidiary, the portion of a non-capital loss, restricted farm loss, farm loss, or limited partnership loss from a wholly-owned subsidiary is deemed to be the loss of a parent from its tax year starting after the commencement of the winding-up.

#### Note

This election is only applicable for wind-ups under 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*, and the deemed provision is only for the tax years that start after the commencement of the wind-up.



Canada Revenue  
Agency

Agence du revenu  
du Canada

**SCHEDULE 5**

**TAX CALCULATION SUPPLEMENTARY – CORPORATIONS**

Corporation's name	Business Number	Tax year-end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- Use this schedule if, during the tax year, the corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- Regulations mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide*.
- Enter the regulation number in field 100 of Part 1.

**Part 1 – Allocation of taxable income**

**100**

Enter the regulation that applies (402 to 413).

A	B	C	D	E	F
Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year.*	Total salaries and wages paid in jurisdiction	(B x taxable income**) / G	Gross revenue	(D x taxable income**) / H	Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	103		143		
Newfoundland and Labrador offshore	104		144		
Prince Edward Island	105		145		
Nova Scotia	107		147		
Nova Scotia offshore	108		148		
New Brunswick	109		149		
Quebec	111		151		
Ontario	113		153		
Manitoba	115		155		
Saskatchewan	117		157		
Alberta	119		159		
British Columbia	121		161		
Yukon	123		163		
Northwest Territories	125		165		
Nunavut	126		166		
Outside Canada	127		167		
<b>Total</b>	<b>129</b>	<b>G</b>	<b>169</b>	<b>H</b>	

\* "Permanent establishment" is defined in Regulation 400(2).

\*\* Starting in 2009, if the corporation has income or loss from an international banking centre, the taxable income is the amount on line 360 or line Z of the T2 return plus the total amount not required to be included, or minus the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*.

\*\*\* For corporations other than those described under Regulation 402, use the appropriate calculation described in the Regulations to allocate taxable income.

**Notes:**

- After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
- If the corporation has provincial or territorial tax payable, complete Part 2.

**Part 2 – Ontario tax payable, tax credits, and rebates**

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
459,556	459,556	459,556	20,680

**Ontario basic income tax** (from Schedule 500) ..... **270** ..... 53,988

**Deduct:** Ontario small business deduction (from schedule 500) ..... **402** ..... 33,308

Subtotal ..... **20,680** ..... **20,680** A6

**Add:**

Surtax re Ontario small business deduction (from Schedule 500) ..... **272** .....

Ontario additional tax re Crown royalties (from Schedule 504) ..... **274** .....

Ontario transitional tax debits (from Schedule 506) ..... **276** .....

Recapture of Ontario research and development tax credit (from Schedule 508) ..... **277** .....

Subtotal ..... ..... B6

Subtotal (amount A6 plus amount B6) ..... **20,680** C6

**Deduct:**

Ontario resource tax credit (from Schedule 504) ..... **404** .....

Ontario tax credit for manufacturing and processing (from Schedule 502) ..... **406** .....

Ontario foreign tax credit (from Schedule 21) ..... **408** .....

Ontario credit union tax reduction (from Schedule 500) ..... **410** .....

Ontario transitional tax credits (from Schedule 506) ..... **414** .....

Ontario political contributions tax credit (from Schedule 525) ..... **415** .....

Subtotal ..... ..... D6

Subtotal (amount C6 minus amount D6) (if negative, enter "0") ..... **20,680** E6

**Deduct:** Ontario research and development tax credit (from Schedule 508) ..... **416** .....

Ontario corporate income tax payable before Ontario corporate minimum tax credit (amount E6 minus amount on line 416) (if negative, enter "0") ..... **20,680** F6

**Deduct:** Ontario corporate minimum tax credit (from schedule 510) ..... **418** .....

Ontario corporate income tax payable (amount F6 minus amount on line 418) (if negative, enter "0") ..... **20,680** G6

**Add:**

Ontario corporate minimum tax (from Schedule 510) ..... **278** .....

Ontario special additional tax on life insurance corporations (from Schedule 512) ..... **280** .....

Ontario capital tax (from Schedule 514 or Schedule 515, whichever applies) ..... **282** .....

Subtotal ..... ..... H6

Total Ontario tax payable before refundable credits (amount G6 plus amount H6) ..... **20,680** I6

**Deduct:**

Ontario qualifying environmental trust tax credit ..... **450** .....

Ontario co-operative education tax credit (from Schedule 550) ..... **452** .....

Ontario apprenticeship training tax credit (from Schedule 552) ..... **454** .....

Ontario computer animation and special effects tax credit (from Schedule 554) ..... **456** .....

Ontario film and television tax credit (from Schedule 556) ..... **458** .....

Ontario production services tax credit (from Schedule 558) ..... **460** .....

Ontario interactive digital media tax credit (from Schedule 560) ..... **462** .....

Ontario sound recording tax credit (from Schedule 562) ..... **464** .....

Ontario book publishing tax credit (from Schedule 564) ..... **466** .....

Ontario innovation tax credit (from Schedule 566) ..... **468** .....

Ontario business-research institute tax credit (from Schedule 568) ..... **470** .....

Other Ontario tax credits ..... .....

Subtotal ..... ..... J6

**Net Ontario tax payable or refundable credit** (amount I6 minus amount J6) ..... **290** ..... **20,680** K6

(If a credit, enter a negative amount) Include this amount on line 255.



**Summary**

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

<b>Net provincial and territorial tax payable or refundable credits</b>	<b>255</b>	<u>20,680</u>
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If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.



**SCHEDULE 8**

**CAPITAL COST ALLOWANCE (CCA)**

Name of corporation	Business Number	Tax year end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate ****	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1. 1	#3 BLDG & FIXTURES	872			0		872	4	0	0	35	837
2. 1	#2 BLDG & FIXTURES	30,203			0		30,203	4	0	0	1,208	28,995
3. 1	#4 BLDG & FIXTURES	27,630			0		27,630	4	0	0	1,105	26,525
4. 8	MUN SUBSTN #2 EQUIP	11,243			0		11,243	20	0	0	2,249	8,994
5. 8	MUN SUBSTN #3 EQUIP	987			0		987	20	0	0	197	790
6. 8	MUN SUBSTN #4 EQUIP	7,336			0		7,336	20	0	0	1,467	5,869
7. 1	OVERHEAD DIST	6,708			0		6,708	4	0	0	268	6,440
8. 1	OVERHEAD DIST	1,488,953			0		1,488,953	4	0	0	59,558	1,429,395
9. 1	UNDERGROUND DIST	27,097			0		27,097	4	0	0	1,084	26,013
10. 1	UNDERGROUND DIST	606,378			0		606,378	4	0	0	24,255	582,123
11. 1	LINE TRANSFORMERS	402,743			0		402,743	4	0	0	16,110	386,633
12. 1	TRANSFORMER SPARES	55,077			0		55,077	4	0	0	2,203	52,874
13. 1	METERS and Smart Meters	847,515	37,279		0	18,640	866,154	4	0	0	34,646	850,148
14. 8	OFFICE FURN & EQUIP	14,826	37,485		0	18,743	33,568	20	0	0	6,714	45,597
15. 10	COMPUTER HARDWARE	14,957	7,623		0	3,812	18,768	30	0	0	5,630	16,950
16. 10	COMPUTER SOFTWARE	38,102			0		38,102	30	0	0	11,431	26,671
17. 10	DEFERRED SOFTWARE	578			0		578	30	0	0	173	405
18. 10	TRANSPORTATION EQUIP	205,339	56,350		8,000	24,175	229,514	30	0	0	68,854	184,835
19. 8	TOOLS/SHOP EQUIPMENT	20,953	13,872		0	6,936	27,889	20	0	0	5,578	29,247
20. 8	MISC SHOP TOOLS	8,366			0		8,366	20	0	0	1,673	6,693
21. 8	WATER HEATERS	3,651	3,957		0	1,979	5,629	20	0	0	1,126	6,482
22. 8	Meter Station	20,075			0		20,075	20	0	0	4,015	16,060
23. 47	Distribution Equip - after Feb 22,	1,055,988	362,601		0	181,301	1,237,288	8	0	0	98,983	1,319,606

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
200		201	203	205	207	211		212	213	215	217	220
24. 13	Leasehold improvements	125,239			125,239			NA	0	0		
Totals		5,020,816	519,167		133,239	255,586	5,151,158				348,562	5,058,182

**Note:** Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.  
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

- \* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).
- \*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- \*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.
- \*\*\*\* Enter a rate only, if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.
- \*\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (11)

Canada



**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

Name of corporation	Business Number	Tax year end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

**Part 1 – Calculation of current year deduction and carry-forward**

<b>Cumulative eligible capital - Balance at the end of the preceding taxation year</b> (if negative, enter "0")	<b>200</b>	<b>8,743</b>	<b>A</b>
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)		$\times 3 / 4 =$	<b>B</b>
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	<b>228</b>	$\times 1 / 2 =$	<b>C</b>
amount B minus amount C (if negative, enter "0")			<b>D</b>
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		<b>E</b>
Subtotal (add amounts A, D, and E)	<b>230</b>	<b>8,743</b>	<b>F</b>
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		<b>G</b>
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		<b>H</b>
Other adjustments	<b>246</b>		<b>I</b>
(add amounts G, H, and I)		$\times 3 / 4 =$	<b>248 J</b>
<b>Cumulative eligible capital balance</b> (amount F minus amount J)		<b>8,743</b>	<b>K</b>
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
<b>Cumulative eligible capital for a property no longer owned after ceasing to carry on that business</b>	<b>249</b>		
amount K		<b>8,743</b>	
less amount from line 249			
<b>Current year deduction</b>	<b>8,743</b>	$\times 7.00 \% =$	<b>250 612 *</b>
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		<b>612</b>	<b>612 L</b>
<b>Cumulative eligible capital - Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	<b>8,131</b>	<b>M</b>

\* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

**Part 2 – Amount to be included in income arising from disposition**

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)			N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400	1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)	401	2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402	3	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408	4	
Line 3 minus line 4 (if negative, enter "0")		5	
Total of lines 1, 2 and 5		6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400		7	
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000		8	
Subtotal (line 7 plus line 8)	409	9	
Line 6 minus line 9 (if negative, enter "0")			O
Line N minus line O (if negative, enter "0")			P
	Line 5	x 1 / 2 =	Q
Line P minus line Q (if negative, enter "0")			R
	Amount R	x 2 / 3 =	S
Amount N or amount O, whichever is less			T
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	410		



**SHAREHOLDER INFORMATION**

Name of corporation	Business Number	Tax year end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Provide only one number per shareholder					
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
<b>100</b>	<b>200</b>	<b>300</b>	<b>350</b>	<b>400</b>	<b>500</b>
1 Town of Goderich	10812 6665 RC0001			100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					



**ONTARIO CORPORATION TAX CALCULATION**

Name of corporation	Business Number	Tax year-end Year Month Day
WEST COAST HURON ENERGY INC.	88699 5323 RC0001	2011-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references on this schedule are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only and does not have to be filed with your *T2 Corporation Income Tax Return*.

**Part 1 – Calculation of Ontario basic rate of tax for the year**

Number of days in the tax year before July 1, 2010		x	14.00 %	=		% A1
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2010, and before July 1, 2011	181	x	12.00 %	=	5.95068 %	A2
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2011, and before July 1, 2012	184	x	11.50 %	=	5.79726 %	A3
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2012, and before July 1, 2013		x	11.00 %	=		% A4
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2013		x	10.00 %	=		% A5
Number of days in the tax year	365					
Ontario basic rate of tax for the year (total of rates A1 to A5)						11.74794 % A6

**Part 2 – Calculation of Ontario basic income tax**

Ontario taxable income *	459,556	B
Ontario basic income tax: amount B multiplied by Ontario basic rate of tax for the year (rate A6 from Part 1)	53,988	C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit, in addition to Ontario basic income tax, or has Ontario corporate minimum tax, Ontario special additional tax on life insurance corporations or Ontario capital tax payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

- \* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.



### Part 3 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)					459,556	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)					459,556	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	x	500,000	=	500,000	3
			500,000			
			line 4 on page 4 of the T2 return *			
Enter the least of amounts 1, 2, and 3					459,556	D

Ontario domestic factor:	Ontario taxable income **	459,556.00	=	1.00000	E
	taxable income earned in all provinces and territories ***	459,556			

Amount D x amount E 459,556 a

Ontario taxable income  
(amount B from Part 2) 459,556 b

Ontario small business income (lesser of amount a and amount b) 459,556 F

Number of days in the tax year before July 1, 2010		x	8.50 %	=	%	G1
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2010, and before July 1, 2011	181	x	7.50 %	=	3.71918 %	G2
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2011, and before July 1, 2012	184	x	7.00 %	=	3.52877 %	G3
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2012, and before July 1, 2013		x	6.50 %	=	%	G4
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2013		x	5.50 %	=	%	G5
Number of days in the tax year	365					

OSBD rate for the year (total of rates G1 to G5) 7.24795 % G6

Ontario small business deduction: amount F multiplied by OSBD rate for the year (rate G6) 33,308 H

Enter amount H on line 402 of Schedule 5.

\* For 2011 and later tax years, enter the amount from line 410 of the T2 return on line 3 of this schedule.

\*\* Enter amount B from Part 2.

\*\*\* Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

#### Part 4 – Calculation of surtax re Ontario small business deduction

Complete this part if the corporation is claiming the OSBD and its adjusted taxable income, plus the adjusted taxable income of each corporation with which the corporation was associated during its tax year, is greater than \$500,000. If the corporation is a member of an associated group, complete Schedule 501, *Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax re Ontario Small Business Deduction*.

**Note:** For days in the tax year after June 30, 2010, the small business surtax rate is 0%. You do not have to complete this part if the corporation's tax year begins after June 30, 2010.

Adjusted taxable income *	.....	I
Adjusted taxable income of all associated corporations (amount from line 500 of Schedule 501)	.....	J
Aggregate adjusted taxable income (amount I plus amount J)	.....	K
<b>Deduct:</b>		
Ontario business limit	.....	500,000
Subtotal (amount K minus Ontario business limit) (if negative, enter "0" on this line and on line P)	.....	L
Small business surtax rate for the year:		
Number of days in the tax year before July 1, 2010	.....	
Number of days in the tax year	365	
	x 4.25 %	= ..... % M
Amount L x % on line M	=	..... N
Amount N	x Ontario small business income (amount F from Part 3)	= ..... O
	500,000	500,000
<b>Surtax re Ontario small business deduction:</b> lesser of amount O and OSBD (amount H from Part 3)	.....	P

Enter amount P on line 272 of Schedule 5.

\* Adjusted taxable income is equal to the corporation's taxable income or taxable income earned in Canada for the year plus the amount of the corporation's adjusted Crown royalties for the year minus the amount of the corporation's notional resource allowance for the year (from Schedule 504, *Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties*).

If the tax year of the corporation is less than 51 weeks, multiply the adjusted taxable income of the corporation for the year by 365 and divide by the number of days in the tax year.

#### Part 5 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Lesser of amount D and amount b from Part 3	.....	459,556	Q
Surtax payable (amount P from Part 4)			
Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G6 from Part 3)	7.24795 %	0.07248	R
<b>Note:</b> Enter "0" on line R for tax years beginning after June 30, 2010.			
Ontario adjusted small business income (amount Q minus amount R) (if negative, enter "0")	.....	459,556	S

Enter amount S on line U in Part 6 or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

**Part 6 – Calculation of credit union tax reduction**

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17 ..... T

**Deduct:**

Ontario adjusted small business income (amount S from Part 5) ..... U

Subtotal (amount T minus amount U) (if negative, enter "0") ..... V

OSBD rate for the year (rate G6 from Part 3) ..... 7.24795 %

Amount V multiplied by the OSBD rate for the year ..... W

Ontario domestic factor (amount E from Part 3) ..... 1.00000 X

Ontario credit union tax reduction (amount W multiplied by amount X) ..... Y

Enter amount Y on line 410 of Schedule 5.