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OVERVIEW

NBHDL has proudly served the City of North Bay since 1941 and looks forward to continuing to play an integral role in the success, development and prosperity of our community.

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate NBHDL's distribution system assets, the costs associated with metering, billing, collecting from its customers, the costs associated with ensuring all stakeholders safety (public, employees etc.) and costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (IESO, OPA, Ministry of Energy, ESA etc.). Overall, these are on-going costs associated in providing distribution services in alignment with customer's expectations. NBHDL's 2015 Test Year operating costs are $9,806,892 with the Operating, Maintenance and Administration (OM&A) costs comprising of $7,004,844 excluding LEAP and property taxes as summarized in Table 4-1 below. NBHDL's 2010 Board Approved OM&A has been reduced by $15,000 for LEAP.

Table 4-1 Summary of OM&A Increases – 2010 Actuals – 2015 Test Year

OM&A	2010 Board Approved Less LEAP	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Operations, Maintenance & Admin	5,665,409	5,005,105	5,363,646	5,532,379	5,704,951	6,807,975	7,004,844
Depreciation/Amortization	2,694,912	2,660,512	2,824,150	1,815,597	1,917,677	3,270,284	2,569,662
Property Taxes	64,292	60,827	58,586	57,183	62,479	66,004	69,876
Payment in lieu of Taxes	686,307	734,285	709,731	660,447	536,307	537,316	162,510
Total Operating Expenses	9,110,920	8,460,729	8,956,113	8,065,606	8,221,414	10,681,579	9,806,892

NBHDL followed Canadian Generally Accepted Accounting Principles (CGAAP) in 2010, 2011, 2012 and 2013. In the 2012 and 2013 Historical Years, the basis for accounting continues to be CGAAP, but with the inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2012 specifically relating to depreciation rates and capitalization policies. For the 2014 Bridge Year and 2015 Test Year NBHDL is reporting under Modified International Financial Reporting Standards.

NBHDL's 2015 Test Year operating OM&A costs are $7,004,844. Please refer to Table 4-2 for details on changes to OM&A costs since NBHDL's last Board approved cost of service application in 2010 and the 2014 Bridge Year. The final column in Table 4-2 provides, for information purposes, a numerical reference to the NBHDL primary business objective(s) associated with each OM&A cost category. The NBHDL primary business objective(s) associated with these numerical references are set out in Exhibit 1. Table 4-2 is intended to present significant changes only; minor changes have been included in the other miscellaneous category.

Table 4-2 2015 Test Year OM&A Expenditures

OM&A	2010 Board Approved Less LEAP	2014 Bridge Year	Primary Core Objectives
Opening Comparative OM&A	**$ 5,665,409**	**$ 6,807,974**	
Salaries, Wages & Benefits	747,263	58,394	All
Customer Engagement	82,000	1,717	1,2,5
Bad Debts	(78,921)	-	4
Real Time Operating Pilot	(85,000)	-	5
Business and Strategic Planning	100,000	100,000	6
Regulatory Applications and Assessments	68,192	122,476	5
IT Systems & Mtce	97,392	46,083	4
Smart Meters	106,753	(413,554)	5
Operational Review	41,600	41,600	
Substation Preventative Mtce Contractors	(171,607)	(1,281)	4,3,2
Vegetation Management	346,655	138,364	2,3,4
Other Miscellaneous programs	85,109	103,071	4
2015 Test Year OM&A	**$ 7,004,844**	**$ 7,004,844**	

The OM&A costs in the 2015 Test Year reflect the resourcing mix and investments required to meet customer and broader public policy requirements for the duration of the 4th Generation IRM plan term. Without this resourcing and investments, NBHDL will struggle to meet 2015 and future workloads.

Salaries, Wages & Benefits

Between 2010 and 2015, NBHDL has experienced a significant increase in its OM&A workload as a result of increased demand by its customers for services. For example, inbound and outbound call volumes have increased by 66%, locate service requests have increased 55% and collection work orders have increased by 60% between the 2010 to 2013 timeframe. NBHDL offers the convenience of a store front operation for customer service and traffic has maintained at an estimated 15,000 – 20,000 walk-ins per year. The same staff responding to the increased customer service volumes handle these walk-in customers as well. This store front service is important to customers in North Bay.

New provincial policy initiatives have been introduced over this timeframe as well, resulting in increased OM&A workloads. Some of these initiatives include new service rules for low income customers, LEAP, the new RRFE with its increased regulatory requirements, the introduction of smart meters and the supporting AMI system which must be managed on a daily basis, the conversion to time of use rates, renewable generator connection and settlement obligations, the introduction of mandatory conservation targets, increased customer engagement requirements on local and provincial industry issues, the introduction of regional planning and the ongoing facilitation of the smart grid. NBHDL has willingly

embraced these initiatives and worked hard to implement them at minimal cost, without adversely impacting customer service.

NBHDL has also been managing significant employee turnover, as its workforce ages and retires, and as new workers take on new roles. Between 2008 and 2011, NBHDL experienced 50% turnover in staff positions. Between 2012 and 2014, there was an additional 16% turnover and another 25% is forecasted over the next 5 years. The majority of this turnover is a result of retirements. Many of the positions in the electric distribution industry are highly specialized and require several years of training for new staff to become proficient and comfortable completing tasks safely. NBHDL's staff has embraced the challenge of their new positions and done an excellent job of coping with the change. Their positive attitude and outlook is why many efficiency improvements have been successfully implemented and the new workload shouldered without hiring incremental resources. NBHDL is especially proud that it has been able to maintain its employee and public safety record over this period of change.

The 2010 cost of service application was founded on the basis of 80% of a power line maintainer's time being allocated to capital and 20% to operations. Since the cost of service application in 2010, NBHDL has gained a better understanding of the amount of labour hours that are required to support capital and maintenance activities. This has been an iterative learning process as new staff in Engineering, Operations and Finance has, through maturity and experience, established NBHDL's new capacity to complete capital and operating activities. NBHDL has established that to adequately service and maintain its system, 35 to 40% of a powerline maintainer's hours must be allocated to operations and the balance is available for capital programs. This ratio is the basis for the 2014 Bridge Year and 2015 Test Year costs. This charge is a better reflection on the amount of effort required to maintain reliability and safety performance given the age of NBHDL's infrastructure and the wear and tear a result of a harsh northern climate.

NBHDL has managed all of this increased workload without hiring a large number of new employees. NBHDL's overall employee complement has been quite stable since 2010 and for the most part productivity improvements have been introduced to manage the increased workload. NBHDL currently has a complement of 48 employees and will maintain this complement level to deliver the 2015 Test Year programs. One of NBHDL's core business objectives is to maintain consistent staffing levels in accordance with its succession plan. To achieve this objective, NBHDL is managing to a target of maintaining 50 full-time employee equivalent or less.

While overall employee numbers have remained stable, wage and benefit increases have been a contributing factor to increased costs. NBHDL's unionized staff has received an average 2.8% increase and non-unionized staff received an average 4.6% over the 2010-2015 Test Year period. The union staff increases are within industry norms and those received by non-unionized staff are based on performance.

Most of the non-unionized staff have been in their role 5 years or less and have been rewarded for progress according to a defined system. Even with these increases NBHDL non-unionized staff has compensation levels closer to minimum thresholds according to the compensation management system which is managed by external expertise. The success of the business and operating a safe, efficient and reliable distribution system is based on the quality, expertise and dedication of staff. Staff must be fairly compensated for the work they perform recognizing the industry NBHDL works in. Most of the change in benefit costs over this period is a result of increased OMERS contribution costs. OMERS contribution costs have increased from $228,272 in 2010 to $417,569 in the 2015 Test Year.

All these changes contribute to the increase of $747,263 from 2010 Board approved to the 2015 Test Year in salaries, wages and benefits charged to OM&A programs.

OM&A wages and benefits are forecasted to increase by $58,394 in the 2015 Test Year over the 2014 Bridge Year. The 2014 Bridge Year had a one-time union contract signing bonus of $36,000; therefore the normalized increase is $94,394 or 2.9%. The increase is due to wage rate increases, changes in benefits and the forecasted capital versus OM&A workplan.

Customer Engagement

Customers are very satisfied with NBHDL's level of customer service. As indicated in Exhibit 1, a recent survey by UtilityPULSE in May 2014 confirmed that NBHDL's customer service metrics are above or at industry levels. NBHDL received an overall "A" rating for customer care, company image and management operations.

Increased formal customer engagement and communications is a priority for NBHDL. This is in response to NBHDL's core objective of community and customer focus and community and customer safety. It also supports the Board's RRFE policy objective of increased customer engagement and focus. To support his new priority, NBHDL has forecasted an additional $82,000 over 2010 Board approved spending to implement programs to support and monitor results.

In previous years, NBHDL relied on direct customer feedback through daily interactions with hundreds of customers to determine communication requirements. Formal customer surveys and engagement is a new cost to the business that provides better metrics on performance and opportunities for improvement to better identify and respond to customer preferences. This formalized approach will lead to better customer communications and education, which will in-turn lead to more informed customers providing better and better feedback over time.

NBHDL is projecting to spend the equivalent of the 2014 Bridge Year level on Customer Engagement in the 2015 Test year.

Bad Debt

Despite the attention given to collections, NBHDL continues to see significant swings in bad debt expenses due to increases in total bill costs, the state of the economy and regulatory collection practices. The 2010 Board Approved bad debt expense amount of $270,000 was based on the average for fiscal years 2006 – 2008. Since then applying standardized collection processes and making collections a focus for all Customer Accounts staff rather than one specific individual has resulted in forecasted savings in bad debts of $78,921 from the 2010 Board approved amount. NBHDL's bad debt reserve policy is to include all past due amounts over 90 days plus any known amounts related to bankruptcy.

NBHDL has used the 2014 year to date trend to project 2015 bad debt, therefore there is no variance between the 2014 Bridge Year and the 2015 Test Year

Real Time Operating System

In NBHDL's 2010 COS Application, NBHDL proposed $195,000 in OM&A costs on a pilot smart grid program known as the Real Time pilot. During the settlement process this amount was reduced to $85,000. Also with the 2010 application the Board approved a funding adder related to the Real Time pilot. Charges for the Real Time pilot were made against this funding adder deferral account, not the OM&A budget.

The Real Time pilot is not applicable for the 2015 Test Year or the 2014 Bridge Year.

Business and Strategic Planning

NBHDL has forecasted $100,000 in ongoing and formalized business and strategic planning activities. In the Test Year this amount will put towards the creation of a new NBHDL strategic plan. In the years following, the amount will put towards the creation of a more formalized business planning processes that were previously done by the application of business judgment by experienced management team members (that will soon be retiring). As described below, NBHDL has undertaken similar business planning exercises in each of 2012, 2013 and 2014.

NBHDL last updated its strategic plan in 2007/08 and an update is needed. Since this time NBHDL has adapted to numerous changes occurring from both within and outside the business. NBHDL has relied on a very experienced management team and Board of Directors for strategic planning.

However, ongoing business planning and specific reviews by external resources have been performed as required. For example in 2012-13 there was an external review of meter to cash processes and in 2013 an IT audit. Also in 2013-2014, NBHDL updated its asset management plan including a new forecast of capital requirements for the next 5 years. The cost for the IT audit and the asset management plan have

been included as part of the cost of service application to be recovered over a five year period. Although CDM costs are not part of this cost of service application the same management team developed a CDM strategy for the 2011-2014 framework. NBHDL is working on a new strategy for the 2015-2020 framework.

Over this time, NBHDL has gone through a significant change in its people. As was previously noted, between 2008 and 2014 over 90% of the positions in NBHDL have experienced or will experience change. Within the next 5 years alone, most of the experienced senior management team members will also be retiring. As a result, NBHDL will no longer be able to rely on the experience and business judgment of its management team, and a more formalized strategic and business planning program is required.

NBHDL also believes that the amount of change occurring within the business and the sector means that ongoing business and strategic planning is required. NBHDL's recent experience with smart meter deployment and IT system development triggered significant reviews. The Premier recently provided direction to the Minister of Energy on new policy directions and several will have strategic implications for NBHDL. At the same time technology is rapidly evolving and has the potential to help with efficiency. NBHDL also needs to continuously adapt its business and strategic plans to better reflect increased customer engagement and education. The LTEP identified that developing innovative partnerships to reduce costs and improve service is a priority for the sector. This strategic direction will require financial support to develop and operationalize.

The 2014 business planning expenses have all been related to and included in the cost of service application expense as one-time costs to be recovered over the next five years. As a result, the ongoing $100,000 strategic and business planning expense discussed above shows as a $100,000 variance to the 2014 Bridge Year.

Regulatory Applications and Assessments

Regulatory expenses continue to increase with the demand for reporting, ensuring compliance in a complex environment and the completion of annual incentive rate mechanism filings and cost of service applications. The filing requirements for the 2015 cost of service application are quite different than those experienced in 2010. The 2015 Test Year is forecasted to increase by $68,192 from the 2010 Board Approved. The estimate for the 2010 cost of service application was $160,000 amortized over four years at $40,000 per year. The actual cost of the application was $285,232 or $71,308 per year. The estimate for the 2015 cost of service application is $656,930 amortized over five years at $131,386 per year. This estimate includes incremental costs for preparing, processing and approval of the application. New

components and costs since 2010 include the development of a comprehensive Distribution System Plan, the need to engage customers on the value of the rate application and more staff time and external regulatory and legal support. Details are provided in the Regulatory Section of this exhibit and Table 4-29, Board Appendix 2-M. The difference between the $131,386 forecasted in the 2015 Test Year and the $40,000 included in the 2010 Board Approved year accounts for $91,386 of the increase. Lower miscellaneous regulatory consultants account for $11,420 and lower OEB assessments/Intervenor costs account for the remaining $11,774 bringing the overall variance to $68,192.

The 2015 Test Year expenses related to regulatory activities is $122,476 higher than the 2014 Bridge Year. The 2015 Test Year includes 12 months equivalent or $131,386 for the 2015 cost of service application. The 2014 Bridge Year is based on four months equivalent of the 2010 cost of service application or $23,769. This difference combined with miscellaneous regulatory consultant costs and Board assessments creates the total variance

IT Systems & Maintenance

In the information age efficient and updated computer systems and software and the development of applications are a key requirement for NBHDL to achieve its core objective of efficiency and productivity improvements. Since 2010, rather than undertake an expensive replacement of its SunGard operating system, NBHDL has been working with its service provider to ensure the current system meets its requirements. New modules have been added to this existing system to support smart meters and to implement the time of use pricing structure that is unique to Ontario. Some existing modules available within the SunGard system have been activated to assist with efficiency improvements including time reporting, HR management and report writing to support business decisions. NBHDL has worked with other service providers to develop new applications for locates, managing the collection process and to improve customer services available on its website. In this context the incremental costs of $97,392 in IT systems and maintenance between 2010 and the 2015 Test Year are prudent and have benefited customers and the business.

NBHDL's IT systems and maintenance expenses are projected to increase by $46,083 in the 2015 Test Year over the 2014 Bridge Year. Annual maintenance fees for the SunGard CIS system are increasing by $16,000 due to foreign exchange rates and fees for the newly activated modules. Mandatory IT security audits account for $26,850 of the increased costs and the balance relates to increases from other third party service providers.

Smart Meters

NBHDL completed its smart meter deployment in 2010 and transitioned customers to time of use rates in 2011. In 2011, 2012 and early 2013 NBHDL worked with its AMI provider to fine tune its system as radio

communications with smart meters in rugged terrain is a challenge for the smart meter industry. NBHDL's experience has been that AMI service provider costs are approximately equivalent to what it previously paid a vendor for manually reading meters before smart meters were deployed. NBHDL has experienced $106,753 more in smart meter costs between 2010 and 2015 to cover the costs of the Operational Data Store to warehouse smart meter data and allow time of use settlement, to fill a new synchronization role between the smart meter system and the provincial MDM/R and to cover costs of the remaining non-smart meters that are read manually. Also new security audits are required to ensure protection of data from theft or disruption. This incremental cost of $106,753 is required to support NBHDL's core objective of actively supporting provincial and local public policy objectives. The Board approved the disposition of NBHDL's smart meter costs in their 2013 prudence spending review.

In the 2014 Bridge Year, NBHDL recorded a one-time entry of $412,548 related to dispositioning the smart meter costs. This entry accounts for the majority of the variance between the 2015 Test Year and the 2014 Bridge Year.

Operational Review

NBHDL has invested approximately $35 million in its distribution system over the past few years and the DSP confirms the requirement for a further investment of approximately $30 million over the next 5 years. This investment involves hundreds of individual projects and tens of thousands of labour hours for design and construction. NBHDL's Engineering and Operations departments are responsible for the design, implementation and management of all these projects. Engineering and Operations together represent more than 60% of NBHDL's resources and these departments need to be at their peak effectiveness to ensure efficiency, that work is completed safely and meets the needs and schedule of the DSP. NBHDL knows that its processes need to be documented and analyzed to determine if there is further room for improvement. With more formalized processes, NBHDL can then introduce metrics to better manage productivity performance. NBHDL utilized third party expertise back in 2010 to review efficiency and effectiveness and a further review is warranted and necessary in 2015.

Engineering and Operations also have the youngest demographics in NBHDL with average ages of 36 and 37 respectively. An assessment of processes and gaps is required to help new staff to become more effective in their roles.

In the early winter of 2015, NBHDL will be working with a third party to review these departments with an objective to (i) formalize and optimize business processes, (ii) develop metrics to measure and manage productivity and efficiency and (iii) facilitate the transfer of knowledge and skill to achieve maximum resource leverage.

The work includes an analysis and implementation phase. The analysis phase will include a situation assessment, process mapping, issues identification, gap analysis and recommendations. The implementation phase includes the design of projects and systems to address the gaps identified in the analysis phase, working with employees to prepare them for first installations and working with the business to sustain improvements. Implementation will occur over a number of years.

This project will require a total investment of $208,000 and spread over 5 years represents a cost of $41,600 per year. This represents an investment of less than 1% of forecasted capital expenditures over the 2015-19 timeframe.

Substation Preventative Maintenance

The savings of $171,607 between 2010 Board Approved and 2015 Test Year are a result of NBHDL not using contractors to complete substation maintenance. This work is now completed by internal resources. NBHDL did not hire incremental resources to complete this work and the costs of staff engaged in substation maintenance work are included in the salaries, wages and benefit category.

Substation preventative maintenance expense change from the 2014 Bridge Year to the 2015 Test Year is not material.

Vegetation Maintenance

After tree contact caused extensive damage and outages over the Thanksgiving weekend in 2010 including the loss of a major station transformer that exploded resulting in potential for oil to get into the lake the City of North Bay obtains its drinking water from, NBHDL decided it was a prudent time to review its vegetation management program. Tree contact was causing approximately 20% of all outages. Tree contact with high voltage lines was a major public and employee hazard. Trees falling on power lines were causing expensive repairs to overhead circuits. Proximity of trees to power lines was also contributing to rodent and bird contact. NBHDL found opportunities for improvements and it became clear that previous expenditures and efforts were insufficient and leading to the point where right of ways for overhead lines did not exist. In 2011 NBHDL made several changes to its approach including re-assignment of responsibility within the organization to a line technician resulting in a new hire to backfill that person's former responsibilities. Also in 2011 NBHDL made it a policy of establishing 15 feet of clearance from either side of centre line of its overhead circuits. Local contractors were trained on proper forestry practices and encouraged to obtain arborist certification. NBHDL has moved more consistently to remove dangerous trees with potential to create outages and represent a public and worker safety hazard. NBHDL found it best to work with each individual property owner and obtain permission on moderate to heavy trimming and removals.

It has taken a few years for the new approach to work smoothly and efficiently. At the start of the 2014 program NBHDL received a few complaints and decided to hold consultations with concerned customers. It was clear that customers expected NBHDL to remove stumps in the urban part of the City and to plant some amount of trees to maintain the overall vegetation canopy in the City. NBHDL has since engaged a local environmental group to further consult with customers and make recommendations for further improvements to the program.

NBHDL also hired a local certified arborist to review its program including each of the four cycles and make recommendations on the relative effort to complete operations in each cycle. NBHDL has used the report provided by this professional to develop costs for the 2015 Test Year.

The ice storm in southern Ontario just before Christmas 2013 emphasizes the importance of creating proper right of ways. There is a tendency to ignore proper vegetation maintenance procedures as they may lead to confrontations with customers which can be difficult to resolve. NBHDL is working hard to balance the needs of the community to both maintain reliable and safe operation of the distribution system together with the need for greater environmental responsibility for supporting a larger green canopy in the City.

This is the background behind the incremental costs of $346,655 between 2010 Board Approved and the 2015 Test Year and the $138,364 between the 2014 Bridge Year and the 2015 Test Year. NBHDL notes that the costs to repair the single tree outage in 2010 triggered the program review that recommended proper tree trimming versus expensive repairs. These expenditures allow NBHDL to meet its core objective of maintaining system reliability.

Other Miscellaneous Programs

Other miscellaneous costs are addressed in Table 4-4, the Cost Driver Table.

Inflation Rate Used

NBHDL used an inflation rate of 2% where the expense increase could not be specifically identified for non-wage related expenses, which is within the range of rates set out in TD's June 2014 quarterly economic forecast. Inflationary impacts are not material enough to be identified separately.

Business Environment Changes

NBHDL has experienced significant changes in its business environment since the last cost of service application in 2010. Customers, or at least their expectations, have changed. Also NBHDL has had to

adapt to respond to and/or implement multiple provincial policies. NBHDL's business has changed as a result.

i) Customers

Customer demand for services has increased. Inbound and outbound call volumes have increased by 66%, locates have increased 55% and collection work orders have increased by 60%. Customers want direct access to staff for personnel contact. An estimated 15,000 – 20,000 walk-ins visit NBHDL's office each year to pay bills, set up an account or to have their questions answered directly. Hundreds of customers want their questions answered on electrical supply or capacity changes at their home or business. Many times this requires a visit from NBHDL staff. Customers expect a very rapid response.

Customers also want information immediately, particularly regarding system status during outages. NBHDL has responded by developing a web based application and using social media to provide updates.

Customers want service through a variety of channels including telephone, in-person, email, over the web and social media. One conclusion from a recent UtilityPULSE customer survey indicated that:

"Customers may prefer a particular communication channel today i.e. 88% telephone, however, that does not mean the customer who prefers the telephone will not want, or eventually want another channel for communications. In addition, there could be variances in preferences based on the type of issue or transaction."

ii) Provincial Policy

NBHDL has been required to support a number of provincial policy initiatives, including, but not limited to:

- Mandatory purchase and deployment of smart meters and conversion to time of use billing;
- Mandatory framing of time of use billing data through the provincial meter data management repository;
- Mandatory cost prudence review of smart meter spending;
- Implementation of the *Green Energy and Green Economy Act, 2009* including the increased focus on facilitation renewable generation at homes and businesses and encouragement of smart grid activities;

- Implementation of Low Income Energy Assistance Program, new options and assistance for low income customers;
- Mandatory customer service rules including new collection obligations;
- Mandatory, as a condition of maintaining a Distributor's Licence, achievement of demand and energy conservation results 2011-2014;
- Development of plans/targets for a new CDM framework for the 2015-20 period;
- Renewed Regulatory Framework with its incremental requirements around asset planning, customer engagement, reporting, rate setting and maintaining a score card;
- New and incremental reporting requirements to the OPA, IESO, the Board and the ESA;
- Master Agreement with the OPA on conservation program delivery including audits by OPA or their representatives;
- Long Term Energy Plan which sets out a framework for nuclear power, renewable energy, conservation, rate mitigation, regional planning and energy innovation. The plan identified, as part of the rate mitigation strategy that:

> *"The Distribution Sector Review Panel, which delivered its report in late 2012, identified the potential for significant savings among the province's Local Distribution Companies (LDCs). The government expects that LDCs will pursue innovative partnerships and transformative initiatives that will result in electricity ratepayer savings."*

Each of these policies have customer and resource implications to successfully implement and support. Often the extent of the resourcing and customer service requirements were not known until the policies implemented.

iii) Changes within NBHDL

NBHDL has experienced significant turnover in staff positions. Between 2008 and 2011 NBHDL experienced 50% turnover in staff positions. Between 2012 and 2014, there was an additional 16% turnover and another 25% is expected over the next 5 years. The majority of this turnover is a result of retirements. This means that in 10 years over 90% of the positions in NBHDL have experienced or will experience turnover. Given the specialization of the industry, it can take several years for new staff to become proficient in completing tasks safely. Over this same period NBHDL increased resourcing in priority business areas including engineering, CDM, metering, substations and accounting. NBHDL has modernized its fleet and aerial devices, small tools and material inventories to make sure the proper tools and equipment are available when required. NBHDL has evolved its culture such that change can be more quickly accommodated without compromising safety.

SUMMARY AND COST DRIVER TABLES

OM&A BUDGETING PROCESS

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

NBHDL follows the following process:

1. The Management Team works collectively to look at higher level issues including changes in revenue, strategic initiatives either from within NBHDL or the industry, cost pressure from specific areas or performance concerns that must be considered by each Department. This step sets high level expectations for each department on cost control and efficiency improvement.

2. Each department Manager then develops capital and operating plans with these issues or objectives in mind. The following directives are provided to each manager and director to assist them with preparation:

- External expenses for all department budgets are built using previous year actual, current year forecast and current year budget as the base. Each third party expense is reviewed to determine whether the service is required and whether there are opportunities for cost minimization or service level improvement;
- Significant variances in spending from prior years must be explained and documented;
- Review of department headcount based on requirement for staff and need for change;
- Each department works with Finance to prepare a labour budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations;
- Vehicle costs are forecasted and an hourly rate is determined based on the estimated run time per truck per working day in the fiscal year. Costs are then distributed over operations and capital based on total labour hours budgeted.
- Overhead rates are calculated for the Stores (excluding Fleet mentioned above), Engineering and Operations Administration departments and applied to the applicable departments in both operating and capital. Overhead rates for Stores are based on material issued, items purchased

and contracted services for each functional area. Engineering and Operations Administration overhead rates are based on total labour hours for the applicable areas.

3. Once NBHDL has finalized all budgeted costs, the Stores, Engineering and Operations Administration departments are reviewed and an overhead rate determined in order to ensure costs are properly allocated within OM&A, capital and other recoverable accounts. The Stores department costs, excluding Fleet, are allocated out based on material issues, items purchased and contracted services budgeted for the fiscal year for each respective department in OM&A and the capital program. Engineering department costs and Operations Administration costs are allocated out based on direct labour hours.

4. The Finance department then completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify variances and issues for consideration.

5. The Management Team will review the initial budget and make changes to balance cost control with achieving core objectives. The team's focus is a top-down approach to the budget review. In an effort to contain costs and explore efficiencies and still provide an acceptable level of reliability and customer service, the team looks in detail for discretionary costs and identifies cost areas that can be delayed or alternative approaches. This process results in OM&A costs with an adequate degree of assurance that NBHDL will be able to continue to serve its customers in a safe and reliable way.

6. The President will conduct a thorough review with each Department Manager supported by Finance to ensure the proposed budget is challenging and provides value.

7. The President meets with the Board informally to discuss issues of concern.

8. The Management Team makes a detailed submission to the Board on the proposed budget and formal approval is requested.

The 2014 Bridge Year forecast is based on six months of actuals and forecasted for the balance of the year. The forecast follows the same review and approval levels as the budget.

SUMMARY OF RECOVERABLE OM&A EXPENSES

NBHDL follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of NBHDL's OM&A expenses, excluding property taxes and LEAP for the 2010 Board Approved, 2010 Actual, 2011 Actual, 2012 Actual, 2013

Actual, 2014 Bridge Year and the 2015 Test Year, is provided in Table 4-3, Board Appendix 2-JA. NBHDL is proposing to recover through distribution rates of the 2015 test year.

Table 4-3 – Summary of Recoverable OM&A Expenses

Appendix 2-JA

Summary of Recoverable OM&A Expenses

	Last Rebasing Year Board-Approved Less LEAP	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS
Operations	$ 691,316	$ 789,643	$ 942,500	$ 860,402	$ 897,622	$ 960,774	$ 1,088,205
Maintenance	$ 1,270,828	$ 1,146,781	$1,126,685	$1,270,845	$1,397,537	$ 1,536,335	$ 1,721,331
SubTotal	**$ 1,962,143**	**$ 1,936,424**	**$ 2,069,185**	**$ 2,131,246**	**$ 2,295,158**	**$ 2,497,109**	**$ 2,809,536**
%Change (year over year)		-1.3%	6.9%	3.0%	7.7%	8.8%	12.5%
%Change (Test Year vs Last Rebasing Year - Actual)							45.1%
Billing and Collecting	$ 1,144,087	$ 910,353	$ 887,267	$ 1,056,107	$ 1,019,133	$ 1,604,983	$ 1,243,810
Community Relations	$ 97,000	$ -	-$ 784	$ 35,050	-$ 6,800	$ 1,502	$ 2,200
Administrative and General	$ 2,462,179	$ 2,158,328	$ 2,407,977	$ 2,309,976	$ 2,397,460	$ 2,704,381	$ 2,949,298
SubTotal	**$ 3,703,266**	**$ 3,068,681**	**$ 3,294,461**	**$ 3,401,133**	**$ 3,409,793**	**$ 4,310,866**	**$ 4,195,308**
%Change (year over year)		-17.1%	7.4%	3.2%	0.3%	26.4%	-2.7%
%Change (Test Year vs Last Rebasing Year - Actual)							36.7%
Total	**$ 5,665,409**	**$ 5,005,105**	**$ 5,363,646**	**$5,532,379**	**$ 5,704,951**	**$ 6,807,975**	**$ 7,004,844**
%Change (year over year)		-11.7%	7.2%	3.1%	3.1%	19.3%	2.9%

	Last Rebasing Year Board-Approved Less LEAP	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Operations	$ 691,316	$ 789,643	$ 942,500	$ 860,402	$ 897,622	$ 960,774	$ 1,088,205
Maintenance	$ 1,270,828	$ 1,146,781	$ 1,126,685	$ 1,270,845	$ 1,397,537	$ 1,536,335	$ 1,721,331
Billing and Collecting	$ 1,144,087	$ 910,353	$ 887,267	$ 1,056,107	$ 1,019,133	$ 1,604,983	$ 1,243,810
Community Relations	$ 97,000	$ -	-$ 784	$ 35,050	-$ 6,800	$ 1,502	$ 2,200
Administrative and General	$ 2,462,179	$ 2,158,328	$2,407,977	$2,309,976	$2,397,460	$ 2,704,381	$ 2,949,298
Total	**$ 5,665,409**	**$ 5,005,105**	**$ 5,363,646**	**$ 5,532,379**	**$ 5,704,951**	**$ 6,807,975**	**$ 7,004,844**
%Change (year over year)		-11.7%	7.2%	3.1%	3.1%	19.3%	2.9%

	Last Rebasing Year Board-Approved Less LEAP	Last Rebasing Year (2010 Actuals)	Variance 2010 BA – 2010 Actuals	2011 Actuals	Variance 2011 Actuals vs. 2010 Actuals	2012 Actuals	Variance 2012 Actuals vs. 2011 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals	2014 Bridge Year	Variance 2014 Bridge vs. 2013 Actuals	2015 Test Year	Variance 2015 Test vs. 2014 Bridge
Operations	$ 691,316	$ 789,643	-$ 98,327	$ 942,500	$ 152,858	$ 860,402	-$ 82,099	$ 897,622	$ 37,220	$ 960,774	$ 63,152	$ 1,088,205	$ 127,431
Maintenance	$ 1,270,828	$ 1,146,781	$ 124,047	$ 1,126,685	-$ 20,096	$ 1,270,845	$ 144,160	$ 1,397,537	$ 126,692	$ 1,536,335	$ 138,798	$ 1,721,331	$ 184,996
Billing and Collecting	$ 1,144,087	$ 910,353	$ 233,734	$ 887,267	-$ 23,085	$ 1,056,107	$ 168,839	$ 1,019,133	-$ 36,973	$ 1,604,983	$ 585,850	$ 1,243,810	-$ 361,173
Community Relations	$ 97,000	$ -	$ 97,000	-$ 784	-$ 784	$ 35,050	$ 35,834	-$ 6,800	-$ 41,850	$ 1,502	$ 8,302	$ 2,200	$ 698
Administrative and General	$ 2,462,179	$ 2,158,328	$ 303,851	$ 2,407,977	$ 249,649	$ 2,309,976	-$ 98,001	$ 2,397,460	$ 87,484	$ 2,704,381	$ 306,921	$ 2,949,298	$ 244,917
Total OM&A Expenses	$ 5,665,409	$ 5,005,105	$ 660,305	$ 5,363,646	$ 358,541	$ 5,532,379	$ 168,733	$ 5,704,951	$ 172,572	$ 6,807,975	$ 1,103,023	$ 7,004,844	$ 196,869
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Recoverable OM&A Expenses	$ 5,665,409	$ 5,005,105	$ 660,305	$ 5,363,646		$ 5,532,379	$ 168,733	$ 5,704,951	$ 172,572	$ 6,807,975	$ 1,103,023	$ 7,004,844	$ 196,869
Variance from previous year				$ 358,541		$ 168,733		$ 172,572		$ 1,103,023		$ 196,869	
Percent change (year over year)				7%		3%		3%		19%		3%	
Percent Change: vs. Most Current Actual				**Test year**				22.79%					
Simple average of % variance for all years													7.1%
Compound Annual Growth Rate for all years													7.0%
Compound Growth Rate (2013 Actuals vs. 2010 Actuals)								4.46%					

Cost Driver Tables

Following is a description of the primary drivers that have influenced the increase in NBHDL's OM&A expenditures since 2010, the date of the last cost of service application up to and including the 2015 Test Year. Each driver is summarized by its net change year over year. NBHDL has provided comments on those variances of $20K or greater.

Table 4-4, Board Appendix 2-JB provides a list of the cost drivers that affected OM&A year over year spending based on a materiality threshold or where the cost driver is common or recurring expenditures that has impacted multiple years. The OM&A opening balance for the last Rebasing Year of $5,665,409 is equal to the 2010 Board Approved $5,680,409 less $15,000 for LEAP. The areas of this table highlighted were used to create the summary Table 4-2.

Table 4-4 - COST DRIVER TABLE

OM&A	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year	Total
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	
Opening Balance	**$ 5,665,409**	$ 5,005,105	$ 5,363,646	$ 5,532,379	$ 5,704,951	$ 6,807,975	$ 5,680,409
Compensation							
Employee Compensation	$80,168	$56,359	$210,733	$113,502	$228,106	$58,394	$747,263
Employee Future Benefits	($32,421)	$208,128	$11,877	($59,312)	($147,341)	$2,604	($16,465)
Sub Totals	**$47,747**	**$264,487**	**$222,610**	**$54,190**	**$80,765**	**$60,998**	**$730,798**
Customer Focus							
Customer Engagement	($40,000)	$7,500	($7,500)	$10,132	$110,151	$1,717	$82,000
Bad Debts	($203,915)	$168,547	($120,568)	($90,481)	$167,497	$0	($78,921)
Bill and Collection Notice Delivery	24,221	42,616	8,421	(67,444)	(6,302)	12,124	13,635
Sub Totals	**($219,695)**	**$218,663**	**($119,647)**	**($147,794)**	**$271,346**	**$13,841**	**$16,714**
Executive Financial Regulatory Professional & Insurance							
Real Time Operating Pilot	($85,000)	$0	$0	$0	$0	$0	($85,000)
Business and Strategic Plan	$0	$0	$18,980	($1,283)	($17,697)	$100,000	$100,000
Regulatory Applications and OEB Assessment	($18,742)	$34,889	($8,664)	($1,115)	($60,651)	$122,476	$68,192
Banking/Audit/Legal	($10,317)	$25,125	$1,772	($6,334)	$36,979	($19,521)	$27,705
Insurance	($4,131)	$15,484	($53,359)	$18,924	$19,761	$19,035	$15,715
Sub Totals	**($118,190)**	**$75,498**	**($41,271)**	**$10,193**	**($21,607)**	**$221,990**	**$126,612**
Information & Technology							
IT Systems & Mtce	($30,990)	$19,876	$10,050	$13,013	$39,359	$46,083	$97,392
							$0
Smart Meters and Meter Reading							
Smart Meter disposition	$0	$0	$0	$0	$412,548	($412,548)	$0
Sync Operator	$0	$0	$0	$38,860	$17,323	$1,389	$57,572
Meter Reading/ODS/Security Audits	($20,516)	($174,380)	$167,224	$56,079	$23,168	($2,395)	$49,181
Sub Totals	**($20,516)**	**($174,380)**	**$167,224**	**$94,939**	**$453,039**	**($413,554)**	**$106,753**
Human Resources							
Employee Costs - Recruitment/Relocation	($28,854)	$8,030	($5,551)	($4,944)	$4,291	($2,952)	($29,980)
HR Consultants / Services/Legal	($11,661)	($40,167)	$3,541	($313)	$41,627	($18,926)	($25,899)
Sub Totals	**($40,515)**	**($32,137)**	**($2,010)**	**($5,257)**	**$45,918**	**($21,878)**	**($55,879)**
Operations							
Operational Review	$ -	$ -	$ -	$ -	$ -	$ 41,600	$ 41,600
Asset Management Annual Update	$0	$0	$0	$0	$0	$20,000	$20,000
Substation Preventative Mtce Contractors	($140,788)	($9,110)	$8,979	($26,413)	($2,995)	($1,281)	($171,607)
Vegetation Management	($30,503)	$132,330	($224,246)	$163,871	$166,839	$138,364	$346,655
Small Tools	($38,198)	$5,287	$1,503	($15,781)	$5,781	$361	($41,046)
Fleet Deprecation	($9,465)	($304)	($28,914)	($1,658)	($28,335)	($793)	($69,469)
Sub Totals	**($218,954)**	**$128,204**	**($242,677)**	**$120,018**	**$141,290**	**$198,252**	**$126,133**
Miscellaneous							
BA ADJ - INFLATION	($18,575)						($18,575)
BA ADJ - HST	($24,773)						($24,773)
Miscellaneous	($15,843)	($141,670)	$174,454	$33,270	$92,914	$91,137	$234,262
Sub Totals	**($59,191)**	**($141,670)**	**$174,454**	**$33,270**	**$92,914**	**$91,137**	**$190,914**
Closing Balance	$ 5,005,105	$ 5,363,646	$ 5,532,379	$ 5,704,951	$ 6,807,975	$ 7,004,844	$ 7,019,844

Employee Compensation

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

i) Resourcing

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

In general NBHDL has experienced increased demand for services around customer engagement, inbound and outbound calls, locates and collection activities. Between 2010-2013 inbound/outbound calls have increased by 66%, locates increased by 55% and collection work orders increased 60%.

A number of provincial policy initiatives including amendments to customer service rules, especially around low income, smart meter deployment, time of use rate conversion, connection and settlement of renewable micro and larger generators, renewed regulatory framework, customer engagement, smart grid development, demand response and supporting conservation programs have all been incremental workloads for the business.

For the most part NBHDL has been able to handle this increased workload through efficiency improvements and prioritization of work activities. Please refer to Exhibit 1 under the section titled “Efforts to achieve cost reductions and productivity improvements in the Test Year” for details on efficiency measures implemented by the business. NBHDL works very hard to manage its permanent staff complement levels however some small changes have been required to manage workload, reduce overtime and prevent staff burnout. NBHDL’s 2010 Board approved complement was 50. In 2010, NBHDL operated with 46 staff and the 2014 Bridge and 2015 Test Years require a permanent complement of 48. Over the 2010-15 period, Engineering has required the addition of 2 staff in 2011 and 2013 to manage the vegetation maintenance program, assist with the asset management program and respond to day-to-day customer requests for service. Finance required the addition of 1 Accounting staff in 2014 to handle regulatory reporting and support the requirement for increased financial reporting. The Operations group was able to manage with 1 less person in 2013 because of efficiency improvements and change in work responsibilities. In 2011, there was a vacancy in the IT Manager position which was filled in 2012, a major reason for the 2012 compensation increase in OM&A.

In 2015, NBHDL is expecting 2 retirements that cause FTE’s to temporarily increase as a result of succession planning and the need for on the job training of new staff.

NBHDL has also worked hard to control overtime hours which reduced by 11% between 2010 and 2013 which has helped to reduce costs. This measure helps offset OM&A compensation cost increases.

One key learning since the cost of service application in 2010 is the amount of labour hours that are required to support capital and maintenance activities. This has been an iterative learning process as new staff in Engineering, Operations and Finance has through maturity and experience established NBHDL’s new capabilities. The 2010 cost of service application was founded on the basis of 80% of a power line maintainer’s time being allocated to capital and 20% to operations. NBHDL has established that to

adequately service its system 35% to 40% of hours must be allocated to operations and the balance to capital. The 2014 Bridge Year and 2015 Test Year is based on the 60/40 allocation between capital and maintenance programs for powerline maintainers not the 80/20 used for the 2010 application. This is not a change in capitalization policies, rather a reflection of the level of effort required to support aging infrastructure in a harsh climate.

NBHDL operates a dynamic distribution system and each year there are differing labour requirements to operate and maintain the system. For example weather and events on the system have an impact on the amount of labour charged to OM&A. During 2011 and 2012, NBHDL had higher SAIFI results primarily due to tree contact with overhead lines. This increased the number of hours required to restore power when crews would normally be executing planned or customer demand capital programs.

During 2012 and 2013, NBHDL experienced a rash of break-ins at substations as thieves were looking for copper. This triggered numerous repairs to fencing and cable replacement.

The harsh winter of 2014 caused problems with smart meters and additional hours were required to trouble shoot frozen meters.

ii) Wages

NBHDL's overall compensation for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage and benefits package. NBHDL's workforce is comprised of both unionized and non-unionized management employees. In 2013 approximately 78% of NBHDL's workforce was unionized.

For more information about compensation please refer to the Compensation section of this exhibit.

NBHDL's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. NBHDL's current collective agreement covers a four year period and expires on March 31, 2018. Wages and benefits are a result of a collaborative and negotiated process, based on factors such as recent settlements in the LDC sector including neighbouring LDC's.

For management employees. NBHDL utilizes the industry standard Hay system to evaluate positions and to develop pay structures. An external consultant is used to develop and maintain the system. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities and establishes a sound foundation for consistent pay

administration. Each position includes a minimum, midpoint and maximum pay level, benchmarked by the external consultant. Annual progression through the structure is based on performance, merit and contribution to goals/objectives. Progression is not automatic, rather is performance based. The structure is updated annually with salary increases based upon market, philosophy and ability to pay. Generally there is control around the midpoint of the range, however employees at NBHDL tend to be clustered around the minimum.

As shown in Table 4-5, Summary of Wage Increases by Year, the average increase for unionized employees is just under 3% per year while management staff has been 4.6%. Management staff has had higher relative increases because the majority of staff is new to the company or new in their position. Annual increases are greater in this situation as employees are rewarded for increasing productivity and capacity to take on more tasks.

Table 4-5 Summary of Wage Increases by Year

Year	Union %	Cumulative	Non-Union %	Cummulative %
2010	3.0%	3.0%	3.7%	3.7%
2011	3.0%	6.0%	6.0%	9.7%
2012	3.0%	9.0%	5.0%	14.7%
2013	3.0%	12.0%	3.6%	18.3%
2014	2.5%	14.5%	5.9%	24.2%
2015	2.5%	17.0%	3.4%	27.6%

iii) Benefit Costs

Please refer to the Employee Compensation section of this exhibit and Table 4-21 for further details on benefit cost changes. Increases in benefit and pension costs are primarily due to increases in OMERS pension expenses. Pension contributions have increased due to the 2008 economic downturn which resulted in a funding deficit in the OMERS pension plan as well as additional OMERS administrative cost for staffing levels to meet operational demands. To eliminate the funding deficit, OMERS introduced contribution increases for both the employee and employer portion. Please refer to the following Table 4-6 for a summary of OMERS contribution changes.

Table 4-6 OMERS Rate Increases by Year

Year	YMPE	NRA 65 Up to YMPE	over YMPE
2010	47,200	6.40%	9.70%
2011	48,300	7.40%	10.70%
2012	50,100	8.30%	12.80%
2013	51,100	9.00%	14.60%
2014	52,500	9.00%	14.60%
2015	54,075	9.00%	14.60%

Health benefit costs increased in 2011 and 2012 because of experience rates, but have declined in 2013 and in the 2014 Bridge Year. The 2015 Test Year costs are very close to what they were in 2010.

NBHDL has taken steps to mitigate benefit cost increases. Changes were negotiated as part of the collective bargaining process which resulted in savings on clothing purchases and eliminating the practice of paying for winter meals. Eliminating winter meals saves NBHDL approximately $42,000 per year.

In summary compensation and cost allocation to OM&A programs have contributed $747,263 in increased costs over the 6 year period 2010 - 2015.

Employee Future Benefits

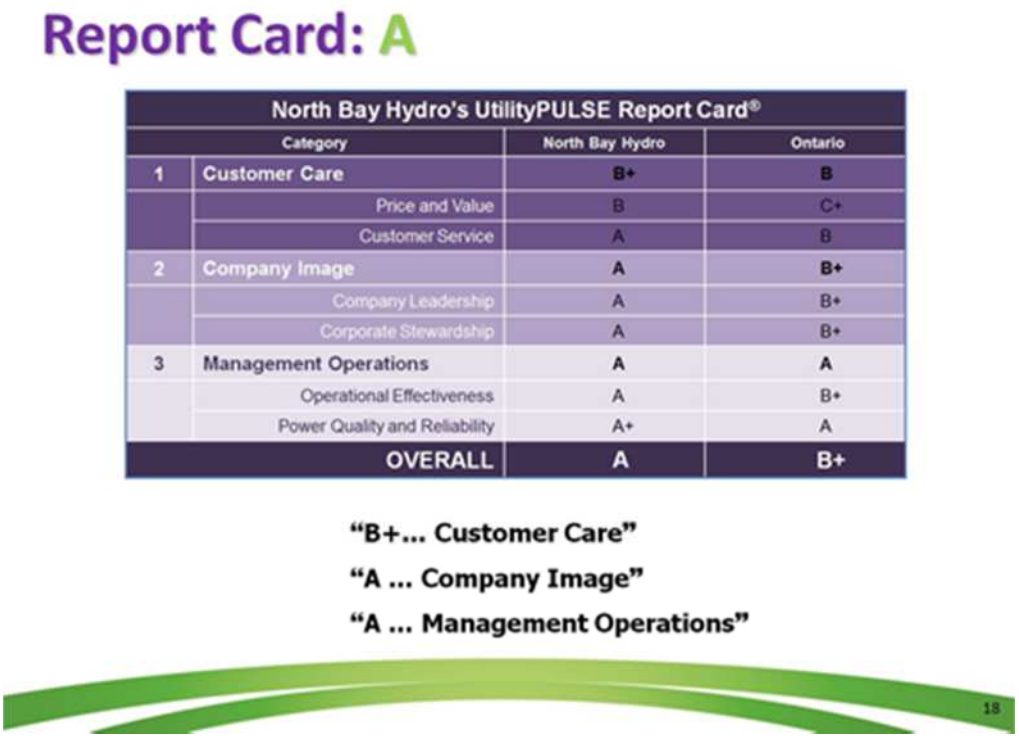
Employee future benefits fluctuate on the results of third party actuarial valuations. The decrease in the 2014 Bridge Year and 2015 Test Year is a result of the changes required on adopting the Modified International Financial Reporting Standards (MIFRS). Please refer to the Employee Compensation section of this exhibit and Table 4-21 for further details on Employee Future Benefit cost changes.

Customer Engagement

In 2010, NBHDL did not spend the $40,000 allocated for customer engagement as the business had several other priorities to undertake including completing its 2010 rate application, completing its smart meter deployment and trying to stabilize the new AMI infrastructure. NBHDL analyzed the impact of time of use rates on residential customer bills and found there were not significant impacts from moving off fixed RPP rates. NBHDL decided that significant incremental customer engagement activities beyond those charged to the deferral account were not required at that time.

NBHDL is very active with various customer engagement initiatives. Unlike large urban centres it is impossible for NBHDL to work in relative anonymity. NBHDL accepts its profile in the community and works hard on various initiatives to interact daily with customers on issues of importance and relevance to them. Daily interactions are supplemented with several other engagement approaches including on-bill messaging, bill inserts, in-person meetings, focus groups, formal surveys, website activity, use of

customer web based portals, radio, television and newspaper advertising, to engage with customers. These initiatives have served NBHDL well and are main drivers for achieving an "A" service rating by customers in a recent survey conducted by Simul Corporation in May 2014. NBHDL's UtilityPULSE Report Card is as follows;



The UtilityPULSE survey results further identified that:

"Customers may prefer a particular communication channel today (i.e. 88% telephone), however that does not mean the customers who prefers the telephone will not want another channel for communications. In addition, there could be variances in preferences based on the type of issue or transaction."

"Customer expectations are on the rise and continue to change. Customers expect their utility to have customer care practices and services that are in-line with any other organization that is important to their everyday life. Setting realistic expectations and consistently delivering to those expectations are keys to higher levels of Customer satisfaction. The setting of customer expectations is tough, but the harder part is to deliver consistency."

On September 11, 2013, the Chair of the Ontario Energy Board made a speech to the Ontario Energy Association about the growing need for customer engagement and education and the role of utilities in support of this objective:

"Today's consumers are much more informed, active and demanding… Going forward, we expect them to be a more involved participant in the evolving system… As we increase security of supply, and move to greener choices, and renew aging assets, we are asking consumers to pay more for something that looks to them like the same product they have always received…we are asking them to help us pace investments in new supply by managing their energy use…and incenting them to do so through conservation incentives and time-of-use pricing"

Based on all the recent surveys and regular engagement activities, NBHDL's customer wants include:

1. Affordable electricity costs
2. Reliability of service with rapid response to un-planned outages
3. Information supporting the value of services provided
4. Assistance to reduce consumption and thereby costs
5. Professional interactions with highly skilled and experienced personnel
6. Communications through a variety of media including phone, internet, social media, in-person mail and email
7. Proactive communications when there are un-planned outages
8. Business to be customer centric including timely service that solves their problems
9. Continued delivery of high quality services

Clearly an incremental level of customer communication and engagement activity is required to meet customer expectations, to improve on customer service levels and to support provincial policy initiatives. NBHDL needs to continue to invest and develop its customer engagement and communication activities. This activity has created the $110,151 variance in 2014 Test Year and will become part of the regular OM&A work program in 2015.

Bad Debt

In 2010, bad debt expense was down $203,915 from the 2010 Board Approved because NBHDL made collections a priority and performed better than the 2006-2008 average that was approved in the 2010 cost of service application. In 2011, the variance was an increase of $168,547 primarily due to a slowing of the economy and the write off of one larger uncollectible bill of approximately $70,000 because of statutes of limitations. In 2012 and 2013, there were corrections to errors made in how the uncollectible

bad debt due to statutory limitations was handled. Also in 2013, there was a pick up from credit balances dating back to 2011 and prior of $45,000 that could not be refunded to customers because the customers could not be located. In 2014, the variance is forecasted to be an additional $167,497 over 2013 due to the two unusual items totaling $115,000 discussed above, the slowing of the economy, time of use pricing and higher consumption because of the cold winter.

Bill/Collection Notice Delivery

NBHDL experienced variances of $24,221 in 2010 because of higher postage costs related to delivering bills and the increased volume of producing and mailing collection notices. The variance was $42,616 in 2011 because of increased postal costs, increased mailing costs of disconnect notices and costs associated with outsourcing bill printing and insertion. NBHDL's local service provider for bill printing and insertion went out of business and the alternative provider proved more expensive. Customers continued to receive their bills on time through this transition though.

In response to customer demand and to reduce increased postage and bill print costs, NBHDL began offering eBilling to customers in 2012. Today approximately 5000 customers use this paperless option saving $4,450 per month or $53,300 per year in postage, paper and printing costs. NBHDL continues to promote this program with customers today. Offering eBilling and bringing the bill printing and inserting back in-house are the main drivers why bill delivery costs decreased $67,444 in 2013. These savings remain embedded in 2014 and 2015 to offset the increasing postage expenses.

Real Time Operating Pilot

In NBHDL's 2010 COS Application, NBHDL proposed $195,000 in OM&A costs on a pilot smart grid program known as the Real Time pilot. During the settlement process this amount was reduced to $85,000. Also with the 2010 application the Board approved a funding adder related to the Real Time pilot. Charges for the Real Time pilot were made against this funding adder deferral account, not this OM&A budget.

Strategic/Business Planning

NBHDL last updated its strategic plan in 2007/08. Since this time the business has adapted to numerous changes occurring from both within and outside. NBHDL has relied on a very experienced management team and Board of Directors for strategic planning and supplemented this experience with specific reviews by external resources as required. For example, in 2012-13 there was an external review of meter-to-cash processes with the report included as Appendix 4-A. This review cost $33,200. In 2013 NBHDL engaged a BDO at a cost of $24,150 to conduct an IT risk analysis and assessment which was used to develop an IT strategy in 2014. The third party review is included as Appendix 4-B and the IT

strategy as Appendix 4-C. Also in 2013-2014, NBHDL updated its asset management plan including a new forecast of capital requirements for the next 5 years. Both the IT risk assessment and the asset management plan have been included in the one-time cost for the 2015 cost of service application and not as part of the OM&A. Although CDM costs are not part of this cost of service application the same management team developed a CDM strategy for the 2011-2014 framework. NBHDL is working on a new strategy for the 2015-2020 framework.

NBHDL has gone through a significant change in its people. Between 2008 and 2014 there was a 66% turnover in staff positions, mostly due to retirements. In the next 5 years an additional 25% turnover is expected including most of the senior management team. This means that over 90% of the positions in the business will have experienced turnover. NBHDL will no longer be able to rely on the experience of its senior management team to handle strategic and business planning requirements. The new management team requires an updated strategic plan so transition issues can be minimized and the business has a road map for the future.

Not only must the strategic plan be updated, there will be emerging issues that NBHDL must respond to at least on annual basis which will have impact on business and strategic planning. In the past the deployment of smart meters and introduction of time of use rates triggered the requirement to review meter to cash processes in 2012/13. The demands on NBHDL's CIS and growing IT workload triggered the requirement to audit IT systems. These pressures will come from both external and internal sources. The Premiers letter of September 25, 2014 to the Minister of Energy on priorities provides some insight into some of the external pressures that will impact strategic/business planning including:

i) Continuing to implement the 2013 Long-Term Energy Plan
Implications to NBHDL – the need to commence Regional Planning, the need to develop new partnerships

ii) Ensuring that energy conservation continues to be a key goal
Implications to NBHDL – new customer engagement, ownership of CDM development and delivery

iii) Continuing to help Ontarians by addressing the challenges they face from increasing electricity costs
Implications to NBHDL – new rate options, delivery of new demand response programs, benchmarking of electricity use, increased education, creating innovative partnerships

iv) Developing and implementing new residential electricity assistance program
Implications to NBHDL – increased workload for Customer Accounts staff, new CIS modules, customer education, more outreach to low income service providers

v) Continuing to implement initiatives that support Ontario's businesses by helping them address rising energy costs

Implications to NBHDL – increased customer education, increased workload for Customer Accounts and Energy Management staff, potential for new rate options, provision of demand response and conservation programs

vi) Continuing to lead our government's commitment to renewable energy, with the aim of having 20,000 MW of renewable energy online by 2025

Implications to NBHDL – increased work for settlement and billing staff, accelerated requirement for regional planning, increased workload for engineering staff in planning and interactions with customers/developers

vii) Continue with implementation of smart meters, smart grid technologies and advancements in customer service and choice

Implications to NBHDL – increased demand for IT support, new computer application development, new CIS module costs and development

NBHDL is also considering a number of initiatives in the future which will have an impact on business planning. NBHDL will require support to apply technology to create efficiencies. NBHDL has learned that developing computer applications that actually work in the field to create efficiencies takes time and effort. NBHDL needs to determine the best way of supporting increased customer engagement and education. NBHDL has adequately responded to the requirement for increased customer engagement, but needs to find a more sustainable model, especially with a new management team in the near future. Developing innovative partnerships to reduce cost and improve service, a priority of NBHDL and all stakeholders, will require financial support to develop and operationalize.

NBHDL will only be able to hold the line on maintaining its complement at less than 50 if there is continued investment in strategic/business planning. The $100,000 planned for these activities is reasonable and absolutely critical. This is an ongoing cost for NBHDL.

Regulatory Applications and Reporting

There was a variance of $34,889 in 2011 versus 2010 of which $23,769 was due to a full year cost treatment in 2011 for the 2010 cost of service application versus 8 months of cost in 2010. The balance is related to regular regulatory consultants. In 2014, the full cost of the 2010 cost of service application had been recovered by the end of April versus a full year cost recovery in 2013 which created a savings of $47,535. The remaining balance is related to a reduction in other regulatory consultants for a total savings of $60,651. In 2015, the variance is a cost of $122,476. The 2015 Test Year includes 12 months recovery of the 2015 cost of service application or $131,386 offset by the savings of $23,769 from no

longer recovering the costs of the 2010 cost of service application. The balance is related to miscellaneous regulatory consultants and OEB assessments.

Banking/Audit/Legal

In 2011 NBHDL experienced an incremental $25,125 in legal costs as a result of formal proceedings to recover infrastructure costs incurred on behalf of a developer.

In the 2014 Bridge Year, there is a variance of $36,604 because of costs associated with legal services ($8K), extra audit support and third party assistance for managing a competitive process for securing the most advantageous terms for borrowing in 2014 and 2015 ($18K).

Insurance

In 2012, NBHDL received a premium reduction from the Mearie Group (Mearie), its comprehensive general liability insurance provider. The premium reduction represented NBHDL's pro-rata share of a one-time overall premium reduction offered to all subscribers to the reciprocal for 2012. This is the reason for the savings of $53,359 in insurance costs in 2012.

IT Systems and Maintenance

In 2010, there were savings of $30,990 because of savings from various external service providers with $16,590 related to SunGard, NBHDL's main CIS operating system provider. In 2014, costs increased $39,359 including $5,612 from SunGard and $11,185 from NBHDL's internet provider. The balance came from other external service providers. Costs will increase by $46,083 in the 2015 Test Year with $15,995 because of increased SunGard CIS costs for module changes, increased foreign exchange rates, system audits of $26,850, new mobile applications and increases in costs from other external service providers.

Smart Meter Disposition

Historically as the smart meter initiative was under development, the operating expenses related to smart meters were reported under account 1555, Smart Metering Operating Expenses. In May 2014, with the approval of NBHDL's smart meter cost recovery application, $412,548 of expenses that covered 2007-2012 were reported and expensed as an OM&A cost. These costs are required to support provincial policy initiatives.

Sync Operator

By 2013, it became apparent that synchronizing raw meter data into NBHDL's CIS and Operational Data Store and with the provincial MDM/R was a highly specialized task more suitable to be provided by an external service provider. This outsourcing triggered the variance of $38,860 in 2013 but allowed NBHDL

to meet provincial policy requirements for time of use billing. This change was consistent with outcomes suggested in NBHDL's meter to cash process review in 2013.

Meter Reading/ODS/Security Audits

The savings of $174,380 in 2011 was a result of these costs being recorded in a deferral account. In 2012 as the AMI system was fully functional and NBHDL had cutover to time of use rates, costs were recorded in OM&A accounts creating the variance of $167,224. A further increase of $56,079 was recorded in 2013 as NBHDL worked with its AMI provider to improve communication and access to all smart meters in its service territory. NBHDL's rugged service terrain proved a real challenge for the AMI provider to overcome. There is a variance of $23,168 in 2014 because of the costs of security audits on the AMI system. These costs are associated with NBHDL's commitment to deliver on provincial policy initiatives.

Employee Recruitment/Relocation Costs

NBHDL experienced a variance of $28,854 in 2010 due to new employee recruitment and relocation costs.

HR Consultants/HR Services/Legal

At times NBHDL utilizes external expertise to deal with various HR related issues. Savings of $40,167 were experienced in 2011 since a succession planning review was deferred until 2014, saving $21K, and the services of a specialized labour negotiator were not required saving an additional $11K. In 2014, incremental costs of $41,627 as a result of $30K cost to complete the succession planning review and $15K to assist with labour negotiations.

Operational Review

NBHDL has invested approximately $35 million in its distribution system over the past few years and the DSP confirms the requirement for a further investment of approximately $30 million over the next 5 years. This investment involves hundreds of individual projects and tens of thousands of labour hours for design and construction. NBHDL's Engineering and Operations departments are responsible for the design, implementation and management of all these projects. Engineering and Operations together represent more than 60% of NBHDL's resources and these departments need to be at their peak effectiveness to ensure efficiency, that work is completed safely and meets the needs and schedule of the DSP. NBHDL knows that processes need to be documented, analyzed and improved. NBHDL knows that metrics must be developed to better assess productivity. NBHDL utilized third party expertise in 2010 to review efficiency and effectiveness and a further review is warranted and necessary in 2015.

Engineering and Operations also have the youngest demographics in NBHDL with average ages of 36 and 37 respectively. An assessment of processes and gaps is required to help new staff to become more effective in their roles.

In the early winter of 2015 NBHDL will be working with a third party to review these departments with an objective to i) optimize business processes ii) develop metrics to measure productivity and efficiency and iii) transfer knowledge and skill to achieve maximum resource leverage.

The work includes an analysis and implementation phase. The analysis phase will include a situation assessment, process mapping, issues identification, gap analysis and recommendations. The implementation phase includes the design of projects and systems to address the gaps identified in the analysis phase, working with employees to prepare them for first installations and working with the business to sustain improvements. A copy of the proposed review methodology from NBHDL Focused Management Resources is included as Appendix 4-D.

This initiative supports achieving NBHDL's core objectives of community and customer safety and continuously improving efficiency and productivity performance to provide better value for money.

This project will require a total investment of $208,000 and spread over 5 years represents a cost of $41,600 per year. This represents an investment of less than 1% of forecasted capital expenditures over the 2015-19 timeframe.

Asset Management Plan – Annual Update

NBHDL has developed a detailed, integrated, formalized and standardized Asset Management Process ("AMP"), that identifies key distribution system maintenance and replacement programs over a five year planning horizon. The AMP can be found in Exhibit 2 as an appendix to the Distribution System Plan. The plan is dynamic in that external forces result in annual updates being required and also to reflect progress toward asset performance and emerging priorities. This is the cause of the 2015 test Year variance of $20,000.

Substation Maintenance

Prior to 2010 NBHDL used to outsource substation maintenance work to third party contractor at a cost of $30K-$35K per station with 4-5 stations completed each year. Changes in staffing and workload prevented NBHDL from completing its planned substation maintenance activities in 2010 creating the savings of $140,788. The Engineering department, which substations is part of, was fully engaged with completing higher priority capital work including the re-build of the Pinewood area before freeze up in late 2010. This critical project stretched NBHDL's resources and time could not be diverted to tendering and

managing more contractors. Also in late 2010, NBHDL made a decision to begin to transition these maintenance activities to existing in-house resources. Gradually over 2011 the necessary equipment was procured, maintenance routines were confirmed and staff trained to complete maintenance activities. The program was fully implemented in 2012 and now the requisite number of stations is maintained each year. Savings of $26,413 was experienced in 2013 as one of the stations up for maintenance was actually replaced that year. Transitioning substation maintenance in-house has avoided $171,607 in external contractors since the test year. The complement in this part of the Engineering department was not increased to handle these activities.

Vegetation Maintenance

Tree contact with overhead distribution circuits is a major cause of power interruptions. Up to 25% of outages are estimated to be a result of tree contact. This contact not only causes outages for customers but can result in costly repairs and be a hazard to staff and the public.

In 2010, NBHDL did not complete all of its planned vegetation maintenance activities resulting in a savings of $30,503. This work was deferred until 2011 triggering the variance of $132,330 in 2011.

In 2010, NBHDL began to re-assess how the vegetation program was managed and implemented. The triggering event for this review occurred when during the Thanksgiving Weekend trees toppled over close to a substation causing faults that resulted in catastrophic failure of the station transformer. The explosion resulted in transformer oil being spilled over a large area adjacent to the lake the City of North Bay obtains its drinking water from. A number of changes were implemented to the program to improve its effectiveness of ensuring safety and reliability of the overhead distribution system. Responsibility for the program was re-assigned to an Engineering Technician and to work with customers and local contractors to re-establish rights of way for overhead lines. Rights of way had been narrowing over the years because of vegetation encroachment. Contractors also employed improper pruning techniques which either stimulated growth or resulted in significant decline in tree health. NBHDL has been working with local contractors, who are the most cost effective, to improve their skills and productivity. NBHDL changed the program such that proper rights of way and clearances are established, proper pruning techniques employed and danger trees are removed. During the review NBHDL has also concluded that maintaining the 4 year maintenance cycle was optimal.

NBHDL has also worked to improve customer engagement as operations have a visual impact on customers and their properties. When trees require heavy pruning or must be removed, permission is obtained from the customer for the scope of work to be performed on their property. Pictures of vegetation to be pruned or removed are obtained as well as customer sign off. Obtaining approval and

sign off from each customer/property owner can be difficult, time consuming and requires significant resources to support, but it helps to clear misconceptions and to relieve customer anxiety about impacts.

NBHDL's new approach with its vegetation management program clearly aligns with achieving its core objectives of community and customer focus, community and customer service and maintaining the distribution system and reliability.

It has taken the better part of 2011 and 2012 to implement the new approach to vegetation management. In 2012, NBHDL lacked the necessary resources to manage the vegetation maintenance program and meet the demand by customers for connections. The customer work received priority and consequently not all the 2012 vegetation maintenance program was completed creating a $224,246 variance to 2011.

At the start of the 2014 program customers expressed concern about visual and environmental impacts and a community group was organized to discuss how issues of public safety and need for reliable electricity delivery could be balanced with maintaining the green canopy of the City. NBHDL modified its communication plan, developed a pamphlet (Right Tree, Right Place) that was mailed to all customers and ran a commercial on local television to help increase awareness. A local environmental group was engaged to help develop a plan that can support the objectives of all parties. This group arranged 4 different customer engagement sessions across the City so all customers had an opportunity to express their concerns about the program and to learn more about why this program is required. NBHDL has committed to planting some larger stock in parks in the areas of the City impacted by the current year's vegetation maintenance program. Also NBHDL committed to removing stumps in the built up part of the City to mitigate some of the visual impacts and reminders of tree removal. Customer education, tree planting and stump removals will be ongoing program commitments and are new costs. In the 2015, Test Year $95,000 has been added for stump removal and customer engagement. Working with community stakeholders to resolve issues that concern them around vegetation control is an example of how important and effective customer engagement processes are.

During the winter of 2014, the Engineering department engaged the services of a local certified utility arborist to assess all cycles including their current condition, tree species and hardiness and the relative amount of work involved to create proper rights of way in each cycle. The arborist developed a scale of 1-5 and assessed the level of effort in each cycle relative to the effort required to complete 2013's cycle as the baseline. NBHDL applied the scaling to the cost of the 2013 program to develop the 2015 budget. 2013 was used as the benchmark year as it is the most recent and had representative vegetation and customer mix. The arborist also concluded that "*Throughout the field data collection certain cycle areas*

require significantly more resources than other areas to reclaim the rights of way."

A copy of the Arborist's report can be found in Appendix 4-E.

On May 30, 2014 the Electricity Distributor Association's Emergency Response Task Force Trust reported on their findings of how the industry could learn from the devastating ice storms that hit southern Ontario just before Christmas 2013. With respect to vegetation management the report identified:

"The impact of vegetation on distribution systems before, during and after the storm event is a very important consideration. Some of the alternatives that could reduce the impact of trees during major weather events are:

a) Consideration of shorter tree trimming cycles;
b) Encouragement of municipal by-laws requiring removal of dead trees on private property;
c) LDC removal of the portion of dead trees that have potential to impact lines
d) Better communication of required line clearances;
e) ESA enforcement of clearances on private property; and
f) Further education of municipalities and private property owners on tree planting"

Based on this experience NBHDL feels that its approach to vegetation management is a prudent program and necessary investment. Although NBHDL does not have sufficient experience with the new program to correlate reliability performance at the system level, there is some evidence to suggest this new approach is improving reliability. During 2010, NBHDL customers on the north-shore of Trout Lake experienced 27 outages because of tree issues. After proper vegetation management activities were completed the area had 2 related tree outages in 2011.

This change in approach is causing the variance of $163,871 in 2013, $166,839 in the 2014 Bridge Year and $138,364 in the 2015 Test Year.

Small Tools

A variance savings of $38,198 was recorded in 2010 as NBHDL changed the way it controlled and procured the purchase of small tools. New tools, new suppliers with better warranties were sourced at that time.

Fleet Depreciation

In 2012, fleet depreciation decreased by $28,914 and in the 2014 Bridge Year by $28,335. These decreases reflect the change in fleet depreciation year over year and the change in the amounts charged to capital for 2012 and 2014 compared to the prior year. NBHDL has continued to use the same method

for fleet depreciation that was adjusted and approved during the 2010 cost of service settlement process.

Miscellaneous

Other miscellaneous expenses reflect non material changes from one year to the next for items such as training costs, office supplies, facility cost and other miscellaneous administrative expenses.

OM&A Cost per Customer and Full-Time Equivalent

Included in Table 4-7, Board Appendix 2-L is a summary of the OM&A Cost per Customer and per Full-Time Equivalent (FTE). The number of customer are based on a twelve month average for residential, general service <50kW, general service >50 to 2999kW and general service >3000 to 4999kW rate classes. The FTE number does not include NBHDL's Board of Directors (voluntary positions), temporary employees or students. A position that was added in a particular calendar year is counted as a portion of an FTE in that calendar year based on the start date of the position.

Table 4-7 – Recoverable OM&A Cost per Customer and per FTE

Appendix 2-L
Recoverable OM&A Cost per Customer and per FTE

	Last Rebasing Year Board-Approved Less LEAP	Last Rebasing Year - 2010-Actual	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS
Number of Customers	24,008	23,856	23,989	23,975	24,014	24,027	24,039
Total Recoverable OM&A from Appendix 2-JB	$ 5,665,409	$ 5,005,105	$ 5,363,646	$ 5,532,379	$ 5,704,951	$ 6,807,975	$ 7,004,844
OM&A cost per customer	236	210	224	231	238	283	291
Number of FTEs	49.8	45.9	46.5	47.9	46.2	47.6	49.2
Customers/FTEs	482	520	516	501	520	505	489
OM&A Cost per FTE	113,763	109,044	115,347	115,499	123,484	143,025	142,375

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

NBHDL reviewed and changed capitalized overheads in fiscal 2009; therefore there are no changes to OM&A related to overheads for the test year with respect to bridge and historical years. NBHDL's auditors have reviewed and accepted NBHDL capitalization methods. A detailed description of NBHDL's overhead and capitalization policies can be found in Exhibit 2 along with Board Appendix 2-D

PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

Materiality Threshold

In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. NBHDL's materiality threshold is calculated as .5% of proposed distribution revenue requirements for distributors with a revenue requirement of greater than $10 million and less than or equal to $200 million. The materiality threshold as per Table 4-8 is calculated at $69,245 and NBHDL has adopted a threshold of $65,000 for variance analysis.

Table 4-8 Materiality Threshold

Description	2015 Test Year
Distribution Revenue Requirement	13,848,941
Materiality Threshold	0.50%
Materiality Calculated	69,245
Materiality Used	65,000

NBHDL has a variety of programs activities and initiatives that are imperative to continue to provide reliable and affordable service to customers and ultimately to provide customer satisfaction. In Table 4-9, Board Appendix 2-JC, NBHDL has identified its programs and major functions on a comparative basis from 2010 Actual to 2015 Test Year. These programs contribute to achieving the new Renewed Regulatory Framework performance outcomes of Customer Focus, Operational Effectiveness, and Public & Regulatory Responsiveness. This shows the alignment of NBHDL's direct costs and the management of the costs associated with the outcomes. An analysis is provided below on all material variances that exceed the materiality threshold for the 2015 Test year versus 2013 Actual and 2015 Test Year versus 2010 Board Approved adjusted for LEAP.

Table 4-9 – OM&A

Appendix 2-JC
OM&A Programs Table

Programs (Core Objectives)	Last Rebasing Year Board-Approved Less LEAP	2013 Actuals	2015 Test Year	Variance (Test Year vs. 2013 Actuals)	Variance (Test Year vs. Last Rebasing Year Board-Approved Less LEAP
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Customer Service, Billing and Collecting (1)	$954,239	$794,512	$886,075	$91,564	($68,164)
Bad Debts (4)	$270,000	$23,582	$191,079	$167,497	($78,921)
Locates (1,2)	$58,257	$238,104	$249,857	$11,753	$191,600
Customer Engagement (1)	$40,000	$10,132	$122,000	$111,868	$82,000
Executive, Financial, Regulatory, Professional & Insurance (all)	$1,114,758	$942,990	$1,218,483	$275,493	$103,725
Regulatory Reporting and Assessments	$154,360	$243,800	$341,656	$97,856	$187,296
Information & Technology (4)	$369,126	$381,633	$484,962	$103,329	$115,836
Smart Meters and Meter Reading (5)	$202,308	$341,693	$383,302	$41,609	$180,995
Post Employment Benefits (all)	$277,344	$405,616	$260,879	($144,737)	($16,465)
Human Resources (all)	$217,355	$90,072	$130,229	$40,157	($87,126)
Operational Review (4)	$0	$0	$41,600	$41,600	$41,600
Asset Management Annual Update (3,4)	$0	$0	$20,000	$20,000	$20,000
Training / Health & Safety (2,4)	$124,518	$209,790	$222,287	$12,497	$97,769
Overhead Operations / Maintenance (3)	$452,937	$601,452	$589,640	($11,812)	$136,703
Underground Operations / Maintenance (3)	$106,575	$231,671	$222,243	($9,428)	$115,668
Inclement Weather / Truck Time (4)	$171,406	$159,432	$175,868	$16,437	$4,462
Operating Tools / Equipment (4)	$124,986	$32,387	$37,948	$5,562	($87,038)
Substation Maintenance/Load Dispatching (2,3,4)	$557,294	$439,641	$510,537	$70,896	($46,757)
Vegetation Management (2,3,4)	$309,539	$350,991	$656,194	$305,203	$346,655
Metering - Operations / Maintenance (1,3)	$119,216	$260,585	$337,870	$77,285	$218,654
Miscellaneous (4)	$41,190	($53,131)	($77,867)	($24,736)	($119,057)
Total	**5,665,409**	**5,704,951**	**7,004,844**	**1,299,893**	**1,339,435**

Variance Analysis - Programs

Customer Service, Billing and Collecting

The variance of $91,564 between 2015 Test Year and 2013 is a result of wage increases, collection and billing cost increases.

The savings of $68,164 between the 2015 Test Year and 2010 Board Approved is a result of efficiency improvements implemented resulting in a decrease of 1.7 temporary employees, more equitable cost transfer to affiliates and decreased collection costs. The work program for this group increased significantly between 2010 and 2013 and is expected to continue in the Test Year. Inbound and outbound calls have increased 66% and collection work orders have increased by 60%. Efficiency improvements, standardized processes and engaged employees have allowed these cost reductions without sacrificing customer service levels.

Currently NBHDL has 5 staff performing customer service and collection functions with 2 staff dedicated to billing. NBHDL has assessed these groups and has decided to integrate their functions into a single new customer service position responsible for all customer relationship management activities including billing. This integration will trigger a re-assessment of compensation as per NBHDL's collective agreement and job review processes. NBHDL believes this change is necessary to handle the aforementioned incremental workload on a sustainable basis, to provide more back-up resources particularly for the billing function and to improve customer service levels.

NBHDL has also experienced external cost pressures with this program. Costs outside of NBHDL's control include increased postage costs and increased costs to produce and mail collection notices as per Board requirements. NBHDL has attempted to mitigate increased postage costs by introducing and promoting eBilling which is now the preferred billing option for approximately 5000 customers.

Bad Debts

The variance of $167,497 between 2015 Test Year and 2013 is a result of the 2013 bad debt cost being exceptionally low because of accounting treatment of a previous write off, a credit applied from stale account balances (greater than 2 years) where refunds could not be provided as customers could not be located and unusual amount of bad debt because of high consumption associated with the extremely cold winter and poor local economy.

Applying standardized collection rules and processes and making collections a focus for all Customer Accounts staff rather than one specific individual has resulted in forecasted savings in bad debts of $78,921 from the 2010 Board approved amount.

NBHDL makes collections a priority and works within the rules created by the Board. Collection of bad debt is subject to external pressures, especially with the economic downturn experienced in the local economy.

Locates

The variance of $191,600 between 2015 Test Year and 2010 Board Approved are a result of the demand for locates increasing by 55% between 2010 and 2013 and this level of activity is expected to continue in 2015 with increased awareness of the *Ontario One Call Act*, 2011.

Locating services is a utility service requirement and NBHDL remains committed to providing this service in a safe, timely and reliable manner to our customers in accordance with the *Ontario One Call Act*, 2011. This Provincial legislation has mandated that all utilities and infrastructure must be located prior to

excavation being initiated. Expenses related to requests for locates are not-controllable, but those expenditures prevent a much greater expense of repairing or replacing damage done to distribution assets if the service was not performed. Currently NBHDL completes this program with in house staff for quality assurance and flexibility to respond to requests.

Customer Engagement

The RRFE has introduced new requirements for increased customer engagement and communication activities. This is the driver of the variance of $111,868 between 2015 Test Year and 2013 and $82,000 between 2015 Test Year and 2010 Board Approved. Incremental activities include customer surveys, increased marketing activity, web site improvements and customer events. Please refer to Exhibit 1 for more details.

This program was initiated in response to pressures from the Board for increased customer engagement and a need by customers for increased education on conservation and ways to reduce electricity bills. NBHDL decided to outsource the implementation of programs through a competitive process. This also allowed NBHDL to access the necessary expertise to support an engagement program and to ensure complement was not increased.

Executive, Financial, Professional and Insurance

The variance of $275,493 between 2015 Test Year and 2013 is a result of new accounting staff costs to assist with financial reporting, increased labour costs, management bonuses, insurance premium increases, requirement for business and strategic planning updates, travel and training of staff.

The variance of $103,725 between 2015 Test Year and 2010 Board Approved are a result of the aforementioned, increases and banking fees. There were offsets from savings on International Financial Reporting Standards (IFRS) transition costs and the real time operating pilot.

With this program some of the cost pressures are from external sources for insurance, travel and training to comply with industry requirements. NBHDL has experienced a significant increase in workload with this program and must also take steps to ensure the business has plans in place to allow continuous improvement and to handle changes in the industry. Initially NBHDL responded to the increased workload by staff working overtime and work sharing. The potential for employee burnout caused NBHDL to add an additional resource in the accounting area.

Regulatory Reporting and Assessments

This category includes wages, benefits and expenses associated with on-going regulatory reporting, rate applications and ensuring compliance 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. Please refer to Table 4-29, Board Appendix 2-M for more detail.

The variance of $97,856 between the 2015 Test Year and 2013 is related to $36,031 in increased labour costs to complete the necessary regulatory workload. Also it is more costly to complete the 2015 application versus 2010 as the regulatory filing requirements are much more stringent. The cost for the 2015 application is equivalent to $131,386 per year versus the 2010 application which was $71,308 per year, creating the $60,078 variance. The remaining balance of $1,747 is related to OEB assessments and other miscellaneous consultants.

The variance of $187,296 between the 2015 Test Year and the 2010 Board Approved is related to an increase of $119,104 for labour costs, $91,386 for the variance between the 2015 application of $131,386 and the $40,000 approved for the 2010 application, offset with $11,774 less for assessments and awards and $11,420 for consultants. Labour costs for regulatory tasks were included in General and Administrative and not in the 2010 Board approved regulatory costs of $154,300.

These program costs are necessary to comply with provincial regulatory requirements. NBHDL utilizes a combination of internal resources supplemented with specialized external resources to complete the necessary workload efficiently.

IT

The variance of $103,329 between 2015 Test Year and 2013 is a result of increased CIS costs for updates and new modules, external service provider cost increases, new security audits to ensure protection of customer data, increased telecommunication costs and training and travel requirements.

The variance of $115,836 between 2015 Test Year and 2010 Board Approved is a result of the same aforementioned factors.

Many of the cost pressures experienced by this program are from external sources including foreign exchange, increases from service providers and new requirements for security audits to protect both NBHDL and its customers. The new CIS modules are required so NBHDL can handle incremental workload without hiring additional staff.

Smart Meters and Meter Reading

The variance of $180,995 between 2015 Test Year and 2013 is a result of new synchronization operator costs to support communications between the smart meter AMI system, NBHDL's CIS and provincial MDMR. Increases were also encountered for a new Operational Data Store to warehouse customer meter data, security audits, labour for reading remaining manual meters and new costs for NBHDL's AMI service provider. These increases were partially offset by reduced contractor costs for manual reading of residential and small business smart meters.

The costs incurred in this program were a result of responding to provincial policy initiatives associated with smart meter deployment and conversion to time of use rates. NBHDL decided to outsource the synchronization function because of its highly specialized work routines and to ensure the necessary skilled back up resources were available when required.

Post-Employment Benefits

The savings of $144,737 between 2015 Test Year and 2013 are a result of treatment of the actuarial gains and losses due to IFRS and savings in employee benefit costs. Please refer to the Post-Employment Benefits section of this exhibit and Tables 4-23 and 4-24 for more details.

NBHDL recognized the need to reduce the post-retirement benefits and in 2005 negotiated changes to the plan to restrict benefits to the period after retirement until age 65 for all employees that retire after June 15, 2005. Employees that retired prior to June 15, 2005 still have benefit plans for life. NBHDL attempted again to buy out post-retirement benefits for retirees who have benefits for life in 2007 and again in 2010 with little uptake. Changes in the post-employment benefits are mainly due to market fluctuation included in actuarial evaluations which are beyond NBHDL's control.

Human Resources

The savings of $87,126 between 2015 Test Year and 2010 Board Approved are a result of reduced recruitment costs, reduced use of legal and HR consultants, reduced succession planning costs and savings in travel and training.

NBHDL continually looks for cost saving opportunities and this is an area where savings could be achieved without impacting the ability to meet core business objectives.

Training/Health & Safety

The variance of $97,769 between the 2015 Test Year and the 2010 Board Approved includes $35,000 that was a reduction in cost agreed to as part of the 2010 cost of service settlement process for rate

setting purposes but was not achieved in actual costs. NBHDL spent the $35,000 on training/health and safety even though it was not included rates since the training was required.

The remaining variance of $62,769 results from higher labour costs for Metering, Substations and Lines staff to complete the necessary training to perform their tasks safely in accordance with all applicable legislation. Part of this increase is a result of increases in wages and benefit costs over the 2010-2015 period. Worker safety is a core business objective of NBHDL. Investment in training, health and safety is one of the key contributors to NBHDL's safety record of only one minor lost time injury since 2003. Many of NBHDL's employees work in a hazardous environment and training, health and safety is a key barrier to prevent harm.

Overhead Operations

There is a variance of $136,703 between the 2015 Test year and 2010 Board Approved as a result of increased labour costs and overhead costs of $196,832 offset with lower contracted services and materials of $60,129. The 2010 cost of service application was founded on the basis of 80% of a power line maintainer's time being allocated to capital and 20% to operations. Since the cost of service application in 2010, NBHDL has gained a better understanding of the amount of labour hours that are required to support capital and maintenance activities. NBHDL has established that to respond to storm damage, trouble calls, system repairs and planned maintenance required because of system conditions, more time is required in overhead operations than was planned in 2010.

NBHDL must respond to storm damage, trouble calls, make repairs and perform planned maintenance to ensure reliability and safety of its overhead system. NBHDL manages costs prudently by having a single operations staff on duty during evenings and weekends. That person assesses a particular situation before making a decision on what if any incremental resources are required to quickly and safely respond to the situation. If incremental resources are required the person on call consults first with the supervisor on duty. This approach has helped to manage overtime within the objective of less than 10% of total hours worked. NBHDL reviewed how overhead operations were completed and reduced $60,129 in contracted services and material costs without adversely impacting response times, work quality or safety. This helped to reduce the variance significantly. Also NBHDL intends to make investments in system renewal and vegetation maintenance to help control these costs.

Underground Operations

There is a variance of $115,668 between the 2015 Test year and 2010 Board Approved because of increased labour cost and overhead costs of $132,579 offset by savings in equipment of $16,911. Please refer to the explanation on Overhead Operations for the causes of the variance and how costs are managed.

Much of NBHDL's underground system is old, at the end of life and has a dated design including direct bury of conductors. Exposure to water and the annual freeze/thaw cycle is hard on this design. Most of the failures are a result of burn offs on secondary services to individual houses or a small group of homes. NBHDL has no choice but to respond to these situations, identify the source of the problem and make the necessary repairs as quickly as possible. Planned capital expenditures will help control these costs. Some of the problems are caused by third party excavation work, done without proper equipment locates. NBHDL works with contractors and the public to emphasize the importance of completing service locates before digging begins.

Operating Tools

Changes to small tool inventories, sourcing through different vendors and better warranty periods have allowed a savings of $87,038 between 2015 Test Year and 2010.

NBHDL continually looks for cost saving opportunities and this is an area where savings could be achieved without impacting the ability to meet core business objectives.

Substation Maintenance

A variance of $70,896 is expected between 2015 Test Year and 2013, a result of increased labour, overheads, equipment costs and some contracted services. Although it did not reach materiality thresholds there were savings of $46,757 between 2015 Test Year and 2010 a result of using internal staff versus contractors to complete maintenance activities.

Vegetation Maintenance

Variances of $305,203 between 2015 Test Year and 2013 as well as $346,655 between 2015 Test Year and 2010 are a result of NBHDL's renewed focus of establishing rights of way for all overhead lines. The costs for 2015 have been validated by an external arborists knowledgeable about utility practices for line clearing operations.

This is a priority program for NBHDL to ensure reliability, customer and employee safety and to try and minimize damage and expensive repairs such as those experienced in southern Ontario in December 2013 as a result of extreme weather events. NBHDL has engaged customers on this program and is responding to their requests to help keep the City green and to minimize visual impacts caused by the program. NBHDL has found through experience the best way to complete this program is for NBHDL staff to manage customer interactions and establish scope of major work activities to be completed in each cycle area by external contractor. Local contractors, sourced through a competitive tendering process has proven to be the most cost effective approach for completing the actual work.

Metering – Operations & Maintenance

A variance of $77,825 is forecasted between 2015 Test Year and 2013. This is a result of increased labour, overheads and equipment costs. A variance of $218,654 is expected between 2015 Test Year and 2010 Board Approved because of costs to troubleshoot smart meters and other meters, labour and overhead increases and equipment costs required to verify meter accuracy. Also the 2010 Board Approved was based on the metering staff allocating time to stores relief which is in another O&M department and more time allocated to capital projects than in the 2015 Test Year.

NBHDL has found that its system requires more labour hours and associated costs to operate than what the 2010 cost of service application was based on.

Miscellaneous

A savings of $119,057 is forecasted between the 2015 Test Year and the 2010 Board Approved for all other miscellaneous expenses. Reduced fleet depreciation of $69,469 and the retirement of an employee on modified duties resulting in savings of $41,483 are the major sources of savings.

EMPLOYEE COMPENSATION, INCENTIVE PLAN EXPENSES, PENSION EXPENSE

Compensation Philosophy

Overview

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

Unionized Employees

The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trade workers. They are represented by the Canadian Union of Public Employees local No. 72.

NBHDL's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. NBHDL's current collective agreement commenced on April 1, 2014 and will expire on March 30, 2018. NBHDL reviewed 23 different settlements over the 2011-2013 period before

commencing negotiations. On average the increases with these agreements in 2014 was 2.65%. NBHDL's negotiated annual wage increase is 2.5%.

Each job classification at NBHDL has a basic job description and wage rate progression scale that increases from a base rate to a maximum rate. The Stevenson Kellogg Ernst and Whitney system is utilized by NBHDL to evaluate job classifications and develop a wage rate progression scale. This system uses a multi-factor approach to rate jobs relative to each other. The factors include complexity, education, experience, initiative, physical/mental demands, accountability, contacts, supervision and working conditions. A joint management/union team uses a defined process to determine overall job rating.

Non-Union / Management Employees

NBHDL adopted the Hay system in 2004 for job evaluation and management compensation. The system was established through external human resource consultants but never used until a major update in 2009. During the 2005-2009 period management staff received increases equivalent to whatever union staff received.

The Hay system is an industry standard job evaluation system used to develop and maintain pay structures by comparing similarities and differences in the content and value of jobs. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities and establishes a sound foundation for consistent pay administration. The Hay evaluation process includes a job analysis, job descriptions, job evaluation and job structure or ordering of jobs based on their relative value or content. Job evaluation factors include know how, problem solving, accountability and working conditions. Within each factor are a number of sub factors each with a defined number of points available. The points are assessed and totaled for each job and the Hay system divides the total range of points into an appropriate number of grades. The external consultant assigns pay rates to each of the grades based on their experience and compensation from similar sized businesses in the LDC sector. Each grade level includes a minimum, midpoint and maximum pay level. Annual progression through the structure is based on performance, merit and contribution to goals/objectives. Progression is not automatic, rather is performance based. The structure is updated annually with salary increases based upon market, philosophy and ability to pay. Generally there is control around the midpoint of the range.

In 2009, all management job descriptions were updated and re-evaluated according to the Hay system. In 2009 NBHDL's Board approved fully adopting the Hay system and linking compensation increases to merit and performance. This update was completed by a third party consultant.

During 2013, it became apparent that some of the management positions had evolved and changed, consequently several job descriptions were updated and re-evaluated by external consultant using the

Hay process. Pay bands were also reviewed in detail. On average management staff is clustered around the minimum point, well below the average midpoint designed by the system. This is not due to performance issues, more the conservative nature of the business.

A limited number of management staff has received a bonus payment after the annual audit has been completed. Bonus amounts were based on financial performance, safety achievements, implementation of cost saving initiatives and completing work programs that were incremental to but important for the business to complete. The business will be moving to a more formal system in 2015. Total amounts paid in 2014 totaled $42,980, well below the materiality threshold.

Benefits

The negotiated benefit package is designed to address the health and welfare of NBHDL's employees and is consistent across the organization. The components of the benefit package includes medical insurance, a company sponsored retirement plan, post-retirement benefits, employer's portion of government taxes, leave policies and health and safety protection as detailed in the Table 4-21 below. Management staff is also eligible for spending account up to $1,000 per year for benefits not covered by the base program.

Copies of NBHDL's benefit packages are included in Appendix 4-F.

Staffing and Compensation

NBHDL's employee complement, compensation and benefits are set out in Table 4-10, Board Appendix 2-K below. Table 4-10, Board Appendix 2-K does not include NBHDL's Board of Directors (voluntary positions), temporary employees or students.

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

The salaries and wages amounts include all salaries and wages paid, inclusive of incentive pay for management, overtime, vacations, floater holidays, sick leave, bereavement leave, union meetings and other miscellaneous paid leave.

The benefits amount include the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and NBHDL's costs for providing extended health care, dental, long-term disability and life insurance and health and safety protection for its employees.

Table 4-10 – Employee Costs

Appendix 2-K
Employee Costs

	Last Rebasing Year - 2010- Board Approved	Last Rebasing Year - 2010- Actual	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Number of Employees (FTEs including Part-Time)[1]							
Management (including executive)	11.0	9.0	9.3	10.9	10.0	10.0	10.0
Non-Management (union and non-union)	38.8	36.9	37.2	37.0	36.2	37.6	39.2
Total	49.8	45.9	46.5	47.9	46.2	47.6	49.2
Total Salary and Wages including ovetime and incentive pay							
Management (including executive)	$ 923,756	$ 1,019,033	$ 871,191	$ 987,388	$ 976,295	$ 1,106,605	$ 1,099,796
Non-Management (union and non-union)	$ 2,592,132	$ 2,491,312	$ 2,646,962	$ 2,747,925	$ 2,910,427	$ 3,142,452	$ 3,224,921
Total	$ 3,515,887	$ 3,510,345	$ 3,518,154	$ 3,735,312	$ 3,886,722	$ 4,249,057	$ 4,324,717
Total Benefits (Current + Accrued)							
Management (including executive)	$ 213,513	$ 201,978	$ 191,079	$ 230,502	$ 241,793	$ 262,233	$ 262,792
Non-Management (union and non-union)	$ 751,241	$ 634,637	$ 665,629	$ 742,703	$ 772,219	$ 776,614	$ 772,676
Total	$ 964,754	$ 836,615	$ 856,708	$ 973,206	$ 1,014,012	$ 1,038,847	$ 1,035,468
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$ 1,137,269	$ 1,221,011	$ 1,062,271	$ 1,217,890	$ 1,218,088	$ 1,368,837	$ 1,362,589
Non-Management (union and non-union)	$ 3,343,372	$ 3,125,949	$ 3,312,591	$ 3,490,628	$ 3,682,646	$ 3,919,067	$ 3,997,597
Total	$ 4,480,641	$ 4,346,960	$ 4,374,862	$ 4,708,518	$ 4,900,734	$ 5,287,904	$ 5,360,185

Employee Staffing Levels

Table 4-11 summarizes the number of full time employees by department at year end since 2010. The number of employees in Table 4-11 and Tables 4-15 to 4-19 will not equal the number of employees in Table 4-10, Board Appendix 2-K since that table calculates partial FTE's based on the start date of the position not the year end number. The number of new positions since 2010 and drivers is provided in Table 4-12.

Table 4-11- Full-Time Employees by Department

Department	2010 Board Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year	(Decrease) 2015 vs 2010 Actual	(Decrease) 2015 vs 2010 Board
Operations									
Operations Administration	4	3	3	3	3	3	3	-	(1)
Lines	16	15	15	15	14	14	14	(1)	(2)
Customer Services	2	2	2	2	2	2	2	-	-
Stores	1	1	1	1	1	1	1	-	-
Total	23	21	21	21	20	20	20	(1)	(3)
Engineering									
Engineering	6	6	7	7	8	8	8	2	2
Substations	2	2	2	2	2	2	2	-	-
Total	8	8	9	9	10	10	10	2	2
Finance									
Accounting/Finance	4	4	4	4	4	5	5	1	1
Billing	2	2	2	2	2	2	2	-	-
CAS	7	5	5	5	5	5	5	-	(2)
IT	1	1	-	1	1	1	1	-	-
Total	14	12	11	12	12	13	13	1	(1)
CDM	1	1	2	1	1	1	1	-	-
Metering	2	2	2	2	2	2	2	-	-
Human Resources	1	1	1	1	1	1	1	-	-
Administration	1	1	1	1	1	1	1	-	-
Total	50	46	47	47	47	48	48	2	(2)
Increase over prior year			1	-	-	1	-		
Increase 2015 over 2010 Board Approved							(2)		

Table 4-12 New Positions Since 2010 Actual

Driver	Number of Employees
Growth in Capital Plan	
Engineer in Training	1
Engineering Technician	0.5
Growth in Tree Trimming	
Engineering Technician	0.5
Efficiencies in Capital & Maintenance Plans	
Lineman	(1)
Growth in Capital Plan/Regulatory	
Junior Accountant	1
Total	2

NBHDL's 2010 Cost of Service application and settlement included a total complement of 50 full time employees. The actual complement in 2010 was 46 and NBHDL operated at this level because of re-structuring of responsibilities, efficiencies introduced and the ability to recruit and integrate new people

into the business. The 2015 test year includes a complement of 48 representing an increase of 2 positions over 2010 actual or a reduction of 2 positons from the approved 2010 cost of service application.

The Engineering Department added 2 staff between 2010 and 2015 including and Engineer In Training and an Engineering Technician. The Engineer In Training was required to help develop and deliver the asset management plan, assist with customer demand work and manage processes including third party attachment. The Engineer In Training position is also an important component of NBHDL's succession plan. An Engineering Technician was added to process customer demand work and to manage the annual vegetation management program.

Within NBHDL's Operations group, efficiencies in job planning and work organization allowed the group to operate with 1 fewer powerline maintainers without compromising safety and the capacity to complete work. The team also matured and new staff became more proficient at completing work assignments. Responsibility for implementing the annual vegetation management program was also transferred to Engineering.

Increased regulatory workload and the need to provide financial reporting and visibility into capital work programs are the drivers for the Junior Accountant position. This position is also important to NBHDL's succession plan.

NBHDL has made controlling staff complement a priority and implemented efficiencies to handle existing and incremental workload. The 2015 test year complement of 48 is the minimum number of staff required to deliver the work program including the increasing burden of supporting provincial initiatives including conservation, customer engagement, smart grid and demand response. At the same time NBHDL has experienced increased demand for many of its core business activities. Between 2010 and 2013, disconnection notices and work orders increased by 43%, inbound telephone calls increased by 19%, and locate requests increased by 55%. New responsibilities were assumed including outbound calls, eBilling, and the set-up of payment plans. All of this new workload has been managed essentially by the same employee complement.

Employee Demographics

As per table 4-13 below NBHDL's more significant employee challenge has not been expanding the workforce, it has been managing employee turnover primarily due to retirements. Turnover occurs when employees retire or leave the organization. This can create a ripple of change within the organization if employees are promoted to new vacancies. Through the 2008-2011 period, NBHDL experienced 50% turnover in staff positions, mostly due to retirements. Between 2012-2014, NBHDL experienced a further 16% turnover in staff. The focus during this entire period has been on recruiting staff, training and development, building a cohesive and highly functional team, gaining experience and confidence with equipment and routines and working productively and safely. The turnover was especially significant in Operations Administration, Lines, Customer Service, and Finance/Accounting/Administration. Given that the industry has highly specialized and complex job functions, it can take a few years to become efficient and to work safely. New staff and those staff promoted within the organization have risen to the challenge of meeting the increasing and changing workload. NBHDL's worker safety record was not compromised through this period with only one minor lost time accident in 2011.

Table 4-13 Employee Turnover

Department	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Operations								
Operations Administration		1	1					
Lines	3	2	1	1		1	1	
Customer Services				2				
Stores					1			
Total	***3***	***3***	***2***	***3***	***1***	***1***	***1***	
Engineering								
Engineering		1	2	1		1		1
Substations			1					
Total		**1**	**3**	**1**		**1**		**1**
Finance								
Accounting/Finance	2		2	1			1	
Billing								
CAS		1		1				1
IT		1			1			
Total	***2***	***2***	***2***	***2***	***1***		***1***	***1***
CDM					1			
Metering			1					
Human Resources								
Administration	1							
Total	*6*	*6*	*8*	*6*	*3*	*2*	*2*	*2*

Succession Planning

NBHDL's employee demographics show a lower than industry average length of service in several departments of the business. The length of service in the non-union Management category is the result of a new management team that has primarily been formed since 2008. These individuals have several years of experience within and outside the utility industry; the goal here was to marry industry experience with non-industry experience in order to provide a versatile Management team. The union category has a varying degree of service which is due to the turnover discussed above. There is potential for 25% of the existing staff complement to retire. These retirements could cause further ripples in the organization as many of the retirements will be in the supervisory and management ranks. Table 4-14 outlines employee demographics by department. NBHDL is preparing for this change and is in the process of developing a succession plan.

Table 4-14 Employee Demographics

	Non-Union Management		Union Employees	
Department	**Avg. Age**	**Avg. Length of service**	**Avg. Age**	**Avg. Length of service**
Accounting/Finance	44	6	31	3
CAS			41	8
Billing			48	20
IT	47	2		
Administration	54	6		
CDM	26	2		
Human Resources	48	10		
Engineering	30	7	43	9
Lines			37	10
Operations Administration	55	25	53	27
Customer Services Reps.			40	4
Metering			50	15
Substations			42	14
Stores			33	2
Total	**43**	**8**	**42**	**11**

Change in Workforce Year over Year

2011 vs 2010

In 2011 one additional Engineer In Training was hired in Engineering to help with asset management, completing the design and review of capital projects and to assist with process development and implementation. Also an Engineer was hired to assist with the delivery of conservation programs. The IT position was vacant because of staff turnover. Please refer to Table 4-15 for a summary.

Table 4-15 - 2011 Actual vs 2010 Actual

Department	2010 Actual	2011 Actual	2011 vs 2010
Operations			
Operations Administration	3	3	-
Lines	15	15	-
Customer Services	2	2	-
Stores	1	1	-
Total	21	21	-
Engineering			
Engineering	6	7	1
Substations	2	2	-
Total	8	9	1
Finance			
Accounting/Finance	4	4	-
Billing	2	2	-
CAS	5	5	-
IT	1	-	(1)
Total	12	11	(1)
CDM	1	2	1
Metering	2	2	-
Human Resources	1	1	-
Administration	1	1	-
Total	**46**	**47**	**1**

2012 vs 2011

In 2012 total staff complement was managed to remain at 47 with changes including filling the IT vacancy with a full time resource after 1 employee in CDM left the organization. The new CDM resource hired in 2011 had obtained sufficient experience to manage all programs effectively.

Table 4-16 - 2012 Actual vs 2011 Actual

Department	2011 Actual	2012 Actual	2012 vs 2011
Operations			
Operations Administration	3	3	-
Lines	15	15	-
Customer Services	2	2	-
Stores	1	1	-
Total	21	21	-
	-	-	
Engineering	-	-	
Engineering	7	7	-
Substations	2	2	-
Total	9	9	-
	-	-	
Finance	-	-	
Accounting/Finance	4	4	-
Billing	2	2	-
CAS	5	5	-
IT	-	1	1
Total	11	12	1
	-		
CDM	2	1	(1)
Metering	2	2	-
Human Resources	1	1	-
Administration	1	1	-
	-		
Total	**47**	**47**	**-**

2013 vs 2012

In 2013, total complement was managed to remain at 47. One power line maintainer left the organization however efficiencies introduced in Operations together with staff obtaining more experience meant that productivity and safety did not decline as a result of this change. An Engineering Technician was hired to assist with completing customer demand work and to manage the annual vegetation management program, a more cost effective alternative to overtime. Also there are no local contractors with the experience or capability of completing electrical utility design work.

Table 4-17 - 2013 Actual vs 2012 Actual

Department	2012 Actual	2013 Actual	2013 vs 2012
Operations	-	-	
Operations Administration	3	3	-
Lines	15	14	(1)
Customer Services	2	2	-
Stores	1	1	-
Total	21	20	(1)
	-	-	
Engineering	-	-	
Engineering	7	8	1
Substations	2	2	-
Total	9	10	1
	-	-	
Finance	-	-	
Accounting/Finance	4	4	-
Billing	2	2	-
CAS	5	5	-
IT	1	1	-
Total	12	12	-
	-		
CDM	1	1	-
Metering	2	2	-
Human Resources	1	1	-
Administration	1	1	-
	-		
Total	**47**	**47**	**-**

2014 vs 2013

Complement has increased to 48 with the addition of a Junior Accountant hired to reduce overtime and to ease the workload of a department stretched to keep up with reporting requirements.

Table 4-18 - 2014 Bridge year vs 2013 Actual

Department	2013 Actual	2014 Bridge Year	2014 vs 2013
Operations	-	-	
Operations Administration	3	3	-
Lines	14	14	-
Customer Services	2	2	-
Stores	1	1	-
Total	20	20	-
	-	-	
Engineering	-	-	
Engineering	8	8	-
Substations	2	2	-
Total	10	10	-
	-	-	
Finance	-	-	
Accounting/Finance	4	5	1
Billing	2	2	-
CAS	5	5	-
IT	1	1	-
Total	12	13	1
	-		
CDM	1	1	-
Metering	2	2	-
Human Resources	1	1	-
Administration	1	1	-
	-		
Total	**47**	**48**	**1**

2015 vs 2014

Total complement will be managed to remain at 48 with no new positions added to the business.

Table 4-19 - 2015 Test year vs 2014 Bridge year

Department	2014 Bridge Year	2015 Test Year	2015 vs 2014
Operations	-	-	
Operations Administration	3	3	-
Lines	14	14	-
Customer Services	2	2	-
Stores	1	1	-
Total	20	20	-
	-	-	
Engineering	-	-	
Engineering	8	8	-
Substations	2	2	-
Total	10	10	-
	-	-	
Finance	-	-	
Accounting/Finance	5	5	-
Billing	2	2	-
CAS	5	5	-
IT	1	1	-
Total	13	13	-
CDM	1	1	-
Metering	2	2	-
Human Resources	1	1	-
Administration	1	1	-
Total	**48**	**48**	**-**

Annual Wages and Benefit Increases

Annual Wages

A summary of annual and cumulative wage increases is shown on Table 4-20 below:

Table 4-20 Summary of Wage Increases by Year

Year	Union %	Cumulative	Non-Union %	Cummulative %
2010	3.0%	3.0%	3.7%	3.7%
2011	3.0%	6.0%	6.0%	9.7%
2012	3.0%	9.0%	5.0%	14.7%
2013	3.0%	12.0%	3.6%	18.3%
2014	2.5%	14.5%	5.9%	24.2%
2015	2.5%	17.0%	3.4%	27.6%

Benefit Program Costs

A detailed summary of benefit program costs are presented in Table 4-21.

Statutory deductions have increased 23% between 2010 and 2015 Test Year a result of complement increasing from 46 to 48, rate increases, and wage increases.

Company benefits have increased almost 19% over the same timeframe mainly a result of OMERS increases. Health benefits have only increased 4% since 2010 a result of NBHDL's experience with benefit claims peaking in 2012 and moving to generic drugs unless prescribed by a physician. Other benefit costs have decreased by $74K as a result of changes negotiated in NBHDL's collective agreement on clothing issued and elimination of winter meal allowances.

Table 4-21 Benefit Expense

Benefit	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Statutory						
CPP- Employer's Portion	104,278	107,589	109,084	113,028	117,772	123,839
EI- Employer's Portion	45,388	47,837	50,158	54,454	56,203	59,001
Employer's Health Tax	70,110	69,576	73,391	76,911	81,317	83,176
WSIB	32,590	31,653	34,142	33,515	45,454	46,493
Total Statutory	252,365	256,655	266,775	277,908	300,746	312,508
Company						
OMERS	228,272	261,404	326,067	383,408	402,378	417,569
LTD/STD Insurance	46,778	46,490	50,527	61,883	57,855	61,422
Life Insurance	9,574	10,495	11,451	11,827	11,034	11,211
Health Benefits	176,041	201,726	233,921	199,362	177,873	183,378
Other	123,584	79,939	84,465	79,624	88,960	49,380
Sub Total Company	584,249	600,054	706,431	736,104	738,101	722,960
Benefits Prior to EFB	836,615	856,708	973,206	1,014,012	1,038,847	1,035,468
Employee Future Benefits	244,923	453,051	464,928	405,616	258,275	260,879
Total Company	1,081,538	1,309,759	1,438,134	1,419,628	1,297,122	1,296,347

OMERS Pension Plan

NBHDL employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDC's participate in, therefore the pension benefit provided to NBHDL employees is consistent with that of other LDC's. The plan is a contributory defined pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. NBHDL's pension premium information for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Bridge Year and 2015 Test Year is detailed in Table 4-22 below. For the 2015 Test Year, NBHDL assumed OMERS rates of 9% on earnings up to CPP earning limits and 14.6% on earnings over CPP earnings limit as per OMER's news letter dated June 26, 2014 "OMERS 2015 Contribution Rates Announced"

Table 4-22 OMERS Pension Expense

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
OMERS	228,272	261,404	326,067	383,408	402,378	417,569

The increases in OMERS premiums from 2010 through 2015 are explained by the increase in pension contribution rates as well as the increase in complement (2 positions).

Post-Retirement Benefits

NBHDL provides a post-employment benefit life insurance and health care plan to all active full-time employees under the age of 65 through a group defined benefit plan. NBHDL recognized the need to reduce the post-retirement benefits and in 2005 negotiated changes to the plan to restrict benefits to the period after retirement until age 65 for all employees that retire after June 15, 2005. Employees that retired prior to June 15, 2005 have benefit plans for life.

The cost of post-employment benefits are actuarially determined using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. Under this method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the employees' services rendered in the period. Past service costs from the plan amendments are amortized on a straight line basis over the average remaining service period of the employee's active at the date of amendment. For historical years 2010 – 2013 the excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation was amortized into expense on a straight line basis over the average remaining service period of active employees to full eligibility. Collins Barrow completed an Actuarial Valuation Report on February 7, 2014 that detailed the benefit expense for fiscal 2013 and plan obligation

under CICA 3461. At December 2013, the unamortized gain included as part of the overall liability was $205,022. A copy of the actuarial valuation report is provided in Appendix 4-G.

In March 2014, NBHDL engaged Collins Barrow to estimate the benefit expense and plan obligation on the basis of IFRS IAS 19 as on December 31, 2013 and to extrapolate the results for the 2014 Bridge Year and 2015 Test Year. The same employee data, methodology and assumptions that were used in the December 31, 2013 actuarial valuation report under CICA 3461 were used for this extrapolation. Collins Barrow stated in their correspondence that the calculations conform to the standards set out in the amendments to International Accounting Standard 19 (Employee Benefits) issued June 2011, but note that significant changes to the benefit costs or demographics in 2014 or 2105 would require a full actuarial review. NBHDL does not anticipate significant changes therefore this information will be used upon transition.

BDO, whom NBHDL has engaged to help with the IFRS transition reviewed the Collins Barrow results and provided the following guidance. Under IAS 19, the deferral and amortization of actuarial gains/losses has been eliminated. Therefore on year of transition to IFRS, NBHDL must recognize the cumulative unrecognized actuarial losses in retained earnings. NBHDL also recognizes that under IFRS in future years, all remeasurements which would include actuarial gains and losses would go through Other Comprehensive Income. For rate setting purposes NBHDL has continued to include the future remeasurements in OM&A as shown in Tables 4-23 and 4-24 below. At December 2013, the Net Benefit Liability was $4,511,393 which included $205,022 of unamortized gain; NBHDL has recognized this amount in retained earnings. Table 4-23 below demonstrates the change in the Net Benefit Liability account upon transition. A copy of Collins Barrow's estimated benefit expense and plan obligation under (IAS 19) and BDO's documentation are provided in Appendix 4-H.

Table 4-23 – Post-Retirement Benefits Liability

EFB Liability Account	
Accrued Benefit Obligation December 31, 2013	4,511,393
IFRS 1 - IAS 19 (retained earnings)	(205,022)
Accrued Benefit Obligation as at January 1, 2014	4,306,371
Change in Liability Account	(5,601)
Ending Balance December 31, 2104	4,300,770
Total Change in Liability Account	(210,623)

NBHDL's post-retirement benefit information for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Bridge Year and 2015 Test Year is detailed in Table 4-24 below.

Table 4-24 – Post-Retirement Benefits Expense

O&M Expense	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Reporting Basis	**CICA 3461**	**CICA 3461**	**CICA 3461**	**CICA 3461**	**IAS 19**	**IAS 19**
Premiums Paid	285,468	339,491	380,544	300,206	263,876	271,960
Change in Liability Account	(40,545)	113,560	84,384	105,410	(5,601)	(11,081)
Total Employee Future Benefits	244,923	453,051	464,928	405,616	258,275	260,879

SHARED SERVICES/CORPORATE COST ALLOCATION

NBHDL currently has relationships with North Bay Hydro Services (NBHS) an affiliated company, and the City of North Bay (CNB) the shareholder. These relationships are for either the purchase of or provision of products and services and are in place to benefit from cost savings due to increased efficiencies and economies of scale. A summary of the transactions and pricing methodology used to assign costs for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual and projections for the 2014 Bridge Year and 2015 Test Year, are shown in the following Board Appendices 2-N as per the "Filing Guidelines" (Appendix 2-N OEB).

Shared Services to Affiliates

NBHDL services and products to NBHS

NBHDL charges a 15% administration fee on all of the specific charges described below. The total value is summarized on the Management Fee line of the table and recorded in 4375 – Revenues from Non-Utility Operations.

NBHDL's CEO and Manager, Finance provide strategic and financial planning, risk management, employee management and mentoring along with Board meeting preparation and attendance to the NBHS business. Cost for this service is based on actual time incurred and reported on timesheets, at the employee's wage rate plus applicable payroll burdens.

Financial and administrative services include financial reporting, accounts payable, accounts receivable, payroll, banking, business planning, audits and customer account specialist services. Cost for this service is based on actual time incurred and reported on timesheets, based on the individual employee's rate plus payroll burdens.

NBHDL provides contracted services to perform sentinel light installation and repairs. Cost for this service is based on a needs basis and is charged as actual time reported on timesheets, based on the individual employee's rate plus payroll burdens.

Payroll services from 2010 to 2013 included the actual wages and benefits for the NBHS employees that NBHDL processed. In 2014, NBHS started to process their own payroll so the payroll service charged decreased significantly. Payroll service charges for 2014 forward relate to health benefits that NBHDL processes for the NBHS employees, since they are part of the overall benefit plan with Mearie.

NBHDL charges NBHS an occupancy cost based on the occupied square footage, which is reviewed periodically for changes. The increase in 2014 and 2015 is due to an additional office being occupied and an increase in the rate per square footage.

Human Resources includes labour relations, recruitment, training and benefit management. Charges are based on headcount unless the costs can be directly attributed to NBHS. The increase in 2014 and 2015 is mainly related to an additional employee.

NBHDL's IT staff support NBHS staff by providing computer and network related services. Specific charges for this department are allocated based on the number of users. The expenses related to NBHDL's SunGard system are not included since NBHS employees do not have system access. The increase in 2014 and 2015 is mainly related to an additional employee.

NBHDL holds the insurance policies for fleet, liability and property for NBHDL and its affiliates. These costs are charged out based on the invoice costs. Fleet is based on the vehicles owned, liability on revenue percentage and property on the actual property value as per Mearie's valuation formula. The increases starting in 2013 are mainly related to the property insurance for NBHS's Merrick Landfill site location and the purchase of a vehicle.

The Materials and Services category includes materials for the repair and installation of sentinel lights, fuel, communication services, office expenses, and advertising. The materials and services directly purchased are charged out at cost. The increase in 2013 is related to the Merrick Landfill business's office expenses and communication costs. In 2014, NBHS started directly purchasing office related expenses further reducing the charges in 2015.

NBHDL also provides billing services for NBHS's rental business. NBHS is charged on a per-bill rate. NBHDL's time resources required for this service is included in the Financial and Administrative Services charges on an actual cost basis.

NBHDL's vehicles are charged to NBHS on a per use basis using standard hourly rates set to recover all vehicle related costs. These rates are reviewed and adjusted at budget time and are equal to the rates charged to a third party. In 2014, NBHS purchased their own vehicle eliminating this charge.

Pursuant to the OEB's decision and order with respect to joint use pole attachment rates, NBHDL charged NBHS joint use pole rental in the amount of $22.35 per attachment. NBHS sold the Fibre business June 2010 eliminating this charge.

NBHDL services and products to CNB

The CNB purchases electricity for their commercial buildings, facilities and streetlights from NBHDL. The prior year actuals are based on consumption at market rate and projections are based on the load forecast at the forecasted market rate.

Construction Activity cost transfer is based on a legislated cost sharing formula, the CNB contributes 50% of all labour, labour saving devices and material costs for work such as road relocation. In the case where the CNB directs NBHDL to replace overhead plant with underground plant, the CNB funds the cost differential between the overhead and underground plant.

NBHDL provided street light maintenance to the CNB on a cost-based price. The cost-base included actual materials, labour and burdens, truck time and allocated overheads and was the same rate charged to third parties. During 2011-14, NBHDL worked closely with CNB to support the retrofit program that upgraded the existing high pressure sodium system to LED. CNB was one of the first municipalities in North America to make this conversion to more energy efficient technology. This project makes a significant contribution to NBHDL's Board imposed conservation targets. NBHDL may provide maintenance relating to electrical faults for streetlights in 2015 forward, but due to the retrofit zero dollars have been forecasted. If required the CNB will be charged on a cost basis as described above.

Shared Services From Affiliates

CNB services and products to NBHDL

The CNB provides financing through a promissory note of $19,511,601 bearing interest of 5% per year. Included in interest expense is the amount of $975,580 paid to the CNB. A copy of this document is included as an Appendix in Exhibit 5.

NBHDL pays the CNB for property taxes based on specific location assessment value at the market tax rate. Property taxes for the 2015 Test Year are based on 2014's cost, increased by 6% which was the increase for 2014 over 2013.

CNB provides NBHDL with IT services including an IT employee on site to complete programming, printing and reporting services plus a team of other IT professionals for vacation and sick leave coverage and specific specialty services as required. These services are at cost and are projected to increase by 5%.

NBHDL purchases fuel for its fleet from the CNB at bulk price plus a 5% markup. The fuel purchases are recorded by truck, by purchase, and billed to NBHDL on a monthly basis. Comparisons are made periodically to ensure pricing is less than or equal to retail pricing.

NBHS services and products to NBHDL

NBHS provided dark fibre services to NBHDL at market rate up until June 2010 when it sold the business. The dark fibre service was provided to several substations for SCADA communication and the main office building. This service is now provided by a non-affiliated party.

Corporate Cost Allocations

NBHDL does not have any corporate cost allocations.

Table 4-25 below identifies variances of the 2015 Test Year versus 2010 Board Approved and 2013 Actual for services provided to affiliates and services provided to NBHDL from its affiliates.

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

Table 4-25 Summary of Affiliate Products and Services

Item	2010 Board Approved	Acutal 2013	2015 Test Year	2015 Test Year vs 2010 Board Approved	2015 Test Year vs 2013 Actual
Services provided by NBHDL	2,583,059	4,446,682	4,225,790	1,642,731	(220,892)
Service provided to NBHDL	1,240,637	1,258,922	1,275,156	34,519	16,234

2015 Test Year versus 2010 Board Approved

NBHDL's services provided to its affiliates are projected to increase by $1,642,731 in the 2015 Test Year over the 2010 Board approved. The CNB's purchases for electricity accounts for $1,647,600 of the increase, and is offset by construction activities of $78,934 for a net increase of $1,568,666. NBHS charges are projected to increase by $74,065 mainly due to the increased complexity of the business requiring more executive, financial and administrative services; the charges are offset by payroll services being completed by the affiliate and the elimination of the joint pole attachment fee due to the sale of the Fibre business segment in 2010.

NBHDL's services received from its affiliates increased by $34,519 in the 2015 Test Year over the 2010 Board approved. Services from the CNB increased $59,834 mainly due to Information Technology Services increasing by $17,743 and fuel purchases by $36,228. The services provided by NBHS for Fibre rental decreased by $25,315 due to the Fibre business being sold in 2010.

2015 Test Year versus 2013 Actual

NBHDL's services provided to its affiliates are projected to decrease by $220,892 in the 2015 Test Year over the 2013 Actual. The CNB's purchases for electricity are projected to increase by $248,628; offset by lower construction activities of $140,919 and streetlight retrofit charges of $213,116 for a net decrease of

$105,407. NBHS charges are also projected to decrease from 2013 Actual by $115,485; $104,806 relates to payroll services since NBHS starting processing their own payroll in 2014 and vehicle charges of $11,190 since they purchased a vehicle and no longer require the use of a NBHDL vehicle.

Reconciliation of Revenues from Affiliates

NBHDL's services provided to its affiliates outline in Board Appendix 2-N are reconciled as recorded in USofA accounts in Table 4-26 below. Some of the services are found in revenues and others are recorded as a reduction to OM&A cost. Considerable effort is made by NBHDL to ensure affiliates are charged properly and do not receive any benefits as a result of their affiliation.

Table 4-26 Reconciliation of Services to Affiliates

Item	Source/Account	Notes	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
	Appendix 2-N		2,566,217	3,710,061	4,263,996	4,446,682	3,931,536	4,225,790
Exhibit # 3- Other Revenues	4210-Rent from Electric Property	Joint Pole Attachment Fee	12,520	-	-	-	-	-
Exhibit # 3- Other Revenues	4375-Revenues from Non-Utility Operations	Management Fee	38,048	38,660	49,352	66,994	52,861	51,931
	Sub Total Other Revenue		50,568	38,660	49,352	66,994	52,861	51,931
Exhibit #4 Reduction to OM&A	5085-Miscellaneous Distribution Expenses	Human Resources	-	1,956	1,956	1,992	4,251	3,804
Exhibit #4 Reduction to OM&A	5085-Miscellaneous Distribution Expenses	Purchases of materials and contractor services	15,958	12,455	12,953	33,852	40,257	36,026
Exhibit #4 Reduction to OM&A	5085-Miscellaneous Distribution Expenses	Vehicle Charges	14	-	3,639	11,190	-	-
			15,972	14,411	18,548	47,034	44,508	39,830
Exhibit #4 Reduction to OM&A	5315-Customer Billing	Water Heater Billing	53,797	56,134	56,936	57,558	60,330	64,334
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	Executive Services	40,152	31,205	26,900	55,173	50,159	51,367
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	Financial and Administrative Services	84,053	37,657	55,966	88,930	82,941	93,168
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	Sentinel Light Maintenance	20,405	29,714	31,604	19,541	33,794	13,874
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	NBHS Payroll Services	22,056	76,648	120,166	154,010	46,694	49,204
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	Occupancy Cost	16,355	11,100	16,200	16,200	22,620	21,539
Exhibit #4 Reduction to OM&A	5615-General Administrative Salaries & Expenses	Information Technology Services	864	864	894	864	945	1,200
			183,885	187,188	251,730	334,718	237,153	230,352
Exhibit #4 Reduction to OM&A	5635-Property Insurance	Insurance	-	-	1,800	7,318	10,591	11,689
	Sub Total Reduction to OM&A		253,654	257,733	329,014	446,627	352,583	346,205
Exhibit #4 Reduction to OM&A (Lab/burdens/overheads) Excluding Materials	Recoverable Workorder - Revenue = Expense Net $0	Street Light Maintenance	143,416	158,299	506,064	213,116	19,305	-
Exhibit # 2- Rate Base	1955 - Contributed Capital	Construction Activity	147,828	62,344	12,330	215,739	31,675	74,820
	Total Billed - Various Revenue, Regulatory and HST	Electricity Purchases	1,970,751	3,193,025	3,367,236	3,504,206	3,475,111	3,752,834
	Total		2,566,217	3,710,061	4,263,996	4,446,682	3,931,536	4,225,790

Board Appendix 2-N for the 2010, 2011, 2012 and 2013 Historical Years, 2014 Bridge Year and the 2015 Test Year is provided below.

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2010

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	38,048	
NBHDL	NBHS	Executive Services	Cost plus admin fee	40,152	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	84,053	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	20,405	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	22,056	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	16,355	
NBHDL	NBHS	Insurance	Cost plus admin fee	-	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	864	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	-	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	15,958	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	53,797	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	14	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	12,520	
NBHDL	CNB	Power Purchase	Market based	1,450,209	
NBHDL	CNB	Street Light Energy	Market based	520,542	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	147,828	
NBHDL	CNB	Street Light Maintenance	Cost basis	143,416	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		60,827
CNB	NBHDL	IT Services	Service agreement		80,835
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		84,813
CNB	NBHDL	Water and Sewer	Market price		4,027
NBHS	NBHDL	Fibre rental	Market Based		12,658
Sub Total				**2,566,217**	**1,218,740**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2011

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	38,660	
NBHDL	NBHS	Executive Services	Cost plus admin fee	31,205	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	37,657	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	29,714	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	76,648	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	11,100	
NBHDL	NBHS	Insurance	Cost plus admin fee	1,956	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	864	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	-	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	12,455	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	56,134	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	-	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	-	
NBHDL	CNB	Power Purchase	Market based	2,428,415	
NBHDL	CNB	Street Light Energy	Market based	764,610	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	62,344	
NBHDL	CNB	Street Light Maintenance	Cost basis	158,299	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		58,586
CNB	NBHDL	IT Services	Service agreement		82,634
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		101,308
CNB	NBHDL	Water and Sewer	Market price		4,374
NBHS	NBHDL	Fibre rental	Market Based		
Sub Total				**3,710,061**	**1,222,482**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2012

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	49,352	
NBHDL	NBHS	Executive Services	Cost plus admin fee	26,900	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	55,966	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	31,604	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	120,166	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	16,200	
NBHDL	NBHS	Insurance	Cost plus admin fee	1,956	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	894	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	1,800	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	12,953	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	56,936	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	3,639	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	-	
NBHDL	CNB	Power Purchase	Market based	2,510,679	
NBHDL	CNB	Street Light Energy	Market based	856,557	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	12,330	
NBHDL	CNB	Street Light Maintenance	Cost basis	506,064	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		57,183
CNB	NBHDL	IT Services	Service agreement		90,856
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		118,776
CNB	NBHDL	Water and Sewer	Market price		4,523
NBHS	NBHDL	Fibre rental	Market Based		
Sub Total				**4,263,996**	**1,246,918**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

1
2

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2013

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	66,994	
NBHDL	NBHS	Executive Services	Cost plus admin fee	55,173	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	88,930	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	19,541	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	154,010	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	16,200	
NBHDL	NBHS	Insurance	Cost plus admin fee	1,992	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	864	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	7,318	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	33,852	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	57,558	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	11,190	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	-	
NBHDL	CNB	Power Purchase	Market based	2,633,262	
NBHDL	CNB	Street Light Energy	Market based	870,944	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	215,739	
NBHDL	CNB	Street Light Maintenance	Cost basis	213,116	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		62,479
CNB	NBHDL	IT Services	Service agreement		96,986
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		120,632
CNB	NBHDL	Water and Sewer	Market price		3,245
NBHS	NBHDL	Fibre rental	Market Based		
Sub Total				**4,446,682**	**1,258,922**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2014 Bridge Year

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	52,861	
NBHDL	NBHS	Executive Services	Cost plus admin fee	50,159	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	82,941	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	33,794	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	46,694	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	22,620	
NBHDL	NBHS	Insurance	Cost plus admin fee	4,251	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	945	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	10,591	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	40,257	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	60,330	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	-	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	-	
NBHDL	CNB	Power Purchase	Market based	2,716,908	
NBHDL	CNB	Street Light Energy	Market based	758,202	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	31,675	
NBHDL	CNB	Street Light Maintenance	Cost basis	19,305	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		63,071
CNB	NBHDL	IT Services	Service agreement		99,996
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		130,865
CNB	NBHDL	Water and Sewer	Market price		3,158
NBHS	NBHDL	Fibre rental	Market Based		
Sub Total				**3,931,536**	**1,272,670**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

Appendix 2-N
Shared Services and Corporate Cost Allocation

Year: 2015 Test Year

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
NBHDL	NBHS	Management Fee	15% of purchase and services	51,931	
NBHDL	NBHS	Executive Services	Cost plus admin fee	51,367	
NBHDL	NBHS	Financial and Administrative Services	Cost plus admin fee	93,168	
NBHDL	NBHS	Sentinel Light Maintenance	Cost plus admin fee	13,874	
NBHDL	NBHS	NBHS Payroll Services	Cost plus admin fee	49,204	
NBHDL	NBHS	Occupancy Cost	Cost per square foot	21,539	
NBHDL	NBHS	Insurance	Cost plus admin fee	3,804	
NBHDL	NBHS	Human Resources	specific costs allocated by headcount	1,200	
NBHDL	NBHS	Information Technology Services	specific costs allocated by system user	11,689	
NBHDL	NBHS	Purchases of materials and contractor services	Cost plus admin fee	36,026	
NBHDL	*NBHS*	Water Heater Billing	Cost per bill	64,334	
NBHDL	NBHS	Vehicle Charges	hourly rate by vehicle	-	
NBHDL	NBHS	Joint Pole Attachment Fee	as per approved rates $22.35 attachment	-	
NBHDL	CNB	Power Purchase	Market based	2,866,988	
NBHDL	CNB	Street Light Energy	Market based	885,847	
NBHDL	CNB	Construction Activity	Legislated cost sharing formula	74,820	
NBHDL	CNB	Street Light Maintenance	Cost basis	-	
CNB	NBHDL	Loan Interest	5% on principle balance as per loan agreement		975,580
CNB	NBHDL	Property Taxes	Assessment at market price		66,855
CNB	NBHDL	IT Services	Service agreement		104,903
CNB	NBHDL	Vehicle Fuel	Bulk price plus 5% markup		124,548
CNB	NBHDL	Water and Sewer	Market price		3,270
NBHS	NBHDL	Fibre rental	Market Based		
Sub Total				**4,225,790**	**1,275,156**

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Sub Total					

PURCHASES OF PRODUCTS AND SERVICES OF NON-AFFLIATES

NBHDL's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy establishes amounts, requirements and approvals necessary to maintain full and open competition between suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that all procurement activities within NBHDL maintain high legal, ethical, managerial, and professional standards. NBHDL's purchasing policy does identify certain situations where a competitive bid process may not be followed. Exceptions to NBHDL's purchasing policy are subject to approval by NBHDL's Board. NBHDL confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 18, 2014, NBHDL has provided a copy of its Purchasing Policy as Appendix 4-I.

The Table 4-27 below illustrates NBHDL's purchases by vendor for 2010-2013, where actual expenditures exceeded the $65,000 materiality threshold calculated for this application. The table also identifies the method of selecting the vendor. NBHDL anticipates using the same vendors for 2014 and 2015; however NBHDL continually searches for new suppliers. NBHDL belongs to the Northern District Buying Group that is estimated to save $69,826 on products purchased and $45,230 on freight in 2013.

Table 4-27 Products and Services of Non Affiliates

Vendor	Product/Service	Method of Selection	2010 Actual	2011 Actual	2012 Actual	2013 Actual
A&L Line Construction	Line Construction	Tender	116,085		183,484	
ABB Inc.	Power Transformer Purchase	Tender		249,485	250,515	
Allard's Electrical Solutions	Electrical Work (Pinewood Project)	Tender	196,386			
Altec Industries Ltd	Line Truck	Tender			296,471	
Arbor Works Tree Service	Tree Contractor	Tender	188,092	139,564	230,715	296,205
Aultman Rental	Civil Work	Tender	556,020	401,375	466,088	668,105
Badger Daylighting Inc.	Civil Work	Sole Source/Technology for District/Quotes			131,878	152,829
Barkley Technologies Inc.	GIS data collection	Tender			65,762	
BDO Dunwoody LLP	Audit, Tax and IFRS	Tender	69,826			
Borden Ladner Gervais LLP	Legal/Regulatory	Special Consultant/Quotes	78,429			
Canada Post Corporation	Postage	Sole Source	159,631	175,539	161,613	162,564
Costello Associates	Consulting Asset Management	Sole Source	78,770	158,589		74,267
DJ Venasse Construction Ltd.	Front office construction	Tender		95,850		
Eptcon Ltd	Substation Construction	Tender				1,235,873
Freightliner North Bay	Line Truck and Trailer Fleet Maintenance	Sole Source for fleet model		183,509		
G&W Canada Corporation	Recloser Purchase	Sole Source - Engineering Preference		73,516		154,632
Guelph Utility Pole Company	Poles	Sole Source	126,642	103,838	185,930	128,893
Guillevin International Inc.	Duct Work	Tender	155,417			
HD Supply Power Solutions	Inventory	RFQ/District Buying Group	1,171,901	1,021,683	1,094,544	678,719
K-Line Maintenance & Construction	Substation Construction	Tender		1,114,356	118,704	
KTI Limited	Smart Meters/Mtce Agreement	Tender	281,921		530,019	
Laprairie Inc.	Various Stores items/ Meter units / Ct's	Tender/Quotes	196,813			
Nedco-Div. of Rexel Canada Electric	Stores Inventory	RFQ/District Buying Group	110,572	194,112	148,074	92,854
KMH Engineering Inc./Nordmin Engineering	Substation Design - Engineering Services	Tender - Engineering Preference		110,468		116,114
Olameter Inc.	Meter Reading Services	Tender	259,627			
Robert B. Somerville Ltd.	Civil Work	Tender	1,530,066			
S&C Electric Canada Ltd.	Substation Switchgear	Sole Source - Engineering Preference		233,450		172,844
Savage Data Systems	IT services ODS, Settlement	Tender			89,036	101,039
Sensus Metering Systems	Smart Meter services	Tender/District 9 group			100,109	120,866
SunGard Public Sector	System Provider - annual maintenance fees	Sole Source	71,326	89,521	101,491	99,244
Tamarack Line Clearance	Tree Contractor - 2011 Contract	Tender		264,893		
Tiltran Services	Substation Rehabilitation Work	Tender		115,059		
Trow Associates Inc.	Project Management	Tender	242,107			
UTS Consultants Inc.	Poleline Engineering for 3rd Party Requests	Sole Source - Engineering Preference		103,178	121,593	991,518
Venasse Construction Ltd.	Meter Shop Construction	Tender			98,683	
Virginia Transformer Corp	Power Transformer Purchases	Tender			206,324	118,255

ONE-TIME COSTS

NBHDL has included one-time cost or non-annual costs of $172,986 in its 2015 Test Year revenue requirement, based on a five year recovery until the next cost of service application. The costs are identified in Table 4-28 below.

Table 4-28 One-time Costs

One-time Cost	Total Cost	2015 Test Year
Cost of Service Application	656,930	131,386
Operational Review	208,000	41,600
Total One-Time Costs	864,930	172,986

Cost of Service Application

NBHDL estimates that the total incremental costs associated with the Cost of Service Application will be $656,930, details are described in Regulatory section of this exhibit, Table 4-29, Board Approved Appendix 2-M. One fifth of this amount has been included in the 2015 Test Year.

Operational Review

NBHDL estimates that the total incremental costs associated with the Operational Review and implementation will be $208,000, details of this review have been discussed in the Overview, Cost Driver and Programs sections of this exhibit. One fifth of this amount has been included in the 2015 Test Year.

REGULATORY COSTS

NBHDL's Regulatory Manager is primarily responsible for preparing regulatory filings and rate applications, completing audits, ensuring regulatory and legislative compliance and providing input to the various regulatory agencies. Due to the complexity and work load involved in completing the above tasks other members of the Management team are required on an on-going basis to ensure regulatory and legislative compliance and also to provide assistance in preparing rate applications.

The Regulatory Manager in 2014 and prior years was also responsible for all regulatory accounting and was the lead on the PP&E IFRS section conversion. In mid-2014, NBHDL transferred the regulatory accounting functions to the Accountant and is in the process of transferring the fixed asset responsibilities. This restructuring will allow more time for Regulatory Manager to participate in regulatory changes, applications and for communicating and educating employees on regulatory and compliance information. This change accounts for the increase in the on-going expenses associated with staff resources in the 2015 test year.

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

NBHDL will incur significant costs for preparing, processing and approval of this Application. The costs include consulting and legal fees, incremental expenses related to staff resources, temporary employees and intervenor cost awards as identified in Table 4-29, Board Appendix 2-M. NBHDL's consulting services identified in Table 4-29 include legal expenses since NBHDL is billed on a total basis from the consulting firm for both services. The total cost for this application is forecasted to be $656,930. NBHDL has forecasted $459,215 for consultants; $189,685 for services related to the DSP plan, $197,595 for industry experienced legal and consulting services to prepare and submit the application, $51,560 for

customer engagement and consultation and $20,375 for the CDM results and report. OEB and Intervenor expenses have been forecasted at $63,000 and temporary employees to support the accounting staff involved in the application at $23,443. The remaining $111,272 is related to incremental costs for overtime, training and travel expenses related to the application for NBHDL employees. NBHDL requests approval of these costs to be recovered over a five year period. Therefore, in the 2015 Test Year, NBHDL has included $131,386 in OM&A.

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Table 4-29 Regulatory Costs

Appendix 2-M
Regulatory Cost Schedule

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? [2]	Last Rebasing Year (2010 Board Approved)	Most Current Actuals Year 2013	2014 Bridge Year	Annual % Change	2015 Test Year	Annual % Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	5655		On-Going	$ 70,780	$ 70,221	$ 70,225	0.01%	$ 72,332	3.00%
2	OEB Section 30 Costs (Applicant-originated)			On-Going	$ -	$ -	$ -		$ -	
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 3,500	$ 3,338	$ 2,922	-12.46%	$ 3,054	4.53%
4	Legal costs for Regulatory matters	5655			$ -	$ 375	$ -		$ -	
5	Operating expenses associated with staff resources allocated to regulatory matters	5655/5610		On-Going		$ 83,073	$ 93,355	12.38%	$ 119,104	27.58%
6	Consultants' costs for regulatory matters	5655		On-Going	$ 27,200	$ 15,485	$ 1,033	-93.33%	$ 15,780	1427.59%
7	Intervenor costs	5655		On-Going	$ 12,880	$ -	$ 2,127		$ -	-100.00%
8	Sub Total - On-Going				$ 114,360	$ 172,492	$ 169,662	-1.64%	$ 210,270	23.93%
9	Consultants' costs for regulatory matters	5655		One-Time	$ 115,000	$ 139,508	$ 254,707	82.58%	$ 65,000	
10	Operating expenses associated with staff resources allocated to regulatory matters	5655		One-Time	$ -	$ 2,098	$ 87,285	4060.99%	$ 21,890	-74.92%
11	Operating expenses associated with other resources allocated to regulatory matters _	5655		One-Time	$ -	$ -	$ 23,443		$ -	-100.00%
12	Any other costs for regulatory matters (please define)	5655			$ -	$ -	$ -		$ -	
13	OEB Review COS	5655		One-Time	$ 35,000				$ 43,000	
14	Intervenor costs	5655		One-Time	$ 10,000	$ -	$ -		$ 20,000	
15	Total One - Time				$ 160,000	$ 141,606	$ 365,435	158.07%	$ 149,890	-58.98%
16	2010 Cost of Service - Expensed over 4 years				$ 40,000	$ 71,308	$ 23,769	-66.67%	$ -	-100.00%
17	2015 Cost of Service - Expensed over 5 years								$ 131,386	
18	Sub Total - One Time				$ 40,000	$ 71,308	$ 23,769	-66.67%	$ 131,386	452.76%
19	Total (8+18)				$ 154,360	$ 243,800	$ 193,431	-20.66%	$ 341,656	76.63%

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

		Historical Year(s)	2014 Bridge Year	2015 Test Year	Total COS	Amortized over 5 years
1	Expert Witness costs				-	
2	Legal costs				-	
3	Consultants' costs including Legal	139,508	254,707	65,000	459,215	91,843
4	Incremental operating expenses associated with staff resources allocated to this application.	2,098	87,285	21,890	111,272	22,254
5	Incremental operating expenses associated with other resources allocated to this application- Temporary Employees	-	23,443	-	23,443	4,689
6	OEB/Intervenor costs	-	-	63,000	63,000	12,600
	Total	141,606	365,435	149,890	656,930	131,386

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CHARITABLE DONATIONS/LEAP

Low-income Energy Assistance Programs (LEAP)

In 2010, the Board approved a contribution to Low-Income Energy Assistance Programs ("LEAP") in the amount of $15,000. The actual required Board Approved is $14,550; total service revenue of $12,124,962 at .012%. NBHDL has contributed $14,550 annually from 2011 to 2014.

NBHDL will continue to provide low-income customers with emergency financial assistance in the future. NBHDL has included $16,700 in the 2015 Test Year, which has been rounded up from the required $16,620 which is 0.12% of the 2015 Test Year service revenue requirement of $13,848,941. NBHDL understands that this amount will be adjusted based on the final service revenue requirement. For purposes of this rate application, this amount has been included in account 6205, to ensure that it is captured appropriately in the revenue requirement model and separate from other charitable donations that are not eligible to be included in the distribution revenue requirement.

Charitable Donations and Political Donations

NBHDL contributions to the community from the last Board Approved Cost of Service application is provided in Table 4-30 below. NBHDL is not requesting recovery of these donations as such costs are excluded from the revenue requirement calculation.

Table 4-30 Charitable Donations

Charitable Donation	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
North Bay Hospital Foundation	5,000	5,000		5,000		
Social Club	1,000					
Rotary Club				500		
One Kids Place					1,000	1,000
City of North Bay - Summer in the Park	1,000		1,000	1,000	1,000	1,000
Total	**7,000**	**5,000**	**1,000**	**6,500**	**2,000**	**2,000**

Political Donations

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

DEPRECIATION, AMORTIZATION AND DEPLETION

Overview

NBHDL's current depreciation/amortization policy is based on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the Ontario Energy Board, where applicable. NBHDL will be converting to IFRS January 1, 2015 and as such the depreciation/amortization policy in effect for the 2014 Bridge Year and 2015 Test Year is compliant with MIFRS.

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

NBHDL's capital assets related to the distribution system and capital contributions are amortized on a straight line basis, applying the "half-year" rule in the year of addition, over the deemed life of the assets. This is in accordance with Section 2.7.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications. Construction in progress assets are not amortized until the project is complete. NBHDL does not capitalize any interest to the cost of assets constructed. NBHDL began applying the "half-year" rule to all capital additions in 2008 and has followed this practice since. For the purposes of calculating depreciation for this Application the "half-year" rule has been applied for all in-service 2014 Bridge Year and 2015 Test Year capital additions for distribution system assets and capital contributions. Contributed capital changes in relation to the transition to IFRS are explained below.

From 2008 through 2011, General capital assets including buildings, fleet and IT were also depreciated based on the "half-year" rule. In 2012, NBHDL transitioned to the use of an automated fixed asset sub-ledger which calculates depreciation on General assets on an individual asset basis beginning in the first month after the asset is put into service. For example, a truck purchased and received in February would have depreciation calculated from March 1st forward until the asset was fully depreciated. For the purposes of calculating 2014 Bridge Year and 2015 Test Year depreciation for General capital asset

additions, NBHDL has utilized the “half-year” rule. While NBHDL’s General asset sub-ledger is able to determine a more accurate depreciation expense based on actual in-service dates, NBHDL submits that for the purposes of forecasting depreciation for the 2015 Test year the “half-year” rule is appropriate and consistent with the Board’s general policy for rate setting.

A summary of NBHDL’s depreciation by year is provided in Table 4-31. Tables 4-32 through 4-37 provide a summary by year for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Bridge Year and 2015 Test Year of NBHDL’s depreciation expense including asset amounts and rates of depreciation or amortization. These tables tie back to the accumulated depreciation balances in the Fixed Asset Continuity Schedules provided in Exhibit 2 - Rate Base, that are consistent with Board Appendix 2-BA.

Table 4-31 – Summary of Depreciation / Amortization by Year

Description	USoA #	2010 OEB Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Reporting Basis		*CGAAP*	*CGAAP*	*CGAAP*	*R-CGAAP*	*R-CGAAP*	*MIFRS*	*MIFRS*
Computer Software	1611	52,714	41,971	48,860	53,994	79,966	153,933	109,329
Buildings and Fixtures	1808	13,489	13,489	13,489	48,554	33,474	34,598	34,784
Distribution Station Equipment - Normally Primary below 50 kV	1820	279,742	280,491	323,109	256,136	266,126	306,674	341,137
Poles, Towers and Fixtures	1830	537,234	534,610	566,593	272,101	299,643	339,385	374,294
Overhead Conductors and Devices	1835	436,630	433,940	455,624	197,186	210,308	222,720	234,109
Underground Conduit	1840	33,144	21,239	27,197	14,576	17,880	22,341	26,957
Underground Conductors and Devices	1845	237,493	231,995	234,042	86,963	93,873	100,992	107,347
Line Transformers	1850	463,571	443,297	450,263	219,873	236,966	253,450	272,460
Services	1855	517,006	531,145	611,028	384,879	396,989	412,199	438,238
Meters	1860	112,695	109,056	107,979	106,317	105,172	101,551	102,988
Meters (Smart Meters)	1860	-	2,228	6,476	16,356	21,670	1,078,085	272,663
Buildings and Fixtures	1908	64,838	64,445	67,553	75,946	80,662	93,847	82,735
Office Furniture and Equipment	1915	7,275	6,011	7,157	9,867	11,490	13,588	16,580
Computer Equipment - Hardware	1920	23,275	25,285	34,317	45,149	54,236	62,554	76,435
Transportation Equipment	1930	202,475	203,184	209,086	271,935	237,948	239,603	266,797
Tools, Shop and Garage Equipment	1940	30,017	28,481	32,557	36,913	40,809	47,263	48,881
Communication Equipment	1955	8,492	6,896	6,313	6,633	7,584	9,264	8,666
Miscellaneous Equipment	1960	1,808	1,808	-	4,025	2,414	2,414	2,414
System Supervisory Equipment	1980	73,274	73,708	48,235	53,114	51,166	59,135	70,267
Other Tangible Property	1990	-	2,461	2,045	1,630	1,630	1,630	1,630
Contributions and Grants	1995	(262,451)	(265,774)	(293,156)	(179,128)	(199,416)	(223,499)	(241,633)
Total Depreciation Amount		**2,832,721**	**2,789,966**	**2,958,771**	**1,983,021**	**2,050,588**	**3,331,727**	**2,647,077**
Depreciation Expense adj. from gain or loss on the retirement of assets		-	-	-	-	-	65,870	78,456
Fully Allocated Depreciation - Transportation		(137,809)	(129,021)	(132,845)	(162,597)	(132,911)	(127,313)	(155,871)
Total Depreciation Adjustments		**(137,809)**	**(129,021)**	**(132,845)**	**(162,597)**	**(132,911)**	**(61,443)**	**(77,415)**
Total Depreciation, Rate Setting Purposes		**2,694,912**	**2,660,945**	**2,825,925**	**1,820,424**	**1,917,677**	**3,270,284**	**2,569,662**

Table 4-32 – 2010 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation - CGAAP

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***CGAAP***	***CGAAP***	***CGAAP***	
Computer Software	1611	1,005,996	890,638	41,971	4.17%
Land	1805	440,188	-	-	
Buildings and Fixtures	1808	769,641	293,474	13,489	1.75%
Distribution Station Equipment - Normally Primary below 50 kV	1820	9,391,662	3,887,377	280,491	2.99%
Poles, Towers and Fixtures	1830	17,775,889	10,338,245	534,610	3.01%
Overhead Conductors and Devices	1835	14,004,544	7,876,482	433,940	3.10%
Underground Conduit	1840	592,900	108,087	21,239	3.58%
Underground Conductors and Devices	1845	6,482,307	4,194,254	231,995	3.58%
Line Transformers	1850	14,725,760	8,525,252	443,297	3.01%
Services	1855	16,033,280	5,532,292	531,145	3.31%
Meters	1860	3,754,031	2,502,681	109,056	2.91%
Meters (Smart Meters)	1860	111,423	2,228	2,228	2.00%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	2,039,691	1,118,841	64,445	3.16%
Office Furniture and Equipment	1915	315,127	281,247	6,011	1.91%
Computer Equipment - Hardware	1920	612,854	553,662	25,285	4.13%
Transportation Equipment	1930	2,364,816	1,492,514	203,184	8.59%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,134,706	958,760	28,481	2.51%
Communication Equipment	1955	101,871	75,875	6,896	6.77%
Miscellaneous Equipment	1960	18,079	8,025	1,808	10.00%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,243,680	963,524	73,708	5.93%
Other Tangible Property	1990	53,060	19,589	2,461	4.64%
Contributions and Grants	1995	(7,096,812)	(1,285,862)	(265,774)	3.74%
Total, Excluding WIP		**86,605,519**	**48,981,464**	**2,789,966**	
Depreciation Expense adj. from gain or loss on the retirement of assets				-	
Fully Allocated Depreciation - Transportation				(129,021)	
Total Depreciation Adjustments				**(129,021)**	
Total Depreciation, Rate Setting Purposes				**2,660,945**	

Table 4-33 – 2011 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – CGAAP

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***CGAAP***	***CGAAP***	***CGAAP***	
Computer Software	1611	1,098,395	939,499	48,860	4.45%
Land	1805	446,493	-	-	
Buildings and Fixtures	1808	769,641	306,963	13,489	1.75%
Distribution Station Equipment - Normally Primary below 50 kV	1820	11,844,406	4,156,526	323,109	2.73%
Poles, Towers and Fixtures	1830	18,921,361	10,904,838	566,593	2.99%
Overhead Conductors and Devices	1835	14,818,361	8,332,106	455,624	3.07%
Underground Conduit	1840	766,998	135,284	27,197	3.55%
Underground Conductors and Devices	1845	6,755,235	4,428,296	234,042	3.46%
Line Transformers	1850	15,372,657	8,975,516	450,263	2.93%
Services	1855	16,921,975	6,143,320	611,028	3.61%
Meters	1860	3,798,109	2,610,660	107,979	2.84%
Meters (Smart Meters)	1860	212,368	8,704	6,476	3.05%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	2,182,429	1,186,394	67,553	3.10%
Office Furniture and Equipment	1915	339,217	288,404	7,157	2.11%
Computer Equipment - Hardware	1920	748,652	587,979	34,317	4.58%
Transportation Equipment	1930	2,395,854	1,371,589	209,086	8.73%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,205,954	991,317	32,557	2.70%
Communication Equipment	1955	101,871	82,188	6,313	6.20%
Miscellaneous Equipment	1960	18,079	8,025	-	0.00%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,294,866	1,011,760	48,235	3.73%
Other Tangible Property	1990	53,060	21,635	2,045	3.85%
Contributions and Grants	1995	(7,560,942)	(1,579,018)	(293,156)	3.88%
Total, Excluding WIP		**93,235,866**	**51,556,264**	**2,958,771**	
Depreciation Expense adj. from gain or loss on the retirement of assets				-	
Fully Allocated Depreciation - Transportation				(132,845)	
Total Depreciation Adjustments				**(132,845)**	
Total Depreciation, Rate Setting Purposes				**2,825,925**	

Table 4-34 – 2012 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – R-CGAAP

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***R - CGAAP***	***R - CGAAP***	***R - CGAAP***	
Computer Software	1611	1,223,533	993,493	53,994	4.41%
Land	1805	446,565	-	-	
Buildings and Fixtures	1808	1,728,007	333,314	48,554	2.81%
Distribution Station Equipment - Normally Primary below 50 kV	1820	11,016,436	4,215,467	256,136	2.33%
Poles, Towers and Fixtures	1830	20,054,943	11,176,939	272,101	1.36%
Overhead Conductors and Devices	1835	15,639,134	8,529,292	197,186	1.26%
Underground Conduit	1840	791,323	149,860	14,576	1.84%
Underground Conductors and Devices	1845	6,918,226	4,515,259	86,963	1.26%
Line Transformers	1850	16,002,784	9,195,389	219,873	1.37%
Services	1855	17,526,406	6,528,199	384,879	2.20%
Meters	1860	3,823,010	2,716,977	106,317	2.78%
Meters (Smart Meters)	1860	256,341	25,061	16,356	6.38%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	2,414,256	1,262,341	75,946	3.15%
Office Furniture and Equipment	1915	370,268	298,271	9,867	2.66%
Computer Equipment - Hardware	1920	816,657	633,128	45,149	5.53%
Transportation Equipment	1930	2,623,313	1,616,558	271,935	10.37%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,226,966	1,028,231	36,913	3.01%
Communication Equipment	1955	148,322	88,821	6,633	4.47%
Miscellaneous Equipment	1960	20,050	12,050	4,025	20.08%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,342,401	1,064,873	53,114	3.96%
Other Tangible Property	1990	53,060	23,264	1,630	3.07%
Contributions and Grants	1995	(8,236,870)	(1,758,146)	(179,128)	2.17%
Total, Excluding WIP		**96,935,958**	**53,292,920**	**1,983,021**	
Depreciation Expense adj. from gain or loss on the retirement of assets				-	
Fully Allocated Depreciation - Transportation				(162,597)	
Total Depreciation Adjustments				**(162,597)**	
Total Depreciation, Rate Setting Purposes				**1,820,424**	

Table 4-35 – 2013 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – R-CGAAP

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***R - CGAAP***	***R - CGAAP***	***R - CGAAP***	
Computer Software	1611	1,317,567	1,073,458	79,966	6.07%
Land	1805	446,565	-	-	
Buildings and Fixtures	1808	1,830,506	356,852	33,474	1.83%
Distribution Station Equipment - Normally Primary below 50 kV	1820	13,013,503	4,423,215	266,126	2.04%
Poles, Towers and Fixtures	1830	21,394,561	11,472,696	299,643	1.40%
Overhead Conductors and Devices	1835	16,392,963	8,739,600	210,308	1.28%
Underground Conduit	1840	1,097,375	167,739	17,880	1.63%
Underground Conductors and Devices	1845	7,308,072	4,609,132	93,873	1.28%
Line Transformers	1850	16,518,295	9,432,355	236,966	1.43%
Services	1855	18,018,316	6,925,188	396,989	2.20%
Meters	1860	3,873,364	2,822,149	105,172	2.72%
Meters (Smart Meters)	1860	318,644	46,731	21,670	6.80%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	2,514,322	1,343,003	80,662	3.21%
Office Furniture and Equipment	1915	376,560	309,761	11,490	3.05%
Computer Equipment - Hardware	1920	824,733	687,364	54,236	6.58%
Transportation Equipment	1930	2,682,228	1,854,506	237,948	8.87%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,328,596	1,069,039	40,809	3.07%
Communication Equipment	1955	169,111	96,405	7,584	4.48%
Miscellaneous Equipment	1960	20,050	14,464	2,414	12.04%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,383,765	1,116,040	51,166	3.70%
Other Tangible Property	1990	53,060	24,894	1,630	3.07%
Contributions and Grants	1995	(9,298,809)	(1,957,562)	(199,416)	2.14%
Total, Excluding WIP		**102,314,173**	**55,271,308**	**2,050,588**	
Depreciation Expense adj. from gain or loss on the retirement of assets				-	
Fully Allocated Depreciation - Transportation				(132,911)	
Total Depreciation Adjustments				**(132,911)**	
Total Depreciation, Rate Setting Purposes				**1,917,677**	

Table 4-36 – 2014 Bridge Year – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – MIFRS

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***MIFRS***	***MIFRS***	***MIFRS***	
Computer Software	1611	1,565,903	1,227,391	153,933	9.83%
Land	1805	446,565	-	-	
Buildings and Fixtures	1808	1,830,506	391,450	34,598	1.89%
Distribution Station Equipment - Normally Primary below 50 kV	1820	13,629,391	4,704,889	306,674	2.25%
Poles, Towers and Fixtures	1830	23,347,054	11,634,805	339,385	1.45%
Overhead Conductors and Devices	1835	17,035,212	8,881,282	222,720	1.31%
Underground Conduit	1840	1,237,480	190,081	22,341	1.81%
Underground Conductors and Devices	1845	7,487,743	4,710,124	100,992	1.35%
Line Transformers	1850	17,098,879	9,615,550	253,450	1.48%
Services	1855	18,834,882	7,337,387	412,199	2.19%
Meters	1860	1,603,858	917,984	101,551	6.33%
Meters (Smart Meters)	1860	3,794,579	1,124,816	1,078,085	28.41%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,022,602	1,436,850	93,847	3.10%
Office Furniture and Equipment	1915	433,840	323,349	13,588	3.13%
Computer Equipment - Hardware	1920	921,036	749,917	62,554	6.79%
Transportation Equipment	1930	2,422,552	1,762,271	239,603	9.89%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,375,596	1,116,302	47,263	3.44%
Communication Equipment	1955	169,111	105,668	9,264	5.48%
Miscellaneous Equipment	1960	20,050	16,879	2,414	12.04%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,809,948	1,175,174	59,135	3.27%
Other Tangible Property	1990	53,060	26,523	1,630	3.07%
Contributions and Grants	1995	(10,426,886)	(2,181,061)	(223,499)	2.14%
Total, Excluding WIP		**108,443,789**	**55,911,911**	**3,331,727**	
Depreciation Expense adj. from gain or loss on the retirement of assets				65,870	
Fully Allocated Depreciation - Transportation				(127,313)	
Total Depreciation Adjustments				**(61,443)**	
Total Depreciation, Rate Setting Purposes				**3,270,284**	

Table 4-37 – 2015 Test Year – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – MIFRS

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		***MIFRS***	***MIFRS***	***MIFRS***	
Computer Software	1611	1,577,903	1,336,720	109,329	6.93%
Land	1805	446,565	-	-	
Buildings and Fixtures	1808	1,847,915	425,091	34,784	1.88%
Distribution Station Equipment - Normally Primary below 50 kV	1820	16,264,353	4,915,977	341,137	2.10%
Poles, Towers and Fixtures	1830	24,196,054	11,814,993	374,294	1.55%
Overhead Conductors and Devices	1835	17,578,954	9,037,049	234,109	1.33%
Underground Conduit	1840	1,558,923	217,037	26,957	1.73%
Underground Conductors and Devices	1845	7,816,462	4,817,471	107,347	1.37%
Line Transformers	1850	17,846,615	9,799,044	272,460	1.53%
Services	1855	20,260,224	7,775,625	438,238	2.16%
Meters	1860	1,618,298	1,020,972	102,988	6.36%
Meters (Smart Meters)	1860	4,008,792	1,397,479	272,663	6.80%
Land	1905	86,551	-	-	
Buildings and Fixtures	1908	3,079,254	1,519,586	82,735	2.69%
Office Furniture and Equipment	1915	439,840	339,929	16,580	3.77%
Computer Equipment - Hardware	1920	1,056,836	826,352	76,435	7.23%
Transportation Equipment	1930	2,937,383	1,945,614	266,797	9.08%
Stores Equipment	1935	75,196	75,196	-	
Tools, Shop and Garage Equipment	1940	1,421,746	1,165,183	48,881	3.44%
Communication Equipment	1955	169,111	114,334	8,666	5.12%
Miscellaneous Equipment	1960	20,050	19,293	2,414	12.04%
Load Management Controls Customer Premises	1970	403,931	403,931	-	
Load Management Controls Utility Premises	1975	165,151	165,151	-	
System Supervisory Equipment	1980	1,829,051	1,245,441	70,267	3.84%
Other Tangible Property	1990	53,060	28,153	1,630	3.07%
Contributions and Grants	1995	(10,930,872)	(2,422,693)	(241,633)	2.21%
Total, Excluding WIP		**115,827,344**	**57,982,929**	**2,647,077**	
Depreciation Expense adj. from gain or loss on the retirement of assets				78,456	
Fully Allocated Depreciation - Transportation				(155,871)	
Total Depreciation Adjustments				**(77,415)**	
Total Depreciation, Rate Setting Purposes				**2,569,662**	

Asset and Retirement Obligations

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

Depreciation Practices - Useful Lives and Componentization

The following outlines the depreciation practices used by NBHDL in this Application and provides a summary of changes since the last cost of service Application.

In preparation for the conversion to IFRS, NBHDL retained the services of BDO's Risk Advisory Services group to assist with determining the level of property, plant and equipment (PP&E) componentization required under IFRS and establishing updated useful lives based on the Kinectrics report. BDO facilitated discussions with NBHDL's Engineering, Operations and Finance departments in order to determine a reasonable estimate of the useful lives of the assets of NBHDL. BDO and NBHDL worked together to determine an appropriate level of componentization on historical assets to reflect an updated January 1st, 2012 opening balance that incorporated all material components of historical costs, adjusted the service lives to reflect the typical useful life identified in the Kinectrics report and provided an assessment of remaining service lives for which to calculate depreciation expense for 2012 forward. With the exception of the building, NBHDL confirms that the useful lives for its asset groups fall within the range allowed in the Board sponsored Kinectrics study and that significant parts or components of each item of PP&E are being depreciated separately. Table 4-38 below, consistent with Board Appendix 2-BB, provides a summary of the life comparison between NBHDL's selected useful lives and those provided in Table F-1 of the Kinectrics Report. NBHDL's building is a garage and warehouse that has had several renovations throughout the years; the building currently serves as the garage for NBHDL's fleet with offices built in the old warehouse area. The bulk of additional costs incurred related to the building over the last decade are renovations that NBHDL deemed as appropriate to maintain at a 25 year service life. The adjustments made to NBHDL's service lives had a significant impact on NBHDL's depreciation expense and NBHDL has a substantial refund owing to customers because of this change which is recorded in Account 1576 as explained in detail in Exhibit 9 – Deferral and Variance Accounts.

Under CGAAP, NBHDL recorded customer contributions as an offset to the cost of capital assets and amortized accordingly. Under MIFRS, NBHDL cannot capitalize these customer contributions as part of its net capital assets, but instead will classify the contributions as a deferred revenue liability and amortize the costs to revenue over the life of the asset the contribution relates to. For financial reporting purposes, NBHDL has classified forecasted customer contributions for the 2014 Bridge Year and 2015 Test Year as deferred revenue and amortized the contribution to revenue over the life of the related asset. For rate

setting purposes, these costs are included as an offset to rate base and the related amortized revenue as an offset to depreciation expense.

NBHDL confirms that no further depreciation expense policy changes or changes in asset service lives have been made subsequent to those made January 1, 2012.

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

Table 4-38 – Service Life Comparison

Appendix 2-BB
Service Life Comparison
Table F-1 from Kinetrics Report[1]

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

Table F-2 from Kinetrics Report[1]

#	Asset Details: Category | Component | Type		Useful Life Range		USoA Account Number	USoA Account Description	Current: Years	Current: Rate	Proposed: Years	Proposed: Rate	Outside Range of Min, Max TUL? Below Min	Above Max
1	Office Equipment		5	15	1915	Office Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment - >3 ton	8	13%	8	13%	No	No
		Trucks & Buckets	5	15	1930	Transportation Equipment - <3 ton	5	20%	5	20%	No	No
		Trailers	5	20	1930	Transportation Equipment - Trailers	8	13%	8	13%	No	No
		Vans	5	10								
3	Administrative Buildings		50	75	1980	Buildings & Fixtures	25	4%	25	4%	Yes	No
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1808	Station Buildings	50	2%	50	2%	No	No
		Parking	25	30								
		Fence	25	60								
		Roof	20	30								
6	Computer Equipment	Hardware	3	5	1920	Computer Hardware	5	20%	5	20%	No	No
		Software	2	5	1925	Computer Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10								
		Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No	No
		Tools, Shop, Garage Equi	5	10	1940	Tools, Shop, Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing E	5	10								
8	Communication	Towers	60	70								
		Wireless	2	10								
9	Residential Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30								
12	Current & Potential Transformer (CT & PT)		35	50								
13	Smart Meters		5	15	1860	Meters	10	10%	10	10%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

Depreciation Expense

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

- 2012 – CGAAP (Table 4-41), consistent with Board Appendix 2-CA;
- 2012 – Revised CGAAP which accounts for the changes to service life changes and componentization (Table 4-42), consistent with Board Appendix 2-CB;
- 2013 Actuals under Revised CGAAP (Table 4-43), consistent with Board Appendix 2-CC;
- 2014 Bridge Year under MIFRS (Table 4-44), consistent with Board Appendix 2-CD; and
- 2015 Test Year under MFIRS, consistent with Board Appendix 2-CE.

Table 4-41 calculates depreciation under the assumption that changes were not made to the depreciation policy with regards to service lives or componentization. The table computes a depreciation expense of $3,798,419. Using NBHDL's detailed internal calculations, NBHDL's depreciation expense prior to any changes to service lives and componentization would have been $3,116,441; a difference of $681,978. The majority of this balance, $669,176, is related to USoA #'s 1830 through 1860, which form the bulk of NBHDL's distribution assets. In 2000, a restatement of the opening balances of gross fixed assets was completed and the remaining depreciation was set-up over the remaining useful life of varying assets. While this method provides an annual depreciation expense that is correct, it does not allow proper completion of the Board's requested depreciation schedule nor does it allow NBHDL to determine an accurate estimate of fully depreciated assets as of 2012 for the purposes of completing the table. The variance between the Board's schedule and the depreciation estimated by NBHDL are a result of the change in 2000 and the assumption of a straight line balance method applied to a consistent starting point within the table. All other variances are immaterial. The table is consistent with Board Appendix 2-CA.

NBHDL has provided the computation of the average remaining lives of the opening net book value of assets as at January 1, 2012 in Table 4-42, which is consistent with the Board's prescribed format as set out in Board Appendix 2-CB. In completing the table, NBHDL has provided the average useful lives remaining by the asset categories set out in the APH. NBHDL submits that the average remaining life included in Table 4-42 represents the average remaining useful lives for each asset category and that within each asset category there may be multiple fixed asset components with varying useful lives. As a result, NBHDL submits that there are differences in the depreciation amounts computed using the average remaining life computation, compared to the computation used by NBHDL on an asset by asset basis that derived the depreciation amounts for the 2014 Bridge Year and the 2015 Test Year. Beginning with the 2012 Revised CGAAP table and continuing through to the 2015 Test Year, NBHDL segregated several assets due to a difference in useful lives within a category in order to minimize variances. The assets in USoA 1855-Services are segregated between Overhead (amortized at a 60 year life) and

Underground (amortized at a 40 year life), bucket trucks within the NBHDL's fleet have been segregated from regular pick-up trucks and meters and smart meters are listed separately. In addition, depending on the costs that are added in a particular year, NBHDL has utilized a 'Years – new additions only' figure that more appropriately represents the make-up of the account, not necessarily the typical service life as provided in Table 4-38.

As provided in Table 4-42, Depreciation and Amortization Expense – 2012 Revised CGAAP, NBHDL has recorded depreciation expense for 2012 of $1,983,021. This compares to the depreciation expense calculated within the table of $1,982,872. The overall variance of $149 is not material. In 2012, NBHDL reclassified station costs based on an analysis done of the substation accounts. In order to have an accurate starting point for the purposes of completing the depreciation tables, NBHDL has restated USoA #'s 1808 and 1820 to represent the proper opening balance for depreciation purposes. Table 4-39 below provides the reconciliation between the Fixed Asset Continuity Schedule for 2012 – Revised CGAAP in Exhibit 2 – Rate Base and the opening NBV used for the purposes of completing the deprecation tables.

Table 4-39 – Reconciliation of NBV – 2012 – Revised CGAAP

Description	USoA #	Gross Asset	Accumulated Amortization	Opening NBV
Per Table 2-14 - Exhibit 2 (Appendix 2-BA):				
Buildings and Fixtures	1808	769,641	(306,963)	462,678
Distribution Station Equipment - Normally Primary below 50 kV	1820	11,844,406	(4,156,526)	7,687,880
		12,614,047	(4,463,489)	**8,150,558**
Per Table 4-40 - Exhibit 4 (Appendix 2-CB):				
Buildings and Fixtures	1808			1,418,749
Distribution Station Equipment - Normally Primary below 50 kV	1820			6,731,809
				8,150,558

As provided in Table 4-43, Depreciation and Amortization Expense – 2013 Revised CGAAP, NBHDL has recorded depreciation expense for 2013 of $2,050,588. This compares to the depreciation expense calculated within the table of $2,082,577. The overall variance of $31,989 is not material.

As provided in Table 4-44, Depreciation and Amortization Expense – 2014 MIFRS, NBHDL has recorded depreciation expense for 2014 of $3,331,727. This compares to the depreciation expense calculated within the table of $2,412,479. The overall variance is $919,248 and is primarily caused by USoA # 1611 and 1860 in the amounts of $51,581 and $879,502 respectively; these variances are due to smart meter balances being transferred into rate base in 2014 from deferred variance accounts. NBHDL recorded the assets brought into rate base in the additions column (column d) of Table 4-44 and the table assumes

costs in this column are new additions with the "½ year rule" applied accordingly and full year depreciation forecasted into the 2015 Test Year. The unique nature of the recovery of smart meter costs causes this assumption to be incorrect for the most part as the majority of the costs relate to historical years. The adjustments to rate base for smart meters are highlighted in Table 4-40.

Table 4-40 – Smart Meter Disposition

Description	USoA #	Gross Asset	Accumulated Amortization	Depreciation - May~Dec 2014
Smart Meter Disposition - costs up to April 30, 2014:				
Computer Software (Formally known as Account 1925)	1611	75,126	51,073	147,235
Meters (Smart Meters)	1860	3,312,793	897,907	8,020
		3,387,919	**948,980**	**155,255**

The variances in all other USoA categories are immaterial.

As provided in Table 4-45, Depreciation and Amortization Expense – 2015 MIFRS, NBHDL has recorded depreciation expense for 2015 of $2,647,077 prior to adjustments for losses on disposals and fully allocated depreciation adjustments. This compares to the depreciation expense calculated within the table of $2,811,660. The overall variance is $164,583 and is primarily caused by USoA # 1860 in the amount of $110,426. Table 4-45 calculates depreciation expense using a full year of depreciation expense from 2014 additions. As explained above, the 2014 additions include amounts transferred into rate base and the table is incorrectly calculating depreciation based on the assumption that these are new assets; this calculation error is then carried forward into the 2015 Test Year computation. All other USoA categories are immaterial.

Table 4-41 – Depreciation & Amortization Expense - 2012 - CGAAP

Appendix 2-CA
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Year 2012 CGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2012 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation (e) = (c) + ½ x (d) [1]	Years (f)	Depreciation Rate (g) = 1 / (f)	Depreciation Expense (h) = (e) / (f)	2012 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,098,395	$ 854,899	$ 243,496	$ 125,138	$ 306,065	5.00	20.00%	$ 61,213	$ 61,213	
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1805	Land	$ 446,493	$ -	$ 446,493	$ 72	$ 446,529	-	0.00%	$ -	$ -	$ -
1808	Buildings	$ 769,641	$ 104,997	$ 664,644	$ 980,568	$ 1,154,928	50.00	2.00%	$ 23,099	$ 49,221	-$ 26,122
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV	$ 11,844,406	$ 956,539	$ 10,887,866	-$ 560,784	$ 10,607,475	30.00	3.33%	$ 353,582	$ 324,075	$ 29,508
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 18,921,361	$ -	$ 18,921,361	$ 1,133,582	$ 19,488,152	25.00	4.00%	$ 779,526	$ 599,647	$ 179,879
1835	Overhead Conductors & Devices	$ 14,818,361	$ -	$ 14,818,361	$ 820,774	$ 15,228,747	25.00	4.00%	$ 609,150	$ 478,941	$ 130,209
1840	Underground Conduit	$ 766,998	$ -	$ 766,998	$ 24,324	$ 779,161	25.00	4.00%	$ 31,166	$ 31,165	$ 1
1845	Underground Conductors & Devices	$ 6,755,235	$ -	$ 6,755,235	$ 162,990	$ 6,836,730	25.00	4.00%	$ 273,469	$ 208,871	$ 64,598
1850	Line Transformers	$ 15,372,657	$ -	$ 15,372,657	$ 630,127	$ 15,687,721	25.00	4.00%	$ 627,509	$ 454,426	$ 173,083
1855	Services (Overhead & Underground)	$ 16,921,975	$ -	$ 16,921,975	$ 604,431	$ 17,224,190	25.00	4.00%	$ 688,968	$ 615,185	$ 73,783
1860	Meters	$ 3,798,109	$ -	$ 3,798,109	$ 24,901	$ 3,810,559	25.00	4.00%	$ 152,422	$ 104,798	$ 47,624
1860	Meters (Smart Meters)	$ 212,368	$ -	$ 212,368	$ 43,972	$ 234,354	25.00	4.00%	$ 9,374	$ 9,374	$ 0
1905	Land	$ 86,551	$ -	$ 86,551	$ -	$ 86,551	-	0.00%	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 2,182,429	$ 400,403	$ 1,782,026	$ 231,827	$ 1,897,939	25.00	4.00%	$ 75,918	$ 75,045	$ 873
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 339,217	$ 256,678	$ 82,539	$ 31,051	$ 98,064	10.00	10.00%	$ 9,806	$ 9,915	-$ 108
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 748,652	$ 524,332	$ 224,320	$ 68,005	$ 258,323	5.00	20.00%	$ 51,665	$ 51,665	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1930	Transportation Equipment >3 ton, trailers	$ 1,924,925	$ 524,942	$ 1,399,983	$ 169,140	$ 1,484,553	8.00	12.50%	$ 185,569	$ 193,911	-$ 8,342
1930	Transportation Equipment <3 ton	$ 470,929	$ 113,091	$ 357,838	$ 85,285	$ 400,481	5.00	20.00%	$ 80,096	$ 78,024	$ 2,072
1935	Stores Equipment	$ 75,196	$ 75,196	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 1,205,954	$ 845,117	$ 360,836	$ 21,013	$ 371,343	10.00	10.00%	$ 37,134	$ 37,136	-$ 1
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1955	Communications Equipment	$ 101,871	$ 39,412	$ 62,459	$ 46,452	$ 85,685	10.00	10.00%	$ 8,568	$ 8,569	-$ 0
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ 18,079	$ -	$ 18,079	$ 1,970	$ 19,064	10.00	10.00%	$ 1,906	$ 1,907	-$ 0
1970	Load Management Controls Customer Premises	$ 403,931	$ -	$ 403,931	$ -	$ 403,931		0.00%	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ 165,151	$ -	$ 165,151	$ -	$ 165,151		0.00%	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 1,294,866	$ 529,570	$ 765,295	$ 47,535	$ 789,063	15.00	6.67%	$ 52,604	$ 35,373	$ 17,231
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1990	Other Tangible Property	$ 53,060	$ 12,321	$ 40,739	$ -	$ 40,739	25.00	4.00%	$ 1,630	$ 1,630	-$ 0
1995	Contributions & Grants	-$ 7,560,942	$ -	-$ 7,560,942	-$ 675,928	-$ 7,898,906	25.00	4.00%	-$ 315,956	-$ 313,647	-$ 2,309
	Total	**$ 93,235,867**	**$ 5,237,498**	$ 87,998,369	$ 4,016,447	$ 90,006,592			$ 3,798,419	$ 3,116,441	$ 681,978

Table 4-42 – Depreciation & Amortization Expense - 2012 – Revised CGAAP

Appendix 2-CB
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Year 2012 Revised CGAAP

Account	Description	Opening NBV as at Jan 1, 2012 [5] (a)	Additions (d)	Average Remaining Life of Opening NBV [4] (i)	Years (new additions only) [3] (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Depreciation Expense on Opening NBV (j) = (a) / (i)	Depreciation Expense on Additions [1] (h)=((d)*0.5)/(f)	2012 Depreciation Expense (k) = (j) + (h)	2012 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (k) - (l)	Depreciation Expense on 2012 Full Year Additions (n) = (d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2012 Full Year Depreciation [6] (p) = (j) + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ 158,896	$ 125,138	3.26	5.00	20.00%	$ 48,699	$ 12,514	$ 61,213	$ 53,994	$ 7,219	$ 25,028	$ 2,168	$ 71,559
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 446,493	$ 72	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ 1,418,749	$ 8,293	44.09	48.50	2.06%	$ 32,178	$ 85	$ 32,264	$ 48,554	-$ 16,290	$ 171	$ -	$ 32,349
1810	Leasehold Improvements	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV	$ 6,731,809	$ 411,492	25.88	33.66	2.97%	$ 260,117	$ 6,112	$ 266,229	$ 256,136	$ 10,093	$ 12,225	$ 1,780	$ 270,562
1825	Storage Battery Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 8,016,523	$ 1,133,582	30.89	45.00	2.22%	$ 259,506	$ 12,595	$ 272,101	$ 272,101	-$ 0	$ 25,191	$ -	$ 284,697
1835	Overhead Conductors & Devices	$ 6,486,254	$ 820,774	34.08	60.00	1.67%	$ 190,346	$ 6,840	$ 197,186	$ 197,186	$ 0	$ 13,680	$ -	$ 204,026
1840	Underground Conduit	$ 631,714	$ 24,324	44.08	50.00	2.00%	$ 14,333	$ 243	$ 14,576	$ 14,576	-$ 0	$ 486	$ -	$ 14,819
1845	Underground Conductors & Devices	$ 2,326,939	$ 162,990	27.40	40.00	2.50%	$ 84,925	$ 2,037	$ 86,963	$ 86,963	$ 0	$ 4,075	$ -	$ 89,000
1850	Line Transformers	$ 6,397,142	$ 630,127	30.34	40.00	2.50%	$ 210,825	$ 7,877	$ 218,702	$ 219,873	-$ 1,171	$ 15,753	$ -	$ 226,579
1855	Services (Overhead)	$ 3,293,888	$ 240,901	28.30	60.00	1.67%	$ 116,387	$ 2,008	$ 118,395	$ 118,394	$ 0	$ 4,015	$ -	$ 120,402
1855	Services (Underground)	$ 7,484,766	$ 363,529	28.57	40.00	2.50%	$ 261,940	$ 4,544	$ 266,484	$ 266,484	$ 0	$ 9,088	$ -	$ 271,028
1860	Meters	$ 1,187,449	$ 24,901	11.30	10.00	10.00%	$ 105,072	$ 1,245	$ 106,317	$ 106,317	$ -	$ 2,490	$ 6,068	$ 101,494
1860	Meters (Smart Meters)	$ 203,664	$ 43,972	14.39	10.00	10.00%	$ 14,158	$ 2,199	$ 16,356	$ 16,356	$ -	$ 4,397	$ -	$ 18,555
1905	Land	$ 86,551	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 996,035	$ 231,827	13.97	25.00	4.00%	$ 71,310	$ 4,637	$ 75,946	$ 75,946	$ -	$ 9,273	$ 904	$ 79,679
1910	Leasehold Improvements	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 50,813	$ 31,051	6.11	10.00	10.00%	$ 8,314	$ 1,553	$ 9,867	$ 9,867	$ -	$ 3,105	$ 108	$ 11,312
1915	Office Furniture & Equipment (5 years)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 160,672	$ 68,005	4.19	5.00	20.00%	$ 38,348	$ 6,800	$ 45,149	$ 45,149	$ -	$ 13,601	$ -	$ 51,949
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment >3 ton, trailers	$ 869,359	$ 169,140	4.73	8.48	11.80%	$ 183,935	$ 9,976	$ 193,911	$ 193,911	$ -	$ 19,952	$ 37,264	$ 166,623
1930	Transportation Equipment <3 ton	$ 154,906	$ 85,285	2.28	4.18	23.93%	$ 67,820	$ 10,204	$ 78,024	$ 78,024	$ -	$ 20,407	$ 23,625	$ 64,602
1935	Stores Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 214,636	$ 21,013	5.98	10.00	10.00%	$ 35,863	$ 1,051	$ 36,913	$ 36,913	$ -	$ 2,101	$ 419	$ 37,545
1945	Measurement & Testing Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 19,683	$ 46,452	4.57	10.00	10.00%	$ 4,310	$ 2,323	$ 6,633	$ 6,633	$ -	$ 4,645	$ 3,706	$ 5,249
1955	Communication Equipment (Smart Meters)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ 10,055	$ 1,970	2.56	10.00	10.00%	$ 3,927	$ 99	$ 4,025	$ 4,025	$ -	$ 197	$ -	$ 4,124
1970	Load Management Controls Customer Premises	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 283,106	$ 47,535	5.45	20.00	5.00%	$ 51,925	$ 1,188	$ 53,114	$ 53,114	$ 0	$ 2,377	$ 4,170	$ 50,132
1985	Miscellaneous Fixed Assets	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ 31,426	$ -	19.28	-	0.00%	$ 1,630	$ -	$ 1,630	$ 1,630	-$ 0	$ -	$ -	$ 1,630
1995	Contributions & Grants	-$ 5,981,924	-$ 675,928	34.71	49.75	2.01%	-$ 172,334	-$ 6,793	-$ 179,128	-$ 179,128	-$ 0	-$ 13,586	$ -	-$ 185,921
	Total	**$ 41,679,603**	**$ 4,016,447**				**$ 1,893,536**	**$ 89,336**	**$ 1,982,872**	**$ 1,983,021**	**-$ 149**	**$ 178,671**	**$ 80,212**	**$ 1,991,996**

Table 4-43 – Depreciation & Amortization Expense - 2013 – Revised CGAAP

Appendix 2-CC
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2013 Revised CGAAP

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2013 Depreciation Expense [1] (h)=2012 Full Year Deprecation + ((d)*0.5)/(f)	2013 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2013 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation [3] (p) = 2012 Full Year Depreciation + (n) -
1611	Computer Software (Formally known as Account 1925)	$ 94,033	5.00	20.00%	**$ 80,963**	$ 79,966	**$ 997**	**$ 18,807**	$ 12,848	**$ 77,518**
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1805	Land	$ -		0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1808	Buildings	$ 112,435	50.00	2.00%	**$ 33,474**	$ 33,474	**$ 0**	**$ 2,249**	$ -	**$ 34,598**
1810	Leasehold Improvements	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 2,057,224	40.17	2.49%	**$ 296,165**	$ 266,126	**$ 30,039**	**$ 51,207**	$ -	**$ 321,769**
1825	Storage Battery Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 1,345,153	45.00	2.22%	**$ 299,643**	$ 299,643	**-$ 0**	**$ 29,892**	$ -	**$ 314,589**
1835	Overhead Conductors & Devices	$ 753,828	60.00	1.67%	**$ 210,308**	$ 210,308	**-$ 0**	**$ 12,564**	$ -	**$ 216,590**
1840	Underground Conduit	$ 306,052	50.00	2.00%	**$ 17,880**	$ 17,880	**-$ 0**	**$ 6,121**	$ -	**$ 20,940**
1845	Underground Conductors & Devices	$ 389,846	40.00	2.50%	**$ 93,873**	$ 93,873	**$ 0**	**$ 9,746**	$ -	**$ 98,746**
1850	Line Transformers	$ 519,110	40.00	2.50%	**$ 233,067**	$ 236,966	**-$ 3,898**	**$ 12,978**	$ -	**$ 239,556**
1855	Services - Overhead	$ 141,631	60.00	1.67%	**$ 121,582**	$ 121,582	**$ -**	**$ 2,361**	$ -	**$ 122,763**
1855	Services - Underground	$ 350,279	40.00	2.50%	**$ 275,407**	$ 275,407	**$ 0**	**$ 8,757**	$ -	**$ 279,785**
1860	Meters	$ 50,354	10.00	10.00%	**$ 104,012**	$ 105,172	**-$ 1,160**	**$ 5,035**	$ 6,726	**$ 99,804**
1860	Meters (Smart Meters)	$ 62,304	10.00	10.00%	**$ 21,670**	$ 21,670	**$ -**	**$ 6,230**	$ -	**$ 24,785**
1905	Land	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ 100,066	25.00	4.00%	**$ 81,681**	$ 80,662	**$ 1,019**	**$ 4,003**	$ -	**$ 83,682**
1910	Leasehold Improvements	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 6,292	10.00	10.00%	**$ 11,626**	$ 11,490	**$ 137**	**$ 629**	$ 1,264	**$ 10,677**
1915	Office Furniture & Equipment (5 years)	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 8,076	5.00	20.00%	**$ 52,757**	$ 54,236	**-$ 1,479**	**$ 1,615**	$ 4,782	**$ 48,783**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1930	Transportation Equipment >3 ton, trailers	$ 15,542	3.18	31.43%	**$ 169,066**	$ 170,055	**-$ 989**	**$ 4,885**	$ -	**$ 171,509**
1930	Transportation Equipment <3 ton	$ 43,374	3.37	29.68%	**$ 71,038**	$ 67,893	**$ 3,145**	**$ 12,872**	$ 25,781	**$ 51,693**
1935	Stores Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1940	Tools, Shop & Garage Equipment	$ 101,630	10.00	10.00%	**$ 42,627**	$ 40,809	**$ 1,818**	**$ 10,163**	$ 3,016	**$ 44,692**
1945	Measurement & Testing Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1950	Power Operated Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1955	Communications Equipment	$ 20,789	10.00	10.00%	**$ 6,289**	$ 7,584	**-$ 1,295**	**$ 2,079**	$ -	**$ 7,328**
1955	Communication Equipment (Smart Meters)	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ -	-	0.00%	**$ 4,124**	$ 2,414	**$ 1,710**	**$ -**	$ -	**$ 4,124**
1970	Load Management Controls Customer Premises	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ 41,364	20.00	5.00%	**$ 51,166**	$ 51,166	**-$ 0**	**$ 2,068**	$ 3,720	**$ 48,480**
1985	Miscellaneous Fixed Assets	$ -	-	0.00%	**$ -**	$ -	**$ -**	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	-	0.00%	**$ 1,630**	$ 1,630	**-$ 0**	**$ -**	$ -	**$ 1,630**
1995	Contributions & Grants	-$ 1,061,939	45.98	2.18%	**-$ 197,470**	-$ 199,416	**$ 1,947**	**-$ 23,098**	$ -	**-$ 209,019**
	Total	**$ 5,457,443**			**$ 2,082,577**	**$ 2,050,588**	**$ 31,989**	**$ 181,163**	**$ 58,137**	**$ 2,115,022**

Table 4-44 – Depreciation & Amortization Expense - 2014 – MIFRS

Appendix 2-CD
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2014 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense [1] (h)=2013 Full Year Deprecation + ((d)*0.5)/(f)	2014 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation [3] (p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ 248,336	5.00	20.00%	$ 102,352	$ 153,933	-$ 51,581	$ 49,667	$ 12,848	$ 114,338
1612	Land Rights (Formally known as Account 1906)	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -		0.00%	$ 34,598	$ 34,598	$ 0	$ -	$ -	$ 34,598
1810	Leasehold Improvements	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV	$ 640,888	23.15	4.32%	$ 335,609	$ 306,674	$ 28,935	$ 27,679	$ -	$ 349,448
1825	Storage Battery Equipment	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 2,168,186	45.00	2.22%	$ 338,680	$ 339,385	-$ 705	$ 48,182	$ -	$ 362,771
1835	Overhead Conductors & Devices	$ 734,144	60.00	1.67%	$ 222,708	$ 222,720	-$ 13	$ 12,236	$ -	$ 228,825
1840	Underground Conduit	$ 140,105	50.00	2.00%	$ 22,341	$ 22,341	-$ 0	$ 2,802	$ -	$ 23,742
1845	Underground Conductors & Devices	$ 179,671	40.00	2.50%	$ 100,992	$ 100,992	$ 0	$ 4,492	$ -	$ 103,238
1850	Line Transformers	$ 667,436	40.00	2.50%	$ 247,899	$ 253,450	-$ 5,551	$ 16,686	$ -	$ 256,242
1855	Services - Overhead	$ 186,227	60.00	1.67%	$ 124,315	$ 124,331	-$ 16	$ 3,104	$ -	$ 125,867
1855	Services - Underground	$ 630,339	40.00	2.50%	$ 287,665	$ 287,868	-$ 204	$ 15,758	$ -	$ 295,544
1860	Meters	$ 14,296	10.00	10.00%	$ 100,519	$ 101,551	-$ 1,033	$ 1,430	$ 2,215	$ 99,019
1860	Meters (Smart Meters)	$ 3,475,935	10.00	10.00%	$ 198,582	$ 1,078,085	-$ 879,502	$ 347,593	$ -	$ 372,379
1905	Land	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 508,280	25.00	4.00%	$ 93,847	$ 93,847	$ 0	$ 20,331	$ 22,414	$ 81,599
1910	Leasehold Improvements	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 57,280	10.00	10.00%	$ 13,541	$ 13,588	-$ 48	$ 5,728	$ 173	$ 16,232
1915	Office Furniture & Equipment (5 years)	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 96,303	5.00	20.00%	$ 58,413	$ 62,554	-$ 4,141	$ 19,261	$ 6,974	$ 61,069
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment >3 ton, trailers	$ 40,163	3.18	31.43%	$ 177,821	$ 189,684	-$ 11,863	$ 12,624	$ -	$ 184,133
1930	Transportation Equipment <3 ton	$ 32,000	5.00	20.00%	$ 54,893	$ 49,919	$ 4,973	$ 6,400	$ -	$ 58,093
1935	Stores Equipment	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 47,000	10.00	10.00%	$ 47,042	$ 47,263	-$ 221	$ 4,700	$ 3,040	$ 46,352
1945	Measurement & Testing Equipment	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ -	10.00	10.00%	$ 7,328	$ 9,264	-$ 1,936	$ -	$ 71	$ 7,257
1955	Communication Equipment (Smart Meters)	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -		0.00%	$ 4,124	$ 2,414	$ 1,710	$ -	$ -	$ 4,124
1970	Load Management Controls Customer Premises	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 426,183	20.00	5.00%	$ 59,135	$ 59,135	-$ 0	$ 21,309	$ -	$ 69,789
1985	Miscellaneous Fixed Assets	$ -		0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -		0.00%	$ 1,630	$ 1,630	-$ 0	$ -	$ -	$ 1,630
1995	Contributions & Grants	-$ 1,128,077	45.00	2.22%	-$ 221,553	-$ 223,499	$ 1,946	-$ 25,068	$ -	-$ 234,087
	Total	**$ 9,164,695**			**$ 2,412,479**	**$ 3,331,727**	**-$ 919,248**	**$ 594,914**	**$ 47,734**	**$ 2,662,202**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)				$ 65,870					
	Total Depreciation Expense				**$ 2,478,349**					

Table 4-45 – Depreciation & Amortization Expense - 2015 – MIFRS

Appendix 2-CE
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2015 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense [1] (h)=2014 Full Year Depreciation + ((d)*0.5)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (I)	Variance [2] (m) = (h) - (I)
1611	Computer Software (Formally known as Account 1925)	$ 12,000	5.00	20.00%	**$ 115,538**	$ 109,329	**$ 6,209**
1612	Land Rights (Formally known as Account 1906)	$ -		0.00%	**$ -**	$ -	**$ -**
1805	Land	$ -		0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 18,551	50.00	2.00%	**$ 34,784**	$ 34,784	**$ 0**
1810	Leasehold Improvements	$ -	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 2,771,299	45.03	2.22%	**$ 380,220**	$ 341,137	**$ 39,083**
1825	Storage Battery Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 1,084,640	45.00	2.22%	**$ 374,822**	$ 374,294	**$ 529**
1835	Overhead Conductors & Devices	$ 635,167	60.00	1.67%	**$ 234,118**	$ 234,109	**$ 9**
1840	Underground Conduit	$ 321,443	50.00	2.00%	**$ 26,957**	$ 26,957	**-$ 0**
1845	Underground Conductors & Devices	$ 328,719	40.00	2.50%	**$ 107,347**	$ 107,347	**$ 0**
1850	Line Transformers	$ 854,251	40.00	2.50%	**$ 266,920**	$ 272,460	**-$ 5,539**
1855	Services - Overhead	$ 197,821	60.00	1.67%	**$ 127,515**	$ 127,503	**$ 12**
1855	Services - Underground	$ 1,227,521	40.00	2.50%	**$ 310,888**	$ 310,735	**$ 153**
1860	Meters	$ 14,440	10.00	10.00%	**$ 99,741**	$ 102,988	**-$ 3,247**
1860	Meters (Smart Meters)	$ 214,213	10.00	10.00%	**$ 383,090**	$ 272,663	**$ 110,426**
1905	Land	$ -		0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ 56,652	25.00	4.00%	**$ 82,732**	$ 82,735	**-$ 3**
1910	Leasehold Improvements	$ -		0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 6,000	10.00	10.00%	**$ 16,532**	$ 16,580	**-$ 48**
1915	Office Furniture & Equipment (5 years)	$ -		0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 135,800	5.00	20.00%	**$ 74,649**	$ 76,435	**-$ 1,786**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -		0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -		0.00%	**$ -**	$ -	**$ -**
1930	Transportation Equipment >3 ton, trailers	$ 493,285	8.00	12.50%	**$ 214,963**	$ 207,445	**$ 7,519**
1930	Transportation Equipment <3 ton	$ 105,000	5.00	20.00%	**$ 68,593**	$ 59,353	**$ 9,240**
1935	Stores Equipment	$ -		0.00%	**$ -**	$ -	**$ -**
1940	Tools, Shop & Garage Equipment	$ 46,151	10.00	10.00%	**$ 48,660**	$ 48,881	**-$ 221**
1945	Measurement & Testing Equipment	$ -		0.00%	**$ -**	$ -	**$ -**
1950	Power Operated Equipment	$ -		0.00%	**$ -**	$ -	**$ -**
1955	Communications Equipment	$ -	10.00	10.00%	**$ 7,257**	$ 8,666	**-$ 1,409**
1955	Communication Equipment (Smart Meters)	$ -		0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ -		0.00%	**$ 4,124**	$ 2,414	**$ 1,710**
1970	Load Management Controls Customer Premises	$ -		0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ -		0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ 19,103	20.00	5.00%	**$ 70,267**	$ 70,267	**-$ 0**
1985	Miscellaneous Fixed Assets	$ -		0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -		0.00%	**$ 1,630**	$ 1,630	**-$ 0**
1995	Contributions & Grants	-$ 503,987	45.00	2.22%	**-$ 239,687**	-$ 241,633	**$ 1,946**
	Total	**$ 8,038,071**			**$ 2,811,660**	**$ 2,647,077**	**$ 164,583**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)				$ 78,456	$ 78,456	
	Fully Allocated Dep'n				-$ 155,871	-$ 155,871	
	Total Depreciation expense to be included in the test year revenue requirement				**$ 2,734,245**	**$ 2,569,662**	

TAXES OR PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES

PILS and Capital Taxes

NBHDL makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario), as modified by the Electricity Act, 1998, and related regulations. NBHDL does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. NBHDL is projecting a profit for tax purposes in the 2015 Test year of $854,545, therefore, has included $162,510 for the recovery of PILs in this Application.

Table 4-46 below provides a summary of the 2010 Board Approved, the 2010, 2011, 2012, 2013 Actual as recorded in the audited statements and the 2014 Bridge Year and 2015 Test Year PIL's estimates. These estimates are based on the rates prescribed by the Board in the Board's Income Tax/PILs Workform for 2015 Filers as provided in Appendix 4-P. Copies of NBHDL's annual tax returns have been provided in Appendix 4-J, 4-K, 4-L and 4-M. In accordance with the 2015 Filing Requirements the Board's PILs model has also been completed and submitted and is consistent with the PILs included in the 2015 revenue requirement.

Table 4-46 Income and Capital Tax Summary

Current Taxes	2010 Board Approved	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Ontario Capital Tax	21,829	27,633	-	-	-		
Current PILS	664,478	734,285	709,731	512,465	680,492	537,316	162,510
Total Taxes	686,307	761,918	709,731	512,465	680,492	537,316	162,510

NBHDL was approved for PILs in the amount of $686,307 in its 2010 cost of service application. The actual PILs for 2010 were higher than the amount approved due to higher income for tax purposes and the impact of regulatory reserve which are excluded from the calculations of PILs for regulatory purposes since they are considered timing differences but included in the calculation for tax purposes. PILs for the 2015 Test Year of $162,510 are $374,806 lower than the 2014 Bridge Year. This reduction is mainly due to the decrease of $684,650 in depreciation and the increase of $288,806 in CCA which in total reduce taxable income by $973,456.

Loss Carry Forwards

NBHDL does not have any loss carry forwards.

Other Additions and Deductions

In accordance with the Filing Requirements, NBHDL has excluded the deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for 2014 Bridge Year and 2015 Test Year.

Tax Credits

NBHDL takes advantage of the tax credits available to minimize taxes payable. Table 4–47 below summarizes the tax credits for 2010 Board Approved, historical years, 2010-2013, 2014 Bridge Year and 2015 Test Year. The tax credits include the Ontario Apprenticeship Training Tax Credit, Apprenticeship Job Creation Credits and the Ontario Co-Operative Education Tax Credit. The 2014 Bridge Year credits are based on one apprentice who was hired April 14, 2014 and three co-op students that were employed for 17 weeks each. The 2015 Test Year credits are based on the apprentice being employed for a full year and three co-op students being employed for 17 weeks each.

Table 4-47 Tax Credits

Item	2010 Board Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Tax Credits	34,000	50,303	12,767	3,443	0	17,488	20,725

Non-recoverable and Disallowed Expenses

NBHDL has not included donations in the calculation of revenue requirement or PILs.

Detailed Tax Calculations

Table 4-48 below summarizes the tax calculations for 2010 Board Approved, historical years 2010-2013, 2014 Bridge Year and 2015 Test Year. The table itemizes all additions and deductions that are part of NBHDL's tax calculations.

Table 4-48 Tax Calculations

Item	2010 Board Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Bridge Year	2015 Test Year
Net Income Before Taxes	2,402,227	2,852,404	3,964,118	2,845,518	2,760,503	2,977,443	2,560,971
Additions:							
Amortization of tangible assets	2,832,721	2,789,533	2,956,995	2,084,482	2,135,872	3,331,727	2,647,077
Recapture of capital cost allowance from Schedule 8					481,205		
Tax reserves deducted in prior years	1,201,494	1,467,517	1,552,917	1,841,388	1,996,913	2,362,100	2,250,289
Reserves from financial statements - balance at the end of the year	5,284,743	5,760,956	6,162,986	6,402,895	6,873,492	6,551,059	6,557,387
Net Change in Regulatory Liabilities		222,948	-65,102	1,826,523	2,334,323		
loss on Disposal of assets						65,870	78,456
Charitable donations	6,000	6,000	19,600	15,500	21,050		
Tax credits	30,000	26,950	50,303	12,767		17,488	20,725
Meals & Entertainment	28,275	10,800	7,711	12,089	8,353	10,000	10,000
Change in NBV Smart Meters					110,138		
Carrying charges from accounting gains			105,541	82,589			
Interest and Penalties on taxes					1,666		
Total Additions	9,383,233	10,284,704	10,790,951	12,278,233	13,963,012	12,338,244	11,563,934
Deductions:							
Capital cost allowance from Schedule 8	3,265,170	3,259,447	3,580,422	4,432,087	4,002,224	4,162,797	4,451,603
Tax reserves claimed in the current year	1,202,546	1,552,917	1,841,388	1,996,913	2,362,100	2,250,289	2,267,698
Reserves from financial statements - balance at the beginning of the year	4,993,106	5,736,552	5,760,956	6,162,986	6,402,895	6,668,471	6,551,059
Net Change in Regulatory Assets		28,267	862,975	37,584	1,118,524		
Gain on disposal of assets	5,000	950	3,647	347,552	7,461	8,455	
Charitable donations	6,000	6,000	19,600	15,500	21,050		
2011 & 2012 Adjustment for carrying charges from accounting gains					188,433		
Other miscellaneous							
Total Deductions	9,471,822	10,584,133	12,068,988	12,992,622	14,102,687	13,090,012	13,270,360
Taxable Income	2,313,638	2,552,975	2,686,081	2,131,129	2,620,829	2,225,675	854,545
Tax Rate	30.19%	30.99%	26.90%	24.86%	25.16%	24.93%	21.44%
Income Taxes	698,478	791,212	722,523	529,749	659,519	554,804	183,235
Tax Credits	34,000	50,303	12,767	3,443		17,488	20,725
Total Income Taxes	664,478	740,909	709,756	526,306	659,519	537,316	162,510
Ontario Capital Tax	21,829	28,514	0	0	0		
Total Taxes	686,307	769,423	709,756	526,306	659,519	537,316	162,510

Reconciling Items

Table 4-49 below reconciles the differences between the Audited Financial Statements and the accompanying tax returns. The tax provisions for the Audited Financial statements are completed on an estimated basis and adjusted in the following year to the actual tax returns that are completed in June.

Table 4-49 – Financial Statements Reconciled to Tax Returns

Current Taxes	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals
Financial statements				
Capital Taxes	27,633	-	-	-
Current PILS	734,285	709,731	512,465	680,492
Total Financial Statements	761,918	709,731	512,465	680,492
Tax Returns				
Capital Taxes	28,514	-	-	-
Current PILS	740,909	709,756	526,306	659,519
Total Tax Returns	769,423	709,756	526,306	659,519
Variance	-7,505	-25	-13,841	20,973
Cumulative Variance		-7,530	-21,371	-398

In fiscal years 2012-2013, NBHDL's financial statements and tax returns included both the wires business and the Merrick Landfill Generation business. Table 4-50 below identifies the tax values related to the individual businesses included in the financial statements.

Table 4-50 – Financial Statement Taxes

Current Taxes	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals
Financial statements				
Capital Taxes	27,633	0	0	0
Current PILS	734,285	709,731	512,465	680,492
Total Financial Statements	761,918	709,731	512,465	680,492
Non- Distribution Eliminations				
Capital Taxes				
Current PILS			-147,982	144,185
Total Financial Statements	0	0	-147,982	144,185
Wires Only				
Capital Taxes	27,633	0	0	0
Current PILS	734,285	709,731	660,447	536,307
Total Financial Statements	761,918	709,731	660,447	536,307

Table 4-51 below identifies the tax calculations included in the tax returns for the individual businesses.

Table 4-51 – Tax Calculations

Item	2012 Actual	Distribution Eliminations	2012 Wires Only	2013 Actual	Distribution Eliminations	2013 Wires Only
Net Income Before Taxes	2,845,518	47,623	2,797,895	2,760,503	(33,531)	2,794,034
Additions:						
Amortization of tangible assets	2,084,482	106,288	1,978,194	2,135,872	85,284	2,050,588
Recapture of capital cost allowance from Schedule 8			0	481,205	481,205	0
Tax reserves deducted in prior years	1,841,388		1,841,388	1,996,913		1,996,913
Reserves from financial statements - balance at the end of the year	6,402,895		6,402,895	6,873,492		6,873,492
Net Change in Regulatory Liabilities	1,826,523		1,826,523	2,334,323		2,334,323
loss on Disposal of assets			0			
Charitable donations	15,500		15,500	21,050		21,050
Ontario Tax credits	12,767		12,767			
Meals & Entertainment	12,089		12,089	8,353	355	7,998
Change in NBV Smart Meters			0	110,138		110,138
Carrying charges from accounting gains	82,589		82,589			0
Interest and Penalties on taxes			0	1,666		1,666
Total Additions	12,278,233	106,288	12,171,945	13,963,012	566,844	13,396,168
Deductions:						
Capital cost allowance from Schedule 8	4,432,087	556,572	3,875,515	4,002,224		4,002,224
Tax reserves claimed in the current year	1,996,913		1,996,913	2,362,100		2,362,100
Reserves from financial statements - balance at the beginning of the year	6,162,986		6,162,986	6,402,895		6,402,895
Net Change in Regulatory Assets	37,584		37,584	1,118,524		1,118,524
Gain on disposal of assets	347,552		347,552	7,461	(4,682)	12,143
Charitable donations	15,500		15,500	21,050		21,050
2011 & 2012 Adjustment for carrying charges from accounting gains			0	188,433		188,433
Other miscellaneous			0			
Total Deductions	12,992,622	556,572	12,436,050	14,102,687	(4,682)	14,107,369
Income for Tax Purposes	2,131,129	(402,661)	2,533,790	2,620,829	537,995	2,082,834
Tax Rate	24.86%	28.00%	25.36%	25.16%	26.50%	24.82%
Income Taxes	529,749	(112,745)	642,494	659,519	142,569	516,950
Tax Credits	3,443					
Total Income Taxes	526,306	(112,745)	639,051	659,519	142,569	516,950
Ontario Capital Tax	0	0	0	0	0	0
Total Taxes	526,306	(112,745)	639,051	659,519	142,569	516,950

Property Taxes

NBHDL pays property taxes to the City of North Bay for its office premises and the municipal substations and transformer stations. In addition, NBHDL makes annual payments to the Ontario Electricity Financial Corporation for “Payments in Lieu of Property Taxes”. Property taxes for the 2010 Board Approved, Historical years 2010-2013, the 2014 Bridge Year and the 2015 Test Year are provided in Table 4-52 below. Property taxes for the 2015 Test Year are based on 2014’s actual cost increase of 6% over 2013.

Table 4-52 – Property Taxes

Current Taxes	2010 Board Approved	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year
Total Property Taxes	64,292	60,827	58,586	57,183	62,479	66,004	69,876

Integrity Checks

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

- The depreciation and amortization added back in the PIL's model agree with the numbers disclosed in the rate base section of the application.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the rate base section for historic, bridge and test years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2013 agrees with the opening 2014 Bridge Year UCC. NBHDL confirms that non-distribution tax amounts on Schedule 8 were $0 on the December 31, 2013 tax return.
- The CCA deductions in the PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- NBHDL does not have any loss carry-forwards.
- CAA is maximized since NBHDL does not have any loss carry-forwards.
- NBHDL does not have any loss carry-forwards to utilize.
- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for compensation.
- The income tax rate used to calculate the tax expense is consistent with the NBHDL's actual tax facts and the evidence filed in the application.

Conservation and Demand Management ("CDM") Costs

Lost Revenue Adjustment Mechanism ("LRAM") for 2011-2014

On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of licence, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

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

LRAM for pre-2011 CDM Activities

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

LRAM Variance Account (LRAMVA)

For CDM programs delivered within the 2011 to 2014 period, the Board established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. At a minimum, distributors must apply for the disposition of the balance in the LRAMVA as part of their COS applications. In accordance with these guidelines, NBHDL is requesting approval for the recovery of lost revenue resulting from its CDM activities for 2011, 2012, and 2013 OPA programs, including carrying charges through to April 30, 2015. The total amount requested for recovery is $229,636.58, including carrying charges of $7,712.48. The amounts requested for recovery are summarized in Table 4-53 below.

Table 4-53 – Summary of Requested LRAM Amounts

Rate Classification	2011 Lost Revenues	2012 Lost Revenues	2013 Lost Revenues	Total Lost Revenues	Total Interest	Total LRAM Claim
Residential	6,564	10,677	23,439	**40,680**	1,421	**42,101**
GS <50 kW	14,449	25,092	34,166	**73,707**	2,735	**76,442**
GS 50 to 2,999 kW	6,648	12,816	16,773	**36,237**	1,338	**37,575**
Street Lighting	1,744	24,032	45,525	**71,301**	2,218	**73,519**
Total LRAM Amounts	**29,404**	**72,616**	**119,903**	**221,924**	**7,712**	**229,636**

NBHDL has used the most recent input assumptions when calculating lost revenue and has relied on the most recent final evaluation report from the Ontario Power Authority in support of its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs") for 2011-2013. Lost revenues are based on Board approved variable charges and carrying charges through to April 30, 2015 are requested. NBHDL is not currently requesting recovery of lost revenue resulting from Board-approved programs. The OPA-Contracted Province-Wide CDM Programs Final 2013 Results are provided as Appendix 4-O to this Exhibit.

None of the estimated CDM load reductions were factored into the load forecast underpinning NBHDL's 2011, 2012, and 2013 rates. NBHDL has calculated carrying charges for the period January 1, 2011 to April 30, 2015 using the quarterly rates prescribed by the Board.

Details of NBHDL’s LRAM calculations and supporting evidence can be found in the third party report prepared by IndEco Strategic Consulting Inc. and provided as Appendix 4-N to this Exhibit. Information provided in the IndEco report includes the CDM programs/initiatives applicable to each rate class as well as the energy savings (kWh) and peak demand (kW) assigned to each of the programs/initiatives.

Table 4-54 below provides a summary of the program year and the associated lost revenues by year that NBHDL is seeking recovery for, by class.

Table 4-54 – Summary of Lost Revenues

Program Year	Year Revenue Lost	Residential	GS < 50 kW	GS 50 to 2,999 kW	Street Lighting	Total
2011	2011	$6,564	$14,449	$6,648	$1,744	**$29,404**
	2012	$6,564	$14,135	$6,509	$0	**$27,208**
	2013	$6,633	$14,059	$6,508	$0	**$27,200**
2011 program total		**$19,762**	**$42,642**	**$19,665**	**$1,744**	**$83,813**
2012	2012	$4,113	$10,957	$6,306	$24,032	**$45,408**
	2013	$4,156	$10,862	$6,180	$0	**$21,198**
2012 program total		**$8,269**	**$21,819**	**$12,487**	**$24,032**	**$66,606**
2013	2013	$12,650	$9,245	$4,085	$45,525	**$71,505**
Total		**$40,680**	**$73,707**	**$36,237**	**$71,300**	**$221,924**

Separate tables for each rate class showing the lost revenue amounts requested by the year they are associated with and the year the lost revenues took place are provided below. Included within the tables are all the CDM programs/initiatives applicable to that rate class with the energy savings (kWh) and peak demand (kW) savings assigned to each program/initiative.

Table 4-55 – Summary of Residential Lost Revenues

2011 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)				$0.0127	$0.0127	$0.0128	
Consumer Program							
Appliance Retirement	106,705	106,705	106,705	$1,355	$1,355	$1,369	$4,080
Appliance Exchange	4,047	4,047	4,047	$51	$51	$52	$155
HVAC Incentives	104,075	104,075	104,075	$1,322	$1,322	$1,336	$3,979
Conservation Instant Coupon Booklet	133,680	133,680	133,680	$1,698	$1,698	$1,716	$5,111
Bi-Annual Retailer Event	168,360	168,360	168,360	$2,138	$2,138	$2,161	$6,437
Total	**516,867**	**516,867**	**516,867**	**$6,564**	**$6,564**	**$6,633**	**$19,762**

2012 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)					$0.0127	$0.0128	
Consumer Program							
Appliance Retirement		50,114	50,114		$636	$643	$1,280
Appliance Exchange		782	782		$10	$10	$20
HVAC Incentives		93,409	93,409		$1,186	$1,199	$2,385
Conservation Instant Coupon Booklet		7,456	7,456		$95	$96	$190
Bi-Annual Retailer Event		142,821	142,821		$1,814	$1,833	$3,647
Home Assistance Program							
Home Assistance Program		29,252	29,252		$372	$375	$747
Total		**323,834**	**323,834**		**$4,113**	**$4,156**	**$8,269**

2013 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)						$0.0128	
Consumer Program							
Appliance Retirement			44,140			$566	$566
Appliance Exchange			6,280			$81	$81
HVAC Incentives			70,397			$903	$903
Conservation Instant Coupon Booklet			41,103			$527	$527
Bi-Annual Retailer Event			91,616			$1,176	$1,176
Home Assistance Program							
Home Assistance Program			732,159			$9,396	$9,396
Total			**985,696**			**$12,650**	**$12,650**

Table 4-56 – Summary of GS <50kW Lost Revenues

2011 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)				$0.0169	$0.0165	$0.0164	
Business Program							
Retrofit	162,109	162,109	162,109	$2,734	$2,675	$2,664	$8,073
Direct Install Lighting	564,535	564,535	563,396	$9,522	$9,315	$9,258	$28,095
Industrial Program							
Retrofit	7,029	7,029	7,029	$119	$116	$116	$350
Pre-2011 Programs completed in 2011							
Retrofit	122,976	122,976	122,976	$2,074	$2,029	$2,021	$6,124
Total	**856,649**	**856,649**	**855,510**	**$14,449**	**$14,135**	**$14,059**	**$42,642**

2012 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)					$0.0165	$0.0164	
Business Program							
Retrofit		218,009	214,940		$3,597	$3,532	$7,129
Direct Install Lighting		446,048	446,048		$7,360	$7,330	$14,690
Total		**664,057**	**660,988**		**$10,957**	**$10,862**	**$21,819**

2013 Programs	Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)						$0.0164	
Business Program							
Retrofit			72,729			$1,195	$1,195
Direct Install Lighting			489,855			$8,050	$8,050
Total			**562,583**			**$9,245**	**$9,245**

Table 4-57 – Summary of GS >50kW Lost Revenues

2011 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)				$0.0169	$0.0165	$0.0164	
Business Program							
Retrofit	1,744	1,744	1,744	$3,665	$3,588	$3,588	$10,841
Energy Audit	62	62	62	$131	$128	$128	$386
Industrial Program							
Retrofit	120	120	120	$253	$248	$248	$748
Pre-2011 Programs completed in 2011							
Retrofit	915	915	915	$1,923	$1,883	$1,883	$5,689
High Performance New Construction	322	322	322	$677	$663	$663	$2,002
Total	**3,164**	**3,164**	**3,164**	**$6,648**	**$6,509**	**$6,508**	**$19,665**

2012 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)					$0.0165	$0.0164	
Business Program							
Retrofit		2,804	2,754		$5,770	$5,666	$11,436
Energy Audit		192	186		$395	$383	$778
Direct Install Lighting		57	56		$117	$116	$233
Pre-2011 Programs completed in 2011							
High Performance New Construction		12	7		$25	$15	$40
Total		**3,065**	**3,004**		**$6,306**	**$6,180**	**$12,487**

2013 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kWh)						$0.0164	
Business Program							
Retrofit			1,846			$3,798	$3,798
Direct Install Lighting			140			$287	$287
Total			**1,986**			**$4,085**	**$4,085**

1 **Table 4-58 – Summary of Street Light Lost Revenues**

2011 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kW)				$17.7864	$23.4536	$25.6208	
Business Program							
Retrofit	98	0	0	$1,744	$0	$0	$1,744
Total	**98**	**0**	**0**	**$1,744**	**$0**	**$0**	**$1,744**

2012 Programs	Load Reduction in Calendar Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kW)					$23.4536	$25.6208	
Business Program							
Retrofit		1,025	0		$24,032	$0	$24,032
Total		**1,025**	**0**		**$24,032**	**$0**	**$24,032**

2013 Programs	Year (kWh)			Lost Revenue in Calendar Year			
Initiative	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**Total**
Rate ($/kW)						$25.6208	
Business Program							
Retrofit			1,777			$45,525	$45,525
Total			**1,777**			**$45,525**	**$45,525**

2

Disposition of the LRAM Variance Account

NBHDL requests recovery of the LRAM amounts for 2011, 2012 and 2013 CDM activities by way of volumetric rate riders over a one-year period, effective May 1, 2015, with the foregone revenue from each customer class allocated to that class for recovery. Table 4-59 sets the corresponding amounts by class, as well as the corresponding rate rider based on forecasted 2015 billing determinants.

Table 4-59 – Proposed LRAM Rate Riders

Rate Classification	Total Lost Revenues	Total Interest	Total LRAM Claim	Billing Determinant	2015 Forecasted kWh / kW	Proposed Rate Rider
Residential	40,680	1,421	42,101	kWh	213,486,948	**0.0002**
GS <50 kW	73,707	2,735	76,442	kWh	86,032,032	**0.0009**
GS 50 to 2,999 kW	36,237	1,338	37,575	kW	490,350	**0.0766**
Street Lighting	71,301	2,218	73,519	kW	5,641	**13.0327**
Total Claim	**221,924**	**7,712**	**229,636**			

The proposed LRAMVA claim has been included in the EDDVAR model within Exhibit 9 – Deferral and Variance Accounts. The allocation of costs to the appropriate class and the calculation of rate riders are included in the model.

APPENDIX 4-A NBHDL METER-TO-CASH REVIEW

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April 04, 2013

Meter-to-Cash Review:
Final Evaluation Report for
North Bay Hydro Distribution Limited

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Executive Summary

North Bay Hydro Distribution Limited (NBHDL) contracted Util-Assist to perform a meter-to-cash analysis to identify opportunities for improvement might be identified. Improvements may mean the introduction of new business processes or modifications to existing processes. Improvements may also mean changes to existing systems to provide enhanced functionality, creating efficiencies which are not available today, or modifications to company structure. The analysis is deemed necessary based on the volume of changes that the utility has undergone in recent years—change which NBHDL has successfully implemented in a timely manner and with little increase in staffing. However, NBHDL has chosen to commission an independent analysis, including a comparative study with "like" utilities across the province to better understand the current state of their own meter-to-cash process.

The result of this analysis is that NBHDL does indeed have some opportunities for improvement, based on comparison to "like" LDCs across Ontario that are performing the same processes and operating under the same regulatory requirements. NBHDL should concentrate their efforts on the following business process improvements:

- Implementation of enhanced CIS processing for MDM/R related tasks
  - Sync file processing
  - Bill quantity processing
- Improved training on MDM/R related processes (and associated improvements to business processes) and implementation of redundancy
- Cross-training on Advanced Metering Infrastructure (AMI) related processes
- Implementation of an automated work force management system as a possible alternative to improved synchronization processing

The potential improvements are centered around the CIS system. When considering NBHDL's smart grid strategy, along with the roadmap for development of both AMI and ODS systems, there is the potential for more development and change in the near future for the meter-to-cash systems. Balancing risk with opportunities may suggest that NBHDL should consider the following questions:

- Can HTE implement enhancements to bring the system to a level more comparable with other products in the Ontario market?
- Or, is there too much risk involved with working with a CIS vendor that has only a small market share left in the province?

In addition to the above cited CIS considerations, possible utility structural changes are discussed within this report. There may be an opportunity to move some functions to the services company. Revenue generated by the services company can benefit the holding company and might serve to offset cost increases to the NBHDL end consumer. NBHDL currently performs billing functions through the LDC, as do most Ontario LDCs; however, we are seeing some LDCs move services into the retail affiliate, and this study includes information acquired through conversations with some of those entities. The retail affiliate might also perform such services as AMI data collection, billing exception handling and financial processes. The retail affiliate could perform these functions on behalf of NBHDL for the NBHDL customer set, and in the future, offer these services to other LDCs. While it is not within the scope of this report to comprehensively investigate regulatory impacts, or perform a full scale business case analysis allowing assessment of the best option for these opportunities, it does seem that moving billing functions under into the retail affiliate is relatively risk-free and does provide possible financial opportunities for working with the City of North Bay.

Section 1: Introduction

North Bay Hydro Distribution Limited (NBHDL) has undergone a tremendous amount of change over the previous five years as a result of the provincially-mandated Smart Meter Initiative (SMI). To implement Smart Meters and then integrate with the IESO Meter Data Management/Repository (MDM/R), NBHDL completed the following activities:

- Procure AMI
- Procure installation vendor
- Procure Operational Data Store (ODS)
- Complete enrollment to the MDM/R
- Conduct business process re-engineering
- Conduct MDM/R R7.2 testing/implementation

The implementation of time-of-use (TOU) billing has affected every department within the organization, and essentially every business process within those departments. The smart meter technology will continue to affect NBHDL as new initiatives are planned, such as the implementation of smart grid-enabled devices to achieve smart grid goals, CDM initiatives, enhanced billing processes, and theft and security measures.

Due to the extent of recent change combined with expected future changes, NBHDL has elected to perform an analysis of their "meter-to-cash" systems and processes to review the effectiveness of the strategies implemented thus far. As part of the analysis, "like-size" utilities across the province were contacted to compare NBDHL's resourcing, processes and strategies.

It should be noted that a meter-to-cash analysis would be expected to show opportunities for improvements, regardless of the LDC. No LDC is perfect, nor is any vendor. The LDC must be cautious, however, that any process changes are properly documented for future training requirements. Documentation of business processes is a somewhat new requirement for LDCs as a result of the increasing complexity of the meter-to-cash processes. In order to make this project cost-effective, Util-Assist conducted a high-level business analysis where there were not obvious problems, and applied more granular analysis for areas of concern.

Project Goals

The goal of this project was to conduct a high-level analysis of meter-to-cash processes to ensure resource time is being used effectively and that systems are meeting requirements. For any processes that appeared problematic, a more thorough analysis was conducted to create strategies for resolution. A meter-to-cash analysis may indicate that resources require more training, or that the systems in place have not been developed to meet the requirements of the complicated Ontario environment as well as some competitor products. This project includes next steps to position the utility for the continually-evolving requirements of the Smart Meter Initiative.

This review concentrated on the following meter-to-cash systems:

- AMI
- ODS
- IESO MDM/R
- CIS
- Mindoka
- Financials

The focus was on the AMI, ODS, MDM/R and CIS as these systems are the critical pieces of the meter-to-cash process. A cursory review of Financials and Mindoka was performed to acquire a holistic view of the NBHDL environment.

Project Methodology

Through interviews, software demonstrations, and an analysis of data and utility records, Util-Assist conducted a comprehensive review of the staff, technology, and business processes at NBHDL.

Step 1: Project Kick-Off

Util-Assist started the project with a kick-off meeting to review the project objectives and methodology and to confirm timelines and resource requirements.

Step 2: Prepare Interview Questions and Schedule Interviews

Util-Assist created interview questions to ask all the resources involved in NBHDL's meter-to-cash processes (NBHDL staff, City of North Bay staff, vendors) and staff of other utilities. These interviews were semi-structured, with open-ended questions.

Step 3: Discovery Process: Interview Utility Staff

Util-Assist interviewed NBHDL and City of North Bay staff to gain an understanding of their daily tasks to determine opportunities for operational improvement. Util-Assist ensured that all key members from different departments, including billing, operations, and metering were included in the interview process. Information was gathered over four site visits and additional phone calls where necessary.

Step 4: Process Mapping

Util-Assist worked with NBHDL to create process maps to clearly visualize and identify any gaps in their meter-to-cash processes. Following a full gap analysis, Util-Assist applied best practices to draft "as-is" processes.

Step 5: Discovery Process: Interview Vendors

To further assist in identifying areas for improvement, Util-Assist hosted discovery sessions with the vendors of NBHDL's systems. Util-Assist collected information on functionality and product roadmap. This step was important in identifying if NBHDL is using the right systems, and if the systems are optimized for efficiency.

Step 6: Information Collection and Analysis: Other Utilities

Util-Assist collected data from other like-sized utilities with respect to resourcing, utility structure, processes, systems and smart grid strategies. Util-Assist conducted an analysis to determine how NBHDL compared to other Ontario LDCs.

Step 7: Identification of Risk and Risk Mitigation Strategies

Util-Assist identified and assessed risks in the meter-to-cash process. Risk mitigation strategies were outlined.

Step 8: Deliver Draft Report

Util-Assist prepared a draft report outlining the analysis of NBHDL's meter-to-cash cycles. The report included recommendations for efficiencies and improvements.

Step 9: Deliver Final Report

The final report includes findings of the operational review, a comparison to other LDCs, and recommendations for improvements.

Step 10: Presentation

Two Util-Assist consultants hosted a meeting to present the final report to NBHDL.

Smart Meter Initiative Requirements

An understanding of the Smart Meter Initiative and the resulting requirements is important in identifying gaps in NBHDL's meter-to-cash processes. In Ontario, where the meter-to-cash process had been relatively static for decades, the changes brought by the Smart Meter Initiative were unprecedented. Although the Ontario regulatory environment is complex and LDCs have had to endure de-regulation and re-regulation, this initiative included the mass deployment of new meters, integration to downstream systems which were previously unknown entities, and dramatic changes to the way customers are billed.

The Ontario Landscape

To create a conservation culture in Ontario and make the province a North American leader in energy efficiency, the Government of Ontario facilitated a number of key initiatives, including the introduction of flexible, time-of-use (TOU) pricing for electricity, and a targeted reduction in Ontario's energy consumption by 5%. The underlying premise behind the provincial mandate to install smart metering systems is to educate customers on their consumption habits and implement new rate structures that will encourage load shifting and conservation of energy, thereby reducing the requirement for increased power generation capabilities. To this end, the province, by way of the Independent Electricity System Operator (IESO), implemented a centralized Meter Data Management/Repository (MDM/R) to aggregate utility data from the multiple Advanced Metering Infrastructure (AMI) systems implemented across Ontario. IESO created validation rules and synchronization processes to control data and ensure that data is complete and suitable for billing. Regulations exist within the province that mandate local distribution companies utilize the provincial systems, and limit any duplication of infrastructure.

The IESO MDM/R was procured and implemented using a set of *minimal* functional requirements to provide Ontario LDCs with the functionality that is considered critical to achieving the government mandate, while at the same time minimizing the cost to the province. As a result, the MDM/R can provide the functionality required to facilitate the TOU billing environment that is intended to achieve the targeted reduction in consumption, and the shifting of peak consumption. From a high level, the following functionality is included in the MDM/R:

- Synchronization from the utility CIS to allow processing of smart meter billing data
- Infrastructure to receive and process smart meter billing data
- VEE (Validation, Estimation and Editing) of smart meter billing data
- Storage of smart meter billing data
- Preparation (framing) of smart meter billing data for billing functions
- Facilitation of the billing process through a file-based request/response process
- Exception reporting for problematic meter billing data
- Exception reporting through the billing process

The following functionality is *not* included in the MDM/R:

- Operational data analysis
- Integration between the MDM/R and downstream Workforce Management systems
- Management of data from meters measuring peak demand

- Automated handling of exceptions generated by the MDM/R (i.e., exception handling is managed outside the MDM/R)
- Bi-directional meter data

Advanced Metering Infrastructure (AMI)

The investment in Smart Meters is not made solely to facilitate the introduction of new rate structures, but rather the Advanced Metering Infrastructure (AMI) can provide operational improvements for the utility, as well as service improvements that will benefit the end consumer. In Ontario, smart meters have been deployed to facilitate TOU pricing; however, LDCs will continue to work towards maximizing their investment by utilizing more than just the consumption information communicated by the smart meters. In order to realize the benefits of a smart meter system, new business processes are required, beyond those that have been in place for many years with electromechanical meters.

Deployment of smart meters introduced a requirement for LDCs to analyze existing business processes to better understand the impact of the coming changes. In some cases, new processes were introduced rather than changes to existing processes. The changes required to accommodate smart metering can be grouped into three categories; AMI, MDM and IT.

Table 1: Business Process Changes

AMI	MDM	IT
Network Optimization	VEE (Validation, Estimation & Editing)	FTS (File Transfer Service)
Stale Meters	Data Repository	Change Management
	Business Rules	

Benefits

The list of benefits that come with smart meters is extensive; management of the new metering assets requires staff and business processes that may not have previously existed.

- **Network Optimization**

  A resource is required who understands the AMI system so that as new meters are installed, removed, or changed, the performance of the system is not negatively affected.

- **Stale Meters**

  Management of the AMI reports is an important function in identifying non-functioning assets. With the introduction of smart meters, reports “close to real time” help to proactively resolve metering problems. This is an improvement over electromechanical meters which only provided consumption information--problems could only be identified during site visits. The most important report at this early stage may be the Stale Meter report which allows the utility to avoid billing exceptions by resolving non-communicating meters more quickly than was possible in the past.

Meter Data Management (MDM)

Meter Data Management systems have become a requirement for utilities with smart meter systems, due to the volume of data being provided by the network. In the past, with only one meter reading per billing cycle to manage, the data could

be stored in the CIS. With smart meter networks, hourly readings are the norm for residential accounts, with more granular data being collected for C & I customers. In addition, there is the option to install smart devices on the network which can provide data to enable other functions. The MDM is the system that stores this data and uses business rules to action the data.

- **VEE (Validation, Estimation and Editing)**

  The raw consumption and operational data provided by the smart meters needs to be validated. Validation, Editing and Estimation (VEE) is the term used to describe the rule set used in this process. Depending on the business process requirement, VEE may be automated or it may be manual. The MDM system must be flexible, and the user of the system must be knowledgeable on how to create new rules as required by the different business scenarios.

- **Data Repository**

  The large volume of smart meter data must be stored, both for audit purposes, and for the development of enhanced business processes based on analysis of the data. Ontario utilities have only just begun to explore the operational benefits possible with smart meters.

- **Business Rules**

  Smart meters provide so much data that implementing business rules is required in order to "manage by exception." The MDM identifies which meters have reported data, but the utility needs to identify which meters have *not* reported data. Rules need to be created to action the data.

Information Technology (IT)

Within Ontario, utilities have had to integrate their systems with the MDM/R according to documented functional specifications. An understanding of the new file based interfaces is important, with files being exchanged between systems using a file transfer service that was new to most utilities. The AS2 software needed to be procured, installed and tested before integration with MDM/R could move forward. Files containing meter read data (including corrective data), as well as synchronization information and billing data need to exchange with MDM/R, and these files need to be archived by the LDC. For many LDCs the IT Department was made accountable for some or all of these functions, with different resources assuming responsibility upon successful integration and the move into production.

Staffing Requirements

LDCs across the province vary in service territory, customer population, and in the systems they use to perform the functions that are common across all LDCs. The TOU billing initiative is something that all LDCs have in common – all residential and GS<50 customers are mandated for TOU billing, yet the strategies employed by LDCs are diverse. To be successful, however, there are some common requirements:

- **Knowledge**

  Managing hourly interval data is dramatically more complex than managing the billing information used in the past. Management of the information requires an analytical skill set. The learning curve is significant, and continual training is a requirement. Since the first utilities integrated with MDM/R, the system has changed significantly, and IESO has continued to provide training to ensure users have the knowledge required to make the business process decisions necessary for successful TOU billing.

- **Sense of Empowerment**

  The MDM/R, along with the other LDC systems used for TOU billing, continues to evolve. In some cases the business processes that utilities are using have also significantly changed since enrollment. The staff managing the TOU billing process must have a "sense of empowerment," which allows them the autonomy and confidence to modify their business process as systems continue to evolve. Otherwise there is risk that LDCs will continue using inefficient processes even when there are other options available. Processes that may not have made sense during the enrollment process may make sense in today's environment.

- **Change Management**

  With the continued evolution of the MDM/R, the utility must be prepared to manage change effectively and to minimize risks. However, the MDM/R is not the only system that is undergoing change; the AMI network continues to release new functionality as well as fixes for deficiencies. Likewise, the ODS systems continue to evolve in response to the changes in both the MDM/R and the AMI. The CIS has undergone continual change to the interfaces as a result of the MDM/R's evolution—most significantly in response to the Measurement Canada requirements to display register reads on the customer invoice. As changes occur, business processes must be reviewed and updated. As indicated above, the modification of processes in response to changes requires knowledge and a sense of empowerment, but also an awareness of the risks involved in managing these changes over time. While no system would be considered perfect, some systems have responded to the required changes in a more controlled and well-organized manner than others.

Sync Operator Solution

With so many new systems involved in the TOU billing process, new skill sets are required, especially skills in data analytics and change management. During the enrollment process, most LDCs struggled to determine who would be responsible for learning and managing the new processes. Due to the variation in LDC size and the resources that were available for learning the new requirements, strategies varied widely. Some LDCs have placed accountability with the Metering team, while others have placed accountability under the Billing or IT Departments. Other LDCs have split responsibilities across the different teams. There is no "correct" structure; rather, what is critical is that the staffing accommodates the functional requirements (i.e., AMI, MDM, IT) and exhibits the key skill sets (i.e., analytical background, a sense of empowerment, and change management capabilities). Once these requirements have been met, the LDC must consider how to manage redundancy (back-up resources) within their planned structure. Because the new billing environment is so complex, it is not sufficient for only one staff member to hold all the knowledge.

As utilities began their enrollment process, some LDCs changed their staffing structure, while other LDCs proceeded through the enrollment process with staff that would allow them to pass the requirements, and then re-defined the structure upon acquiring a better understanding of the new processes. Util-Assist provided an educational service to more than 40 Ontario LDCs to expedite the business process documentation process. For utilities that did not have a structure defined, Util-Assist allocated tasks to a "Sync Operator" role. The name "Sync Operator" was derived from the new requirement for synchronization between systems. The list of new tasks became significant enough that some larger utilities could justify establishing a new role within the organization; for smaller LDCs, the tasks assigned to the Sync Operator were allocated to existing staff. For the purposes of this document, we will continue to refer to tasks resulting from the integration of the CIS with MDM/R, ODS and AMI as Sync Operator tasks. These tasks are illustrated in Figure 1, below. Across the industry there are other names that have been assigned to these new roles, such as AMI Operator or MDM Operator, but the process requirements are the same.

The Sync Operator then has an assortment of responsibilities, and acts as an intermediary between the different departments that are now dependant on one another through the TOU billing process. For smaller LDCs the challenge has been to spread out these responsibilities across existing staff, all the while accommodating the need for redundancy.

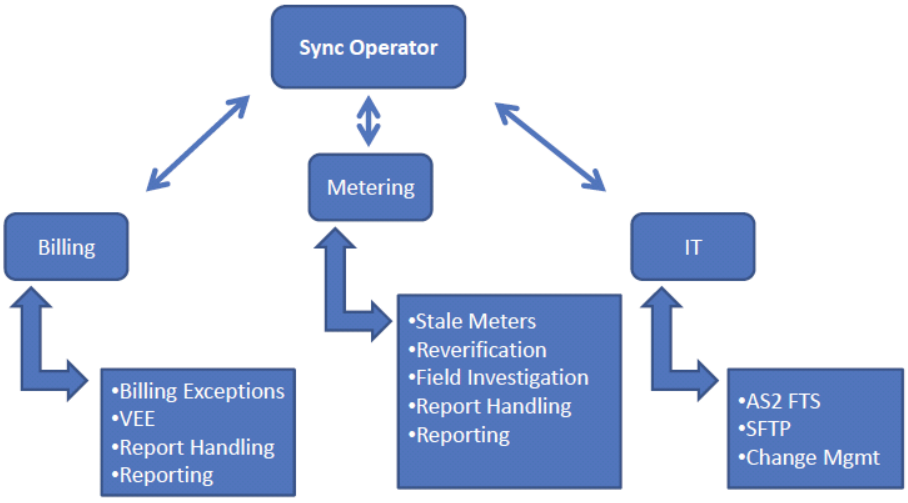


Figure 1: Sync Operator Role and Tasks

Section 2: Summary of Analysis of Meter-to-Cash Processes

Like all Ontario LDCs, NBHDL has had to re-engineer their billing process to accommodate the provincial mandate for smart metering. Successfully achieving such a wide scale change to the utility billing process in such a compressed timeframe is a feat for which NBHDL should be commended. Across the province, all LDCs have struggled to manage this change, with no utility moving through the process "pain free." NBHDL has accomplished a great deal, and their staff has acquired the knowledge to allow them to move forward into the production billing phase. Having been successful thus far, they can now afford to look back at the different processes and better understand opportunities to further improve their daily functions. While there is a great deal of positive information that can be reported through this process, the purpose of this exercise is to identify risk and opportunities, which can lead to further streamlining of the operation.

This section of the report summarizes Util-Assist's findings on NBHDL's meter-to-cash processes and systems. The findings were derived from the following sources:

- Interviews with NBHDL staff. For details, see the following:
  - Appendix A: Detailed Analysis of Meter-to-Cash Processes
  - Appendix B: NBHDL Interview Questions and Responses
  - Appendix F: Business Process Maps (separate document due to size)
- Interviews with "like" utilities
  - For details, see Appendix D: Interviews with "Like" Utilities
- Interviews with NBHDL vendors
  - For details, see Appendix E: Interviews with NBHDL Vendors

Please note that due to the scope of service for this project, Util-Assist performed a high level overview of meter-to-cash processes, and more detailed analysis only where it would benefit NBHDL: where the process was problematic or posed undue risk to NBHDL.

Analysis of Meter-to-Cash Business Areas

Table 2, below, lists each meter-to-cash business area and indicates whether NBDHL should target it for improvement. A green checkmark indicates that the systems in place and/or the NBHDL staffing structure and processes are satisfactory for managing the business area: no improvement is needed. However, a red "x" highlights a risk to the utility and is a definite area for improvement. An orange tilde (~) does not necessarily indicate a source of risk, but does suggest that there is possible room for improvement. For more details, see Appendix A: Detailed Analysis of Meter-to-Cash Processes.

Table 2: Analysis of Business Areas

Business Area	System	Structure / Process
CIS- Financials	~	✓
CIS- Settlement	✓	~
CIS- Cashiering	✓	✓
Engineering (New Services)	~	✓

Table 2: Analysis of Business Areas		
Business Area	**System**	**Structure / Process**
CIS- Billing	x	x
AMI	✓	~
ODS	✓	x
IESO MDM/R	✓	x

CIS: Financials

Based on the interview process and a comparison to "like-size" utilities, the system did not appear to create problems or the requirement for staffing above and beyond that seen elsewhere. The interview process did illustrate a somewhat higher than normal dependence on Microsoft Excel, which did create some questions about the efficiency of the system. However, this might be resolved through a "deeper dive" into business processes and perhaps some updated training on the HTE system. Based on an interview with SunGard, SunGard's perception of the problem is that the additional training may be required.

CIS: Settlement

Based on the interview process and "like-size" utility analysis, the system did not appear to create problems, or require staffing above and beyond that seen elsewhere. Based on NBHDL's use of the Savage ODS product, and the Kinetiq Settlement package, there may be efficiencies realized in the future, depending on NDBDL's strategy around GS>50 meterings.

CIS: Cashiering

Based on the interview process and a comparison to "like-size" utilities, the system did not appear to create problems, or require staffing above and beyond that seen elsewhere. The interview process did illustrate a somewhat higher than normal dependence on Microsoft Excel, which did create some questions about the efficiency of the system. However, this might be resolved through a "deeper dive" into business processes and perhaps some updated training on the HTE system.

Engineering (New Services)

The "New Service" process is problematic for many utilities. Given that many new projects never materialize, LDCs are hesitant to use systems such as GIS until there is confirmation that the project will move forward. Many LDCs use paper-based processes to gather new account information, and the process is generally fairly cumbersome. In NBHDL's case, there is a high dependence on Microsoft Excel, but apart from that, the project is not considered so inefficient as to justify a more comprehensive analysis as part of this project. NBHDL might decide to perform this analysis internally.

CIS - Billing

Util-Assist performed a more detailed analysis of this business area due to inefficiencies and risks that were identified.

The integration with MDM/R has resulted in some processes that have not been managed as efficiently as other Ontario CIS systems, resulting in a requirement for highly specialized staffing to manage certain functions. As a result, there are few NBHDL staff who understand the full billing process; this creates an element of risk due to a lack of redundancy across the organization.

AMI

It is Util-Assist's finding that the AMI system is not a significant source of risk. The system provides data according to the required service levels, and the structure of the data collection practice used by NBHDL is that used by the majority of the Ontario users. However, we have identified this as a possible area for improvement due to NBHDL's interest in possibly changing the existing structure around data collection.

ODS

Similarly, NBHDL's ODS system should not be considered a significant source of risk. The system performs according to the requirements as communicated by the significantly sized user community in Ontario. Nevertheless, we have identified this as a possible area for improvement: NBHDL should develop their Smart Grid strategy to better understand their vision for the ODS in the future. There are many opportunities to streamline processes; however, if the long term goal is to minimize the need for this system, those efforts can be redirected.

IESO MDM/R

Ontario utilities are mandated to use the MDM/R for TOU billing. As such, it is critical that LDCs understand the business processes for interaction with the MDM/R. We have identified this as a possible area for improvement, as NBHDL users may require some additional training to better understand the current functions—much has changed in recent years with this system, and many utilities have struggled to stay current with their training.

Analysis of Current Resource Levels

Based on utility interviews, the primary difference when comparing NBDHL staffing to the utilities that were interviewed is that NBHDL lack redundancy across their staffing. All the other utilities interviewed have established redundancy across the billing functions, including MDM/R-related tasks.

Risks in the Meter-to-Cash Processes

The transition to TOU billing created a need for key individuals within the organization to learn about the changes to the billing process, and it was incumbent upon the utility to transfer knowledge across the organization. In the past, when the utility billed from register reads only, the quantities and variations in exceptions were relatively few, and easily understood by the billing team. With the current complexity in the billing process and the increased volume in the variation of exception types, a new situation has evolved: too few people in the organization understand the data well enough to manage the current level of exceptions. In fact, in today's environment, NBHDL staff do not manage meter data when handling billing exceptions – rather, the process is to revert customers to RPP-block billing until the exception date has been billed, then move the customer back into the TOU billing process. This is not the purpose of the TOU billing mandate, and not a common practice among other LDCs. Best practices would suggest that in order to minimize customer confusion, once converted to time-of-use, customers should remain on time-of-use. Experience in the market shows that few, if any, scenarios warrant moving customers back to RPP-block billing once converted to time-of-use. While there may be no regulatory requirement preventing these actions, customer confusion and call centre traffic should

be minimized as much as possible.

With limited resources to handle the process, there is a lack of time for the team to upgrade their skills. There is a concentrated effort to bill customers on time, and the pressure to meet this expectation has resulted in staff reverting to work around processes to ensure deadlines are met. Workarounds are being used, because the process is known rather than because it is correct. If the staff does not know the best practice process to resolve problems, they tend to revert to processes that are known regardless of whether they are best practice or not. In this example, reverting customers to RPP-Block billing is NOT best practice, but it allows the billing resource to meet the requirement for on-time billing. A better solution would require that the billing team be trained on how to manage meter data to prevent the need to move customers to RPP-block billing. The problem with this solution is that it takes some time to acquire training, practice the new skills, and develop the documentation for the changes in business process. Currently NBHDL cannot provide the resource time to obtain this training without falling behind in the billing process – there is no redundancy in the department to allow for training of the billing staff without having the billing fall behind. Until this is done however, business process optimization cannot occur. Examples of such problems include:

- **Meter Changes in HTE**: the version of HTE being used at the time of the interview process does not allow for meter change activity to be handled according to the published functional specifications for MDM/R. This results in an almost 100% chance that a billing attempt for a USDP that includes a meter change during the bill period will result in a billing exception. Without the knowledge/ability to manipulate the meter data in the MDM/R to resolve the billing exception, the only way the staff knows how to proceed is to move the customer to RPP-block billing, bill around the meter change, then convert the customer back to TOU for future billing.
- **Sync Files**: NBHDL spends considerable resource time editing sync files to avoid or resolve failures. This sort of problem simply does not exist for LDCs that use different systems; other “Sync Operators” simply hit the “button” and let the system send the files to downstream systems. The process of opening files and manually reviewing content is not common due to the complexity of the file interface, and creates a huge risk due to the potential for human error.
- **Resolving Billing Exceptions**: all utilities need to manage meter data for certain billing exceptions and then re-request bill quantities once the data has been “massaged.” The HTE billing system has automated the process of re-requesting bill quantities; each night the system re-requests any quantities for SDPs that have not been successfully billed. Without the ability to manage the meter data at the MDM/R, however, this is an exercise in futility—until the data has been modified, the same result will be returned. This also creates additional work as the same exceptions are repeatedly reviewed.

While these examples may suggest that the risk is introduced through system problems, it is important that the distinction is made. No system is perfect, and therefore it is important that the utility structure accommodate redundancy for the workarounds that are implemented to get past system deficiencies. This report identifies issues are system related, but NBHDL should consider that there is a need for redundancy in the critical areas of their meter-to-cash process. There currently exists a single point of failure for many pieces of the billing process for multiple rate classes, but most significantly in the areas of MDM/R billing and exception handling through the ODS.

Section 3: Summary of System/Vendor Analysis

This section examines the most critical systems in the meter-to-cash process. It considers problems uncovered through the interview process, the results of vendor Interviews, and the results of LDC interviews to provide insight into how LDC partners use their utility systems in comparison to NBHDL.

This section focuses on the systems that either have the biggest impact on the process, or have demonstrated risks or opportunities. (The systems within the NBHDL meter-to-cash processes that did not demonstrate risks or opportunities are not covered in this section.)

HTE CIS (SunGard)

In addition to the lack of redundancy within the staffing of the department managing the billing function through the HTE CIS which is discussed above, there are some actual system deficiencies that were discussed during the interview process with key individuals from the NBHDL team

CIS System Deficiencies

Expected Increasing Costs

The introduction of the Smart Meter Initiative, and the functional requirements for integration to the MDM/R created requirements for CIS changes that drove some vendors from the market. In addition, deregulation caused the number of utilities in Ontario to be reduced from 300 to 70. As a result, some CIS vendors have suffered losses to their customer base. Prior to the introduction of the Smart Meter Initiative, the HTE users group in Ontario included more utility companies than the current four (electric) LDCs. Whatever the reason for the reduction in customers, it cannot be denied that changes to the system required for Ontario smart metering are being borne by a diminishing number of customers.

It is assumed that future changes to CIS, as required by regulatory requirements, will continue to be made by HTE. The concern may become the cost to each member LDC for the work to meet the new requirements. The next few years will bring more MDM/R changes and upgrades–most notably version 8 of the eMeter software–which may require CIS changes to accommodate the new functionality. Although very little is known about the version 8 requirements, it is safe to say that the IESO will eventually require that the upgrade occur in order to keep the product current and as close to the eMeter standard as possible. It has been suggested that version 8 includes a real-time sync process which uses different interfaces than the existing file-based interface; indicating a significant CIS change to move away from the current file based interface.

The identified risk is one of increased cost, and these costs are expected to be higher for NBHDL than other LDCs in the province that use CIS systems with wider customer bases.

Change Management

As the market has evolved in Ontario to address the smart meter mandate, HTE has worked with key customers to learn the new requirements and program and test the new functionality. In Ontario, the key customer for MDM/R work has been Halton Hills Hydro (HHH); this decision is logical in that Jennifer Gordon is a resource with a great deal of system knowledge, and the utility has been willing to provide the resource time to accommodate the learning requirements leading to the development by HTE – a commitment which might be hard for some LDCs to support. The downside to this process for other HTE users is that the resulting programming by HTE meets the requirements of the Halton Hills Hydro billing process, which may vary significantly from other users (e.g., the best illustration of this is the difference between “cycle billing” and “exception billing” with HHH using exception billing, and NBHDL using cycle billing). The result has been that NBHDL and other users (e.g., Thunder Bay Hydro) have experienced a number of issues that could be caused by the fact that the MDM/R module is based on the exception billing process rather than on cycle billing. While HTE remains committed to solving issues that are reported, the difficulties presented are an illustration of a change management process that might be considered “lacking.”

Compared to many other LDCs in the province, NBHDL allocates more time and attention to managing their upgrade process. Due to the problems NBHDL has endured in the past, NBHDL has determined that more extensive regression testing is required. While regression testing is certainly considered a best practice, the extent to which CIS functions *not* related to the upgrade are tested, does vary by utility. Many utilities only test the functions changed in the upgrade, rather than all LDC functions to ensure the upgrade has not negatively impacted other functions. HTE users tend to spend more time performing regression testing due to the fact that each LDC utilizes some custom programming, and the history with HTE which has seen functionality impacts which were not anticipated.

For small to mid-size utilities like NBHDL, testing functions for change management has always been difficult; the smaller LDCs simply do not have the resource base to allow proper teams to specialize in testing new releases. As a result, utility staff must forego other functions to stay involved in the change management process. The NBHDL staff that manage the change are the same staff that manage the MDM/R TOU billing process, in addition to the AMI and ODS.

The HTE change management process then, presents another area of risk - that of resource availability, redundancy and expertise. For NBHDL, the staff managing these functions is already limited with regards to availability, making the testing requirements difficult to manage.

Product Roadmap

SunGard offers three platforms for their current customer base (as it relates to utility billing solutions): the PLUS Series, the NaviLine i-Series, and OneSolution. Much of the recent development work seems has centered on assisting customers with integration efforts. The evolution of the products can be seen through the existing interfaces; the PLUS Series does not currently have any MDM interfaces (and only offers cycle billing), while the NaviLine series have been integrated to MDM products in many markets. The NaviLine series is the product currently in place in NBHDL. NaviLine works predominantly from stored procedures, but does contain some Web services (i.e., real time) interfaces to connect systems.

OneSolution on the other hand is SunGard's new solution which is fully Windows based and uses only Web services interactions to integrate other systems; for example the product uses the MultiSpeak standard to create work orders. SunGard's experience in Ontario and other markets thus far has been that, despite performing integration services with the same vendors in some cases, the same interfaces have never been used from one project to another, which likely speaks to the rapid evolution of the AMI and smart grid initiatives occurring globally. The desire for standards exists, and this seems to be part of the strategy with the OneSolution platform – the development path seems to closely represent what we are seeing in Ontario with the move to use data provided by Sensus through the MultiSpeak interface for downstream processes such as outage/restoration enhancements, or what we are hearing may be the direction for v8.0 with the eMeter solution which may include a real time sync process. The company is actively seeking advice from customers on the OneSolution product direction. SunGard (through the interview process) expressed interest in having a North Bay representative join the Product Advisory Committee, which meets occasionally to discuss development of the new solution.

While the OneSolution product does speak to the evolution of the market, NBHDL need not be concerned about the NaviLine series being retired. The product will continue be developed and supported, and work is always performed to ensure backwards compatibility. Other development efforts include work to enhance the existing eBilling and eNotification functions, and further integrate their products with Web presentment tools.

SunGard has recently released version 9 of the i-Series product, and stated that if NBHDL is looking to move from version 7 in the near future, their recommendation would likely be to move directly to version 9, bypassing version 8. The

functionality has not changed dramatically from 8 to 9, but the product contains some bug fixes which makes the move to the newest version make sense. SunGard does not charge fees for the move from one version to another, like some vendors do, but noted that if the AS400 hardware required updates, NBHDL may see some cost from that perspective.

Other CIS Options

The predominant CIS system in the province for mid-small size utilities (i.e., less than 300,000 accounts) is the Harris NorthStar product (approximately 35 LDCs). Another widely used platform is the Daffron system. Other mid-small size utilities are using platforms generally considered to be aimed at larger LDCs such as SAP (FORTIS Ontario) and Cayenta (PDI). In the case of PDI, a more expensive system has been utilized, at least in part, for its higher degree of integration between CIS and Financial functions, which is something that is worth mentioning here given that NBHDL has expressed some dissatisfaction with the lack of integration that results in business processes which require added verification steps using spreadsheet programs which might be eliminated by using a more "enterprise class" solution.

Like-Size LDC Experiences

Using the IESO MDM/R performance reports, we have provided two summary comparisons which illustrate the impact of some of the difficulties being discussed elsewhere within this document.

Table 3: Synchronization Success Comparison demonstrates that the HTE users encounter more sync errors than the average utility. It should be understood that the statistics are dependent not just on system performance and programming, but also on the business processes implemented by the LDC. This is easily demonstrated when reviewing the more detailed chart included with Appendix A. For example, for many Harris NorthStar users, the IR14 performance is very good (i.e., 0% errors), with the exception of a couple of months where the performance is much lower, which would indicate that perhaps the change in performance is not due to programming but rather to business process; the statistics might be explained by understanding the particular business process problem being resolved at that time.[1] This may hold true for the HTE customers as well, though the much higher percentages of errors indicates that it may be more than just business process that contributes to the error percentage. Thunder Bay was listed in the following chart, separate from NBHDL to demonstrate that NBHDL's error rate is significantly higher even than another HTE user, which might support the idea that perhaps some business process improvements can be made in NBHDL's procedures.

Table 3: Synchronization Success Comparison

CIS	IR14 Errors (%)
HTE – NBHDL	24.61
HTE – Thunder Bay	11.59
Harris NorthStar	6.18
Daffron	2.13
SAP	5.2
Ontario Average	12.19

[1] Most of the utilities represented in these charts are Util-Assist Sync Operator customers, and more information can be provided about particular processes or the statistics in particular months.

Table 4: Billing Request/Response Comparison demonstrates that utilities employing ODS systems are having better success in the billing process than the provincial average. The statistics seem to indicate that the exception handling processes within the Savage and Harris ODS systems may be contributing to improved performance. It should be noted that lower percentages may be attributed to lower AMI performance or sub-par billing processes, rather than the use of an ODS. But given that both systems do contain some proactive measures to improve billing performance, it stands to reason that the significant difference as compared to the provincial average will be in part due to the use of the named ODS. The HTE users encounter more failed BQ Requests than the average user, as a result of the system's programmed function which sends any failed requests as an OFF cycle request

Table 4: Billing Request / Response Comparison

CIS	Transaction Code 00 (%)
Savage ODS	95.51
Harris MeterSense ODS	92.66
Ontario Average	88.5

Table 5: AMI Performance demonstrates that the addition of infrastructure has been successful in bringing NBHDL's AMI SLAs into the upper echelon of utilities with regards to AMI performance (as measured by "intervals received"). This list contains both Elster and Sensus users, indicating that both networks are having success, although when averaged separately, the Sensus users do see slightly better performance, but this may be due to an imbalance in the number of utilities captured by the study (17 Sensus users vs. 7 Elster users), rather than performance. NBHDL's high AMI performance may, in fact, be a larger contributor to the Transaction Code 00 percentage that is measured in the previous chart, than the performance of the ODS. Certainly the ODS has positive impacts on the numbers, but the HTE practice of repeatedly sending BQ Requests for failed attempts will have negative impacts on the performance.

Table 5: AMI Performance

Utility	Ranking
Norfolk	1
Cambridge	2
Haldimand	3
NBHDL	4
St. Thomas	5
Orillia	6

Table 5: AMI Performance	
Utility	**Ranking**
Thunder Bay	7
PowerStream	8
PUC (Sault Ste Marie)	9
Ottawa River Power	10
Average (23 LDCs)	99.13%

IESO MDM/R

The introduction of smart metering—and the regulatory requirement to use the MDM/R to validate meter read data and prepare data for TOU billing—has introduced a need for Ontario LDCs to embark upon an ongoing practice of maintaining updated business process documentation. This has become a requirement due to the complexity that has been introduced into the management of meter data. When the MDM/R was first introduced to the province in 2009, the system included some shortfalls. These shortfalls (as listed in Table 6, below) contributed to the driver for utilities to procure ODS systems.

Table 6: MDM/R Processes			
Process Requirement	**Earlier Versions**	**Current Versions**	**Creates ODS Requirement?**
Storage and management of operational data To facilitate smart grid functions, a system needs to store AMI operational data, and allow for creation of business rules	✗	✗	**Yes**[2]
Storage and management of billing data In Ontario, LDCs are regulated to use the MDM/R for billing functions.	✓	✓	**No**
Ability to perform manual data correction Manual editing of interval data may be required in the billing process. Manual editing of interval data is possible in the MDM/R, but manual editing of Register Read data is not.	✓	✓	**No** [3]

[2] There is no regulatory requirement for Smart Grid. However, by using only the MDM/R, NBHDL is capable of realizing only a small part of the full value offered by the smart meter technology. Use of the operational data from the meters can streamline countless business processes. This statement is supported simply by looking outside the Ontario market to jurisdictions where there is no mandate for the implementation of these systems. The business case justification for the procurement and installation of these systems is based on use of the operational data, with the billing efficiencies being considered an ancillary benefit. Outage management, system planning, and the reduction in theft of power; to name just a few functions, are often considered the most impactful benefits resulting from the implementation of smart metering.

[3] The IESO MDM/R does provide the ability to manually edit meter data, so strictly speaking there is no requirement for ODS created here, however most users consider the manual editing function of the MDM/R so cumbersome that the interface is not used.

Table 6: MDM/R Processes			
Process Requirement	**Earlier Versions**	**Current Versions**	**Creates ODS Requirement?**
Ability to perform automated data correction Submission of register read and interval data in larger quantities is occasionally required. This is possible with MDM/R through the meter reading interfaces. The LDC requires a system (the ODS) to perform this function.	✗	✗	**Yes**[4]
Register read estimation With R7.2 the MDM/R became capable of creating register reads to be used in the billing process.	✗	✓	**No**
Real time processing of all meter data	✗	✗	**No**
Create scaled estimation	✗	✓	**No**
Resolve NVE intervals	✗	✗	**Yes**[5]
Handle power fail scenario	✗	✓	**No**
Proactive resolution of billing exceptions	✗	✗	**No**
Data source for Web tools	✓	✓	**No**

Product Roadmap

The IESO MDM/R roadmap considerations were acquired through multiple sources of information:

- Public facing documents
- IESO MDM/R daily communications
- Interview process including Mike Strano and Luis Orozco

The use of the MDM/R simplifies some planning exercises because there is such a tightly controlled change management process in place with IESO. This process includes submission to IESO of documentation regarding requested changes, a venue for discussion of requested changed (i.e., OWG), and documentation released to utilities around approved and implemented changes. The process to implement changes is also carefully controlled through the use of multiple hardware environments made available to LDCs for testing purposes. In this way, NBHDL can understand forthcoming

[4] The list of processes requiring data submission is not extensive, and in fact, if NBHDL understands the lists and the IESO MDM/R functionality around each process, it may be found that in fact, no ODS requirements exists here.
[5] With improved AMI performance, there should be very few NVE intervals created all but eliminating the need to automatically resolve NVE through ODS.

changes and make plans to test them at their convenience based on the development of their own systems to manage the change. With regards to IESO MDM/R, there are some "roadmap" considerations:

- VEE Service Code changes
- Management of WEB Services interactions
- Phase 2 of the V7.2+ changes for MC requirements
- V8.0 of eMeter software

VEE Service Code Changes

IESO has conducted OWG calls with the user community regarding some modifications to existing VEE Services and the creation of some new VEE Services that have made their way through the change management process and will be ready for LDC testing in the coming weeks/months. It is the opinion of Util-Assist that these changes will have little to no impact on the NBHDL's meter-to-cash processes. Additional information can be provided regarding these changes to help determine if there is value in utilizing these options; however, it is important to understand that these changes are just options that can be used by utilities if there is deemed to be value. If the decision was made to make use of the VEE service changes, CIS work would need to be done, and testing would need to be performed.

Management of Web Services Interactions

As part of the OWG call on Feb 13, and as part of email correspondence from IESO, Web services has received a lot of attention recently. In summary, the concern has been a higher than anticipated use of Web services by the LDC user community. We will continue to see information released as IESO continues their investigation, but also as new entities begin to take advantage of the Web services functionality to acquire Smart Meter Data for such initiatives as the "Green Button."

The reason that we've included a reference to Web Services in this meter-to-cash document, is that the current ODS provider does make use of Web services in their exception handling process. IESO has begun to contact larger LDCs in their investigation; however, we would expect that there may also contact smaller users of the MDM/R. This underlines the importance of the LDC fully comprehending their business processes: if IESO does approach NBHDL regarding certain business process, the LDC should be well prepared to engage in those conversations. Furthermore, if a change is required, this will have an impact on the existing meter-to-cash process.

Phase 2 of the Measurement Canada Requirements (v7.2+)

Release 7.2+ of the Measurement Canada (MC) solution for the IESO MDM/R includes the RR CR measurement profile for periodic and hourly framing structures, and the use of data quality indicators for register reads being provided through the XML billing interface. At this time, there is very little impact to NBHDL as it pertains to the release of this functionality. However, as NBHDL does successfully progress into the required HTE upgrades, where use of the XML interface becomes possible, these changes will need to be considered by NBHDL. The testing that is required for this MDM/R upgrade is considered minimal. NBHDL will need to understand whether HTE is making any changes to their software which will make use of the new indicators, and if so, whether NBHDL will then take the new information and translate it into usable information on the customer invoice. If this is deemed important, work will be required by NBHDL simply to manage the process to get to the point of using the data: management of the sandbox environment for testing, management of the HTE version to allow testing, management of the test scripts, management of the required bill presentment issues/testing.

V8.0 of the eMeter Software

eMeter is the platform that forms the foundation of the MDM/R. In the calendar year of 2013, IESO will move to version 7.2+. This is a change that is considered mandatory in order to meet regulatory requirements placed on Ontario LDCs by Measurement Canada. At this time however, version 8.0 is envisioned as an optional upgrade. That is not to say that each LDC will have the option, but rather the province as a whole may collectively decide that version 8.0 is a change that is unnecessary in the near term. The following are some comments that have been made in public forums regarding version 8.0:

- Version 8 is a significant change to the MDM software; underlying table structures will change
- Version 8 may contain interface changes to such processes as synchronization
    - As a result of comments such as these, one can safely assume that if v8.0 were to be implemented, significant testing would be required at the user level.

Very little information has been released by IESO with regards to the deployment of v8.0. This is because even if the decision was made to upgrade to v8.0, that change would likely be as much as two years away. LDCs cannot begin to prepare now for a change that might be two years away, so little priority has been given to documenting and discussing the changes that might be included. However, we can make some inferences:

- Best practices with regards to software would see utilities "desire" the minimum amount of customization in the software platform, thereby simplifying the testing process as the vendor creates patches and upgrades
- Best practices would suggest that the user community stay current (within reason) to minimize the significance of any single upgrade process
- V8.0 has been released by eMeter to some customers, so there is some understanding of what it brings and the indication is that the change is significant

The above findings indicate that while v8.0 might not be here in two years (based upon a possible collective decision to wait), it will likely be here in three to five years. If interface changes do in fact come with v8.0, NBHDL should consider this upgrade in their CIS strategy planning.

Options

As the IESO MDM/R is an entity that Ontario LDCs are regulated to use for the VEE of Meter Read data, and the preparation and storage of TOU billing data, there are effectively no options. While some utilities might consider the implementation of a second option to support the TOU billing function, for the purposes of Disaster Recovery and/or business continuity, at this time Util-Assist would consider those options purely as DR/BC considerations rather than as a possible future billing option, based on the existing regulations.

AMI (Sensus)

The introduction of smart metering has increased the cost of meter reading - the cost of the system and monthly data collection costs have resulted in higher monthly costs to acquire billing data. NBHDL, like other utilities in northern Ontario, presents some challenges to radio frequency AMI systems; the amount of rock, hilly terrain and the seasonal changes resulting from the loss and growth of leaves has resulted in lower performance levels. Additional infrastructure was recently installed to improve the data collection performance. While this has improved the quantity and quality of data available for the billing process, it has somewhat exacerbated the cost issue.

Over the term of the smart meter deployment, NBHDL has had to undergo sub-par performance for extended periods of

time. Sensus, like many AMI vendors or other entities involved in the deployment and integration of smart meter systems, underwent rapid growth as a result of the Ontario mandate. With limited resources to service 36 systems which were purchased through the same procurement process, Sensus has struggled to provide timely service.

As a result, NBHDL is interested in determining if there is a more cost-effective way of managing the AMI data collection system. During the original procurement process there were several contract options made available by Sensus to the users of their system.

The Sensus contract was designed with three ownership and service models from which utilities could choose. With the Option B model, the utility owns the Sensus hardware and infrastructure and Sensus operates the network. Option B2 was presented as a model for utilities that are on a shared RNI; in this model the RNI is owned and the network is operated by Sensus; however, the utilities each own their TGBs, repeaters and metering infrastructure. The contract language is designed so that utilities that have contracted Sensus under an Option B or B2 service, can transition to an Option C service within the life of the contract with no penalty. The Option C model allows for the utility to take over the management of the network operations and results in a reduction in fees payable to Sensus.

Currently NBHDL is contracted with Sensus through Option B2, as are the vast majority of the Sensus users in the province. The rationale behind this selection was a balance of resource availability and skill set. During the AMI procurement and deployment phase of the Smart Meter Initiative, the majority of mid to small size utilities in the province elected to utilize the “experts” to the extent available during the process. At the time, AMI systems were new to Ontario utilities, and when presented with the requirement to deploy the system in addition to begin to understand the enrollment with the provincial meter data repository, risk was minimized by leveraging the expertise of the AMI vendor. This statement holds true regardless of the AMI vendor; Sensus users contract with Sensus for certain requirements, while Elster and Trilliant users also utilize the AMI vendors or partners that have been certified by the AMI vendor.

NBHDL has been faced with large projects, championed by a small set of employees faced with a technically-intensive learning curve:

- In 2009 NBHDL was faced with managing the mass deployment of meters. This involved managing the installation vendor, meter inventory, and import of meter inventory information into the CIS system as deployment progressed.
- In 2011 NBHDL was faced with the procurement of their current Operational Data Storage (ODS) system to assist in the management of AMI performance, and with the corrective data submission “requirements” for MDM/R TOU Billing processes.
- In 20011 NBHDL was faced with the IESO-controlled enrollment process, integrating the CIS and AMI system with the MDM/R.

During the AMI procurement, which was the first step for NBHDL in their effort to achieve the requirements of the Smart Meter Initiative, it was decided that with the amount of work required to move forward effectively in such a large project, that it would be difficult to dedicate the time and effort to learning the AMI system.

Over the course of the AMI deployment and implementation of TOU billing, it was hoped that NBHDL resources would learn the AMI system well enough to allow consideration of the other contract options, or, that Sensus expertise would have proven invaluable. The best strategy at the time was to mitigate risk through the use of the Sensus team, but knowledge has been acquired over the first years of deployment, and now may be an opportune time to re-examine the contract options.

Contract and Resourcing Options

The current contract option includes Service Level Agreements that address network performance at three levels: daily, over 72 hours, and over 30 days. When considering a move to contract Option C, it is important to understand that the only network performance guarantee that remains is that of the daily performance as of the date the contract option comes into effect. There would be a process whereby the system would be analyzed, and "signed off" as meeting the requirements, and from that point forward there would be no performance SLA in place. This places all accountability for network performance on the LDC, which is dramatically different from the scenario in effect today. Clearly NBHDL would prefer to go into Option C knowing that Sensus was held accountable – to some degree – for performance. Because the daily maintenance of the system is so important in the overall performance of the system (i.e., the risk of performance issues due to optimization efforts rather than infrastructure), it is difficult to envision a scenario in which Sensus would be willing to negotiate a contract that would protect NBHDL's interests, but also be acceptable to Sensus. This is an understandable stance from Sensus' perspective given the impact that ongoing performance monitoring and the deployment of new devices can have on the network. If the system is performing at the SLA, and is transitioned to NBHDL, and then NBHDL decides to implement DA devices as part of their Smart Grid plan, or install Gen-3 meters to begin using the network to bill GS>50 meters, the network performance might be dramatically affected, but by no fault of Sensus. Under the Option C model, the LDC must understand the network well enough to properly plan for changes, and manage those changes in a way that does not compromise the existing production functions.

The following are examples of NBHDL AMI knowledge and tasks:

- The NBHDL Sync Operator (Darren) uses the RIS statistics as well as the long/lat coordinates to map meters with communication problems to determine if there are geographical issues associated with communication problems.
- The NBHDL Sync Operator (Darren) uses ad hoc tools to analyze the level of redundancy within the deployed infrastructure, by using communication statistics to determine how many meters might be stranded if that there is a problem with a TGB or other collection device (FNP, FRP, etc.).

While the level of knowledge has certainly increased with respect to the system design and data collection methodology, limited knowledge has been acquired with respect to troubleshooting such processes as:

- CMEP creation
- CMEP delivery
- Quarantine data (parser problems)
- Meter firmware upgrade process
- TGB upgrade process
- RNI upgrade process
- Encryption key management

While these are significant considerations, building the knowledge base around the system functionality is a key foundational accomplishment. With this knowledge, the right resources with the right training can begin to perform the functions that Sensus is performing for the data collection fees being paid by NBHDL. Additional considerations should include:

- Redundancy requirements: training one resource is possible; however, more than one resource should have the required knowledge to mitigate risk associated with vacations, job changes, etc.
- The costs associated with support: NBHDL may be able to provide the training to selected resources, and accommodate the redundancy concerns to operate optimally on a daily basis; however, there may be instances

where Sensus support is required to troubleshoot new problems.

Cost Analysis for Option C Consideration

The following is a high-level business case analysis of the possible opportunity which presents itself to NBHDL through the presence of multiple contract options with Sensus. In order for NBHDL to move into the contract option being discussed, they would need to own and operate their own network infrastructure rather than take advantage of the shared infrastructure model that is in place today. Costs of new RNI hardware, including cost of funds is shown in the model, assuming replacement of RNI hardware every four years. This term may be shorter than was assumed in the early stages of the AMI procurement and deployment phase; however, this is becoming the industry standard due to the rapid evolution of both hardware and advancements in functionality that will require software updates and firmware changes to the deployed infrastructure.

NBHDL Sensus Fees	B2	B	C
Current RNI Fees	$0.1283	$0.080	$0.03155
Meters Qty	22563	22563	22563
Monthly Total	$2,894.83	$1,805.04	$711.84
Annual Total	$34,737.99	$21,660.48	$8,542.13
Cureent TGB Fees No WAN	$2,077.39	$2,077.39	$750.00
Qty of TGB's	2	2	2
Current TGB Fees with WAN	$1,945.91	$1,945.91	$750.00
Qty of TGB's	2	2	2
Monthly Total TGB	$8,046.60	$8,046.60	$3,000.00
Annual Total TGB	$96,559.20	$96,559.20	$36,000.00
Total Annual Fees	**$131,297.19**	**$118,219.68**	**$44,542.13**

Dollars Available for Business Case (B2 – C)	**$86,755.06**

AMI operator	Salary	$65,000.00
	Burden Ratio	1.4
	Sub Total	$91,000.00
	# of Staff	1
	Department Annual Total	$91,000.00

TGB Fees	Rent	$4,800.00
	Power	$1,200.00
	Connectivity	$2,400.00
	Support Calls	$2,880.00
	TGB Spare Parts	$15,000.00
	Department Annual Total	$26,280.00

RNI Hardware & Up Front License Costs	RNI License and Hardware	$100,000.00
	Cost of Funds at 5%	$10,540.61
	Total over 4 Years	$110,540.61
	Average Cost Per Year	$27,635.15

Total Costs	$144,915.15
Difference from Current Model per year	-$58,160.09
% Savings using Sensus as Service Provider	40.13%

The total estimated annual costs for Option C are $144,915.15, and considering that there is approximately $86,755.06 available for the business case, Option C appears to be more expensive (by approximately $58,160.09 per year).

Some of the other assumptions that contribute to these calculations include:

Table 8: Calculation Assumptions

Assumption	Description
AMI Operator Salary	The salary quoted represents industry average pay for a well-qualified data analyst. The AMI/MDM Operator, or Sync Operator, is a role with a high degree of technical expertise and understanding. The role is much more complex in nature than that required under prior billing formats.
Number of Staff	To manage only the AMI/MDM Operator (or Sync Operator) functions would require approximately half a business day each day. With redundancy in place, this means there must be two qualified individuals that understand the role available, so we have doubled the staffing requirement for the purpose of this analysis.
Rent	The rent is at $200 per month, per TGB and is shown as an annual fee.
Support Calls	For the purpose of the analysis, we have assumed four (3 hour) visits per TGB per year at $120 per hour.
RNI Hardware	In order for NBHDL to move into the contract option being discussed, the utility would need to own and operate their own network infrastructure rather than take advantage of the shared infrastructure model that is in place today. Costs of new RNI hardware, including cost of funds is shown in the model, assuming replacement of RNI hardware every four years. This term may be shorter than was assumed in the early stages of the AMI procurement and deployment phase; however, this is becoming the industry standard due to the rapid evolution of both hardware and advancements in functionality that will require software updates and firmware changes to the deployed infrastructure.

Results from Option C Analysis

Owning and operating the Sensus infrastructure has been identified as an opportunity for NBHDL. The above chart is an analysis that only really includes the current costs covered by the contract. It does not properly incorporate what might be characterized as the “soft costs” which might include such items as change management or even account management. What this analysis indicates is that it is very important for NBHDL to understand the true driver for the desire to modify their existing contractual arrangements:

- If NBHDL is most concerned with the rising costs of meter reading, the analysis shows that the current framework is more cost effective than owning and operating their system.
- If NBHDL is most concerned with what might be considered “poor” change management procedures within Sensus, this model should be expanded to include costs for increased testing efforts (i.e., due to “poor” testing procedures at Sensus, NBHDL must bear the costs to perform testing functions which might be considered a requirement of Sensus), and costs to the business for delays in RNI upgrades (i.e., can cost be attributed to delayed HAN projects, or possible costs due to delays in the rollout of encryption, etc.).

- If NBHDL is most concerned with what might be considered "poor" account management by their Sensus representatives, this model should be expanded to include costs which could be attributed to improved network performance which might result from having a dedicated person analysing and improving network performance.

The high-level business case indicates that from a purely financial perspective, the most cost effective model is to remain in the current contractual arrangement. However, we will continue to consider the modification of the contract as an opportunity, given that NBHDL has expressed interest in possibly not only managing their own network, but utilizing their expertise as a revenue generating opportunity to manage other RNI instances within the D9 group[6]. In addition, there may be opportunity to utilize the acquired AMI expertise to assist the the City of North Bay with their own AMI deployment.

Moving forward, in an attempt to balance the risks associated with acquiring and managing their own infrastructure, and possibly that of the City, we would propose the following timeline for consideration:

Table 9: Timelines

Timeline	Description of Events
2013	Continue evaluation of opportunity to work with the City of North Bay on the City's Neptune deployment.
2014	If the opportunity with the City moves forward, 2014 would be a period in which NBHDL would assume a great deal of involvement with the Neptune AMI deployment, including such tasks as building business process documentation to educate the personnel at the City with future requirements.
2015	Upon establishing a department with expertise, 2015 might be the ideal time to make official changes to the current Sensus contract. If the City opportunity does not materialize, 2014 should be the earliest that NBHDL considers making changes to the current arrangements. 2013 will be a year filled with change in the Sensus environment. There will be the implementation of 3.1 SP3, which will allow deployment of HAN programs and encryption on the network (shared RNI). There may be multiple versions of 3.1 which are deployed which will require a lot of time to properly manage. While NBHDL may consider Sensus' change management as "lacking," we would submit that the current contract does suitably protect NBHDL through the period of rapid change, during which significant risk will be present.

Product Roadmap

As a result of the interview process, NBHDL should consider the following four areas of AMI development in the near term:

1. Metering (ESM)
2. Distribution Automation (DA)
3. Home Area Network (HAN)
4. Outage/Restoration

[6] D9 is specifically cited here for a reason. The contract does preclude Sensus users from competing against Sensus in offering data collection services. Therefore, by the "letter of the contract," NBHDL should consider that perhaps offering services to other entities would not be allowed. However, we feel that due to the geographical synergies that are presented, and the ambiguity of the contract wording, that Sensus may not disagree to allowing NBHDL to offer some services to surrounding utilities, but the opportunity should be considered as being limited to utilities geographically close to North Bay. We have therefore cited the D9 group because this is the group of utilities that worked together to procure the system and currently shares infrastructure.

Metering (ESM)

Currently the meters in NBHDL's population do not support "Extended Supervisory Message." The existing Supervisory message (depending on meter type) is limited to load profile interval data for kWh, and a peak demand value. For bi-directional meters, load profile data can be acquired from iCon meters only. As a result, the network is currently being used primarily to accommodate the mandated TOU initiative in the province – that of billing residential and GS<50 customers where the metering of demand is not required. Generally speaking, most utilities on the Sensus platform have concentrated on this rate class, and are only now beginning to strategize for the metering of other rate classes. Contributing factors to this include the time required to build and implement business processes for these customer classes, and the availability of metering and/or RNI functionality to collect the associated data.

While demand data can be collected currently, it is the introduction of ESM that will drive the strategy for most utilities with regards to metering and billing of rate classes outside those covered by the Smart Meter mandate. With the introduction of ESM on RNI version 3.1.x, the utility will be able to meter and collect data for GS>50 customers. With this functionality, a meter data management strategy can be created that maximizes the value of the deployed network by fully automating the data collection aspect of the meter-to-cash process. Currently "foot reads" and/or MV-90 type applications/services are required to collect data for customers being billed outside the MDM/R.

If the elimination of costs associated with "foot reads" and "redundant" systems such as MV-90 is considered a priority, then NBHDL will have the opportunity to begin strategizing for the optimization of the meter-to-cash process associated with these other rate classes. Some utilities would choose to replace those metering assets only as seal periods expire for the current assets, which would be a strategy that does not require dedicated attention in the documentation of change. If a more "aggressive" strategy is determined to be a priority in order to further utilize the deployed network infrastructure, the time associated with development and implementation of a strategy should be accommodated in utility plans. In addition to the planning functions, there will be costs associated with the integration of CIS to systems, such as the ODS where the metering data will be stored for billing. Integration efforts that include the CIS should be considered in the roadmap discussions with HTE and in the conclusions or planning that results from those conversations.

Home Area Network (HAN)

A common requirement or consideration in this section is that of future integration efforts. This will likely be a common consideration across all the vendor interviews – as functionality advances, integration efforts will need to consider the storage of new pieces of information. With regards to a utility HAN strategy, the Asset Type, Serial Number, Warranty information, MAC ID, Communication Type, and Firmware Revision are all new pieces of information that the utility should plan to store. Depending on utility strategy, current options do allow for outsourced service providers to store this information on behalf of the utility to accommodate current initiatives. But the LDC should consider storing this information to allow for future flexibility in their strategy. We cite HAN as one of the four main functions on the roadmap for a couple of reasons. Firstly, RNI version 3.1 SP2 is when the utility can first begin to use HAN devices on the Sensus network. With the deployment of this RNI version in the coming weeks, NBHDL can begin to implement their HAN strategy. Secondly, there are HAN initiatives in the province that are pushing LDCs to create their strategies. Currently there are options that allow vendors to manage large components of the service; however, NBHDL, may want to consider the future-proofing aspect of this strategy in conjunction with CIS and other platforms involved in this meter-to-cash study.

Distribution Automation (DA)

Distribution Automation might be considered a specific component of the utility's Smart Grid strategy. If NBHDL has not already created a Smart Grid strategy, that might be a good first step in better understanding the direction the utility is

moving in which will allow them to better prioritize the more specific components being addressed in this section.

Other utilities in the province have begun to deploy distribution automation devices into their service territories. With the network used in a production atmosphere for TOU billing, there are many factors to consider when deploying these devices, such as the possible impact to the production billing data that can be put at risk through the implementation of other devices on the network. These devices can communicate more or less frequently than the consumption meters, with more or less data in each transmission. It is hard to characterize the impact to the TOU billing process without an understanding of where the utility is heading with regards to other devices. Most utilities have begun to consider these devices as a requirement in their future plans, as they begin to see their customers deploying distributed generation or electric vehicles, which can have an impact on the stability of their transmission infrastructure. Distribution automation devices can contribute to a more reliable network and will serve to mitigate the risk associated with the deployment of devices which might negatively impact system uptime or asset life. Utilities that have begun to deploy these devices in Ontario have done so mostly in a pilot capacity to better understand some of the concepts cited here – such as data impacts to the network and how to best integrate the new information with existing systems and software. If NBHDL decides to explore this component of the Smart Grid there may be integration efforts with the CIS and GIS and even other utility systems that should be considered in the go-forward plans and strategy.

Outage/Restoration

To a larger extent even than with the DA devices, Ontario utilities have begun to work with the operational data coming from their deployed meters. Better use of the outage/restoration flags being transmitted by the system in real time has been a priority for many utilities in Ontario – both large and small. Use of this information can complement the data being used by the OMS, or for utilities without an OMS, use of the data can begin to replicate the functions that might be found in an OMS system. One of the problems that has slowed the progress of many Ontario customers is the current inability for Sensus to transmit across the MultiSpeak interface alarms specific to a single utility if the utility “resides” on a shared RNI. Many Ontario utilities have taken advantage of the Sensus functionality that provides the opportunity to share infrastructure. This has reduced costs for many customers, but has somewhat limited their ability to process alarms. This has not been seen as a major concern due to the concentration of efforts on the TOU deployment. Now, as LDCs move beyond TOU, they are looking to integrate operational data with other systems, and now want to begin using this data. These utilities, for the most part, have elected to wait until deployment of RNI 3.1.x before moving too much further, as it is this RNI version which will allow utilities on shared infrastructure to process alarms specific to their service territories. This eliminates the need for them to work with their ODS vendor to build “filters” to eliminate the “noise” created by other systems. Despite this, some utilities have moved forward and have begun to find tremendous value in this data. If NBHDL also sees value in the use of this data, and would like to begin to implement some of the possible efficiencies, significant time and effort is required to both document requirements and also work with vendors on the integration of the systems according to the requirements. While a great deal of CIS work may not be required for this effort, if CIS is the current source of data for meter-to-transformer (i.e., the connectivity model) relationships, at minimum an integration that will be required is a synchronization between the CIS and the new source of data for these relationships.

Options

As the AMI is a system with an expected life of at least 15 years, there are effectively no options to be described at this time.

ODS (SDS)

As a result of studying system requirements, two early drivers emerged for the need for Operational Data Storage (ODS) systems (also refer to Table 7: MDM/R Processes):

1. **Storage of Operational Data**

   The IESO MDM/R is a system for the management of TOU billing data. Consumption information, predominantly hourly interval data, is used to create time-of-use buckets for the implementation of rates that encourage consumers to shift power consumption to off peak times. The MDM/R is the regulated entity for this function in the province of Ontario. The design for the MDM/R was based upon a minimal functional specification which limited the MDM/R to the management of billing data; no operational data would be stored and/or made available to any other systems for the possible streamlining of operations functions. The AMI asset does provide such information as:

   - Outage and restoration messages for optimization of outage management processes
   - Storage of meter-to-transformer relationships and the aggregation of data across a service territory for asset management functions (transformer loading)
   - Voltage data for high/low voltage reporting
   - Management of tamper flags to assist in theft detection and other security concerns

   While the asset provides this data, the functionality of the MDM/R does not provide any analytics. This resulted in the first "driver" for LDCs to acquire a system that would help maximize the value of the installed AMI asset.

2. **System to provide "Corrective Data" for billing functions**

   The Ontario market has been a leader in the use of hourly interval data for billing functions; MDM products have been deployed in other markets, but in most cases the billing processes in other jurisdictions has not been the driver for the procurement of smart metering. As a result of a business case built upon operational efficiencies, utilities outside of Ontario have utilized the MDM to store meter data, but the billing function has not changed from a single monthly register read to the use of hourly interval data. Ontario has been a leader in this regard, and as a result we have been witness to the rapid evolution of MDM products. When first deployed, the eMeter solution did require[7] LDCs to submit corrective data in the following cases:

   - Meter changes
   - Power fail
   - New services/meter removals
   - Scaled vs. un-scaled estimation

In the time since deployment, however, the MDM/R has deployed enhancements to the system, minimizing the requirement to submit corrective data. In fact, it could be argued that the advances made by MDM/R have made it unnecessary to submit corrective data, bringing the system much closer to the original vision for the province: a single centralized database for the storage of billing data (rather than a centralized database that required utilities to own and operate a second database for managing exceptions).

[7] Require is a term used "loosely" here based on common best-practices. In fact, IESO did not "functionally require" utilities to resubmit data for these processes; however, with interval data being presented to customers, most utilities would have considered these practices a requirement, rather than an option.

NBHDL Strategy for Smart Grid

Reference has already been made to the need for NBHDL to document their vision for Smart Grid. This is reiterated here. Util-Assist feels that it is important for NBHDL to understand the direction they are heading with regards to the use of AMI and therefore the MDM. The original drivers cited above for the ODS in Ontario are a good illustration for this. If we concede that the need to submit corrective data has been resolved, and we understand that there is no regulated requirement at this time for utilities to pursue Smart Grid functions, we could begin to question the need for the ODS. This is not the direction that LDCs are heading; most have decided that Smart Grid initiatives or even the need to provide Smart Meter data for educational purposes – while not regulated – is something that is an unstated expectation.

This thought that ODS may be an unnecessary expense might be attractive from a cost savings perspective. However, when the existing meter-to-cash process is analyzed, it is clear that the ODS has become critical infrastructure. It has become difficult to reconcile these diverging concepts. If NBHDL wants to pursue either of these paths, it is time that their staff truly understand the functions that are currently being performed so that it is well understood internally just how important each of the functions are to their long term plans for MDM.

The MDM/R section, above, identifies the risk in having the current ODS utilizes the Web Services interface to "harvest" estimated data from the MDM/R. Over time, Web Services traffic has increased, and the MDM/R has started to analyse this increase to ensure sufficient infrastructure is in place. Heavy Web Services traffic has been associated with a loss in File Transfer Services, which affects critical processes for users of the MDM/R, and the IESO have had to take preventative measure to minimize the frequency of this occurring. The use of Web Services has been an issue with MDM/R for some time now, and it is conceivable that IESO will exert increased controls over how LDCs use the functionality within the system. The ODS "harvest estimation" process is one that may be considered "unnecessary" and may be targeted by IESO as an opportunity to reduce traffic.

Note that Util-Assist is *not* suggesting that changes to the existing process are required or even that consideration for change is warranted at this time. We are only trying to underline the importance of clearly understanding the existing processes, as well as the options that are available. By understanding the options – in this case having the IESO play a more active role in the exception handling process – the LDC is well prepared to engage with IESO in process discussions should that become a necessity.

Product Roadmap

As SDS customers have started to shift focus beyond TOU billing functions, SDS has also shifted their development focus to meet the changing needs of their customers. In this way, SDS has started to implement mapping functions in the ODS that allow the utility to map any data field for which their location information exists. If the ODS contains location information for USDPs, any MDM/R report can be mapped, for example, to show patterns of meter communication problems. If service order integration has been set up between CIS and ODS, then service order information could also be mapped – any piece of information within the ODS that may prove valuable through a mapping representation.

As it relates to Smart Grid strategy planning for LDCs, the first use of this mapping function for many LDCs may be studies related to operational data, such as transformer loading, or voltage reporting. Another mapping function that utilities are excited to implement is mapping of outage and restoration information as transmitted by the AMI system. The SDS ODS has now begun to receive MultiSpeak real time information for several Ontario customers, and has been able to map the outage and restoration information. Utilities will use this function to enhance their own business processes around outage and restoration.

As more utilities begin to shift focus to "Smart Grid" functions, Savage Data will continue to develop functionality for their

customers. In addition to the development work that has been done in this regard, the ODS team has begun a "parallel effort" to update programming to .NET, from VB (Visual Basic) which will provide the ability for the development team to further update the look and feel of the product. As new programming is performed, the team continues to performance test the new programming to ensure that there are no performance impacts on the new version when it is ready to be implemented with their customers.

These general comments around product development should provide NBHDL with some valuable information for consideration in their own Smart Gird strategy planning as it relates to the use of the ODS.

ODS Options

The predominantly-used ODS systems by mid to small size LDCs in the Ontario environment are the Savage and Harris MeterSense ODS products, with approximately equal market share. To a lesser degree, the JOMAR system is also being used. There are also implementations of the eMeter platform, Itron EE, and custom built solutions with some larger LDCs.

Section 3: Risks

Summary of Risks and Risk Mitigation Strategies

Table 11 identifies risks to the NBHDL business. We have characterized "risk" as a factor that may have a negative impact on the success of the company. These risks may originate through internal or external factors (internal factors are more easily controlled than external factors).

Table 10: Risk Definitions	
Low	Combination of low likelihood and low impact to the business
Medium	Either high likelihood and low impact; or low likelihood and high impact
High	Combination of high likelihood of occurrence and high impact to the business

Table 11: Risks				
	Summary	**Risk**	**System**	**Structure**
Financial System Inefficiencies	The financial system presents some inefficiency, due to the duplication of effort in the verification of system calculations. There is no risk to the organization's ability to collect funds and continue daily operations; however, this risk presents an opportunity to streamline the process.	Low	Yes	No

Table 11: Risks				
	Summary	**Risk**	**System**	**Structure**
Restrictions on Web Services	The use of Web Services has been an issue with MDM/R for some time now, and it is conceivable that IESO will exert increased controls over how LDCs use the functionality within the system. The ODS "harvest estimation" process is one that may be considered "unnecessary" and may be targeted by IESO as an opportunity to reduce traffic. If IESO does place tighter restrictions on Web Services, some of the processes currently used by the ODS will have to change. It is incumbent upon NBHDL to fully understand the impacts of these possible changes.	Medium	Yes	No
Lack of Redundancy	An undue amount of risk was found to be present within the structure that used to complete the AMI and MDM/R-related business processes. This risk is introduced through a lack of redundancy in the level of staffing; a single point of failure is created by having only one resource familiar with many of the critical meter-to-cash business processes. In order to resolve this risk, training must be provided to additional resources. This may prove difficult as the current resources have little time available for training—the resources responsible for AMI and MDM/R business processes are also the resources that are key to providing and performing the billing and settlement processes for all customer classes. Each of these functions requires extensive technical knowledge which makes it difficult to introduce redundancy.	High	No	Yes
Lack of Training	NBHDL may not have the required training to manage processes in the most efficient manner. For example, resolving data problems that trigger the conversion from TOU to RPP-Block might eliminate time consuming sync file management.	Medium	No	Yes
Unresolved Exceptions	Better utilization of existing ODS functionality will provide the ability to resolve more data exceptions in a timely manner by reducing the repeated BQ Request process and resulting exception handling processes (i.e. research in response to error reports, etc.). While this issue is similar in nature to "Lack of Training" the issue bears consideration due to the possible presentment of "bad" data despite successful billing.	Medium	No	Yes
Sync Process	Difficulties in the sync process create an environment that may eventually put at risk NBHDL's ability to put bills out the door in a timely manner. NBHDL should consider working with HTE or other HTEW users. After acquiring expertise in the process, NBHDL should ensure proper documentation is created which will contribute to the necessary cross training efforts.	High	Yes	Yes

Table 11: Risks				
	Summary	**Risk**	**System**	**Structure**
Current NBHDL Structure	The existing utility structure creates some risk. Although this risk is exacerbated by system deficiencies, it should be considered separately from those problems. It is critical that this distinction is made in order to create a plan to remedy the issue. Redundancy is important in any organization to properly manage vacations and sick days; however it may be the unexpected incidents that can be most disruptive to an organization. Vacations can be controlled through preparation, sometimes even eliminating the need for "backup" and the transfer of knowledge to other employees. Unexpected absences, on the other hand, do not allow for this preparation, and when the absence is extensive, the lack of cross-training across the organization can have serious impacts on critical processes.	High	No	Yes

Section 4: Opportunities and Next Steps

This report includes a great deal of information for NBHDL to consider; we believe that this information is valuable in creating the go-forward strategies with which NBHDL should use to define utility initiatives such as Smart Grid, which might include plans for HAN.

Opportunity: Implement Redundancy and Provide Training

As outlined in this report, Util-Assist's most significant finding is that NBHDL is at risk due to a lack of redundancy in the TOU billing process. Part of the problem is that the HTE system has not managed the required changes for TOU billing as effectively as some other systems in the province. The changes HTE has made have allowed NBHDL to meet the mandate, but have placed more strain on the personnel managing these processes as compared to other LDCs utilizing different CIS systems.

The Sync Operator Solution section of this report provides a framework for the resource requirements for performing the Sync Operator functions. Util-Assist strongly recommends that redundancy is required for these functions. To properly implement redundancy means that at least two NBHDL personnel should understand each of the processes, and be able to backfill when required—during vacations, sick days, training sessions, etc. Alternatively, Util-Assist proposes a solution for consideration, below. However, the actual organizational structure is not as important as the implementation of redundancy.

Util-Assist suggests that NBHDL focus on resolving these matters of risk by providing their staff with training:

- Updated training for the use of certain software systems (most notably MDM/R and ODS)
- Cross-training of personnel on processes controlled internally

A realistic training plan might look like this:

1. Re-assign approximately 15 hours of existing meter-to-cash functions to a new resource. Examples of such functions might include:
    a. Stale meter management
    b. Billing exception management
    c. IESO MDM/R report management
2. Having relieved the existing resources of some daily functions, time should be available for those resources to begin training other LDC resources on the remaining daily tasks

In the process of addressing this risk, NBHDL should consider the structural opportunities outlined below. If additional staff are hired, it may make sense to add these new employees to the Service Company.[8]

Opportunity: Expand Billing Service through Service Company

Possible structural changes may present revenue generating options by having NBHDL perform such functions as billing and/or data collection through their retail affiliate. While not considered the predominant structure for performing billing functions, some LDCs have elected to contract with their services company to perform billing functions. This presents NBHDL with some interesting options, such as expanding the billing service with the Service Company to include water billing. This presents a revenue opportunity for NBHDL and an opportunity for savings for the City by implementing trained personnel to perform the billing function as they prepare to deploy AMI—a project which NBHDL has experience with that can be leveraged to support the City as they learn AMI.

In interviewing "like" LDCs, Util-Assist found that utilities felt that there is little risk in moving to this type of model. There may be risks, however, if the structure was to change in the future. For example, if a services company is established, and is responsible for paying 1/3 of an LDC employee's salary, and the services company is then sold, how will the LDC justify absorbing the salary that was being covered by the services company?

Although Util-Assist suggests that NBHDL considers this opportunity, it is important to understand that Util-Assist is not a company that provides legal counsel pertaining to human resources or regulatory matters within the utility; we can only provide guidance around why the opportunity may make sense, and also utilize our industry contacts to help NBHDL understand the risks involved that may assist them in deciding whether a more comprehensive analysis of the opportunity is warranted.

Opportunity: Offer AMI Services through Service Company

By developing expertise in the management of the AMI, the Service Company would be in a position to offer data collection services to other District-9 (D9) utilities currently utilizing Sensus. Some preliminary investigation has been done with the Sensus contracts to better understand if this option exists. The contracts do allow for NBHDL to manage their own network at a reduced rate from what is currently being paid. By managing the network internally, there are some important contract impacts that should be considered such as the "non-compete" clause. This should be explored

[8] What many small to medium size LDCs have found is that it is easier to implement redundancy within the meter-to-cash process by outsourcing some of the recently-introduced MDM/R billing processes. The difficulty in managing these processes is the complexity and the continual change. As well, MDM/R billing business processes often do not require full-time staffing, so implementing redundancy within the LDC is difficult. Cross-training of technically complex tasks can be difficult due to the absence of daily issues. An outsourced vendor could become accountable for maintaining the updated knowledge and providing service according to the contractual obligations—through not only changes, but also for utility vacations and sick time. For LDCs, training time may not be available when exceptions require resolution, and exceptions requiring resolution may not be available when training time is available. For outsourced service providers there are always data exceptions requiring resolution due to the volumes being managed daily. Util-Assist and Olameter both provide outsourced Sync Operator staffing options.

further with Sensus. Presumably Sensus would attempt to prevent NBHDL from creating a competitive service that is offered to any Sensus utility in the province. However, Sensus might be more willing to allow NBHDL to provide services to a limited group of customers where there are obvious geographical synergies, such as the D9 group.

The risks associated with this structure are considered minimal, from the perspective of completing the work. The work must be performed by someone, as long as the Services Company resources are able to dedicate the required time to managing these processes there is very little risk, and possibly a great deal of benefit if these same staff are able to provide services to other LDCs, thereby receiving revenue for the holding company.

Opportunity: Share Utility Systems

Currently NBHDL uses Savage Data Systems (SDS) for ODS services. The D9 members do not all use SDS for ODS services. It is conceivable that ODS providers may create preferential pricing for a buying pool type arrangement to acquire a larger customer base.

Similarly, if there is interest from the City of North Bay in partnering for certain AMI functions, there may also be interest in using the same ODS system. With NBHDL already owning licenses for the product, there seems to be an opportunity for the City of North Bay to make use of the same system at a reduced cost over what would be acquired if they went through their own separate procurement process.

Note: SunGard, during the vendor interview process, indicated that in actuality all that is shared between NBHDL and the City of North Bay is the IT personnel that are managing the system.

Next Steps

NBHDL's go-forward plan must accommodate the risk that is identified in the report. Resolving this risk requires that the LDC acknowledges that the process for billing residential and GS<50 customers today is more complex and more time-consuming than billing using the RPP-Block business process. Therefore some additional resourcing is required. Implementation of some additional resourcing will allow some cross training of existing staff and allow NBHDL to have some redundancy in place. The methodology that is used by NBHDL to implement this risk mitigation is where the opportunity lies. NBHDL could choose to implement this additional staffing by outsourcing some roles/responsibilities, alleviating the internal staff of some functions and thereby allowing a more redundant task assignment with the remaining internal staff. Alternatively, NBHDL could choose to staff the service company for these functions, and begin to realize opportunities for revenue generation.

Conclusion

The report contains a significant volume of information, with some opportunities for enhancements as well as suggestions for the resolution of identified risk. NBHDL has proven themselves adept at managing the high volume of changes that have been thrust upon them, and through the identification and implementation of some suggested "next steps," they can build a sustainable model which might include opportunities for increased revenues for the NBHDL holding company. After deliberation of the cited discussed strategies, and review of the meter-to-cash systems and strategies for future integrations and efficiencies, if the various strategies do not include expanded work within the services company, the suggestions within this work plan will strengthen the foundation that has already been established within the LDC.

Appendix A: Detailed Analysis of Meter-to-Cash Processes

High level business process documents are included within Appendix F. As a result of this high level analysis, the following discussion points were considered relevant to this analysis:

- Staff training
- System deficiencies
- Business Process issues
- Sense of empowerment
- Risk

Financials Processes

The following financials business processes were reviewed:

- Month End Inventory
- Month End Miscellaneous Receivables
- Month End CIS Deposits
- Daily Updates

Business Process Issues

At present, NBHDL does not use a separate financials system outside of the HTE Customer Information and Billing system (CIS). All bank reconciliations, balance sheets and income statements are completed through use of Excel spreadsheets. This includes all month and year end financial processes.

For month end financial processes, all system-generated reports relating to accounts receivable and accounts payable items are generated from modules within HTE. The primary modules used for financial processes are the GMBA (account billing AR), Miscellaneous Receivables (i.e., deposits) and the Purchasing and Inventory (PI) modules. Spreadsheets are then used to reconcile balances and/or identify variances. Entry in to the Excel spreadsheets is a manual process, and no reconciliation reports have been created within HTE or through Cognos reports or other tools. The Excel spreadsheet copies are kept as the utility's balance sheet and income statement reports.

A daily update (posting) to the GL is done after running a listing of all entries from Billing, Miscellaneous Receivables and Purchasing and Inventory. The listings are reviewed for warnings and, provided no warnings occur, the entries are posted to the GL. To date, the resource interviewed has never encountered a GL account post warning, and there is no defined process for managing an identified issue.

For cash issues, variances are only reviewed if they are greater than $50.00. The resource interviewed advised that cash variances are uncommon. Most variances are considered reconciled after the next day's balance (over on one day will likely result in being under by the same amount the next day.

It would seem reasonable to assume that an effective financial system would instill confidence and provide the functionality to eliminate the need for verifying calculations in Microsoft Excel. Best practices would suggest that the financial team verify system calculations at critical times, for example in times of change. Other Ontario LDCs that operate on different financial systems only "reverse-engineer" system calculations to determine accuracy when rate changes are required, or when system changes (e.g., upgrades) are implemented and the verification was required as part of the testing process.

Staff Training

The staff performing the daily, monthly and year-end financial processes had a thorough understanding of the requirements. From an analysis perspective, the interview was easy to conduct as a result of this thorough understanding of the systems in use and the requirements of each process they are responsible for. Interviews to "audit" processes can occasionally be difficult to conduct based on staff members' differing perceptions of the goals of the analysis. In some cases, gathering information can be difficult due to the uncertainty regarding the process. In this case, the interview process was easy to conduct with the information being provided without hesitation or trepidation, which tends to reflect confidence in the subject matter expertise of the resource.

System Deficiencies

The frequent use of Microsoft Excel seemed to be a possible indicator of system deficiencies. The financial system provides data that is then entered into Microsoft Excel to confirm accurate calculations and determine if any variances require troubleshooting. This repeated use of a simple spreadsheet program suggests one of the following:

- A lack of confidence in the financial system, or,
- A lack of functionality which made the use of the spreadsheet a requirement

Where multiple daily listings and monthly reports are considered necessary for the purpose of identifying warnings prior to daily GL updates, and for monthly financial reconciliation totals (balance sheet), an opportunity exists to have auto-generated reports developed by IT staff or the CIS provider. It is likely that both a daily exceptions listing of GL account warnings and a monthly balance sheet/reconciliation report can be created and generated from HTE. This may reduce the number of multiple HTE reports or listings required to be run from separate finance-related modules and minimize the need for regular manual entry to Excel spreadsheets. If the current reports and listings are being printed and filed, a summary report for balancing purposes would also minimize the amount of paper used.

Sense of Empowerment

In this interview, as with others conducted with staff of various departments and roles, a lack of empowerment was again identified. The Finance Department representative was thoroughly knowledgeable and was able to identify each element of the regular processes easily; however, the daily verification process may not be required considering that no issues have ever been identified. An opportunity exists for management to review regular processes with their staff to identify redundancies or inefficient use of resources and time.

Risks

With respect to the NBHDL Financial System, the problems are deemed as minimal risk based on the results of the interview process.

Customer Care Processes

The following customer care business processes were reviewed:

- Account Change - Move In
- Account Change - Move Out
- High Bill Complaint – Test Meter
- Seal off / Disconnect

- Seal off / Reconnect
- Retailer Account Work Order
- Sentinel Light Work order
- Water Heater Exchange / Maintenance Work order
- Water Heater Layout – New Install Work order
- Arrears Handling
- Cashiering – Payment Handling
- Cashiering – Payment Adjustments

NBHDL has recently implemented changes to the functions and responsibilities of the Customer Care, Cashiering and Collections resources. A total of five staff have been cross-trained in each of the functional areas noted above and are all now considered Customer Account Specialists (CAS). A monthly rotation has been introduced where four of the five full-time staff are responsible for phones, collections and other regular CAS-related duties, and the 5th person is responsible for front desk / cashiering functions.

CAS roles and responsibilities are consistent with other similar sized utilities in Ontario including CIS system access and account maintenance. Primary CIS Customer Account maintenance responsibilities include edits to general customer information, work order generation, arrears handling and payment handling processes. The following is a list of the common items updated or maintained by the CAS staff within the Customer Information System (HTE):

- Customer Name,
- Alternate names and passwords;
- Service Address and Mailing Address;
- Call Notes;
- Payment Arrangements;
- Payment Plans;
- Work order generation and updating including;
    - Move In
    - Move Out
    - Seal Off / Disconnect
    - Seal Off / Reconnect
    - High Bill / test meter
    - Customer Change Location
    - Customer Change Information
    - Drop
    - Sentinel Light
    - Water Heater exchange
    - Water Heater maintenance
    - Water Heater Layout /New service
- Letter generation
- Arrears handling (notice generation)
- Cashiering processes (payment handling)

Business Process Issues

Seal Off/Disconnects

During discussions with CAS and field staff regarding the Seal Off/Disconnect process, it was noted that the field reps tend to experience high and low volume periods for disconnects based on the current billing schedule. Disconnects have been subcontracted to a 3rd party during the summer due to the high volume of disconnect orders in addition to the volume of seasonal locates. Concern was raised over the cost of hiring outside contractors if a resolution to the fluctuation in volume of disconnects can be found internally through adjustment to the current calendar /cycle billing schedule. An opportunity exists to review the existing cycle billing schedule against historical numbers for disconnect work orders seasonally to determine whether a shift to the bill schedule would be appropriate.

Retailer Account Work Order Processing

Each CAS creates or receives a work order based on their cycle for changes to retailer account information. The following are the work orders processed for retailer account changes:

- Drop - moving outside of NBHDL service area
- CCI - Change Customer Information
- CCL - Change Customer Location

If a CCL or Drop is for a future move date, the resource noted that NBHDL cannot notify the retailer until the day of the move. An EBT needs to be created and sent to the retailer on the day of the move so it does not affect the billing of an account (i.e., that may be billing for regular read dates prior to the final read date for the EBT). The CCL work order is closed once the EBT is sent to the retailer. The CCL work order does not trigger the EBT. The normal Final (move out) work order is closed by the Billing Department; however, the CASs are responsible for closing the CCL, CCI and drop work orders. A paper copy of the CCL, CCI or Drop is filed by the CAS at their desk as it contains the required details for the EBT to be created. It is up to the CAS how the work orders are filed/managed. Each CAS may have a different method of filing (e.g., separate folders by day of the month for all work order follow-up, or one folder per type of work order follow-up that is checked daily etc.). An opportunity exists to create a standardized process for filing and monitoring CCL and drop work orders until a more automated option for CCI, CCL and drop EBTs is determined. It is considered that creation of an EBT for CCLs and drops would be a function of the Billing Department based on other final bill processes in place (i.e., the need to close final work orders during billing for the same account). It is also considered that other utilities have automated this process to some extent to remove the need for manual tracking and additional work order creation from the CAS or other resources. Util-Assist is reviewing with other utilities how CCI, CCL and drop EBTs are handled and whether the CIS systems in use have automated this process.

Document Handling

Applications for service are currently filed with the general storage files. A document management system is currently in use by NBHDL (Mindoka); however, due to the volume of applications for service currently on file, CAS resources have not yet begun to scan applications for service to the document management system as it was felt that it would be too time consuming to scan the full volume of current documents to file at this time. Util-Assist recommends that all newly received/incoming applications for service could be scanned and sent to document storage on go-forward basis to start the process. Once the resources have become familiar and comfortable with how the documents will be marked, scanned and saved, larger batches could be added to one of the CAS rotational duties on a monthly basis. Alternative options

include the use of summer student or temp staff for these types of tasks.

Staff Training

The CAS resource that was primarily available for process interviews was very well versed and knowledgeable in the common processes that are now part of the regular functions of all five CAS resources. As a single CAS resource was made available for the majority of the customer care process interviews, Util-Assist did not have the opportunity to interview each CAS resource to assess any differences in skills and/or knowledge levels relating to business processes for their department. During the interviews, the CAS resource did note that they had only received "training" once in the six years of service with the utility. A desire for further training on CIS function and feature options as well as business process and operational best practices relevant to their roles was also noted.

At least one example was provided that supported the need for additional training or definition for the CAS staff on CIS codes used, why they are used, and their potential impact to other business processes. The example related to codes used in the services area of the CIS for Sentinel Lights. While the resource was fully aware of what code had to be used, the understanding of the codes was not as clear. Another example relates to high bill complaint work order scheduling. This is an example of where a CAS resource is responsible for determining whether a test meter should be applied to a customer account as a "good will gesture" or because of a potential issue identified. The CAS creates the work order to schedule the pony meter installation, but is informed of the rest of the process or the responsible parties within the utility to complete the process and the work order.

System Deficiencies

Resource(s) identified that they like the HTE system, but feel that it could do better at managing some common processes such as the handling of move in and move outs, retailer account work orders, arrears handling and more. General consensus by a number of staff was that the system was adequate for their needs; however, there are likely more sophisticated systems available, or more automation and report functions that could be made available by HTE. The resources interviewed also expressed that they feel the system may already provide more features and/or functions than they are aware of or have been trained on to help improve efficiencies in their daily tasks. As an example, collections processes were primarily manually handled until a few years ago. Since the last training was received, a number of the manual functions have now become automated in HTE; however, not all of the CAS resources are familiar with the automated processes or the business rules behind them.

Sense of Empowerment

While the Customer Account Specialists have all been cross-trained to perform the functional duties to complete call centre, collections and cashiering processes, it is anticipated that it will take some time before each resource is completely comfortable and/or knowledgeable in the new roles. Opportunity exists for management to identify and review any issues that have resulted from the new CAS roles and the rotation of duties. This would assist management in determining whether additional colleague-led training or 3rd party-led training may be appropriate to increase the level of subject matter expertise and/or improve operational and system usage performance of the CAS group. The ability for resources to provide constructive feedback and suggest solutions to commonly identified issues resulting from the recently implemented changes is expected to improve their sense of empowerment in their new roles.

Risk

The primary risk identified within the CAS department processes reviewed was the lack of operational efficiencies in some

areas where staff are responsible for manual intervention or monitoring of common items that could be better managed by the current CIS or other NBHDL systems. Operational efficiencies and staff sense of empowerment may be realized through the provision of additional training options and system upgrades to automate common tasks or processes.

Operations and Engineering Processes

The following operations and engineering business processes were reviewed:

- New Service GS>50 & GS>200
- New Service Res & GS<50
- Service Removal

Business Process Issues

A spreadsheet of new service account smart meters installed is maintained by the Operations Department at the request of the billing resource(s). The Operations resource has been directed to record the meter read, meter number, time and day, and the code for the new smart meter. In addition, the Operations Agent has been asked by the Billing Department to take a print screen of the Meter Maintenance (Set Meter) screen details relating to the time and date of the smart meter installation and walk it over to the Billing Department. The Billing Department uses the printout to verify the date that was entered in spreadsheet. A copy of the front of the completed work order has also been requested by the Billing Department.

An opportunity exists to review this process for redundancies, and determine the need and level of details captured on the three separate formats where account and meter level detail are available. It is likely that this three-step process for providing smart meter detail to the Billing Department can be revised to maximize resource efficiencies while still capturing the appropriate level of detail required for meter file verification of the new meter details. Please see the Billing and Sync Operations sections of this appendix for a review of smart meter-related process issues.

Staff Training

Resources interviewed were experienced in their respective roles and able to identify the steps taken to complete the identified processes. From an analysis perspective, the “new service” processes proved more difficult to capture. The resource was able to identify the operational steps taken and the keystrokes used to enter data in the CIS. The business needs for the process and the potential impacts to the utility business and other departments was less clear. It was apparent that the resource was diligent in her handling of each of the tasks within a process, based on the ability to recite the screens and function keys that were utilized within the CIS. The resource was also cognisant of the fact that proper account setups were vital to correct billing of an account, and followed the direction of the Billing Department in recording key meter and account level details, as instructed, regardless of any apparent redundancy in the instruction.

The engineering resource came to the meeting prepared with a process flow chart outlining each of the required steps in setting up new large service accounts and was able to easily recite the engineering team’s involvement with the established processes.

System Deficiencies

No system deficiencies were identified as part of the process interviews. An opportunity may exist to have a report created for any new smart meter installations that would provide the level of detail needed by the Billing Department without having printed copies of the Meter Maintenance Screen as well as the work order and an Excel spreadsheet for

the same meter installation.

Risk

No significant risks were identified.

Billing Business Processes

The following billing business processes were reviewed:

- Residential and GS<50,
- General Service >50, and Interval Customers
- MicroFIT Account Setup and Billing
- Daily Settlements and NSLS
- Final Bills/New Customer Bills
- Billing Adjustments and Reversals
- Retailer Account - EBT Processing
- Retailer Invoice Settlement Process

NBHDL utilizes calendar month billing by cycle as their primary billing model. As such, all accounts are moved to a billing batch together and calculated and posted (updated) as a cycle for reads from the first to the last of the month. Billing batches are calculated once the Net System Load Shape (NSLS) is received for the previous month (approximately 16th or 17th of the following month). Exceptions, or those that require review or corrections, are transferred to an "off cycle" billing batch and calculated and updated as they are corrected.

Billing processes and the associated tasks (meter read upload to CIS through to cycle update and bill print) were a primary focus of the meter-to-cash analysis. As correct and timely billing of customer accounts is vital to customer satisfaction, revenue collections and adherence to regulatory requirements, it was considered essential to review the roles of the billing resources and the billing functions and processes of the billing department.

The billing team is currently comprised of two primary resources. While many of the CIS cycle billing tasks and responsibilities are the same or similar for both resources, each has also been assigned different aspects of the complete billing process. Billing agent roles are defined below:

Agent 1:

- Sync operator functions (primary)
- ODS (transfer and review of files)
- MDM/R (transfer and review files)
- High volume 50 and intervals
- MV90 file review and transfer
- CIS meter read upload/transfers for all customers to billing
- Review errors in read files – investigate, resolve, communicate to other agent.
- MicroFIT
- FIT
- Rate group changes
- NSLS daily – receive, verify, enter in CIS

- Regulatory changes (e.g., taxes, OCEB changes, manipulation of the CIS to accept changes etc)
- CIS account Billing (cycle billing for >50kW and interval accounts)
- CIS - meter changes

Agent 2:

- Review errors in meter read exception files provided by Agent 1
- CIS account billing (cycle billing for all residential and small commercial <50kW accounts)
- CIS – meter changes
- Retailer relations
- EBT process sing
- Retailer invoicing and reconciliation
- Backup dispatcher

Business Process Issues

A number of the interview questions centered on the verification processes in place to ensure bills are being calculated and updated to the appropriate statistics and general ledger codes. It was identified that regular review of verification journals (post charge calculation) prior to account updates (updating of the billing register) was not part of the normal cycle billing process. While many utilities have implemented a standard process for review and verification of the billing register prior to updating accounts, it was learned from both the Billing Agents and the Finance Department Accountant that the number of identified errors was negligible to non-existent on a regular (monthly) basis. As a result, verification of rate codes and billing totals are not considered necessary as part of a standardized monthly cycle billing process. Exception (off cycle) batches are reviewed more rigorously each month to verify consumption and rate calculations. Where rate codes were changed, or other modifications that would impact billing (statistic codes or GL appropriation) were implemented, reverse calculations of billing rate codes, consumption and final bill productions are thoroughly verified prior to updating/posting of the billing register. As the instances of billing system calculation errors were considered minimal, it is not considered that further bill verification rigor is necessary outside of the current practice.

One item that was identified as a concern for the billing agents, however, is the lack of time to continuously update their rate calculation verification spreadsheet. This spreadsheet is utilized when changes are made to rates. Due to the number of changes that have been implemented in standard billing rates and other charges, and the additional tasks that have been added to the billing agent responsibilities since the implementation of Time of Use (TOU) billing, continuous management of the verification spreadsheets has been difficult to maintain. Opportunity exists for this responsibility to be reviewed and/or reassigned to maintain the accuracy of the spreadsheet as rate changes occur.

Handling of billing exceptions since the implementation of TOU billing has become much more complicated and time-consuming for the billing and metering staff. In fact, simple processes such as changing out a meter on an account can now add numerous additional steps to both the meter exchange and billing processes and impede the ability to get bills out on time and within the regular cycle billing register.

The billing agents both noted that a high priority for them was to ensure customers were billed each month. While in some cases generating a 60 day bill may be easier (based on handling of smart meter data), the directive is to ensure 30 day bills are generated. To accomplish this, in some cases reverting customers to RPP-Block billing may be required. Best practices would suggest that this process is not desirable, and may cause confusion to the customer. Both billing agents noted that their preference would be to hold the account billing in order to investigate and correct the meter change and/or meter read (sync file) issues. Both agents indicated that if they had the time to spend learning,

investigating and resolving billing and bill print issues, common errors would become more easily managed and solutions could be put in place to mitigate continued occurrences. It is also considered that if time was available to investigate and resolve meter exchange and meter file related issues as they occur, the billing staff would have the knowledge and experience in identifying and correcting these and an easier time resolving future issues.

Since the majority of the "off cycle" billing is comprised of those accounts that have had issues identified in the ODS and/or MDM/R files it is suspected that as sync operation performance and meter read file issues are resolved, the number of accounts being moved to "off cycle" billing batches will be significantly reduced. In addition, the length of time to correct and bill accounts due to meter read exceptions will be minimized. At present, due to the amount of investigation and steps to correct, many of these bills may go to 60 days before the bill is issued.

Cycle batched meter read file processing for monthly billing is done at the beginning of the month by one Billing agent. It was indicated that the time to send and receive the meter read files is approximately a half day of work (not including any exceptions handling or review – refer to Sync Operator section for further detail). Another half day is spent loading the meter data to the CIS for billing and printing exceptions reports.

Billing Batch Account Type Flags

As new accounts or new occupants are not flagged in any way within the cycle billing batches in HTE, there is potential for new occupants to be billed without the required new occupant charges or required deposit (if not yet paid). New occupant charges are applied based on the move in (reconnect) work order. The Billing agent is responsible for ensuring that the new occupant charges have been added from the reconnect order when the work order is closed. The reconnect order is closed at the end of the final bill process for the previous occupant.

Other utility billing systems have billing codes that are attributed to each account within a billing batch that allows the Billing Rep to quickly identify the type of billing required (New Occupant, Final, Retailer, Do Not Bill, Missing read etc). Billing agents are then able to run reports based on the bill type to verify appropriate charges have been applied (New Occupant charge, Deposit, SSS exit fee etc). An opportunity exists to review how other HTE users are identifying specific bill types to ensure appropriate charges are being applied before updating a billing register. Would all HTE users benefit from an identification code within HTE, or a report listing any selected bill types (i.e. an exception listing of all New Occupants).

HTE does not offer a report on deposits that the Billing staff is aware of. Instead, Billing agents see the invoices for all deposits. It is possible that Collections is reviewing for outstanding deposits. If the Billing Department is responsible for ensuring deposits are applied to the current bill, an opportunity exists to review the potential efficiencies of having a deposit listing available for run within the billing process to identify any deposits on accounts that should be charged in the current billing. During the interviews, it was not determined whether a deposit refund listing is run or required as part of the billing processes.

The Charge Calculation Journal (register) processed in CIS prior to the register update is not printed or saved to a file by the Billing staff. Billing agents were not aware whether a copy of the register is kept on file, whether this is a function of the IT staff, and where the copy is being stored. Billing staff can go back to a journal entry on an account within H.T.E for approximately 4 months after the original update to review the charges applied. Util-Assist does not believe that it is an OEB requirement to keep registers on file; however, for general auditing purposes, and the ability to reference a number of accounts billed within a cycle batch update, an opportunity exists to review current practices for register filing. For reference purposes, it would be considered appropriate for the Billing agents to be aware of where these registers are kept and how to access them if needed.

Interval Billing - MV90 read processing and verification

There are currently two full time meter technicians who are jointly responsible for the daily file transfer and maintenance of the interval meter reads within MV90 and the monthly interval read files created for billing. Interviews with both technicians indicated that opportunity may exist to streamline the interval billing process, with updated training, or perhaps more confidence in the outsourced solution, or even as a result of implementing new VEE process with the existing ODS. Before the interval monthly read file is created in MV90 and imported to the CIS, the billing agent responsible for interval account billing will leave her daily processes to sit with the meter technician to review the hourly data file for all reads for the month. The hourly read file is loaded twice, as there is little confidence that the first file contains a full complement of data. The billing agent and the meter tech sit together for approximately half an hour to review the data within the file. The billing agent reviews the file to ensure all accounts are listed and watches for any reads that look out of the ordinary. The meter technician reviews for any missing reads and to ensure that the data is contained within the appropriate columns. While it is rare that issues are found during this process, the resources have chosen to continue to review the hourly read file together due to an issue that occurred some time ago with reads for a large customer account. Concern was conveyed regarding the ability of the MV90 or CIS system to identify or report any read issue as an exception and that there is a risk of billing a large account incorrectly because of this. An opportunity exists to review the necessity of a manual process to review the full hourly read data file on a monthly basis. It is also expected that both the CIS and MV90 systems already have parameters in place to identify read issues (including exceptions for high or low consumption). A review of the system exception parameters may be done to determine the thresholds and warnings established in order to verify that they are within NBHDL expected limits and are working as expected. An opportunity for further training on the MV90 system was identified by Util-Assist and by the resources themselves. Please refer to the Staff Training section for additional information.

Bill Print Issues

Bills are now printed in house by IT staff at NBHDL. The bill print generation and bill print file creation have also recently undergone changes. IT staff used to generate the bill print file using Crystal Reports. Mindoka (3rd party) is now responsible for bill print file generation and is being considered for creating the bill presentment for web based customer viewing. The bill print file comes in as a single file for all bills run in the nightly billing register update. Mindoka does not separate over 50kW, under 50kW and off cycle, so they all end up in one file. The print file is then broken out in to batches by the IT resource, since exceptions bills need to be reviewed prior to printing and review of these was holding up the larger print batch.

An exception listing is available as a file from Mindoka for any issues with calculated bills. Each exception account is listed in the exceptions file; however, the billing agent is required to click on the account to open it in order to review the exception, and then close it in order to move to the next account listed. The IT resource has implemented an in-house resolution to view all of the exceptions for all accounts through creation of a pdf file. Once exceptions have been reviewed, the billing agent lets the IT resource know if any need to be pulled from the mailing via email. The billing agent continues to review bills to verify that the Mindoka files are coming back properly. An opportunity exists to review the presentment of both the bill print file and the exception file being provided by the 3rd party to determine whether cost efficiencies exist in having the bill print and/or exceptions files modified to the needs of NBHDL. This would also minimize in-house resolutions that create extra steps and file management by NBHDL staff.

The following bills show up in the bill print file exceptions report:

- Finals always show up in the exceptions
- All off cycles come as exceptions

- FIT and MicroFIT are exceptions (created in off cycles)
- E-bills will show up if in off cycles or as an exception – the customer will still get an electronic copy. Billing must notify Mindoka by noon on the day the bill print file is received If there problem with the e-bill

Odd calculations on bill (out of balance) – i.e. if an adjustment was made on an account with a "hold for print" billing status, the running balance and totals will look right, but the total for "Now Pay" would be coming from somewhere else within the CIS. The adjustment would not show up in bill print file. This was identified by the billing agent as an internal business process issue. An opportunity exists for standardized procedures for CAS staff when an account is in a billing status.

FIT Program Accounts

There is currently only one account under the OPA FIT program. Due to restrictions in time during the billing process interviews, Util-Assist was unable to document the process or steps involved with the account set up or billing of FIT accounts. The Billing agent responsible for FIT and MicroFIT accounts indicated that FIT account setup differs from MicroFIT account setups and that the processes for meter reading and billing also differ slightly. It was expressed that FIT account billing take as much as 2 to 3 hours for a single account. As such, the billing agent endeavours to do a bit of work each week throughout the month to prepare the account read data for billing.

Staff Training

The staff performing the primary billing functions at NBHDL are clearly knowledgeable and competent in their roles and with the individual responsibilities assigned to them. While both agents handle many of the same billing cycle tasks, a number of other functions have been separated and assigned to one or the other agent. As such, while each resource was very confident and skilled in the areas they are responsible for, neither felt comfortable that they have the required knowledge and/or training to perform many of the tasks currently assigned to the other. Both of the billing resources expressed interest in opportunities for cross training, however; concern was noted regarding logistics to do so based on the limited availability of time to train each other and to get their regular work load completed as required.

Neither billing agent felt a sense of confidence in their ability to quickly or easily identify and resolve account issues related to TOU meter reads, meter exchanges and/or bill print presentment errors. It is highly recommended that both Billing agents receive training on common TOU meter read, meter exchange and sync file exception identification and issue handling. HTE system handling of unused reads is identified as an issue under system deficiencies

In order to instill system and file creation confidence, and maximize operational efficiencies, training on the MV90 system and read file processing is recommended for both Meter Technicians and the Billing agents. This would allow for more in-depth knowledge of the system capabilities, file handling and issue identification options (i.e. alerts/warnings), and exceptions reports available.

System Deficiencies

While a formal "observation" of the billing system functions was not performed, much of the billing process interviews were conducted in the billing resources offices, which allowed for at least some observation of the HTE system. It was apparent that both resources were very comfortable in their ability to maneuver throughout the system with the use of keystrokes. It was observed, however, that the system required a large number of key strokes to move through screens or through line items to get to the area required or to input the detail necessary.

Meter Read Exceptions from the CIS

There are several meter read exceptions reports within the CIS that are run for each cycle.

The following is a list of the CIS meter read exception reports identified:

- Meter reading upload report
- Meter reading upload exception listing
- Cycle billing missing read report
- Meter reading exception listing
- Meter reading posting
- Cycle billing missing read report
- BQR exception listing

For some reports (e.g., BQR exception listing) it was identified that separate pages are printed by the CIS for each service on the same account for the same issue. An opportunity exists to reduce redundancy and wasted paper from this report. All reports are printed single sided. Some of the reports are thoroughly reviewed by the billing agent to assist in identifying and resolving account billing issues and are kept on file for auditing purposes. Other reports or generated lists are not considered necessary for billing review and are disposed of after printing. An opportunity exists to review the types of reports being generated by the CIS, how the reports are organized (to reduce redundancy and number of pages), their relevance and/or necessity within the billing process, and the utility`s standard printing practices (specifically for meter read and billing exception reports) to reduce the amount of paper printed, filed and/or disposed of each month. It is expected that operational and resource costs reductions will be realized and environmental impacts reduced.

Retailer accounts have a “Customer Location Exception” (CLE) which shows up on meter reading exceptions listings. The CLE shows up for every retailer account because the Invoice Bill Ready (IBR) amount is missing. IBRs are received approximately two days after sending the consumption and read dates to the retailer and are “loaded” to the billing register after a charge calculation has been performed. Since the IBR is not in when the meter reads are loaded, they will always show up as an exception. CLEs create unnecessary bulk to the Meter Reading Exceptions Report. If these can be removed, it would minimize waste of both paper and resource time.

Retailer Account Issues: New Enrollment Requests

When a customer has signed up with a retailer, and the appropriate pre-enrollment EBTs have been processed, an EBT for Enrollment Request is received by the utility from the retailer. Where customer types have changed from SSS billing to TOU (Time of Use), HTE no longer recognizes how to handle these requests. All TO account type Enroll Requests now drop to an “unassigned” bucket. The “EBT Wizard” system that is used to automatically close EBTs does not know how to process those that are “unassigned,” requiring the billing agent to accept the EBT manually and enter the enrollment date for the Accept EBT based on the next scheduled read date. This used to be an automated process. Handling of all SSS customer type accounts is still automated for Enrollment Requests. Once the EBT is accepted, the system auto generates a work order “Enroll Request”. The Enroll Request work order flags pending enrollment and the system will wait for 21 days or until a pending read is no longer on the account before auto switching the services from SSS or TOU to BR (Bill Ready) and activate the other services relevant to retailer billing. An opportunity exists for NBHDL to review HTE/EBT Wizard handling of OT customer types for EBTs, including Enrollment Requests, to minimize the amount of billing agent intervention and manual processing of EBTs.

For all new Enrollment Requests, the last regular TOU or SSS billing is produced in a regular cycle billing and the required SSS exit fee is applied to the account for leaving standard supply billing. While many other utility CISs have automated

the application of the SSS exit fee for these accounts, NBHDL manually handles the exit fee charges to the account and monitoring of these accounts. The residential customer billing rep monitors and maintains a spreadsheet of all retailer new Enrollment Requests. The spreadsheet is sent to the Customer Account Specialists (CAS) who is responsible for monitoring the account. The CAS is required to wait for last SSS consumption to become available on the account in order to calculate the exit fee from SSS. The exit fee is calculated from a template (12 months of consumption x the exit fee rate) rather than automated within CIS. The CAS adds the exit fee as an adjustment on the account. An opportunity exists to review automating this function as other CIS systems have done. It is considered that automation to recognize an account as SSS, and automatically apply the exit fee during the last SSS billing would significantly reduce resource time costs and potential for errors in miscalculating fees or fees not being added to the account prior to billing.

Bill Print Issues

An example of a bill print calculation and presentment issue was identified by the residential billing agent where the consumption on the billing register looked correct; however, the bill calculation and presentment included consumption that was on the account in error and was thought to be in a “non-billable” state in the CIS. The billing agent noted that there are times when reads that are not used for an account (i.e. new read uploaded for same bill period), the read will remain on the account in an inactive`/do not bill state. The above is an example of this inactive read being pulled in to the current billing. An opportunity exists to review how non billable (inaccurate) reads are stored in HTE and whether there is a way to remove these from an account in order to mitigate the potential for bills to be calculated with inaccurate usage.

Sense of Empowerment

Throughout the interviews, a regular part of the questioning was to gain an understanding of whether the resources responsible for processes are aware of why certain tasks were performed, who was responsible for the tasks, and the impact the task or process has on other business area processes or departments. In addition, we endeavoured to determine whether staff felt a sense of empowerment in making process-related decisions or the ability to impact efficiencies and ask questions regarding tasks that they did not thoroughly understand. Throughout the interviews with the Billing Department, a common answer to WHY certain processes or the associated tasks were in place, was that this was the way management wanted it, or that revenue generation was the primary objective and that current practices were in place to meet that primary objective. Overall, it became clear that the billing agents, while very knowledgeable and experienced in their functions at NBHDLDL, do not feel a sense of empowerment on several levels. In fact, a general sense of frustration and inability to impact operational change was expressed. Neither resource articulated specifically what changes they would like to see implemented, though it was clear that the volume of work now associated with billing functions since TOU implementation was overwhelming. Both resources did express that they take a great deal of pride in their work; however, no longer feel the sense of accomplishment or subject matter expertise that was once felt. The need to get the volume of work completed, without additional resources, full scope knowledge or training has contributed to a lack of empowerment felt by both the Billing and Metering staff.

In order to improve the sense of empowerment by the billing and metering resources, it is recommended that management provide them the means to update training for identified systems and functions. Review of items that have been identified as opportunities with the resources would allow them to offer direct input for improvements and efficiencies that would result in a heightened sense of subject matter expertise and impact.

Risk

Lack of cross training or the addition of another resource to the Billing Department could prove to be of high risk in the

area of knowledge transfer should there be a change in staff in the Billing and Metering departments. With the pending retirement of one of the billing resources within the next 3 to 5 years, NBHDL is at significant risk of loss of expertise and a higher potential for billing errors and late billings which could greatly impact revenue and/or collections processes.

No formal documentation is in place for the majority of billing functions or processes. While it would be time consuming to implement this all at once, it is considered critical to mitigate the risk of loss of knowledge and the cost involved with the time and training that would be required to implement a new resource if process and training documents are not created. As with all Ontario utilities, the number of resources at or nearing retirement age leaves the utility at significant risk of loss of expertise specific to their internal business practices and processes. For the purposes of resource planning (talent acquisition and retention and succession planning) and risk mitigation, it is highly recommended that NBHDL begin steps to implement a Billing Process Manual and/or Training Guide. As a first step, it is considered that each of the functions and tasks incorporated in the main billing processes are identified and listed. Once achieved, a document plan and timeframe can be established to move through each of the functional tasks. The ability to move through the processes in sections over time may also allow for a more thorough investigation and understanding of each of the tasks, their relevance and/or importance in the full billing process, and any efficiencies or redundancies to be identified.

Review of current CIS system deficiencies and opportunities for CIS system improvements should be considered by management of NBHDL. At a minimum, upgrading to the most recent version of HTE is suggested as soon as possible to make use of system upgrades that may alleviate some of the issues identified. Investigation of other CIS systems available is also recommended. Further information and discussion regarding CIS options is offered throughout the report.

CIS – Sync Operator Functions

Analysis of this area was performed at a more “granular” level. The integration of the CIS with the MDM/R and the Sensus AMI have introduced more significant problems in the management of these changes. As a result, Util-Assist has performed a more intensive investigation and completed more comprehensive process documentation in order draw conclusions.

Sync Operator Concept

With the introduction of the Smart Meter Initiative in Ontario, a great deal of education was required in order to meet the requirements. What used to be a well-understood and simple process for the gathering of billing data (e.g., manual reading, use of a single reading to bound a bill period) became a complicated system involving the interaction of multiple systems to manage hourly data to create TOU information. Such granular data was a requirement to achieve the customer education component of the government initiative, with the goal of reducing consumption during peak periods.

The added complication of handling the new exception types, and introduction of many new processes forced utilities into a comprehensive review of their business processes. The staffing requirements for the new functions were not well understood; for example, during the beginning phases of the project it was not clear how or who or how often the following functions would be accomplished:

- Monitor AMI performance (AMI performance clearly has an impact on the quantity of exceptions)
- Monitor MDM/R reports (handling reports proactively can minimize the billing interruptions)
- Manage the new processes resulting from the integration of the AMI and the MDM/R

Many different strategies have been implemented by LDCs:

- Strategies that use existing Metering personnel

- Strategies that use existing Billing personnel
- A team approach with resources from both Billing and Metering
- Strategies that include IT personnel
- Strategies that include the outsourcing of certain functions

Because the time commitment to perform these functions was not clear, most LDCs made changes to the way processes were being handled so that staff time could be dedicated to learning the new functions. For example, the handling of billing exceptions became much more complicated. Prior to smart meters, exception handling did not normally interfere with the ability to generate bills on time. To mitigate the risk associated with this problem, processes associated with AMI performance and interaction with the MDM/R and ODS needed to be well understood. Time for education would be required.

As strategies have varied, so has the terminology associated with the new requirements. For some utilities, new roles were created and dedicated staff were hired. Generally, these new staff adopted such titles as:

- AMI Operator
- MDM Operator
- Sync Operator

In general, the "Sync Operator" role was assigned responsibility for "anything MDM/R and AMI":

- Manages synchronization processes
- Manage MDM/R reports
- Help monitor AMI performance
- Help with testing processes

Not every utility hired new resources to accommodate the new functions; many chose to distribute the requirements across multiple individuals within the LDC. In NBHDL's case, the Sync Operator for any particular task may be different: personnel from both the IT and Billing Departments, as well as Sensus (for certain AMI network optimization functions).

Sync Operator Workload

The integration to the MDM/R has introduced a staffing "strain" felt by LDCs across the province. LDCs have handled this strain with varying strategies, but in all cases the following must be considered:

- Testing requirements (temporary, but "frequent")
- Business process documentation (temporary, but "frequent")
- Staff training (the complexity creates an ongoing requirement)
- Sync process handling
- Billing exception handling
- AMI system optimization
- AMI, ODS, MDM/R change management
- AMI, ODS, MDM/R disaster recovery/business continuity planning

	NBHDL Staff (Per 1000 accts)
Average Hours Required Per 1000 Meters	0.69
NBHDL Meters	23,000

	NBHDL Staff (Per 1000 accts)
NBHDL Requirement	16 hours/week

To provide some context for this consideration, Util-Assist provides a Sync Operator service to 26 LDCs in Ontario, and on average, we have found that it takes approximately 0.7 hours per 1000 meters each day, to manage the requirements created by integration between the CIS, ODS, and the MDM/R. Additional time should be budgeted for the future implementation of operational data-related business processes. This estimation does not include the time required within the utility to manage the communication infrastructure between systems, such as:

- File transfer
- Backup
- Data Storage
- Document management (MDM/R Reports)
- Web presentment systems (i.e., TOU billing-related, but not typically handled by the Util-Assist Sync Operator)

Without considering the LDC staffing for the IT list of considerations, NBHDL has had to find approximately 16 hours per week to manage the interactions between the systems integrated for TOU billing. These 16 hours is irrespective of the additional time that might be considered a requirement based upon some of the system "inefficiencies" that are causing the requirement for significant workaround functions at NBHDL. Based on experience and the working relationship with NBHDL enjoyed by Util-Assist, Util-Assist would estimate that the resource requirement is closer to 20 hours per week.

These "anecdotal" statistics are presented to demonstrate that the resource requirement introduced by the provincial Smart Meter Initiative is significant. For many small to mid-size LDCs, this requirement can be difficult to manage because it is not a full time requirement, but more significant than something that can be easily absorbed by a current employee.

In the case of NBHDL, this requirement has been handled through a distribution of responsibilities. Within this document, we have referred to sync operator tasks; however, in NBHDL these tasks have been distributed across at least three personnel residing primarily in the Billing Department, but also in the IT Department.

The strategy that has been used thus far to distribute the workload associated with TOU billing has been to assign the tasks according to their pre-MDM/R equivalent. For example:

- Prior to billing with the MDM/R, file transfers were required to facilitate the billing process; DCI/DCO files would have moved "around the NBHDL network" and the accountability for this resided with IT. The file transfers for TOU billing are different, but based on history these were assigned to IT.
- Prior to billing with the MDM/R, Billing would have been accountable for the validation of meter read data for the purpose of billing; for example, an estimated register read for a stopped meter would have been created by billing. The VEE (Validation, Editing and Estimation) requirements for TOU billing have changed, but based on history, the accountability for process development sits with the billing team.
- Prior to the deployment of smart meters, the process to rectify problems associated with "bad" meters would have been triggered by billing, for example stopped meters found during the billing process resulted in work orders created by billing for the replacement of the meter. With the introduction of smart meters, this process evolved into what is referred to as the Stale Meter process, and the accountability for this process resides with billing.

One of the problems currently experienced by NBHDL is the issue of "change management." When any change is

implemented with the systems being used for the TOU billing process, it is difficult to assess existing processes and determine how to handle the required changes.

During the interview process with NBHDL Billing staff, Util-Assist questioned changes that have been implemented over time, and the possibility that pieces of processes have become redundant or unnecessary. Most often the staff understood that certain processes were perhaps not optimized, but there was a feeling that changes to the existing processes required decisions from people that have not been educated on the changes, and are therefore not able to make the required decisions. This leads to the following consideration; change is inevitable, and NBHDL should identify a team to implement changes in a controlled and risk-free way. In order to develop the team, the following needs to be determined:

- Do the staff that currently manage the processes, have time to participate in the strategy meetings? Do the staff currently managing the processes have enough time to even manage the existing processes? Having time to effectively manage the processes means allocating time to problems that are encountered in the process so that strategies can be created to improve the situation. At the moment, this is lacking for NBHDL. There are processes in place that need to be changed and made current according to the changes which have been introduced in recent months.
- Are the staff that are currently involved in business process design empowered to make the required decisions? Currently the staff that are involved in managing the processes on a daily basis are the ones within the organization that have acquired the knowledge required to make decisions regarding MDM/R processes; however, they do not currently feel empowered to make the decisions.
- Do the current staff have the skill set that is required to manage the MDM/R billing process? Many utilities have hired new resources to handle the processes for TOU billing, as the skill set has changed somewhat from the register read billing process that was previously used for RPP-block billing. When Util-Assist hires resources for the Sync Operator role, data analysts are hired, as the role has become one where large volumes of data is analyzed to determine “root-cause” of problems and design new solutions. This is not to say that the existing resources do not have the skill set, quite the contrary. In fact, our experience thus far has been that every NBHDL resource is competent in their role; if anything, the challenges are a combination of time and training.

Move to 7060; 7060 is an upgrade which should improve the billing situation with the MDM/R in v7.2 by addressing some of the XML billing requirements including the CIS fix for billing by service, but also for the new interface which should enable the MDM/R to better respond to some requests (i.e., Transaction Code 07 exceptions will be reduced).

Sync Operator Business Process Issues

I-Sync

With integration to the MDM/R for the purpose of providing TOU billing determinants, a need for synchronization between systems was introduced. LDCs generally provide synchronization (sync) data on a daily basis. This is especially important when using the eMeter solution for MDM. This is because the MDM performs many tasks in “real time”; for example, the framing of TOU buckets is done on a daily basis at the time of meter read processing, rather than on a monthly basis during the generation of billing quantities. Due to the processing of data in real time, being in sync with upstream systems is very important. Again, to generalize, most LDCs will either manually or in an automated way, trigger the sync process and then manually or in an automated way deliver the files to the IESO. The degree of automation varies depending on systems.

Something that most utilities did during the enrollment process, was to open sync files to become familiar with the data, and file layouts that the systems were using to communicate data. Becoming familiar with the information at this granular level can contribute to an enhanced understanding of the process, which can contribute to improved troubleshooting processes when required. For most utilities, this need to view data within files was a temporary and/or optional requirement. The CIS providers were responsible for creating the system which generated the files, and were responsible for ensuring that the files were generated to the required specifications in a reliable way. The daily processes that were used to update sync-related information had to be handled by the system in such a way that sync files could be generated with information that was handled by the downstream systems effectively. For the most part (i.e., with few exceptions) the prominent CIS providers in the province were successful in this endeavor. Utilities, for the most part, do not open sync files in the production business process to edit or review information; the system is trusted to generate the files and produce minimal sync exceptions.

For NBHDL, and to some extent, for all HTE users, this process would be considered less successful than that seen by most other LDCs in the province. Specifically, in NBHDL's case, sync files are being edited almost on a daily basis. The NBHDL Sync Operator for this process stated that the review of the files was a daily requirement, and editing was, on average, a daily requirement as well. For anyone that has experienced the MDM/R sync file format/specification, the daily editing of files is almost inconceivable. To be able to easily and quickly ascertain whether the information in files is accurate and then possibly edit the files to proactively avoid and/or resolve problems requires an unusually high degree of understanding of the file specification. This might be considered an asset--to have personnel with such a comprehensive understanding of the process--but in reality, this should be considered an unnecessary requirement. While an understanding of the files can contribute to an enhanced troubleshooting process, the system should be programmed such that this daily review and editing is not a process requirement. This problem should be seen for what it is, a system deficiency.

NBHDL has developed some business processes that may contribute to an exacerbation of this issue, but HTE users will agree that the sync process is not ideal, and, in fact, has resulted in some additional business process steps that are not required in other utilities.

To summarize or highlight the difficulties presented by this sync "deficiency":

- The sync process is highly manual. Therefore, the process is much more time-consuming than would be experienced by other LDCs.
- The sync process requires an unusually high degree of understanding of the file specifications. This results in an almost impossible training requirement should NBHDL decide that redundancy in this process is a requirement. Thus far, the Sync Operator has been able to manage vacations and sick/personal days by effectively communicating expectations ahead of the missed days. This is not considered a sustainable solution.
- For the Sync Operator to understand what is expected to be in the sync files on a daily basis, a higher than normal level of communication across the different departments is required. For NBHDL this means that Operations is documenting New Services, Customer Account Specialists are documenting and implementing a high degree of control on the account change process, and additional Billing resources are communicating the billing exception handling process so that the sync file traffic is understood and the required editing can occur. Clearly, the business process with the most significant impact on sync file problems is the exception handling process. Generally, for Ontario LDCs, these processes have all required consideration and control, but not to the extent seen with NBHDL; for NBHDL the solution that has developed is a combination of spreadsheets and verbal exchanges on a daily basis.
- There is an interesting "circular" problem with the NBHDL sync process; the process utilized to resolve billing

exceptions often results in the manipulation of sync related data. Manipulating sync data can result in sync exceptions which can in turn result in billing delays.

- A higher than normal number of sync exceptions result from the NBHDL sync process. The table below shows that the NBHDL process is resulting in much higher than average sync exceptions. The process to resolve sync exceptions involves editing sync files which have already been transmitted (i.e., as opposed to modifying data in CIS and recreating the corrected file). The combination of these processes (daily editing of files, and editing of file to correct problems) will have created a misalignment of data between the MDM/R and the NBHDL CIS system. This introduces some degree of risk that the billing process will be interrupted by sync exceptions that affect the billing process, or that the billing process will be negatively affected by the return of "bad" data from MDM/R based on the discrepancy in sync data. Examples of this concern can be provided upon request (e.g., CTPT, meter to USDP relationships in the re-billing process, meter to USDP relationships during the billing of meter changes, meter: USDP relationships during the creation (in the future) of RR CR calculations, VEE service codes and/or interval length discrepancies, etc.).

Table 12: IR14 Errors

Reporting Period	NBHDL IR14 Error	% of Files	Ontario Average IR14	Average %
November				
October	7	19.44	323	13.09
September	17	27.42	347	11.89
August	12	26.09	310	13.35
July	9	23.08	298	12.75
June	8	22.22	298	12.95
May	6	17.65	307	12.70

Meter Changes

Managing meter changes with the MDM/R has always been a challenge for Ontario LDCs. The MDM/R's eMeter software performs many functions in "real time", as meter data is processed. This can be beneficial for some business processes (e.g., billing request processing is relatively fast), while a detriment to other processes, such as the meter change business process. The reasons this process is problematic appear below:

- Register reads for meter work are not submitted to the MDM/R through sync files; they must be submitted through meter reading files
- Meter reading files (i.e., AMCC Daily Export Files) contain only top-of-hour read information, which does not apply to meter work
- Meter read data may not be properly processed in real time due to the sync file delays inherent to the field work process (i.e., time to exchange/input service order information)

Once the difficulties associated with meter change data have been overcome and the systems are properly updated with the data, meter data needs to be re-submitted to the MDM/R for data processing and billing request handling. However,

once the data that is available has been submitted, this does not guarantee an exception free billing process, for the following reason:

- In a meter change situation, there are two meters recording consumption for the same interval. MDM/R can only process a single value for each interval of the day. The register reads captured at the time of the meter change capture consumption from the interval for two different meters; it becomes very difficult to manage the data within the hour of the change.

In addition to this problem, the thresholds for Message Sum Check and Bill Validation Sum Check have become increasingly "tight" over the term that NBHDL has been integrated. These facts combined with the change in billing interface, has created a situation where most meter changes for NBHDL result in billing exceptions. NBHDL's current solution for billing, and for the management of meter changes has not considered:

- The XML billing interface is a requirement to achieve compliance with the Measurement Canada requirement for presenting register reads on the customer invoices
- The XML billing interface requires that the CIS change the way in which the billing request is formatted (i.e., two requests per meter change)
- Use of R7.2 includes tighter thresholds for Message Sum Check and Bill Validation Sum Check, but the use of the Custom BQI does not allow for proper handling of the billing around a meter change
- HTE has been designed to move customers from RPP-block to TOU pricing. This process includes a framing structure change (from Periodic to TOU), and a change in the billing interface used (from DCI/DCO to BQ Request/Response); the system has *not* been designed to move customers "backwards" from TOU to RPP-block. Performing this change is manual and highly labour intensive.

The NBHDL solution exceptions on meter change accounts is to revert the customer to RPP-block billing within the CIS, bill across the meter change, and then, if possible, move the customer (in the CIS) back to TOU billing. This process requires manual processing and editing of sync files and can result in delayed billing of the meter change account.

A number of changes are required to move NBHDL into a more industry-accepted billing practice for meter change accounts:

- Move to the XML billing interface to acquire register reads for the billing invoice
- Cease changing customers from TOU to RPP to minimize any sync file processing problems and maintain the utility and industry initiatives of billing on TOU
- Updated training on billing request exception handling will be required in conjunction with planning for the two changes cited above

In the interim, if NBHDL would like to simplify the process for exception handling, the introduction of a higher threshold for exception handling would prevent the need to move customers back to RPP-block. This solution can be discussed in more detail upon request.

Meter Change and CT/PT Business Processes

In addition to the problems associated with increased billing exceptions due to meter changes, this process has introduced the following less-than-optimal business process considerations:

- HTE requires that the billing process on removed meters be completed before the work order information is entered into CIS. This required delay in processing of completed work, creates problems at Sensus and the IESO MDM/R for handling of the meter data associated with the meter change. Other CIS systems in the market allow for sync data to be provided to downstream systems prior to updating the CIS for billing.

- HTE requires that the billing process on a billing multiplier be completed before the work order information for a changed multiplier is entered into CIS. This required delay in processing of completed work creates problems at MDM/R for handling the meter data associated with the meter and/or CT/PT change. Because meter data is multiplied by the CT/PT value in real time, delays in synchronizing changed multipliers results in the requirement for data re-submission. Other CIS systems in the market allow for sync data to be provided to downstream systems prior to updating the CIS for the billing requirements.
- Problems associated with stale meter processes as well as inventory transmitting processes are exacerbated by the delay in processing work order information (i.e., removed meters become stale meters, and newly installed meters become inventory transmitting meters; these processes are managed daily by the Sync Operator). Because other CIS systems in the market allow for sync data to be provided to downstream systems prior to updating into CIS for the billing requirements, the need for these reporting workarounds is minimized.

Managing Billing Exceptions

The introduction of hourly interval data into the utility billing process has dramatically increased the complexity of data preparation for billing. In the past, single readings were used to generate bills, and when reads were not acquired, or did not seem to align with usage history, the resolution process was simple and straightforward: generate a request for a second attempt for the reading. The reading was either acquired/verified, or if not, an estimated bill was generated.

With the introduction of hourly interval data to enable time-of-use pricing, the utility is now faced with the validation of approximately 720 read values per month. Every interval must be acquired or estimated, or perhaps edited, so that the MDM/R can frame TOU buckets. While the automation inherent to the process certainly accounts for the majority of the bills, the exceptions to the process are no longer as easy to resolve.

The ODS solution is a major contributor to the NBHDL billing process. Some of the functions of the ODS that contribute include:

- Storage of data – effectively a duplicate of the MDM/R data for analysis
- A graphical user interface (GUI) to more easily edit and correct data problems
- A CMEP generator to easily submit corrections to the MDM/R
- The option to perform billing functions using the same interfaces that the MDM/R uses. This provides DR/BC options for utilities, but more significant to this discussion is that this use of billing functions provides the ability for a pre-audit function to proactively resolve billing exceptions
- MDM/R report handling to more easily use the “canned” reports provided by the MDM/R

NBHDL is following the same billing process that the majority of SDS users follow; a file delivery-driven pre-audit process. NBHDL provides the ODS with the billing request file which is populated into the ODS BQ Staging table. The BQ Staging table provides a user interface to allow the Sync Operator to resolve billing exceptions that are expected to be returned from the MDM/R. Any edits that are performed will result in a CMEP file delivery to MDM/R to correct the data at the MDM/R. Upon completion of this process, the original BQ Request file is then returned to the LDC for transfer to the MDM/R. The point of this process is so that when the MDM/R receives the request and begins to create responses, the data will be prepared for billing, and exceptions will be minimized.

The Sync Operator has been trained by the ODS vendor to "ignore" exceptions to allow the files to flow back to NBHDL and through to the MDM/R. There is good reason for this in some cases: real problems will not be resolved prior to submitting the file to the MDM/R, so there is no reason to delay the process. However, this seems to be at the expense of

learning how to actually manage data. At this point, the Sync Operator is simply hitting the "Ignore" button, when in fact exceptions might be avoided.

When the billing responses come back from the MDM/R, any exceptions are again ignored ("Retry"), and the ODS makes another attempt at resolving the exception. The CIS then automatically sends a new request to the MDM/R, this time using the off-cycle billing process. So again, there is some logic to this process, but at some point some billing exceptions will require human intervention to diagnose the problem and perform an action. At no time in the billing process does the NBHDL Sync Operator actually investigate the data. There could be multiple reasons for this; lack or time or lack of training are both reasonable assumptions.

Moving forward:

- Guidelines needs to be developed for using the ODS and developing business processes as the MDM/R environment continues to evolve. For example, the billing process that is in use today depends to a high degree on a successful Web Services request/response process between the ODS and the MDM/R. Use of Web Services for this process is an "unanticipated" use of Web Services for MDM/R, and controls may be implemented by IESO which may initiate changes to this process.
- Updated training for the Sync Operator must be acquired so that streamlined exception handling processes can be implemented by NBHDL.
- NBHDL requires an understanding of whether upgraded/updated HTE versions include use of the Process Start/End date optional configurations that are available with use of the XML billing interface. Updated business process documentation will be required once NBHDL moves to this interface.

Billing Exceptions due to the HTE system

HTE users on earlier version of HTE (prior to 7.0.67) create BQ request files with repeated requests for the same USDP. The system is doing this because internally, the system performs calculation (billing) according to the services associated with a premise. Typically the system bills by the SS, TU, E and EL services. As a result, when it comes time to bill, HTE populates the BQ request file with a request for each premise for each of the services. The services are irrelevant to the MDM/R--from the MDM/R's perspective, these are repeated requests for the same information.

Any of the three outcomes listed below will present CIS with difficulties/exceptions:

- The MDM/R may provide different responses to the same request. Different may mean different transaction codes, or it can also mean different consumption values.
- The MDM/R may provide the responses in different files over the course of several days.
- In some cases, the MDM/R may not provide a response for one of the services.

This is another good example of why it might make sense to simply "ignore" the problem and resubmit the request. Resubmitting requests might return four answers that are the same, which would be successful in terms of HTE processing. However, there are probably better ways to work around this problem:

- The user could look at the individual responses and select the "best" response and modify the other responses to match the "best" responses. A more in-depth understanding of the MDM/R billing process would be required by the reader to understand why this suggestion makes sense. Explaining the MDM/R billing process will not be included in this document due to the depth and breadth of the required explanation; however, a verbal explanation could be provided during the presentation of the report, if requested.
- The ideal corrective action to this problem would be to move to 7067, which is in the plans for NBHDL. Moving to

the upgraded version will solve several problems, including:

- Compliance with Measurement Canada requirements to present register reads on the bill; this is accomplished by moving to the XML interface which is part of 7067
- Improved request files by eliminating the duplication within the files.

It should be noted that this HTE issue of repeated requests within a BQ request file has been escalated by the IESO MDM/R staff to the Operations Working Group (OWG) for review. The concern from an MDM/R perspective is that these repeated requests within a single file place unnecessary strain on the MDM/R negatively impacting performance for the larger community.

Additionally, problems that are presented by remaining on the "Custom BQI" include:

- Non-compliance with the Measurement Canada requirements for presentation of register readings on the utility billing invoices. This can be explained in more detail, if required.
- A lack of priority given to users on the Custom BQI. There has been a high priority placed on moving to the XML interface to accommodate the Measurement Canada requirements. Any issues that are discovered with the XML billing interface are therefore given highest priority for resolution. IESO will only place a lower priority on resolving Custom BQI problems due to the reduced user base, and the regulatory requirement to move away from the interface. It is not in anyone's best interest for the province to spend significant dollars resolving problems in an interface which has been effectively retired.

Finally, it should be noted that at the present time, the Sync Operator is manually reviewing BQ request files before they are transferred to the ODS and MDM/R to ensure the files appear to be problem-free. This is a step in the process that is:

- Feasible in today's environment (i.e., with NBHDL using the Custom BQI file format), because the files are "readable" by a human. However, it is a step that is not required in the daily process for users of other CIS systems in place in this market.
- Not conceivable when NBHDL moves to the XML billing interface, where the files are not considered "readable" by a human. For this reason, it should be considered important that the NBHDL Sync Operator document the problems that are encountered in this format so that any problems are resolved by the vendor prior to moving to the updated interface. For example, if NBHDL has encountered date problems in the billing process, the change in interface may not resolve this problem, and use of the XML will then involve handling problems that are today resolved by the Sync Operator review of the files.

Appendix B: NBHDL Interview Questions and Responses

Interview Questions

Util-Assist conducted multiple interviews with a number of NBHDL resources over 8 days on-site. Initial interview questions were developed for a number of processes as a starting point for discussion. Interviews for the remaining processes were based on moving through the steps of the process with the resource.

Interview questions are below for the following processes:

- Billing
- Cashiering
- Customer Care
- Disconnect & Reconnect
- Meter Re-verification
- Move In and Move Out
- New Service
- Systems and system Testing
- Unauthorized Usage BR02
- USDP Request / Response

Billing

1. How many cycles/routes?
2. Are cycles billed in separate batches?
3. How many billing agents?
4. Meter read upload process
    a. Meter read Exception reports
    b. Process for handling accounts or reads that did not upload
5. Batch creation process
    a. Options for creating batches – by cycle, route, walk, finals only etc.
6. Are Finals / Firsts billed with regular billing batches or in separate batches?
7. Exceptions reports – what are the exceptions available
    a. Final / First
    b. No read / estimates
    c. Roll Over (999999)
    d. High bill / low bill
    e. Retailer / EBT issues
8. Mail codes for bill printing
9. Audit each billing Journal for charges rate & bill codes, First bills, high bills
    a. Print selected random accounts/pages for verification?
    b. Select different bill/rate codes to verify (i.e. retailer account / non retailer) etc.
10. Print sample bills and audit bill prints:
    a. Verify format, line items, totals by line item and total bill amounts
    b. Verify against Billing Journal (Reverse calculation)

11. Billing Verifications (prior to journal print) - printed or saved as a file?
12. Audit before journal processing:
    a. Validation of billing codes, charge codes, meter reads and dates, consumption etc. against accounts?
13. Final Billing journals printed or file saved?
14. Print files
    a. Process to send to print
    b. Any validation of print file (check amounts, codes, etc.)
    c. Are print files kept as electronic files?
15. Billing Journal File naming and file path/drive or another system?
16. Posting process – any agent can post?
17. Verification of posted billing on select accounts from journal?

Residential vs. GS <50, >50 and Large Customers

1. Are there any unique differences in the way reads are uploaded or billing handled in the CIS based on the customer type/size?
2. Are general service billed in same batch as residential?

Final Bills/New Customer Bills

1. Is an account status or system trigger used to flag the account in a billing cycle as current, past or pending Final bill and/or New Customer bill?
2. Is there a Final Bill and First Bill report available (i.e., within billing exceptions report for each cycle?) Who prints / reviews / handles these?
3. Are Final bills manually removed from billing cycle?
4. Are all final bills “batched” in billing (regardless of cycle) or billed by cycle/route only?
5. Number of acceptable days to bill prior to Final read date? 15 days, full month, 45 days?
6. Once final bill has been generated, is the meter status automatically updated in CIS?
7. How are refunds processed for Final billed accounts (min amount to process?)

Billing Adjustments and Reversals

1. Types of adjustments and codes used
2. Adjustment handling part of regular billing options in CIS or unique type of Journal? (i.e. “Adjustment Journal”)
    a. Are all adjustment codes tied to GL numbers?
3. Are any “general” codes used for adjustments?
4. Batched adjustments – by user or by cycle?
5. How are billing corrections handled?
    a. Is it a cancel bill (mirror image reversal of original) and re-bill, or as an adjustment to correct the amount only?
    b. When correcting several months of billing, is each month reversed separately and re-billed with monthly reads, or reversed and re-billed as a total for full period?
6. How journals are filed – electronic or paper copy?

Retailer Account Billing

1. How retailer accounts are billed – same batch as non-retailer?
2. Any delays in billing due to EBT processing?
3. How are new retailer accounts, changes to retailers and removals from retailers handled?

General Billing Questions

1. Are there any Billing processes that are not completed within the CIS?
2. Are there any data records kept outside of the CIS?
    a. Spreadsheets (types)
    b. Reports (list or provide examples of the types of billing reports generated)

Cash Processing

1. Who handles these types of customer payments?
    a. Walk ins
    b. Cheques (receiving, opening, sorting, entering in CIS, bank envelope)
    c. Bank file payments – bank file processing, exceptions, reports etc.
2. Payment options for customers:
    a. Cash
    b. Cheque / Post dated
    c. Debit Card
    d. Credit Card
    e. Walk in – Cash / Cheque / Debit / Credit Card
        i. Who handles walk-in customers?
        ii. Manual processes or data entry outside of CIS?
        iii. Is the register integrated to CIS?
        iv. Receipts to customer
            1. Is it through CIS or other system?
            2. If CIS – can receipt be printed prior to posting a journal?
        v. CIS process
            1. How many screens / entry levels?
            2. Batch processing by payment type, cashier or date?
            3. Coding payments in CIS – code types?
            4. Level of detail in CIS (Chq #, name on chq, contact info, date of chq etc)
            5. Batch journals
                a. Individual payments or by payment type, date, Cashier?
            6. Verification reports and Journal printing or filing process
            7. Audit of payments / verification process before posting?
            8. Posting process – throughout day or end of day?
            9. Audit / verification of posted payment to accounts? How many?
            10. Reports
                a. End of day?
                b. By payment type?
    f. Mail in Cheques (and cash?)

i. Who handles?
ii. Manual process (mail handling, stamping, adding machine tape (used to verify journal amounts)
    1. Data entry outside of CIS?
    2. Batched by received date, payment date, cycle or other?
iii. CIS cheque payment process
    1. How many screens / entry levels
    2. Batch processing – by date received or payment date or other?
    3. Codes used in journals (late payment, partial payment, etc.)
    4. Identifying / look up of journal batches?
        a. How are payment journals identified – numeric codes, by payment type, User name etc?
    5. Journal verification before posting?
        a. Print full verification?
        b. Verify all payment entries against cheques or just total amount?
        c. Removing a payment from a batch / re-entering
    6. Print full final journal or save to file? File path / drive or separate system?
    7. Posting process
    8. Audit of posted payments on accounts?
iv. CIS Cheque payment reports generated /available?

g. Bank Payment handling – who handles?
    i. Manual process
        1. file receipt – by email / FTP / other?
        2. data entry requirements outside of CIS?
        3. File review prior to upload?
    ii. CIS process
        1. How many screens / entry or process levels?
        2. File upload process
        3. Exceptions report
        4. Handling / upload error - remove and Re-import?
        5. Verification process – number of accounts checked
            a. Print out and sign off of verifications?
        6. Payment reversal (error) handling
            a. Incorrect payment amount on an account
            b. Incorrect account received payment
            c. How investigated and identified to bank
h. Who handles CIS payment errors/corrections?
i. Process for correcting payments on accounts
    i. Batch journal or individual
    ii. Remove and correct in same journal or separate?
    iii. Are payment date errors handled differently than payment amounts or wrong account errors?
j. Payment Reports
    i. Who generates?
    ii. Who review / signs off?

Customer Care

1. How many CSRs do you have?
2. Call centre stats
    a. Number of incoming / outgoing calls daily, weekly, monthly
    b. Incoming / outgoing emails – recorded in CIS?
3. Phone system – flag call type?
4. Call waiting dash board?
5. Are account numbers rolled up (occupant code) or are they unique to each customer?
6. Is a customer number and an account number assigned?
7. How do you view all past customers at a service location?
8. How do you view all past locations for a customer?
9. How do you view all locations associated with a landlord (and/or billing to a landlord)
10. How do you query for an account (what standard search options?)
    a. Is a list view of results generated?
    b. Selecting appropriate account?
    c. Advanced search/query options (>/</ = / between x and y etc.)
11. Keyboard functions or mouse only?
12. Help button (describing pages or functions)
13. Process for recording a contact / exchange with a Customer?
    a. Entered in CIS while engaged with customer or post call / exchange?
    b. Are Contact / exchange “Types” recorded (call, email, in person, inbound / outbound etc.)
    c. Do you record time spent with customer in CIS?
    d. Minimum Level of detail required
14. ESQR Reporting – how calculated (dropped calls, messages etc.)?
15. How are changes to account details handled (specific to role/department?)
    a. Bill or rate codes
    b. Customer Name / alternate names & passwords for access
    c. Service Address (i.e. unit numbers)
    d. Cycle / Route / walk
    e. Mailing Address
16. Call Centre process:
    a. New Service Requests
    b. Payment Arrangements
    c. Move In / Move Out
    d. Changes to account
17. How are customer calls / contacts handled in CIS
    a. Level of detail recorded
    b. Emails recoded in CIS as an exchange with customer?
    c. Call codes in CIS (complaints, Move In / Move Out, Payment Arrangements, High bill, retailer inquiry, meter dispute, meter read issue, complaints etc.)
    d. Can you assign follow up or service needs to another resource?
18. Able to create Ticklers / flags in CIS (Do Not Disconnect / Final pending / payment arrangements)? How do these appear (when first open an account?)
19. How are Account comments handled in CIS –
    a. Free form, chronological, view list or attached to each call?
    b. Inserting or deleting comments – options?
    c. Max characters per note? Short forms used?

    d. Can previous comments be edited? (new comment line inserted? If so, how is date handled)?
20. How are Service Orders created, put on hold, completed etc.?
    a. User name / time & date recorded?
    b. Assign Orders to other staff? How are they alerted?
21. Types of letters to customers
    a. Automated letter generation for any / all?
    b. How is system flagged to create a letter for the customer (letter code)
    c. Manual input to letter templates or system generated?
    d. Letter print and mail – batched daily at end of shift?
    e. Letter report – number of / type of letters sent weekly etc.?
22. Complaint handling process in CIS?
    a. How are escalations handled in CIS?
23. How are high bill complaints investigated?
    a. CSR review account or forward to billing representative?
    b. CSR respond if looks in line?

Disconnect / Reconnect

1. Does the Collections Department create service orders for Non-Payment disconnects? Are disconnects performed as part of the Account Change process? Does Collections also manage the service order creation process in this case?
2. For Non-Payment disconnects and Account Change disconnects, does the meter status in CIS need to change to "S" (Sealed)?
3. Is there separate CIS indicators for Load and Service (i.e., disconnected at the meter with "sleeves" or "boots" vs. disconnected at the premise (i.e., before the meter, perhaps at the pole))?
4. It looks like the "Sync Operator" is managing data in the CIS for non-payment disconnects – for example, updating the account notes with the disconnect status in case Stale Meter troubleshooting is required. Is this occurring, as documented?
5. Who is the "Sync Operator" for this process?
6. Is the Sync Operator making notes of register reads and updating a spreadsheet for the ODS?
7. Has any automated process been established with the ODS to have the ODS provide valid-0's to the MDM/R for pole disconnects?
8. When payment is made, is a service order again used to trigger the reconnect process?
9. Are register reads taken at the time of disconnect? At the time of reconnect?
10. How is the status indicator in the CIS managed after the reconnect has occurred?
11. If any automated processes are created, or any spreadsheets managed, how are they included in the reconnect process?
12. Are disconnects performed in winter months?

Meter Re-verification Process

1. Has NBHDL started a new process for smart meters?
    a. If no – what is the plan for handling the large volume of meter changes coming?
2. How easy is it to create and schedule sample groups?
    a. Does any sampling or scheduling happen when adding groups of meters to the inventory? (automated process / handled by system)

b. What percentage of meters are sampled?
c. CIS process for sample re-verification meters
    i. Removed from account?
    ii. Removed from inventory – or change status only?
        1. What status?
    iii. How long before meter put back to inventory / account?

Measurement Canada Dispute

1. Review process / map
2. What qualifies as a dispute
    a. Who decides?
    b. Persistent customer only?
    c. Billing exceptions – high bill
    d. Field staff notice issue
    e. Field staff view meter first (i.e., before decision to parallel or send to Measurement Canada)?
3. Is a parallel meter installed or simply remove disputed meter and send to Measurement Canada?
    a. Residential
    b. Commercial
4. Parallel meter added to account or just noted in comments or work order?
    a. Who closes the work order? Jim or Billing?
    b. At what stage in the process is it closed? When back from Measurement Canada?
    c. Notes on account regarding MC response/decision
5. What are the responses (types) from MC for bad meter (needs to be scrapped), within thresholds / acceptable limits etc.?
6. If bad meter
    a. Next steps? Process to notify billing?
    b. Do NBHDL have to notify MC of any “Closure” to the dispute – i.e. billing corrections completed, meter scrapped etc.?
    c. MC decision / paperwork filed?
        i. Document management system
        ii. Copy to customer?
7. If meter is good:
    a. What are the next steps (add back to inventory)?

Inventory Management

1. File import for new meters (i.e., batches of meters)
2. Work Orders – change meters:
    a. Auto impact inventory in CIS via closed work order?
    b. Reports available / used
3. Who is responsible for inventory?
4. Who is responsible for system setups?
5. CIS inventory management versus enterprise level inventory system?
    a. File import/export from enterprise system?
6. Are meters quarantined before re-deployment for MDM/R purposes?
    a. For how long

   b. How do they break the meter to premise relationship?
   c. Standard amount of time for work order to be processed?
7. What is communication process with billing to notify Jim that an account has been billed and meter can be removed?
   a. Verbal / email / watch account status?

MV90 Meter Reading & Challenges (Map Process)

1. How many of these meters?
2. Any intent to change to full ODS handling?
3. Considerations around data collection?
   a. What is current data collection process?
   b. Outsourced?
   c. What level/stage of data collection process is NBHDL involved in – file upload?
   d. Phone system collection possible via ODS?
4. Data upload process to CIS
5. How are read issues handled (i.e., phone line goes down)
   a. Manual correction within MV90 or on CIS side?
6. Exceptions reports:
   a. MV90 side
   b. CIS exceptions? How do they differ / types of exceptions?

Move In / Move Out

Account Change

1. What triggers an Account Change in CIS? Is a call enough? Or does the customer need to come into the office with paperwork?
2. If a customer that has moved in calls, will NBHDL do a “force” move out?
3. If a customer that has moved out calls, will NBHDL create a final bill without knowing who has moved in?
4. If no new tenant is known, will the meter be disconnected? Or will the bill revert to the owner?
5. Have Conditions of Service been created which allow NBHDL to bill owners for consumption between tenants?
6. How is the correction of Account Change scenarios handled? Is it possible that different “clerks” manage different parts of the process for the same customer? How is Sync impacted by the error handling process?
7. If no new tenant is known, and the premise remains vacant for an extended period of time, is service removed?
7. How is a Move out request initiated:
   a. Call
   b. Written / signed request? Email acceptable?
   c. In person only?
   d. By Who?
      i. Customer
      ii. Landlord
      iii. Request by new customer Moving in (“Force Off” old customer)?
   e. Minimum number of days to notify NBHDL for Move Out?
   f. Are there any charges for a Final bill / end of service processing?
   g. When creating a “Move out” in CIS, does system automatically open or prompt a “move In” process or Work order?
8. How is a Move In request initiated?
   a. Call
   b. Written / signed request? Email acceptable?

c. Service Agreement hard copy only?
d. In person only?
e. New account auto generated as a “New Customer” by a Move Out request? (Force In)

9. What Customer data is required?
    f. Moving Out – New address, work number, lawyer name and contact info
    g. Moving In -
10. How are gaps in move out / move in dates handled (i.e. bill to Landlord name between dates)?
    h. Option is CIS to handle multiple move in/out dates and customers in sequence?
    i. Are landlords notified if going in to their name? Auto generated letter?
11. Are any signatures / sign offs required (hard copy) before billing?
12. Is a W/O triggered by the system or manually generated?
    j. Is a paper copy generated/printed and provided to billing?
13. How is final meter read handled? Manual input or MDM/R data uploaded based on read date?
14. Who completes W/O in CIS? CSR or Billing?
15. Are any hard copies of W/O sent to document imaging/storage or filing?
16. Are any flags/ticklers generated in the CIS to alert CSR’s, Billing and/or Collections of pending Final?

New Service

1. The existing process document effectively “picks up” at the request for service order; when a service is required there is a service order generated by the Operations Clerk. This is fairly generic – it served the purpose for IESO MDM/R considerations, but for a more complete process review, the beginnings of this process should be added to the document.
    a. When a customer first calls for service, what kind of paperwork is completed? Is it paperwork (literally) or an online application? Are there soft copies of the request?
    b. Who handles the initial request? Does the Engineering Department take the original call? Does Engineering Department do initial plans/drawings? If designs are approved, does the process move from one department (Engineering?) to another (Operations?)?
    c. For approved projects, are Work Orders created? Who creates the work orders? What is the Work Order system? How long does it take to create a work order?
    d. Does the initial paperwork/package get exchanged between departments? How is this tracked?
    e. At what part of the process does an Account get established in CIS?
    f. Does Lines activate the service? Does Lines install the meter? Does Metering? Do customers need to be onsite for meter installation? Are appointments made?
    g. Are the same Work Orders used to assign the Meter Installation work? Are there only work orders in the utility, or are there service orders that are used for different types of work?
    h. Is the first day of the meter installation, a day that is billed? Are there scenarios where meters get installed prior to their being ownership of the premise?
    i. In a new subdivision scenario, are there instances where builders are billed for consumption on a meter, and then that meter is moved into the owners name, or are these generally different meters, and different accounts?
    j. How does the premise move into the billing process? Is it assigned to a route, and then simply becomes part of the “Cycle” billing process for that route?
    k. Is there a Web tool for customers to view their usage? If so, is it considered important to display the first day of consumption? What sort of register read is used for the first bill (i.e. does NBHDL consider it important to show actual reads (from the meter’s display) on the bill, or are calculated/estimated reads considered acceptable for billing?
    l. Are there timing problems associated with this process? For example, if a meter is installed in Cycle 2, can the new account be added to Cycle 2 if Cycle 2 is already in a billing process? In this case, would the new account have to wait until the next billing process for Cycle 2, or would an “Off Cycle” bill be generated for this single account?

General Utility Questions

1. How many Full Time Equivalents in NBHDL?
2. Call centre – hours of operation
3. ESQR - Electricity Service Quality Requirements (ESQR) Report capture – Who
4. Phone System: Codes to direct calls - records captured?
5. Is the new system being implemented Prairie Fire? How will this help with reporting?

System Testing

1. Does NBHDL have any customization of HTE?
    a. How does this affect test plan for new versions?
2. Set of scripts to be run for each upgrade
    a. Standard testing for standard process
    b. Standard testing of customizations
3. Other risk mitigation process implemented?
4. When the MDM/R / other systems that are integrated with CIS has upgrades
    a. Does this initiate other CIS testing to ensure hooks or integration items have not been affected?
5. What's the roadmap for HTE upgrades?
    a. Set number of upgrades per year
    b. How are these scheduled
    c. Resources required – how are these planned / determined?
        i. Are resources given focused time for testing
    d. Version 7.2 considered "small" / version 8 is larger upgrade
        i. Lessons learned from MDM/R enrollment - how will these be applied to version 8 upgrade?
    e. Items to be tested/ considered/ planned for prior to upgrade:
        i. Sync process for non-smart meters
        ii. HAN devices or pilots to be deployed
        iii. Using Sensus to collect and reset demand meters
        iv. Using Sensus to collect Micro FIT / FIT and GS>50 meters
        v. Implementing inscription on Sensus network – V8
        vi. Impacts of Web Services
        vii. Building processes of new exceptions – KV2 meters have odd data
        viii. Use of MDM/R start date in billing process
        ix. Training requirements for new functionalities / business processes
        x. Business process decision making and mapping – versus system constraints dictating new business process implementation

    Outside of troubleshooting, expertise will need to be acquired in the realm of:
        i. Meter firmware upgrade process
        ii. TGB upgrade process
        iii. RNI upgrade process
        iv. Encryption key management

6. System backup process – same for all / differences?
    a. Any system backup or data storage / communication reasons for separating from city for water/electric billing – i.e. AS2 issues / impacts

b. Any IT related considerations for working with the city to combine water and electric service billing?
    i. Reasons (for)
    ii. Reasons (against)

Other IT Considerations

1. Cross training or back-up for regular sync file and BQR processing?
2. What is stopping NBHDL from automating file transfers?
    a. Daily need to edit files?
    b. Other?
3. Does Dale have full knowledge/ understanding of when and/or why a file should do the following?
    a. Transferred
    b. Edited
    c. When to speak with other billing rep (Gloria) on a proceed / don't proceed decision for billing / account / meter issues

Unauthorized Usage (BR02)

1. Process flow diagram shows that the "Sync Operator" opens the BR02 report at 8:30 a.m. daily.
    a. Is Cheryl the "Sync Operator in this case?
    b. How is "redundancy" incorporated into this process for NBHDL (i.e. when the primary Sync Operator is not available, who runs the process)?
2. Does CIS effectively change the Load/Service status flags in the I-Sync file to enable the BR02 report?
3. How often do exceptions show up on the report? Have they been determined to be primarily timing related?
4. If no new owner or tenant is known in the Account Change process, is the meter disconnected? Is this process found to be effective for detection of theft? Or is it used to determine that Account Changes without new tenants, actually require disconnection?
5. If an exception is found, does the Sync Operator research the problem in CIS to determine status? If so, how long would "navigation" to the appropriate screens take to determine the connection status of the account? Is the time required to manage this report effectively = (number of minutes/seconds for CIS investigation) x (the number of exceptions on the report)? Or are there other pieces to this process that are not documented?
6. If a Service Order is required, how long does the creation of a service order take? What kind of service order is created as a result of this process (Unauthorized Usage)?

USDP Request / Response

1. Process flow diagram shows the Sync Operator managing this process. Is Cheryl the Sync Operator in this case?
2. Documentation indicates this is a manually generated process, with the user selecting menu items to generate the request file. Is this still the case or has automation been implemented? If automation does not exist, has it been identified by HTE as a "road map" item?
3. How long does the USDP request process take (excluding the time for MDM/R to return reports – how long does the CIS process take to generate a file)?
4. How long does the processing of response files take?
5. How often is the process run? If not run daily, how does the Sync Operator know to run the process?
6. How is "redundancy" incorporated into this process for NBHDL (i.e., when the primary Sync Operator is not available, who runs the process)?
7. Can you confirm the CIS logic is correct in the existing document:
    a. CIS uses the Location ID as the SDP ID with the IESO MDM/R?
    b. The CIS looks for Smart Meters installed at Location IDs, which have completed COMM MOD attributes, but for which a USDP ID has not been acquired?
    c. For NBHDL, are Smart Meters meters which record consumption for Residential and GS<50 categories,

without demand functions? Or has NBHDL begun to characterize other meters as Smart Meters? When bi-directional meters are installed, or demand meters, are USDP IDs requested from IESO MDM/R?

8. Is there any CIS reporting to ensure that all requests have had responses?
9. Do exceptions occur in this process? If so, can you provide some examples, and the relative frequency that each one occurs?

Responses to Interview Questions

As the interview times and resources varied, it was not always possible to complete the review of a full process with one resource or within a scheduled interview. While the NBHDL resources interviewed were well experienced in their respective roles and their business process responsibilities, linear/sequential progression through the steps for some of the business processes proved more difficult with some resources. In addition, responses to some questions naturally moved the discussion to a different part of the process, or led to additional questions that did not allow for sequential capture of answers to those originally developed. In order to move through the process in a timely manner within the time allotted with each resource, a change in strategy and data capture by Util-Assist team members was required. As a result, interview notes were captured as the discussion(s) progressed over multiple days. Many of the notes are in addition to, or similar to, what has been captured in the Process Mapping and process documentation. Some processes were captured solely within the Process Mapping.

The interview response notes are provided on the following pages.

Process 1 & 2: Account Change – Move In and Move Out Processes

- Move In – Dec 3
- Applications come into the office via fax/email requesting new service.
- Customer fills out four page document as application; privacy policy, information for the customer, and 1 page for the utility including customer information.
- Documentation must be completed before any further setup is performed. Includes
- If moving in, the effective date, the application must be completed (name, dob, contact information, etc.); this is separate from the CIS entry.

Final Read/Bill Request

- A Move Out/Account Change can be triggered in the following ways:
    - Contact by current owner or tenant -
    - Lawyers letter
    - Landlord contact stating the current Tenant has already vacated the premise.
    - "Force Off" from a new Occupant Application (Owner or tenant).
    - Acceptable contact methods for Move Out:
- Acceptable contact methods for Move Out:
    - Call
    - Letter
    - Email
    - Fax
- Minimum required information to complete a Move Out:
    - Tenant:
        - Closing date/final read date
        - Forwarding address.

- Owner:
  - Closing date
  - Forwarding address
  - Lawyers name
  - New owners name

- Landlord authorization forms on file will allow utility to transfer ownership temporarily to the Landlord until a new Tenant Moves in. If no Landlord authorization on file (in writing), NBHDL will not move account into Landlord's name. If no new owner/occupant information, and no landlord authorization, the account is disconnected on the final read date.
- NBHDL has worked to get landlord authorization for as many premises as possible.
- If notification of move out is same day as final read date, a disconnect can often be done on the same day. If required, Disconnect will move to next business day, but this is rare.

Is the Move Out Date >9 days From Today?

- There is a utility configuration which allows the account to remain active until a threshold is reached. Recently this "threshold" was reduced to 9 days to allow the LDC more flexibility when working with move in/out orders. When a Move Out order has been generated, if it is more than 9 days away, the account will remain in Active status. Once the move out date is within 9 days, the system changes the account status to "T" (Terminated).
- The status is controlled by the system.

Account Status = "T"

- "T" (Terminated) status prevents billing and prevents disconnect orders from being assigned once Account is within 9 days of Final read date.
- If T status becomes part of account change correction, there is possibility that a 60 day bill would result. If manually caught, it is possible to generate a bill for regular monthly read to prevent the long bill.

Process 5: New Service

New Services- Operations Dispatch

- Cheryl sends a spreadsheet to Cindy for updates on meter Disconnect/Reconnects (upgrade of service at 9am and reconnect) and removals (fire, demo, rebuild, more than one meter to single meter etc, smart meters). If disconnects past 6 months due to arrears = sometimes
- Meter removals – Cindy will look at whether there are any pending charges.
- Customer call received
- Cindy sends information sheet regarding customer name, location and service request for scheduling purposes.
- Engineering Department or customer fills out Request for New or change to service
- Requirement for the trench (unless overhead).
- Engineering attends on site. Engineering does service layout (drawing) and creates estimate from layout charges. They send to Cindy to send to customer by email or fax. Payment required (phone credit card, in office, submit a cheque). Cindy sets up account if customer pays directly in order to set up and apply charges immediately (has to be paid through cash).
- If electrician or builder pays = payment required at same time but applies payment to AR. Set up account for the

customer. No payment requirement or apply payment needed for connection. Payment stays in AR.

- Cindy schedules connection (once all paperwork received, work order includes meter number, meter reading, date and time set, if in GPS).
- Once account is created, trench inspection is scheduled and performed. Trench may be performed by customer or service truck. If NBHDL installs = no inspection required.
- Auth to connect from ESA (looks at final service) – Cindy receives auth. If auth not received but expected, Ops will call ESA to follow up.
- Cindy schedules connection with service truck.
- Metering Installs the meter and records the GPS location of new install

CIS Process

- Contact management in HTE is where you create a new service address – system generates an LID (add a location ID). Add a cycle and walk – look up other address near new service to determine cycle, route and walk (walk no longer needed).
- Add services and codes.
- Add customer name and general information
- Meter maintenance – add the meter number, read, date, time set (non-smart meters). If smart meter – no read entered (leave it blank – smart meter install date is added meter maintenance screen (F12 – com mod – enter date. Also shows meter number that was set in meter maintenance)
- Set meter (meter maintenance) screen –time of installation is added. If no time from field crew = use 7:30 – if billing sees 7:30 =). Print screen of screen where smart meter installation date was entered and walk over to billing – billing uses to verify same date that was entered in spreadsheet. Redundant? Also wants a copy of the front of the work order
- Meter spreadsheet from billing is where the meter read, meter number, time and day, code for New - for smart meters only is entered. If not smart meter, don't add any meter data to billing spreadsheet.
- Apply charges that customer has paid at this time – connection fees and apply payment.
- Another screen for transformer – find service plot transformer. Type in address or LID, system knows meter number attached to location. Selection screen shows location ID and the meter. If meter changed on an account, then you should auto attach to the transformer.

Subdivision

- Every new house will be attached to a transformer.
- For multiple houses – it is rare to need multiple accounts created at one time.

Solar Installations

Create new location (same service address – new location ID and services). Service is EL. Type of meter attached to solar account and services selected denote solar account. Billing and OPS set these accounts together. See Billing process for MicroFIT.

New Service - Interval

- One per month average for large industrial
- Nothing entered into system by Engineering

- Cindy sets up account in CIS, Cindy takes care of deposits
- Vicky takes calls for new services, and they get assigned to Engineering, there might be some drawings exchanged.
- Engineering Department has “electrical planning requirements” which needs to be filled out by owner or consultant, which documents address, service size, etc. Engineering might then visit site to see basic requirements – are there poles onsite, etc. Significant work might require Operations manager’s involvement to see requirements, may have to tell customer the service isn’t available at this time. Customer will pay for line extensions or other kinds of work that is required to get the service to the site. Cost estimates are made from preliminary design. There is a spreadsheet that is used to generate estimates, xsheet includes labour rates. GIS is meant to include “As built” not the designs.

Process 8: Service Removal

Service Removal

- Customer calls asks for service or install or removal
- Customer call, note from city or company doing a demolition (i.e. due to fire or rebuild). Often, confirmation will be sent.
- An “instruction form” (OEB required form) is created to schedule the removal of service (remove metering and wiring if applicable), acquiring final read and includes the required sign off.
- Create final work order and a remove meter work order at same time.
- Final Bill triggers the update of account status to F. Then complete/close Meter Removal WO once status at F. Billing notifies OPS once final billed. OPS completes removal order and meter is removed from Account. No meter status change. Status of “removed” for meter on account updates inventory and meter no longer associated with account.
- Billing spread sheet – OPS Meter final read entered if not smart. If smart = enter date, time of removal and reading. OPS photo copies or emails meter reading to billing so they can Final bill and ops can then complete removal of meter in CIS and the removal WO.
- Vanessa – where disconnect is 6 moths = requires ESA approval. Remove Meter Work Order – is done by ops. CAS involvement is reviewing CIS report on accounts in sealed off STATUS on account for those getting close to 6 months at sealed off status.
- CAS attempts to contact customer to advise of last chance to have reconnected before removal of meter. Comments made in file (no code) that attempt was made. Call is made to ops for those approaching 6 months, after contact with customer has been attempted.
- Remove meter work order is created by OPS. OPS schedules service crew and remove and plate it. Ops creates Removal Work Order and removes services and the meter from the account.
- Customer is responsible for ESA. Customer is notified that a fee is required $262.00. Collections for arrears would also have to be paid. Once ESA approval is received by OPS, if payment received, a new meter is scheduled and installed. “Initial meter set work order” is created. Service crew complete work order details and back to OPS – see new service work order completion requirements for meter setup and attach to account etc.
- Removals/Disconnect/Reconnect (Service Upgrade)/New Service; Cindy completes excel spreadsheet with time and reading for Cheryl.
- Recently there was a change to have CAS manage the reconnect . . .

- Cindy (Operations Dispatch) does removals where there were two meters, and now only one.

Process 9: Meter Exchanges and CT/PTs

Meter Exchanges and CT/PT

Meter Exchanges

- Non-smart meter exchanges must be completed before the file is sent to the handhelds.
- For Billing – receive a warning in "Consumption exceptions listing" from CX.
    - For non-smart = consumption proof to verify consumption is appropriate
        - System handles in and out dates and reads for meters and calculations for billing – normally no issues. If consumption is off, or needs further review = send to off billing to verify charges calculation appropriately
    - For smart meters – the CX recognizes them as "errors" and send to Off cycle.

Meter Exchanges

- Meter exchanges are sent from Gloria and Cindy Swag (new meter sets) through spreadsheet.
- Meter exchange files need to match the meter exchanges in the sync.
- ***Gloria states "This needs A LOT more attention" – someone needs to take each of the meter exchanges and follow them through with all details in CX and the details in the MDM/R
    - Meter staging table contains all data from the beginning of time for meter changes
    - Getting messages like missing sync for both meters in MDM/R – they know they have sent the details to the MDM/R for both meters
    - Examples of the error messages from ODS Meter staging table have been given to Mike previously
    - A lot of times, the new meter data looks like it is fine in the MDM/R, but when send BQR, only receive partial detail back – resolved in CX version 7060? Stops ability to bill account until meter change is resolved

Is there a difference between CTPTs and meters as it relates to the timing of entering changes into CIS?

Jim, Dec 12th

- If a CT/PT is required or changed, the meter must be exchanged for the Sync to work. ??? This was dictated by the MDM/R. If the ratio has not changed – why is this an issue?
- For no value change (i.e. if CT has burned out), NBHDL has tested, and the only way they could pass with the MDM/R was to exchange the meter.
- If value does change = Should be able to bill to end read with old value and bill remainder of read with new values in same billing. Current process requires that they have to wait until billing is completed to read date for value change, then change meter and bill remainder of read period with new value.
- For final bills – have to wait for final bill completion (T to F status) before can change meter to add CT/PT changes.
- If an upgrade to a 3 phase service, change billing multiplier in CT. Bill to end read. Change meter to change CT value and bill to remainder of read period with new value (even if 10 or 15 day bill).
- Regular meter exchanges are fine.

Process 11: 3rd Party Collections

- 3rd Party Collections – Sue – Dec 18th
- Residential and Commercial – throughout year. Will be moving to a rotated function.
- Sue, Vanessa, Tammy, Linda and Linda. (CAS rotation)
- Sue was primarily collections
- Frequency = monthly:
- Billing runs a daily update – report is generated for final billed accounts with balances
- Sue looks in to report
    - each account that was final billed
    - amount owing and other details
- look up each account (by CID – to see if there is another active location for that CID
    - if another active LID with that CID, sue transfers the balance and sends a letter with the print screen of all locations for that CID and the status of each of their accounts
    - Stamped with ``Balanced transferred to active account`` - highlight active account
    - If no active LID with same CID = look up Move Out screen showing forwarding address information
        - If moved outside of service area = leave account and go on to next
        - If moved to location within NBHDL but not under same CID – look up LID to see which customer is at that address
            - If same customer:
                - transfer balance and
                - Generate letter and forward print screen after transfer so customer can see the balance that has been applied to the active account
            - If not same customer = go on to next file
    - When finished checking all customers – go to letter generation screen and run batch letters to all final billed customers with balance owing where no active account within service are to transfer to
        - Customer has 7 days from date of letter to clear balance (actually ends up longer if customer final read in September, final bill late October, due date of November,
            - At office with cash or debit
            - On line or telebanking
            - Credit card using “paymentus”
            - CIS records letter code for Final Delinquency issued
    - Run a report for Central Credit (3rd party credit Collections agency) for a month (rather than one at a time) – run at end of month
    - Run process in CIS to Flag account status from F to C – also automatically puts it in to ``in house``. Any that are bankrupt or deceased would be manually changed flag at the account level (see below)
        - Run process to change from ìn-house`Flag to 3rd party collections on account (separate screen – wfm screen) – update WHY in C status (3rd party, deceased, 3rd party collections) – this is so that CAS sees that the account has been sent to 3rd party Collections.
- Likes system, but thinks it can do more than what they have been trained to do. One training in 6 years (a few years ago). At the time, collections was a very manual process. Once training was provided, a number of your manual functions became automated / CIS triggered processes
- A number of Arrears Management processes were updated after training to create flag codes and efficiencies – feels there are more efficiencies that could be realized

- Currently faxing a copy of the 3rd party credit report
- 3rd party manually keys data in from fax in to spreadsheet
  - No way to get HTE excel file that organized data appropriately (fields and columns were not aligned) – data not organized well enough to send as a file to 3rd party
  - No extra fee for data processing on 3rd party end-
  - Letter sent to customer by 3rd party to contact 3rd party
  - Customer usually calls utility first
    - If customer wants to clear the debt when contacting utility = Sue will contact 3rd party collector to get principle plus any applied interest (goes to utility) – LDC will process the payment
- 3rd party has report by rep that inputs data in their system and assigns a ``debt`` number – Sue goes through report (faxed one or 2 page) to be sure all captured
  - Eventually Sue gets an excel spreadsheet with debt /, account /, customer name, current debt, interest (3rd party will apply), contact made, status
  - Monthly statement for accounts paid (to 3rd party or to LDC)
- **Daily report received when log in that an account in C status has been paid (i.e. was paid through bank)
  - Look up customer file to verify payment applied
  - Get 3rd party debt number from 3rd party excel and manually add it to the CIS report and then fax a copy to 3rd party and file it
  - Manually flip status flag from C to F (is this necessary if account is at zero) – Sue now questioning. Zero balances do not show on 3rd party collections reports.
  - IF customer made payment to 3rd party – manual adjustment made by CAS to show payment and manual change from C to F status
  - For bankruptcies – if standard supply, SS (or other service type – BR for retailer etc) gets changed to BK – this does NOT keep it from the batch run for 3rd party collections – easy to recognize for CAS that it is bankruptcy
  - Other screen where the Code for WHY it is a C status on account (deceased or bankrupt) is what keeps it from entering batch processing.

- Previously, collections and arrears was too much for one person. Instead of hiring another body, better to ``amalgamate`` all processes
  - Cross training schedule has been difficult to do currently due to high volume of calls, people off sick etc
- Collections will be part of the CAS cycle responsibilities –
  - Reports monthly for finals, delinquent and 2nd delinquenciy (actual notices) for thier own 2 cycles
  - Seal offs are done daily and process run daily by whoever responsible
  - 3rd party collections – no cross training yet – not to be broken up by cycle (full process for a month by one rep)
  - Bankruptcies – handled by cycle by responsible rep (2 cycles each)

Write Offs –

- Sue (CAS) runs query on all bankruptcy files or deceased for 2012 that have balances owing and sent to Cindy T (Cindy does not run her own report)

Process 12 & 13: Cashiering

Cashiering: Dec 11

General Payment Handling

Cashier handles all types of payments.

Payment Handling Manual Process

1. For every customer stub or receipt, record of denominations and type of payment (debit etc.)
   Every batch total is entered in to an excel spreadsheet by payment type (and by bank if bank file)
2. Bank statement is received daily. Confirm statement against spreadsheet for previous day business (sometimes will have to review a couple of days together to reconcile -includes direct deposits etc.)
3. **Telebanking errors:** exceptions report (sheet printed every day with telebanking reports) for wrong account numbers paid. CAS will try to find appropriate customer and account number to apply payment to – if found, a letter is sent to the customer to notify them that a payment was applied against XXX account and requesting the customer to make changes to payment (account number) for future payments.
4. Otherwise it goes to a dummy account number until customer recognizes the error and notifies the utility. Bank account for Royal Bank (credit) for all dummy payment (regulation for holding unidentified payments?)

Mail-in Cheques (and cash?)

Manual process (mail handling, stamping, adding machine tape (used to verify journal amounts)

- Cheque handling – sorting all incoming mail and distributing to correct people.
- Opened by cashier if not addressed to a specific person.
- Invoices to AP
- Cheques stay with the cashier for processing
  - Open envelope and sort as a “pile” – pile = batch – not batched by date or cycle etc.
  - Add account number to the cheque (if customer has not already) – if customer has multiple accounts that are being paid by one cheque = separate batch for processing
  - Manual adding machine tape for totals by cheque batch
  - Stamp each cheque with “deposit to” stamp for bank

Cash Balancing / Drawer – have a spreadsheet for float, and totals for CIS cash journals. The count at end of day must be equal to CIS and float.

- Variance – refer back to step 1 (usually due to something recorded incorrectly. Resolve variance
- Variance that cannot be resolved: record as cash overage/shortage in CIS (payment posted to the code overage/shortage (cash) – report to accounting.

1. If customer has their bill, record their account number (tear off utility portion and stamp portion).
2. If no bill, use manual carbon copy receipt. Write the amount of the payment and the date.
3. If time allows, make the entry in CIS while customer is on site.
4. Otherwise, make entries when time allows
   a. You may not know if it is a disconnect customer if collections notice is not brought in

CIS Payment Processing:

1. Open and name batches
   a. OC = Over the Counter

   b. MA = Mail Payments
   c. DB = Drop Box Payments
   d. BP = Batch Payments (1 cheque / multiple stubs)
   e. TB = Telebanking
   f. CT = Corporate Transfer (low volume – stubs from bank – old way of processing)
   g. PD = Post Dates
   h. DD =Direct Deposits
2. Cashiering batches are dated for the date of payment (i.e., if post-dated cheques = date of payment)
3. If more than one cashier, separate batch by the cashier name that creates it.
4. A number is added to the batch code if multiple batches of the same payment type
5. Enter account number and the amount > ENTER > move on to next stub
   a. Once all payments are entered – back out to another page for total to balance against excel total
6. By batch name – the system knows the payment type for posting to account – setups based
7. Verify adding machine cheques and batch totals (if CT = confirm against CT file received / if cheques = against chq batch)
8. Mid-balance – consists of total on all batches for that day can be posted at that time (no further payments will be added to the batch). Anything after that would wait until the next business day. Cash and post-dated are not posted until end of day (or for post-dated, the date of the payment)
   a. Total all batches together in CIS by selecting batches to be posted – get total
   b. Compare total against files / manual totals for each batch
9. Cash journal verifications – no listing of GL numbers that journal is posting to = no verification of errors – no issue with posting to wrong GL since codes are by batch not by individual payment
10. Copy of journal is printed automatically
11. Automated “Update” report is run each evening and prints. Print out is reviewed in the morning against excel for day (“ Daily Cash Count Summary– one ongoing spreadsheet for the year).

Process 13: Work Orders; Retailer Accounts

- Retailer Account work orders – Dec 4th
- Customer calls CAS says moving, changing name or changing address
- CCL / CCI / Drop

CCL (Customer Change Location)

- Customer moving – create move out work order
- Each CAS receives work order based on their cycle. If it is a future move date, do not notify the retailer until day of move. EBT is sent to retailer on day of move so it does not affect billing
- CCL created day of call and left open. CCL closed once the EBT is sent. CCL does not trigger the EBT. It is opened for the CAS referral only as it holds all of the data required to create an EBT. Paper copy of CCL is used.
- Work order for final is closed by billing.

CCI work order (Customer Change Information)

- Same process as CCL, used for name changes and mailing address changed. Left open until EBT is created. Able to create EBT immediately, or when have time. CCL is closed same day or when RBT completed. CCL allows billing to track if EBT completed prior to billing.

- DROP – date driven
- Moving out of NBHDL service area, or no longer require hydro service (new address – i.e. parents house).
- Follow same flow as CCL:
- Hold open until move date. Send EBT. Close DROP. Billing closes Final.
- EBT transaction related: if data on EBT does not match what is expected, EBT system will show tickler that data does not match. CAS responsible for resolving and correcting data from CIS/Work order.
- Any rejected EBT's (after sent) go to billing for handling. Billing may communicate back to CAS with questions to resolve.
- CIS screen tells you they are a retailer and a date that billing starts. Does not show history of moving between retailers etc. Would have to look at each Work order to get details.
- Moving in to NBHDL – Gloria (billing) receives New enrolment and switch retailer requests and retailer final.

Process 14: Work Order – Sentinel Lights

- **Maintenance –** service truck goes and services. Work order back to OPS. Close or change the light in inventory and then close
- **Install -**
- Removal – remove light and pole. WO back to Ops. Ops terminates the lights and OS (if no water tank as well on account) from services screen. Equipment maintenance screen – remove light and pole
- **Inventory –** if flat rate = remove "dummy meter" code from location ID. Light is also removed (after last billing). This puts the light back to stores. Pole charge is terminates when the service is removed. Poles are not kept in inventory maintenance.
- If new light that has been metered = terminate sentinel light services in OS only since will not be flat rate (is tied to meter). If there is a water tank, then leave OS and remove the light selections in services only. Add the date of removal.

Process 15 & 16: NBHDL Services Co – Water Heater Maintenance

- Customer calls through queue or an after-hours call from answering service. Not cycle driven for CAS
- If answering service = they determine if needs immediate attention and call a plumber.
- If doesn't need immediate attention = hold to next morning and call comes to reception or directly to CAS. Either will take detail. Reception forwards info to CAS. CAS contacts customer to confirm info and need and whether they have rental tank.
- CAS creates work order
    1. Exchange
    2. Removal
    3. Maintenance
    4. New Install
    5. Layout – required for new install – send contractor to review customer premise before creating a new install work order
- For new installations with no account – create a word document work order for a layout. Layout required for all new installs. Email or fax to contractor. Paper work order goes to contractors file.
- If layout completed and customer wants water heater, an invoice from the contractor with customer information, tank size, type, serial number and a NBHDL contract that is signed is sent back by contractor. Method of delivery

is different from each contractor – might be hand delivered, in mail.

- An account is created in CIS (in cycle 88 – water heater only for out of town). Add OS for other services for water heater and type of tank. Adding detail to inventory screen – type of tank, when installed, serial numbers, size, and manufacturer. No reference to work order or invoice number. Service location added to tank information in inventory screen. In services screen – select tank (defines cost) and contract. Enter date of install /contract. This lets CAS know if contract on file.
- Invoice and work order are matched with contractor file info. Word document is given a number, put in file with invoice and contract – file is given to Service Department Supervisor for sign off/approval for payment of invoice to contractor and then given to accounting. Service Department keeps contract. Accounting pays contractor. Accounting has file for each contractor. File the invoice accordingly.
- For brand new installs on new accounts, layout and new install work order are not created in CIS.
- Water tank Exchange / Removal or Maintenance Orders
- Call to CAS
- Too hot, not enough water = maintenance
- No water – exchange
- Doesn't want it = Remove
- If work order for maintenance turns in to an exchange of tank, the maintenance work order is completed and a note stating an exchange was required. No exchange Work order is created and completed. Accounting tracks number of exchanges and maintenance etc. in another system/method. Not compared to CIS. CIS tracking will be skewed if no Exchange Order created. Inventory is updated on exchanges that occurred under a maintenance work order even though an exchange work order was not created.
- Change in size of tank is an exchange. Change in service type is a remove and install.
- Removals – remove electric and install gas = removal work order. Completed. Create install for gas tank. Not considered an exchange, since different types of tanks.
- Invoice and Work orders go together (with new contracts on exchanges) and files sent to Services Supervisor. He approves invoices and files the contracts. He forwards invoices to accounting for payment and filing.

Process 17, 18, 19: Daily and Month End Financials

Dec 11, 2012-12-11

Financials

- Ashley – Accounting, month end functions, bank recs and financials are all done through excel
- Cindy is Finance manager and reviews all statements
- Mel (Regulatory manager is backup for daily processes).
- Journal review – CIS batches and GL entries – looks for errors and balance variances. Warnings come up for postings to the wrong account for work orders
- For cash issues – review large variances (over $50.00). Usually if over on one day, cash will be under the next day, so considered as non-variance.

Month End Process

1. Begins 1st day of the month. Run trial balances in CX - CX is the module that is used (permissions based) within HTE

a. CX demand reports – run trial balance (moment in time entries – pending entries are posted to the trial balance but are not posted to the GL until posted against the account. – Customer Accounts – residential and GS)
b. Run Deposit Listing at same time as Trial balance
c. Excel spreadsheet is compilation of trial balance and deposit listing and GL accounts for receivables, deposits, deposits receivable, long term customer deposits. Totals are from reports within HTE modules.
    i. Gross AR
    ii. Deposits RCvcle
    iii. Credit Balances
    iv. Customer Deposits
    v. Enter totals in excel (Customer Information System and Deposits Reconciliation Report) - s/s has formula to balance totals. If a variance appears – go to GL account (PEDING GL ENTRY ICON – shows everything that is pending but not yet posted in system. Mike in AP may have a cheque that has not been posted yet. Accounting will ask appropriate resource to complete the posting within the correct month (i.e. post to Nov if running month end Dec 2nd).
    vi. Re-enter GL balances (not trial balances)
d. Bad debt report (part of month entries)– journal entry for over 90 days (buckets by 17? to 29...over 30, over 60, over 90
e. GMBA – another module used for Accounting (AR and AP)
f. Excel spreadsheet is compilation of trial balance and deposit listing and GL accounts for receivables, deposits, deposits receivable, long term customer deposits. Totals are from reports within HTE modules.
    i. Gross AR
    ii. Deposits RCvcle
    iii. Credit Balances
    iv. Customer Deposits
    v. Enter totals in excel - s/s has formula to balance totals. If a variance appears – go to GL account (PEDING GL ENTRY ICON – shows everything that is pending but not yet posted in system. Mike in AP may have a cheque that has not been posted yet. Accounting will ask appropriate resource to complete the posting within the correct month (i.e. post to Nov if running month end Dec 2nd).
    vi. Re-enter GL balances in to the excel s/s (not trial balances)
    vii. Once no variances = file excel.

2. Miscellaneous Receivables - Separate process in a different module within HTE – when record payment, they put to an MR code (ask cashiering how they identify which MR codes to use) Miscellaneous Receivables (MR) for other trial balances (i.e. Hydro One customer that is a recoverable – H1 has a job done that is billed out via NBHDL. All paid through cash.
    a. MR is own module in system
    b. Deposit listing and trial balance are run.
    c. Totals are entered in Miscellaneous Receivables reconciliation excel s/s to identify variances
    d. Enter GL account balance in the spreadsheet. From the GMBA module (contains all GL balances, financials, trial balances)
    e. Identify variances
    f. Go to MR “pending transactions report” – receive a listing of any entries not yet posted. Accounting posts.

g. All variances resolved = file excel sheets and save to L drive (Accounting access only)
h. Spreadsheet is for variance identification only.

Weekly Process

- Run trial balance (last page of trial balance in CX) by accounting and give to Cindy. No large errors or issues identified in last 2 years

3rd Monthly is Inventory

1. Accounting only access the Purchasing and Inventory Module during month end (Stores keeper generally maintains).
    a. Run an item list by item number report – shows ending balance in inventory account.
    b. Enter GL balances and PI report balances in spreadsheet to identify variances (rounding issues are not reviewed – anything under $10 rounding threshold)
    c. Variances rarely identified.
    d. If there is a variance = A/P related pending entry that requires posting.
    e. Once variances are resolved, GL and PI balances re-entered in spreadsheet and files – L drive and paper filing.

    Receivables

    Daily Updates – for each process – run a GMBA listing of anything processed in CX or MR or PI. Review for any warnings. Never had a warning – not sure of process if one came up. Post all transactions from previous day to the GL.
2. Cash Receipts (over and short balancing issues)
3. Purchasing and Inventory – attaching overhead – any inventory being issued, overhead of 5.5% is added. Twice a month, verification (manual calculation is done to verify that amount is still 5.5%). Accounting is responsible for setting the overhead amount once a year (beginning of January). Never an issue in 2 years, and no one else has access, yet they still check.
4. CIS Refunds (customer deposits are occasionally refunded or adjusted); anything over $500 must be approved by billing? And Accounting posts. Anything over $3,000 must be approved by COO (Todd)
    a. Refunds that are correctly processed move to AP for cheque creation.
    b. Issues with refunds = Mike (AP) will void the transaction
5. Misc. Receivables – review entry and verify that it has gone to the appropriate Contributed Capital Account
6. CIS Batch – Cashiering balances – run list, look for warnings, resolve overage or shortage after next business day close in case resolved in next day balancing, then post

Payables

- Day 1 and 2 of the month
- Any manual entries done during the month
- Cashiering takes care of cash processing

Process 22: Monthly IESO Settlements

Monthly IESO Settlements Process:

Reconcile – HOEP and Global Adjustments each month – from month ahead estimates and previous month billing

(NSLS):

1. Run summary revenue reports from CIS for all rate classes – this provides kWh and amount charges ($$) by RPP tiers (block 1 and block 2) and the TOU buckets
    a. Report gives all kWh in proper bucket for that billing
    b. Does not feel that changes by billing for an account moving from TOU to RPP have any effect on settlement (estimates vs. actual will equalize through reconciliations – i.e. May period change on account)
    c. Global adjustments are also not affected by moving between RPP and TOU
    d. Problem with Global Adjustments does occur if there are billing adjustments (cancel/ rebills that are not completed) - these are identified when compared to GL
2. Same report shows NSLS by rate code (in & out amounts) – Mel can see difference between what they were charged at fixed rate vs. what they would have been charged at the HOEP
3. Determine what NBHDL owes the IESO or what the IESO owes the utility versus what the month ahead estimate was. NBHDL trues up monthly. Not all utilities do this monthly. Many do the reconciliation annually.
    a. Major issues were encountered with regulatory assets in past. Monthly process reconciliation has been in effect for a long time, not due to an particular issue with IESO month-ahead estimating / settlements.

AQEW (Savage pulls from two metering points from IESO)

- Total kWh that NBHDL drew from grid
- Back out intervals (remove all HOEP data – since customer paying true cost of power)
- What's left is settled (RPP settlements on customer bills) with IESO
- Savage NSLS for interval is applied to month ahead estimates for reconciliation

Process 23: CIS Billing and Bill Print

- 8 residential
- 1 large GS
- 1 interval
- Servicing for out of town (rental water heaters)
- Route 00 (book) – not sent to MDM/R – there is a route 00 for every Cycle
- Microfit Cycle
- Maybe multiple routes in each cycle

General

- NBHDL uses Cycle Billing Process
    - All accounts are moved to billing batch together, exceptions are reviewed and corrected and are all billed together (those that cannot be billed are moved to "off billing")
- Calendar month Billing
    - Reads are from 1st of month to end of month each billing
- NSLS is not received until approximately mid-month (16th to 17th)
- Billing batches have been reviewed and as many exceptions corrected as possible. Once NSLS is available, a re-calculation of batch is done and cycle is included in an update for that evening (update = add due dates and post to accounts)

Answer to Question 2 in Util-Assist Template

Billed in separate batches by cycle:

- Not usually separated by route – except cycle 11: Cycle 11 (books 1, 3, 5, 7, 9 – registered reads – non smart meters, GS<50 – with demand component registers & >50 may be in same route),
- May have a kWh only, kWh + kW, kWh/ kW & kVa
- Cycle 11 (11) are separate – these are hourly interval accounts reads via MV90
- Intervals all have 4 demand registers
    - kWh
    - kW
    - kVa
    - kW -7-7
    - kVa 7-7

Meter file report (uploading reads) this is BQR exception listing – issues with reads

- 6000 file – responses from MDM/R –
- Upload icon – bring in all of the non-smart reads – by cycle with all routes.
- Upload ITRON file to CX module – pending file
- Run exception listing for all smart and non in same cycles
- Print non smart meter upload reports (has a listing of all non-smart meters). Look for any smart meters that have not been flagged as smart (smarts are identified as Z50,000 or above)
- Smart meters that have been installed but not yet updated to use of meter “S” or switched mid-month

****IF exceptions are found:**

- Depending on the issue, a couple of areas in system to make corrections – i.e. negative consumption code – go to meter read entry, pull up read, enter “roll-over” code – when goes to billing, it will know how to treat as a rollover

OR

- Delete the read itself

OR

- Give a “do not bill/ HOLD code” – in cycle billing menu (multiple “HOLD” codes) – this removes it from the regular billing cycles & automatically puts in an “off cycle” file. This is a holding file for every exception / issue account not being billed. Has to be cleaned up regularly

- Meter read exception listing is a separate exception report for billing purposes - high, low, rollovers etc. - and exceptions listing /report – sequenced by route and then location ID
- Net system load shape comes in on 16th
- Meter read file is “posted” in CIS
- Two reports are auto-generated after selecting meter read posting and the cycles and routes to be posted.
- Report 1 : Missing read report

- Report 2: Meter reading posting report with read dates and the buckets for billing (on, off & mid) for all accounts.

Billing Batches:

Moving Reads to a Billing Batch

Menu option In Cycle Billing Menu – for "charge creation" – offers a list of all of the cycles and routes that have reads in a posted status

- Representative selects the cycle and each route individually to move in to a billing batch
- System changes the status of the billing state from "read entry review to posted to charges created"
- System automatically transfers to a unique based on earlier selection and names it with the cycle number and routes separately (not a single string name for cycle & routes)
- Once in billing batch = " Preliminary Charge Calculation Report" – negative consumption, credit bill, low bill, high bill,
- Each night, an "update" is run – if wants to include a cycle billing = select "YES run a cycle", Do you want to include an "off cycle" in update – defaults to yes, FINAL? – defaults Yes,
- List of cycles that have had exceptions report run, charges created will be available to select from for Updating. Multiple cycles and routes can be run in the same update.
- Interval meter cycle and large cycle billings are reviewed carefully for any exceptions. On meter side, for large volume customers, many identified as an exception will be moved to off billing.
- Large customer batch is more often reviewed for the full amount of the cycle charges to compare to last month's to be sure no large variance in amount of charges.

*****Issue:**

- Very little lag time between when a cycle is billed (updated).
- Off cycle do not always drop out after 15 days.
- First couple of cycles (1 & 6) bills at the beginning of the month.
- Leaves only three days lag time to make all corrections to get RPP bills out and un-post the reads so that they can go back out to read file for MDM/R for next bill period.

- Everything drops out of "off cycle" and goes back to cycle billing when Cheryl runs here download. Account goes back to cycle billing with new read period.
- July billing period – Aug run of bills to be done – issue with an account = goes to off cycle. If not corrected by time Cheryl runs download = will go to MDM/R with 60 day read cycle instead of 30 and any work to correct the 30 day period is now gone.
- Management does not want 60 day bills = will get 2 x 30days with due dates within a couple of days of each other.
- In the past, i there accounts that are lagging significantly for billing, billing has printed a list to Customer Care and CAS's made calls to customers.

Loading Meter Reads to Billing

- Select a job with Cheryl's ID (name) – must be in production (not test) and not to another person's name
    - Must be diligent in viewing screen and match the meter upload user to the user responsible for the cycles.
    - Takes a whole morning to do the download
    - Takes a full upload -
        - did not used to take that long before smart meters

        - now going to 2 places to get smart and non-smart reads
    - Cheryl watches screen and refreshes regularly as reads come in to verify job is running successfully
        - Copy of MDM/R exception reports and HTE reports printed and handed to Gloria
        - Cheryl cannot perform another task / job for read files until all files are in
    - Once file is loaded successfully:

11:10 (15 minutes for file)– back to received meter read file – enter CX to view the cycle 1 and 6 smart meter responses – verify received

- **Note:** a lot of "page down" button (200x) to get to the files she is looking for RT6000U
- Print single page exception reports – finals and Off Cycles and gives them to Gloria (copy received)
    - A single account in OFF cycle billing may have a read exception for each service print on a completely separate piece of paper (separate exception reports) – copy received
- Does not print large exceptions lists since they are the "ON" cycles
- Go to cycle that reads came in for (cycle 1)
    - Able view the consumption and spot check services on single accounts for cycle

Cycle Billing

Before Uploading Meter Reads

- System shows processing status of cycle
    - **Downloaded**- smart to MDM/R and non-smart to the handhelds
    - **Reading Entry/Review** – if uploading 6000 file creates this status = no non smart meters in this cycle - once all non-smart files are also uploaded = all cycle statuses will change to this
    - **Book 0**- Trans not created (OFF Cycles) – moved manually
        - Meters that did not communicate with MDM/R (back to RPP)
        - Book 0 not sent to MDM/R
    - Go to handheld file to import non smarts by cycle (files are in system by Jamie)
        - Transfer to H.T.E - Shows number of rows of read data (not a 1:1 for meters)
        - In H.T.E. importing the file that was transferred - by cycle only (no routes required)
            - Print Meter Reading Upload file for Gloria – manually reviews each handheld read (account) consumption against consumption reports
        - Processes meter read exceptions by route for the cycle (select each route) for the period of Dec1 through 31 (started Jan 9th) – 10 to 15 minutes to process job
        - Cheryl has to manually select to print the exceptions by book (route) - cannot select to print all and batch by route

Billing

Meter data in CX

- Upload Exception listings from handhelds run and printed by cycle.
    - Can only be run on those with status of reading entry/review
    - There is no option on how the exceptions are organized

  - Looks like it is run by walk sequence
  - Example cycle 3 = 2500 accounts = 19 pages for handheld report
- Cycle billing Meter reading exception report – identifies anything that is missing a read
  - 1 page of accounts
- Meter Reading exception listing =
  - By route – example route 2 is 18 pages exceptions
  - Route 4 is 16 pages
- Each re[port is reviewed page by page
- Errors for skip reads,
- **Retailer accounts have a “Customer Location Exception” which show-up on meter reading exceptions listings – this tends to add volume to the number of exceptions to be reviewed. If these could be removed, it would minimize waste of paper and time. The CLE shows up for every retailer account because the IBR is missing. Since the IBR is not in yet, they will always show up as an exception
  - IBR’s are not created until billing journal is calculated
  - waste of paper
  - Exception reports not double sided
- Meter reading exceptions are set up in system rules. Warnings and errors are different:
  - Warning (zero consumption, high consumption - level 1 and 2) will not hold an account from billing – an error will hold it from billing (i.e. zero demand, no previous readings)
- Meter reading exceptions divided by cycle and route, then location ID
  - 1 listing for an account (for multiple services = listed once)
- MDM/R one-off reports for those that are not in cycle billing (finals and Off cycle) – i.e., Billing Quantities Response Exception List

****At beginning of the month – Gloria focuses on full cycle billing and reviewing issues from exceptions. Any that cannot be investigated and/or resolved within the billing time allotment for bill print, they are removed from cycle billing and sent to OF Cycle**

- For any exceptions that flag attention (i.e. high usage compared to last month) = open the account consumption history screen – if looks OK = check mark or initial “OK”
- For accounts that need to be reviewed – move to OFF Cycle, add a hold, add a check read, don’t send usage to retailer, re-read, H.T.E issue flag – selecting any of the “Hold” codes (with exception of waiting for IBR hold) will automatically move it to OFF cycle

Meter reads are not moved to a Billing batch manually or through a specific process.

- A billing batch is “created by running a calculation for the cycle billing.
- Calculations are not run until all meter verification reports have been reviewed
- Hold statuses for Off cycle bills will show what the hold is for (shows both meter read and/or billing exceptions)
- Billing exceptions reports – “Calculation Exception Listing”
- 4 messages

  - Number of days exceeding average days
  - No meter reading
  - Less than initial days (no bill for this read – i.e., less than 5 days)
  - No component records – retailer
    - All of the above receive a 1 or 2 relating to whether they are an exception or a warning
    - Exception report not reviewed or printed
  - Exception listing # 2 = "Standard charge calculations exceptions listing"| - high charges etc. – cycle 6 had 8 occurrences for 2800 accounts
  - 3rd report = listing of all budget billing accounts: not an exceptions report – just a listing
  - Master account subordinate – listing of all retailer accounts
- Gloria will run Off cycle billing reports after cycle billing is complete
- Only regular cycle billing reports run is "Invalid MDM/R Response" - this is not an exception on the meter
- New accounts are not flagged – therefore, could be billed without new occupant charges. New occupant charges are not flagged. Gloria verifies that new occupant charges are being added on the reconnect work order when reconnect is closed. This occurs at the end of the final bill processing for the previous occupant.
- No reports on deposits. Gloria sees all Deposit Invoices
- Preliminary charge calculation (journal) – not printed or saved to a file by the billing staff. IT may keep a copy of this? Billing staff can go back to a journal in H.T.E for about four months
- ****other than OFF bills identified / moved during meter read exception review, no billing reports are reviewed or printed

Posting and calculating are separate tasks:

- Preliminary charge calculations may be done several times before the cycle is ready to be final calculated.
  - The billing register can be reviewed on screen (not printed) but not often viewed.
  - Register shows each account and each of the services and rate codes and charges per.
  - There is no "billing batch" - Cheryl and Gloria cannot see each other's billing without logging in as each other.
  - If one rep wants another to review a charge calculation for an account in the journal, they would have to print screen the account and charges. They do not usually select to print the single page.
- Verification of charges not done at journal stage. Gloria mentions that there is no process in place to do bill calculation verifications – NSLS rate, rate codes. etc. The only thing checked / printed is meter read verifications as samples for every cycle for every month for auditors. When there are rate changes – they will print a copy of the bill register and bills with verification of calculations. i.e., for new accounts – not verifying. Perhaps CAS's are checking for closed Reconnects.

  NSLS
- Email from Savage for NSLS. Cheryl enters the data in CX for NSLS and costs. Gloria can check CX for NSLS. If it is in the system and Cheryl has not verbally advised, Gloria can go ahead with final calculation and then "include the cycle in the update"
- Updating/Posting Register:

- Update processing – select Cycle, off cycle or Final billing OR File an update with No billing.
- Cycles are staggered to run/update one cycle billing per night since bills are printed in house. More than one cycle updated at a time, would be too much for the bill run staff. And to maintain old billing schedule (calendar billing schedule introduced in 2009?). Previous to calendar billing, was a couple of cycles a month. Want to minimize the change to the customer for due dates and impacts to internal resources (delinquencies etc.).
- Yes to cycle billing update and enter…will see a listing of all of the cycles and routes that are in a charges created status
    - Can select a cycle without having to select each route.
    - Off cycle and Finals are processed nightly
    - Update runs overnight – reps can set time to run (10:30pm)
    - In the morning, Dale knows (how?) that there is a batch of bills to be processed – file?
    - DALE – where are billing registers kept on file?

Bill Print Generation and File Creation:

Bill Print Generation and File Creation – recently undergone changes – Dale used to generate the bill print file using crystal reports. Now 3rd party – Mindoka creating the bill print files (Mindoka may be creating bill presentment for on line). Dale now loads the bill print file and breaks it in to batches (Separate files?) – was same file, but exceptions had to be reviewed before the normal bills could be printed so was holding up the large print batches:

- Gloria receives a pdf of the bill print file for exceptions only. This is where the billing thresholds are noted as exception – bill credits over $50?
    - Odd calculations on bill (out of balance) – if an adjustment was made on an account while in a “hold for print” – running balance and totals look right, but total for “Now Pay” would be coming from somewhere else. Adjustment would not show up in bill print file. – internal business process issue
    - Exception listing is available in file from Mindoka where each account is listed – but would have to click on the account and open it, then close, then open next. Dale now creates a pdf. of all of the exception bills (combined in one PDF). Mindoka does not separate over 50kW and under 50kW and Off Cycle, so all end up in one file
    - Finals always show up in the exceptions
    - All OFF cycles come as exceptions
    - FIT and MicroFIT are exceptions (created in Off Cycles) - print bill, give to Gloria and wait for cheque – these are in a different cycle and have different services.
    - E-bills will show up if in off cycles or an exception – customer will still get an electronic copy – if problem with the e-bill and notify Mindoka by lunch the day NBHDL receives the print file.
    - Bills that were updated last night – Mindoka file is received first thing in the morning (Dale requests it) and bills printed same day.
- Once exceptions have been reviewed, Gloria lets Dale know if any need to be pulled – email of account bills to be pulled.
- MicroFit = pull bill and send with the FIT cheque

Gloria continues to review bills to verify that the Mindoka files are coming back properly

Process 24: MicroFIT Billing

MicroFit Process:

- Set the meter with operations clerk / dispatcher
    - Advise of correct services and classes for new account setup
    - Direct ops to delete communications module for meter (so will not go to the MDM/R)
    - Create a CSV file for Savage data for new set up – send to Savage to set up account
    - Create an spreadsheet file for Sensus – set up new account
    - Check with Umar to verify contract rate
        - Different rates = different classes for setups
    - Check with Umar to verify HST registration (if HST Registrant)
        - If HST registrant = different class setup
    - Verify if contract accepted by OPA = can start gathering meter data from the date of the meter set (contract will go retroactive to meter set date)
        - Smart meter, but Manual reads by field staff (black book) as loosing data
    - Meter data comes from Savage (they receive from Sensus CMEP file) – email with spreadsheet file with hourly generation data
        - Cheryl separates data by meter (approximately 20 separate files)
        - Go in to excel file and total the generation data and compare to field read totals – system amount does not always total manual read amount
            - Cheryl does a “True up” once per year = manual read
                - True up done only for those that have “lost data” = apply incremental amount to credit on the account and send cheque – no letter re True -Up – usually initiated as a phone call from the customer as they see meter values and does not reconcile
                - No time to true up monthly. No standard process to true up annually (annual tolerance amount is not a defined amount – Cheryl makes a judgment call on amount (i.e. 500kWh’s for the year. Otherwise, only if customer calls to complain/request true up.
                - Consumption variance is often 5kwh’s for year – these are just used as a comparison to verify within acceptable amount from meter.
                - Cheryl has requested the manual reads in order to verify the generation amount is recording properly at the meter
                - Cheryl has no way of knowing if no generation, or if meter stopped communicating when zero values in meter data. No formal process for managing this
            - sum total for generation from Savage and manual registered READ from field – compare – if close, then direct IT to upload – one at a time to off cycle
                - review consumption in off cycle for the account and compare to the consumption from Savage file

- there are times when upload of consumption data misses consumption = Cheryl has to manually review each account to ensure consumption amount is appropriate
    - Is the "reformatting" of the bi-directional meter files to upload to cx causing the issues?
    - OR is the way the meter has been configured (the channels being recorded) – in series, in parallel causing issue? Cheryl identified 2 different files showing generation on different channels
- Note – meter techs get a manual read with time stamp monthly.
- and prints out
- Use for consumption proofing

*****Note:** Cheryl had Microfit meters as 90,000's. She would manually delete anything starting with a 90. Meter techs assigning meters needed to use 90,100's for new installs. Unable to go to 100,000's for meter (they're not sure if will accept 6 digits). New meters entered start with 90,100….Cheryl will have to be diligent in removing the appropriate 90000's for microfits (20 to date and a bunch more coming?). Metering is now doing one-off for non-smart to smart meters. No process in place and not done as a bulk exchange process.

Note: Only 1 FIT – unable to get to process (out of time) – Cheryl advised the setup of the account is different than MicroFIT and the processes for readings and billing are slightly different.

- Very Time consuming. Approximately 2 hours – just to bill them. A bit of work each day through the month for read data and getting account ready for billing (approximately 3 hours per month)

Process 25: Interval and Demand Billing

Over 50 /MV90 & Interval billing Process: from Jan 9 & 10th interviews:

- For MV90 – Metering comes to get Cheryl when ready and she drops what she is doing to go to their systems and run processes…
- Savage hourly data is not in until the 16th of each month

Jan 10th = MV90 – manual process – CX

- Interval reads sent by file to Savage.
- Savage sends back the exact same data on 16th
- Peterborough reads all of the T.S. meter points and reviews / calculates and settles with IESO. Data is sent to Savage
- Issues – all data sent to savage is hourly. If was calculated on 15 minute interval = would be more $$. Jim has determined that there are 15 minute demand reads that are higher than the hourly data that is sent to them.

Billing Process for Intervals

- Download the hourly data for the 100 interval accounts from MV90

- Looking for a full complement of data (24 hours x 31 days) – don't compile the hourly data daily. They will get 74400 hours of data from MV90.
- Data is viewed on line (MV90). Cheryl looks at the data to ensure all customers there and consumption looks appropriate
- Tech is looking at the data at the same time for missing data, spikes in demand, power fails/outages etc.
- If file is ok – save in folder for IT
- Meter techs do a "totalization" for NB Regional Hospital = 2 meters with demands and add them together in MV90 - saved as hosp.prn LID 53120 (extra work for billing and Meter tech staff to do totalizations. File saved in folder for IT.
- Cheryl lets Dale know when she is ready for the upload data from the files sent to IT (all interval and hospital)
- Direct IT to remove specific accounts from the main Lotus file (i.e. the 2 separate hospital files, and water treatment plant (data is not correct in MV90 – Savage has the only correct data / full complement" – Jim and Mike fill in missing data and send to Savage)
- Direct IT to upload hourly pricing from IESO
- Direct IT to do a cross-tab in an excel s/s for the hospital prn data (to get the peak demand)
- Direct IT to do any interval meter exchanges after upload of hourly data (done in CX and in MV90 data)
  - Cheryl does the CX meter exchange
- IF meter exchange during the read period = load full read file, then exchange meters prior to bill calculation to set both meters in the billing.
- Use "Interval Roboclerk" system – takes the emailed "S" data (NSLS interval hourly) file from Savage and picks out the kW, kVa, kW 7-7 and kVa 7-7 and automatically loads them in to the CX billing cycle in the appropriate spots for the peaks (this use to be a manual process). Savage created the Roboclerk system
- Cheryl has to manually enter the peaks for the hospital billing – 3 accounts needed in order to totalize the billing = 1 with dummy meter for totalized consumption. Other 2 have the interval meters on them, but are not billed.
- Meter techs send MV90 data to Savage daily - (Savage consumption proofs all intervals and settles with IESO)

- Savage sends email to Cheryl with file for full interval complement – (hourly data for each account) - 2837 lines long (peaks are not maxed)
  - Cheryl copies data from Savage spreadsheet and creates a new s/s to ungroup the accounts, sum totals for: total usage (sum), weighted average price (total cost divided by uplifted consumption), usage with loss factor (total usage multiplied by loss factor), total cost (sum) and max peaks (find max),
    - Approximately 1+ hour to do above
    - Print off spreadsheet (one page per customer) and uses as consumption proof to compare against billing journal calculations
    - Then manually splits the pages in to piles for 40000, 50000 and retailers
  - Direct Dale to upload the hourly data to the CX = updates accounts with lump sum monthly consumption
  - Cycle billing post = push reads to billing cycle

- Calculation = create charges
- Verify that interval data updated (review reads and charges)
- Take preliminary charge calculation and proof against Savage s/s for:
  - Total usage
  - Total cost
  - Max peaks
  - Check off each consumption proof sheet and file
- Retailer account – move to Off cycle
  - Manually send hourly usage to retailers 9copy and paste out of the S data file with some manipulation
  - Build an xml EBT with hourly data
  - Wait for retailer EBT's (IBR) for billing (one to two days)
  - Gloria to include cycle 11 /11 in the nightly update
  - Next day, Gloria will review the bill prints
  - Cheryl will review the onscreen copy of last month's bill print against the new bill print copy.
    - If in line = send bill.
    - If not in line = hold back and investigate / rebill
  - Verify bill presentment
  - CAS's do not touch interval accounts for Final service orders, meter exchanges, services or mailing address changes etc.

Jan 10th:

GS>50 – Billing Cycles –

- Cycle 11 – books 1, 3, 5, 7, 9 (manual – black book reads – large industrial non interval)
- follow same process as GS<50 for billing –
  - consumption proof reviews for kWh, kW, kVa – Cycle 11 = $1.5M
  - dollar values checked for each account from preliminary charge – 300 pages (printed) – hold till next month in case billing issues, then destroy (shred)
  - reads must be actual - also have random manual reads where could not get a handheld read (1, 3, 5, 7) – i.e. no access to get demand read = must return at later date to get read

Process 26: Daily settlements and NSLS;

- NSLS settlements: GS>50 (GO's) settlement pricing
  - Dec 31 = receive pre Dec 13th NSLS
  - As at Jan 9th = receive pre Dec 21st, 22nd and 23rd (copy received and highlighted)
  - NB Bills on 31st of month reads
  - Cannot bill GS>50 until Dec 31st NSLS is received
  - can be worked in cycles, but not billed / charge update until Dec 31st

- Is there a way to enter all for the month at once? Or easier to enter NSLS daily for the dates it is received? – need for final reads etc. in off billing
- Pull 2013 Physical Market SSPC (FINAL) file from IESO website daily
- Highlight the dates to be settled (entered in the Billing system).

NSLS – 1:00 – Savage gets NSLS and does settlement.

- S file is intervals – hourly data
- N file is total consumption for rest of customers (non-interval)– res, GS<50 and GS>50
- PPS – pricing file

- Save N file in EBT folder in order to send Retailers NSLS. Once the file is in the EBT folder, automated process to push the N file to the retailers
- Copy each of S, N, PPS and PPD (not used) to L drive > IMO Folder, year 2012 folder, month Dec folder > Day of 21 folder
  - From NSLS Template spreadsheet file – name with current date > open the N file, copy values to template and save (do this with S and PPS files as well) – to the opreliminary tab. S to the ointervals tab.
  - Open the PPS coma deliminated file in an excel spreadsheet and de-liminate. – copy first line to the opreliminary charge statement tab
  - Copy 'O' column from PPS file to the 'E' column in 'opreliminary charge statement tab'
  - Filter 'b' column – look only for 101 values – copy values to the template – 'opreliminary usage statement' tab to highlighted cells
    - Template takes current NSLS data and subtracts the interval consumption
    - Adds pricing for the hour and determines NBHDL Cost for the hourly consumption
  - Verify Global adjustment in IESO website against template amount entered (Global adjustment stays the same for the month).
  - ALL of the above CREATES the NSLS amount for December
    - Save as a new spreadsheet file (from template).
    - Check each tab
    - Ensure file has appropriate location ID for Trout Lake transfer station
  - Go to CX – Daily Consumption Maintenance – select each of the services and key in the total consumption and the total cost for single day (key in once for each service = 5 times??)– verify amount in each matches NSLS file > select cumulative cost
  - Now, enter the values for the Global Adjustment in H.T.E. for each service
  - Total of about 15 minutes for 1 day NSLS entry. Often, 2 or 3 days at a time if includes weekends etc
  - ***NOTE: High risk: if there is an error in manually keying the consumption or cost for the NSLS or the Global adjustment = each bill would have to be cancelled, the system would have to be updated with the appropriate values, and all bills rebilled.
  - Other H.T.E users and other systems offer some automation to NSLS upload. Not sure what these are
  - If Cheryl is distracted at all (i.e. – by sync operations etc.), then can be risk for errors in entries of NSLS

Process 27: Retailer EBT Processing:

Daily process

- Dale does daily transfer of files between NB and HUB (SAVAGE is HUB Operator)
- Gloria is liaison between utility and all of the retailers
- Gloria manages all of the EBT transactions
    - Developed daily reports that lists all transactions in order to view the types of transactions processed for the day
    - Report 1
        - shows error codes
        - shows rejected EBT's so Gloria can investigate and resolve or override to accept the transaction (system may reject for new mailing address since the postal code looks like it has changed – postal code is a validator)
    - Report 1 – New Enrollments
        - Retailer sends "Enrollment request" –to start billing customer
            - If Retailer has 3 validators (Name on account, Account and Postal Code) = Accept response sent – if not = reject response
            - NB sends response that account will enroll and an effective date (last billed read date for sss)
        - NB generates last sss billing in regular cycle billing – regular bill and apply "exit fees" for leaving standard supply billing
            - Gloria monitors enroll requests and maintains a spreadsheet of Enrollment requests – this is sent to the CAS's. They are responsible for monitoring the account (waiting for last SSS Consumption available). Once consumption is on the account, the CAS calculate the exit fee (from a template – 12 months of consumption x the exit fee rate. (not done via system).
            - CAS adds the exit fee as an adjustment on the account
    - 2nd Enroll Report = "Enrolls in the current night billing"
        - IT report – used before bills posted.
        - Generated the night before normal billing date for cycle?? Gloria not sure of how triggered….happens before cycle is updated/account billed
            - Gloria will review account during billing to ensure exit fee has been applied to account
                - IF NOT applied – Gloria will send to CAS to add exit fee
    - 3rd report = Accounts that DID enroll that night = billed and set enrollment date
    - Report 4 – out of province moves – for exit fee administration
    - Report 5 – billing structure log – looks at accounts that NB identified criteria for account set up (i.e. SSS customer must have Active services – i.e. E, EL and Ss / for BR = minimum of BR, E, EL, SB and RS service)
        - Report comes off by account number and identifies any account that does not meet the account

structure criteria

- Retailer Check Report – picks up any anomalies in the invoice settlement detail
  - 4 lines of data (tax, NSLS, Losses and IBR) – identifies any that are missing detail – rarely any issues found

EBT Transactions

- "Enrollment Request" EBT from retailer:
  - Since switched to TOU – all enroll requests have dropped to an "unassigned" bucket and need to be dealt with manually
  - EBT "Wizard" system is used to close EBT's – does not know what to do with "unassigned" – Gloria has to go in and manually accept
    - Gloria thinks it relates to the new "TO" service for Time of Use
    - Customer Type changed SSS to TO – Accepts for enrolls are no longer automated – this is an IT attention issue
      - Gloria manually enters the enrollment date for the Accept EBT based on next scheduled read date. Used to be an auto process
      - Once EBT is accepted = it auto generates Work Order "Enroll Request"
      - Enroll request WO flags pending enrollment and recognizes that there is a pending enroll and schedules a scheduled execution date for 21 days after the request. If there is a pending read in the system for the 31st, the system will wait until the pending read is no longer on the account and will auto switch the services from SSS or TO to BR and activates the other services relevant to retailer billing (BR= Bill Ready, RS = retail settlement, SB = Settlement Bill) that are not on TO accounts.
      - Once services switch to BR = active with retailer

Other Request types:

- Initial requests for an account are generally "Requests for Historical usage" EBT from retailer = NB sends 24 months consumption history – these will only be responded to if there is an existing Trading Partner Agreement with the retailer. If no Agreement, request will be stopped at the HUB
- "Usage requests" retailer = monthly
  - System handles these automatically – kWh and demand
  - LDC sends Usage
  - For every usage transaction there is an accept
  - Receive IBR
  - LDC sends IBR Accept
  - Cancel usage sent on cancelled bills, have to wait for accept, then send new bill data and wait for accept and IBR etc.
  - Edits to EBT's:
    - If billing moves forward with billing corrections too quickly = Dale can edit the xml if required (rare – generally around timing if corrections have been made (usage on bill was wrong).

- Cannot send duplicate transactions, so some instances require a suffix to be added to a transaction that was not previously accepted by the retailer.

  - IBR's – the charges from the retailer
  - For every usage and IBR, there is ISD (Invoice Settlement Detail = per customer) that needs to be sent to the retailer – this is the settlement between the retailer's charges for usage for that account vs the Wholesale price for the same commodity.
  - An IST is sent for all accounts with that retailer to settle the retailer vs Wholesale price (aggregate amount)
    - The account level IST is sent to the retailer and can be seen in the CX (Combined Inquiry – in the billing Detail)
  - CCI, CCL, Drops = Customer moves and drops "change customer information" (change mailing address, name added to account etc.)
    - WO's for CCI, CCL or Drop (where customer initiated) done via CAS's,
    - Gloria manually creates EBTS
    - Retailer may also initiate drop – i.e. customer contract finished
      - Gloria will accept the request and execute the WO to change customer back to SS or TO

Process 28: Retailer Settlements

- Retailer Settlements – generally do IST's a couple of times per week
  - Payment advice received from retailers (email) stating amount paid – copy sent by Gloria to cashiers so they are aware of where to apply the amounts (retailer master account or the retailer service charge account (for flat rate fee charged to maintain the accounts, the per transaction amount and the amount per customer = "Market Participant Charges"
- HUB operator sends spreadsheet that keeps track of the standard transactions (chargeable to retailer) each month. How many of each of the below:
  - STR request fees (0.25 per transaction)
    - Change Billing Option
    - Change customer location
    - Drops
    - Enrolls
  - STR Processing fees = for every "accept" of the above list = $0.50 per transaction
  - Gloria completes the s/s with the total number of active customers with retailer for that month. (one sheet per retailer)
    - Data from IT generated report from the cx for all active customers in month by retailer
    - s/s – enters how many of each type of charge to be sent to retailer
  - Gloria adds the master account to an off cycle billing to bill charges – manually enters the period and the quantity for the applicable "components" in the retailer's account. Calculated in billing (Off Cycle).
    - Day after bill is updated, bills are removed from print job
    - Dale sends the service charge information in the xml from the account (EBT generated for

charges based on how account is set up) – xml breaks out the charge types (components) and the amounts

- If LDC owes Retailer = Prepare the wire transfer Requests for finance for payments to the retailers (Form filled out) – spreadsheet maintained to log (tab per retailer) the dates of the master bill, the settlement amounts etc
    - Follow up with Retailers if payments overdue

Other: MDM/R notes from Billing Interview January

MDM/R – incidental notes captured while reviewing Billing Process (meter read upload to CIS to Bill print)

- Currently at sync 320 (since installation)
- 319 sent on 18th – returned with IR 14 (sync report = sync failed. Code 99 = universal SDP ID to Framing Structure Relationship end date in file 03. USDP ID = 34802264 (see print screen = Synch Staging Table Loader)
- Cheryl takes sync file and edits USDP ID out of file 03. Send sync again. 3rd time sending came back error code 00 = pass
- Two other files in synch = IR06 (what successfully passed) and IR07 (what did not pass) – gives location ID for what did not work and tells WHY it did not work (most Seibel errors = dates and times) – relates to how account is set up in CX vs. how set up at MDM/R…means will not get a successful BQR response file on these accounts from MDM/R
- Each Seibel error may be different (meter changes, smart meter communications etc.) – typically get 2 to 4 seibel errors per day.
- Cheryl feels someone needs to have the time to sit and verify H.T.E. data vs. MDM/R data
- Cheryl currently prints the error files and looks at them later in the day or next day when possible
- When Gloria is unable to get TOU data for an account, she alerts Cheryl and Cheryl will remove from synch file – USDP ID's – examples = 58181822 and 14540020 – give to Mike
- Any accounts in OFF cycle with a smart meter that has "smart meter detail not received" or smart meter no response" – each night, H.T.E. does a recalculation of the bills in the OFF cycle or in Final Bill Processing or regular cycles and sends the request again (file 5000 – BQR).
- Send BQR to Savage to view any with issues and correct = create 7200 file (with corrections) and return to Cheryl
- Cheryl sends 7200 to MDM/R
- Cheryl creates a new MDM/R folder with today's date to keep copy of files when sending to Savage
- Cheryl keeps a copy of the – I-Sync file being sent to the MDM/R

--Cheryl tries to send files by 9am. NB is at the "end of the line" for MDM/R processing as they are still sending 5000 and 6000 format files instead of xml format

---re dates for sending files – Cheryl cannot send MDM/R files if cycles have not yet billed (been updated/posted)

= late cycles billed in November do not go out until beginning of January.

Response Files from MDM/R

- Review 00 reports and post in daily folder on system
- Upload process
- BR02 – for Mike – daily BR02 report states there is no unauthorized usage to report – same message every day.
- BR05 – each day Cheryl looks at the DC01 file – read count is 22524. Cheryl verifies against the previous day's count. If read count is off – report to Darren and Gloria immediately (they would normally only see a stale meter

report 72 hours later)

- IR08 – Billing Request Detail report-print daily and show Gloria if any accounts are returned so that she can review before billing.

MDM/R daily Reports Continued

- No time to investigate issues with IR08 report so Cherl sends a re-request
- VE03 – Missing interval aging report – views daily for new ID's (first time ID appears). Send to Gloria for investigation (i.e. disconnects, sealed at box etc. – relates to "stale meters"
- Move all reports to "Daily reports file" for future reference
- Does not need to look at IR06 (= successful) – but does. It tells her if the synch file was successful, and the number of the next sync file – Mike – is this necessary?
- Review IR07 (unsuccessful) – print copy and put in file to be worked later (no time at beginning of day to investigate) – when time to investigate.
    1. Examples of siebel errors (related to H.T.E issues):
        1. SDPID #34802264
        2. 58181822
- Copy reports to daily files
- Send synch file to Census (AMI Provider) and Savage (including seibel errors)
- Let IT (Dale) know via email that file (include file #) is ready to be moved to Census
- Look at outbox for any updated/billed accounts to be sent to MDM/R
- Look at inbox for all reports noted above
- Open Sync (nicknamed as "Charlie Brown")

Go into ODS (Savage system) and check for issues – ignore all of the errors and send the rest of the reads. Note: Example - error code 06 for an account dates back to at least October and means the customer is either not being billed or has been switched to RPP.

*****Approx 20hrs per week of processing only.**

- **To work issues and errors would require additional time.**
- **As Cheryl and Gloria are not able to spend time to investigate and resolve issues on a regular basis, "common" errors are not easily resolved.**
- **As meter exchanges and issues are dealt with, then others will be easier to address.**
- *****beginning of month – ½ day to send/receive meter files plus ½ day to load meter data to cx and print exceptions reports etc.**

2:00 – BQR Staging Table – view BQR statuses (after lunch)

- Choose status Rebill, review line items and send to Gloria.
    - For cancel, done, & pending (not touched), check = hit ignore and cancel request….
- Select all and send
- Remove all from system
- For status "Error" – does not have time to review or correct, so continuously resends
    - Select all and retry

- Emailed file is received from Savage – sent to Gloria.
  - Gloria will "un-post the account" and "re-post the account" (remove from billing batch and re-enter)
- Gloria does receive an alert of "invalid response" or "response not received" within the CX when trying to bill.

- Back to MDM/R screens:
  - DC04 – Missing Reads Detail Report – review LID's and if any "New" LID line items appears = send to Gloria for investigation
- Then to Savage Screen – check Send folder in MDR before sending 7200 file to MDM/R in case Gloria has uploaded a BQR (5000 file) since they can only send one file at a time
  - Move file to the sent folder

Other – Systems and System Testing

Darren interview Responses- System Testing Dec 19th 2012.

General Utility Questions:

1. How many Full Time Equivalents in NBHDL?
   a. Answer: 48 FTE / no part timers (temps and summer students as required)
2. Call Centre – Hours of operation
   a. Answers:
      i. 9am to 4:30
      ii. 4 CAS on phones plus a cashier
      iii. Cashier takes reception calls
      iv. Cashier Accountant will help cover lunch on phones – account helps with cashier only
3. ESQR - Electricity Service Quality Requirements (ESQR) Report capture – WHO
   a. Answer - CINDY
4. Phone System: Codes to direct calls - records captured?
   a. Phone system has codes to direct calls – records captured? – wait times, on holds
   b. CAS's are not currently recording "Type of call" in phone system – do capture in account call codes
5. New system (is this Prairie Fire?) being implemented – how will this help with reporting
   a. New system will capture by CAS – number answered, wait time, length of call, gone to voice mail etc.
   b. Transfers and calls back to customer are not logged
      i. Want to track calls transferred to manager

Systems and Testing:

1. Does NBHDL have any customization of THE?
   i. Customized beyond regular roll out
   ii. Smart Meter Module (for Ontario – PTF's/ Hash files?)
   iii. NBHDL – programs outside of HTE – data manipulation, moving files
      1. Standard RPG text files. Not associated with or affected by HTE upgrades (i.e. template files to import banking data etc.)
      2. Some created by Dale, some by SunGard and some by Guelph
      3. Tested as part of any HTE upgrades

2. How does this affect test plan for new versions?
    i. Date issue – customized patches to deal with date recognition (NBHDL is only user utilizing Canadian time)
    ii. Cannot necessarily follow same test scripts as Guelph and Halton (see below)

Set of scripts to be run for each upgrade

b. Standard testing for standard process
    i. HTE provides list for Change Management:
        4. 300 pages to upgrade to 7071 – may be 7080 by time ready to cut over
        5. (test scripts being created)
        6. Anything that may impact any job function, a test script is created and provided to a resource for testing
        7. Cheryl, Gloria (billing and smart metering, Darren – other, Dale – other)
        8. Prioritize for risk – 1. Billing 2. Finance 3. Payroll 4. Work Orders 5. Purchasing etc. 1 & 2 are tied to revenue = priority.
        9. Run test environment as if in live
        10. DATE ISSUE: NBHDL decided 15 years ago to use Canadian Date format (no other Canadian utility doing this) – caused problem with WEB presentment (front end screens GUI line?) – Input dates from "Navaline" was not recognized by HTE, so Could not create a new service with proper date.
        11. Using Green screen to overcome date issues – new version moves to GUI front end
            a. Resistance by users due to perception that it is slower
            b. Account specialist can have multiple sessions of green screen open and quickly maneuver within and across screens
            c. Navaline – unable to highlight, copy or paste (graphical representation of the green screen. Can cut & paste W/in Navaline, but not From navaline TO Windows based system

7. Question – using Navaline – will this create need for another FTE?
    a. Answer: Have one main user on Navaline and record time to complete functions compared to Green Screen (AS400) to determine impact
8. Standard testing of customizations
    i. Use Halton and Guelph test scripts for SMART meter customizations (4 LDCS split costs for these customizations and upgrades)
    ii. TBH and NBHDL are only utilities that do Calendar month billing
    iii. When converted to smart meter billing = a lot of problems with cycle billing coding – i.e. "updates" would run and then stall because it could not generate a BQR. This was likely due to using Halton as the Pilot for creating Smart meter requirements – Halton is on exception billing.
        1. Moving from test environment to live = bombed in live, even though test environment worked fine
    iv. ***Each customer runs potentially slightly different AS400 version or patch versions
        1. Test environment is a new copy of Live system, yet cutting back over to production environment will cause issues. Due to specialized "tweaks" to each customer production environment that may get fixed when testing in test environment
        2. SunGard does not necessarily update all utilities to fix the same bugs since each utility may have different needs (using different meters etc.)

3. Change management is still an issue – is better, but not great

9. Other risk mitigation process implemented?
    1. Darren has asked for SunGard to document anything that is unique to NBHDL on HTE sot that they do not run in to same issues – SunGard refused
    2. Changing over to SQL – require 4 SQL servers to equal one AS400 server (upgraded AS400 at end of 2011).
    3. HTE is a lot of data movement, but not a lot of data manipulation
    4. CPU usage is at about 3% - not a heavy load. If brought on City = no great risk for storage or usage
10. When the MDM/R / other systems that are integrated with CIS has upgrades
    a. Does this initiate other CIS testing to ensure hooks or integration items have not been affected?
        i. If change to data interchange files = will have impact to NBHDL and will test
        ii. BQR or CMAP files, XML vs custom BQI changes – utility is alerted prior to the changes
            1. Utility alerts other system vendors (Sandbox etc.) to look at changes and coordinate any required testing/changes to accommodate
            2. Halton generally does the testing – Jennifer used to work for SunGard and Guelph has a resource that is experienced in coding?
            3. Sense of urgency to keep up with Halton
            4. Halton upgrade to 7060 – in test was fine. When moved to production – everything EXCEPT smart meters “Blew Up” (work orders, billing, financials etc.)
                a. NBHDL had IFRS and WORKORDER (unitizing – applying assets and aging) conversions happening at that time, so chose to wait for HTE upgrade
            5. NBHDL is only user in Ontario that can test in more than one environment
                a. 7040 in production
                b. 7040 in second test environment
                c. 7060 in primary test environment
                d. More than one test environment allows for testing a smaller customer base for MDM/R testing items, while testing full customer base for other functions
                e. ***offers flexibility – but increases complexity (which patches from which test environment?)
11. What’s the Roadmap for HTE upgrades?
    a. Set number of upgrades per year
        i. No ``planned`` upgrades in sync with SunGard version availability as yet – trying to get to that
    b. How are these scheduled
        i. As soon as they can get to the current version (70.71 is most current, fully functional with Smart Meter...City is on 70.8, is not in production yet for utilities), then stay on point with all future versions and have new versions being tested in primary test environment so Ontario group can be unified in regularly testing new patches and versions to minimize single customer customizations or `tweaking`
    c. Resources required – how are these planned / determined?
        i. Based on the nature of the changes in the upgrade – i.e. if majority of changes are smart metering and billing based = Cheryl and Gloria
        ii. No excess resources available in IT or billing – overtime is often used
        iii. Working harder /longer than normal can impact errors in testing or other job functions
        iv. Timing has been a big issue as there are other conversions happening for other functions, so

cannot complete testing for full upgrade. Other system providers get upset that NBHDL has not upgraded as it impacts processing (i.e. moving to XML for MDM/R files)

v. Resources have a full time job keeping up to regular functions (regular billing processing) – trying to add time for system testing above other issue handling (i.e. MDM/R account/meter issues) is near impossible
vi. NBHDL is Considering just updating to new version and deal with what breaks as it happens. Experience has taught them that even with all of the testing in the test environment to get it all ``right`` before going to production, once they push to production, everything may still blow up and halt their processing of bills etc.
vii. Are resources given focused time for testing
viii. Dedicated time is allocated where possible – manager determines who is best resource to test a function or for department based needs (i.e. Finance may need to test for posting to GL even though it seems to be a simple patch to a billing or CAS function – multiple resources may need to test one piece

d. Version 7.2 considered “small” / Version 8 is larger upgrade
    i. Lessons learned from MDM/R enrollment - how will these be applied to version 8 (of MDM/R) upgrade?
        1. Goal is to get to HTE upgrade completed so that they can move to HTML files with MDM/R. Need to ``catch up to the crowd`` first
        2. Trying to synchronize Ontario utilities on HTE to be on same version so can streamline processes and testing items (compare test scripts /testing errors etc.)
        3. General issue: Multiple line items (4 requests instead of one) within MDM/R file is not going to be rolled in to standard release in to 70.9 – patches will be used until then
            a. Patches cause an impact on the system load (has to touch a number of different areas and calculation and re-calculation) – could cause performance impacts for other utilities (NBHDL has `the horsepower`` on their servers already, so not concerned
            b. Utilities that are larger customer base (Guelph) will have a lot more volume
        4. May outsource some functions on temporary basis with SME`s
e. Items to be tested/ considered/ planned for prior to upgrade (Future initiatives):
    i. Sync process for non-smart meters
        1. In process of ordering meters (just coming in)
        2. Some are GS under 50
        3. Need to build a process around non MDM/R meters
    ii. HAN devices or pilots to be deployed
        1. Considering, but not piloting yet
    iii. Using Sensus to collect and reset demand meters
        1. Considering options for meters and MV90 data
    iv. Using Sensus to collect Micro FIT / FIT and GS>50 meters
        1.
    v. Implementing inscription on Sensus network – V8
        1.
    vi. Impacts of Web Services
        1.
    vii. Building processes of new exceptions – KV2 meters have odd data

1. Meters are on site and looking at deployment testing for testing meter change process, ODS items, GS under 50`s on TOU, over 50kW – utilizing ODS (MV90)
2. Once meters come live on Sensus network = will generate a CMAP file and then generate a billing file
3. Determining whether need to run MV90 for intervals vs. just read the meters (Peterborough read and send data, or put Sensus meters on – not sure how much impact there would be to collect 15min data)
4. Todd eventually wants all over 50kW on HOEP

viii. Use of MDM/R start date in billing process

ix. Training requirements for new functionalities / business processes
    1. ``Not sure how we are going to accommodate``

x. Business process decision making and mapping – versus system constraints dictating new business process implementation

f. **note: all single phase under 50kW customers have regular smart meter – no demand. all 3 phase customers (about 1200) will have demand capability smart meters

Outside of troubleshooting, expertise will need to be acquired in the realm of:

12. Meter firmware upgrade process
13. TGB upgrade process
14. RNI upgrade process
15. Encryption key management

a. Is NBHDL in a position to bring some items in house instead of using (RNI) Sensus (resource availability, knowledge base etc. – how network operates etc.)
    1. Feels lots of bandwidth (fibre and systems)
    2. Have experience in managing Linux base core – yes
    3. Time (resources) – not currently – may look at shared resource (can't justify bringing on additional resource for utility alone. If District option to manage themselves = 2 workers required – need to determine who would be based at which location and how resources are shared.
    4. Encryption – additional level of knowledge and effort – Darren has a grasp of it, but internal resources do not.
        a. Meters have to be installed unencrypted and encryption to be turned on afterward
        b. Sensus is still determining how this would be handled (encryption keys etc)
        c. Most secure method is walk up to meter and initialize and put key at meter level. But not realistic to do this as it would require someone to physically go to every meter again. Concern over broadcasting NRIs over network can affect or be seen by others
        d. No remote disconnect meters in NBHDL (would like to deploy some, but will wait until encryption and business processes are implemented)

16. <u>System backup process – same for all / differences?</u>

a. CIS –
    i. Incrementals are backed up to tape and taken offsite

ii. Full system = weekly back up tape

b. MV90 – monthly backup – system snapshot
c. Billing data within MV90 – transferred to Savage and backed up daily by Savage
    i. If system went down, would have all of yesterday`s data at Savage and can do dial up to pull all data for meters for same day.
d. Any system backup or data storage / communication reasons for separating from city for water/electric billing – i.e. AS2 issues / impacts
    i. Reasons for separating – City is shareholder of utility but does not manage the City
    ii. City was contracted (outsourced IT management) for network management
        1. Significant issues with getting information to and from MDM/R that had large impact on utility ability to do business
        2. Simple issues (new passwords required) could not be handled by the utility – significant impact to utility by City policy and process management
        3. Utility needed autonomy to make decisions vest for utility business
        4. Main file server is still on City Domain – Darren does not have administrative access
        5. City has all passwords for phone switches – Utility has immediate need for the passwords and cannot access them – bell has to bring in temp switch to work around issue and will have to come back
e. Any IT related considerations for working with the city to combine water and electric service billing?
    i. Reasons (for)
        1. NBHDL has system capacity to add on water (negligible additional system load).
        2. Considered that addition of water reads would create negligible additional work load to the utility billing agents
        3. One bill to customer (fewer systems and paper etc.) – or can produce a quarterly bill specifically for water
        4. Water could go to Microsoft/Dynamics or other less expensive CIS if not billing on water /smart meters
        5. Arrears handling differences / collections
    ii. Reasons (against)
        1. One issue – depends on how Neptune will do their version of a CMAP file. Will likely transmit to Savage and Savage will provide totals and/or ``estimations``
        2. Issues around Management of systems – who manages which pieces (separate and unique businesses)
        3. Freedom of Information issues (each business collects different levels of personal data – drivers licences etc.)
        4. CIS / account access complications – water access would have to be different from utility billing level detail

Other IT Considerations:

5. Cross training or backup for regular sync file and BQR processing?
    a. No backup for Cheryl Currently – Dale can do some simple functions, but is not considered a ``Backup``
    b. Significant risk exposure
    c. Cross training to be done – issue: if one person away, then one function will still suffer
    d. Have rudimentary training manuals that someone new to the role could use to get by for standard processing

e. No depth of knowledge with internal resources to step in for any issue resolution
f. Vacation issues – to mitigate risk, NBHDL tries to get as many of the functional / processing requirements done prior to going on vacation (for IT and for Billing)
    i. No daily management of sync files while billing rep away
    ii. Billing rep will schedule vacation around monthly billing or other fundamental process done before taking vacation
g. **Dale is City employee currently (contracted by utility from City)
    i. Is also currently doing bill print runs in addition to the AS400 management
    ii. Need backup for Dale as well as a backup for Billing
    iii. Need to look at succession planning – both Dale (IT systems knowledge and Cheryl – utility business process and billing function knowledge)

6. What is stopping NBHDL from automating file transfers?
    a. Daily need to edit files?
        i. This is primary reason – if daily editing was not required, then would move to automated
        ii. Would like to get to automated – most issues relate to CIS functionality
        iii. Some of reason not automated is due to billing resource functions (how they are doing some of their processes)
        iv. How the ODS is handling errors/data
        v. **many of the exceptions that are being chased down / investigated are the ones that are in the customer`s favour and a small amount – changes to their business processes immediately would require less intervention by billing agents and allow certain exceptions to bill (since no actual impact to billing)
    b. Other?
        i. Intermittent (on-off) issues – CMAP file issue that caused encryption key access (didgital certificate expiration)
7. Does Dale have full knowledge/ understanding of when and/or why a file should be
    a. Transferred - yes
    b. Edited
        i. Can do some editing of sync files if required (had experience with this for testing purposes). Does not have knowledge base/training to make decisions around why or when to make the edits
    c. When to speak with other billing rep (Gloria) on a proceed / don't proceed decision for billing / account / meter issues
        i. Dale does not have this level of training/ knowledge
8. Meter resources – stay as 2 people or go back to 1
    a. As things move over to full smart metering, then less impact on resources
    b. Still expect to need 2 resources
    c. May move some RNI functions being done by Gloria (billing) to metering functions (i.e. managing stale meters etc. – database management, seal dates, warranties etc.)
    d. If re-verification ends up as a mass quantity requirement, and/or the utility runs in to inventory and warranty related items on these = impact to Metering Department
9. Seal Dates: entire population of meters is one seal date = 23,000 meters
    a. if a sample test and test fails = have to change ALL of the meters
    b. Can they be broken down in to different groups -= possibly
10. Some customers have 2 meters on a single account. No charge for second meter. Decision to create a second

account and charge for it would be Todd.

Customer Facing Tools:

Web presentment of Interval (all smart meter) Data:

Mindoka:

1. Coming in the new year for smart meters (large use interval meter customers use Powerview Web / Kinetics log in)
2. Customer Portal has already been created (with e-bill module) - Mindoka. Need to complete a few screens to accommodate those that are not e-billing, but want to see web presentment of bill.
3. Built an interface for HTE to pull and push data from HTE –
4. Have to correlate customer login to customer data
5. If not doing daily sync with CIS for web presentment, then meter changes are not reflected and will no longer be "real-time"
6. How will lag in meter change and Final bill processing be managed (risk that there could be significant time before meter change is completed)
7. Darren keeping up with the web services issues for MDM/R
    a. Testing of new Web services requests are being sent to MDM/R production system which is bogging down the MDM/R
    b. NBHDL will test web presentment data via ODS rather than MDM/R. Can submit to MDM/R if allowed.
8. Technical issues from customers on web presentment will go to Darren

Outage Communication – web presentment:

1. NBHDL GIS integration not at a ready state (for interactive outage map).
2. Currently, there is posting of planned outages on web
    a. Would like to have interactive (for internal staff) to manually update current outage information – where, when, trouble trucks dispatched, expected time for service restoration
        i. Expected to be end of 2013 for real time outage (text only) information on web
        ii. Not ready for interactive message board for Control room since data correlations not available and control room not fully staffed – currently use "push pins" on maps to show outages in control room
        iii. "Real time" data not expected to be available for some time (years)
3. No plans for meter related outage data on web
    a. GIS data does not correlate with meter data yet
    b. Transformer level/switch level correlation not yet available

Automation Plans for Disconnect/Reconnect:

1. Mindoka has built interface for web browser and a back end interface to HTE (smart translator)
    a. 90% there (testing system)
2. Pick lists are automated (from CIS) – based on open work orders
3. Payment data sent in to HTE via handheld
4. Potential for field staff to register the meter changes as well
5. Interfaces with document management system / records management
6. Bill creation system also tied to this - Mindoka
    a. Mindoka doc management system can handle bill file interface to download file, generate pdf., split them

in to mail files and e-billing files

b. OMR coding for bills coming (New Year)
c. Postal sort (new Year)
d. Currently an archive file on server for all customer bill files – changing to dynamic file create option:
    i. Mindoka/system will track all bills by date, service type etc.
    ii. Instead of pulling up a pdf, from a doc management system, the system will build the file based on the CAS data input for the request

Other: City of North Bay – Water interview:

North Bay Municipal Water Interview

David Euler

Scott Badford

Lorraine

General:

- 2 people in water Billing Department
- 16,000 meters once all installed (over 2 years)
    - Currently 1,400 manually read (paper based reads)
    - All others are flat rate

Current systems

- HTE – version?
    - CIS
    - Financials (include payroll)
    - tax billing
    - purchasing inventory
    - land management
    - costing work orders for Public Works
    - PO Requirements

- Neptune – AMI – first collectors going up **Dec 11, 2012:**
    - Meter data collection software – collectors aggregate data and send files to billing
    - Validation of data
    - Alarm triggers (leaks etc.)
    - Daily exceptions reports (backflow, leak etc.)

"HANSON /INFOR"– Public Works Management System:

- modular system for municipalities - software being implemented for
    - asset management (water meters will be managed in here)
    - Public Works
    - CRM – will be used for water – will be used to flow in to work order requests
    - Work Order processing
    - Links to GIS

- Inventory
- Preventative maintenance
- Facilities management

***Planned RFP to review options for billing – want to move to quarterly billing??

New Service – non metered - residential:

- Most water services are currently flat rate.
- Rate is based on number of fixtures in home
- Meter reader is dispatched to survey each new home to determine number of fixtures
- Current billing = Meter reader reads manually (1,400 meters) and records on paper and returns to Lorraine's group

New service (metered) is currently for commercial and industrial:

- Service surveys are done prior to or at time of build
- Meter reader will survey plans and determine size of meter
- Paperwork returned to Lorraine's group
- Account is created

Collections / Arrears handling:

- no disconnects for arrears
  - Policy for arrears is: 30 days after due date,
    - Water to tax notices are sent after 30 days and a penalty is applied
    - goes to tax bill 30 days after notice – no loss of consumption for billing
    - $55 every time transferred
- If customer asks for disconnect – call goes to Lorraine's staff, request forwarded to Public Works and a work order is created by public works and dispatched
- Charges are for a connect and reconnect ($75.00 for each)
- No flat fee for monthly "service charges" if water is off
- Any exempt properties (that do not have a tax bill – i.e. a church) – disconnect is done

Account changes –

- Agreement with landlord – call for final meter read and to switch to new tenant
  - Landlord can verbally give new tenant info for account/billing
  - If bills not paid – goes to landlord
- No changes to account occupant without something in writing – all new owners must have a signed service agreement

PAP

- equalization of billing over 4 month period – based on their tri-annual billings
- OR – pay full amount on due date of tri monthly bill

Cashiering

- 1 head cashier – EFT, files – does not touch $$ in register

- 2 cashiers (in tax and water) do their own batches – posting included –
    - Register is connected to CIS
    - Payments must be applied to account in CIS at time of customer payment – this triggers drawer and receipt printing
    - Balance daily
- Payment types:
    - On site
    - On line
    - No credit
    - Drop box
    - Interact
    - PAP
- Cashiers do not take customer calls
- Water clerk handles any complaints that come to counter
- Head cashier is responsible for Updating/ posting to gl for batches
    - Each batch is printed and initialed and balanced against day`s batches
    - Goes to finance for cross checking – bank statements vs. batches
- Head ``cashier`` takes bank bag and records them on a bank deposit. Makes correction to cashier batches
    - Other: take coins for parking etc.
- Cash over / under – requires authorization from supervisor to do adjustments (entry for offset)
- Cashiers do not do their own adjustments –Tax Adjustment Clerk does adjustment – correct billing or send refund cheque – it is not the water billing reps that make corrections
- Strict rules on authorizations for access to specific system processes

Month End Processing

- Accounting / financial services does all month end processing
- Sometimes to 3rd or 4th of the month before start charging penalties and processing payments (until month end processing done)

Billing – everyone is in same department:

- For ICI Meter reads only – manual reads entered in to books and given to the water billing clerk
    - Meter reader is responsible for reviewing last read and identifying if current read looks ok
- Estimates are created by the meter reader and noted as an estimate
- Reads are entered in CIS
- No read verification report
- Process billing

High Bill Complaints – Metered (ICI)

- Water Department receives call and informs field technician
- Field tech go on site
- Read and report back if any issues
- If meter related issue – field tech reports back to Lorraine – determine resolution or if is water service issue
- If water service issue = Notify Public Works

Appendix D: Interviews with "Like" Utilities

Meter-to-Cash Questionnaire

The following questions were posed to the utilities interviewed.

Corporate Structure

1. Do you bill through your services company?
2. If yes, have you experienced any problems justifying the model to the OEB during rate hearings?
3. Why was the utility structure modified in this way?
4. Do you look to increase revenues to the services company by offering some form of billing services using the same staff to other LDCs or other entities?
5. Have you verified if your services' rates are in-line with the market? If yes, how often?
6. What are your operational concerns for your utility? What areas do you feel you can improve?

MDM/R Functions

1. How many staff are required for IESO MDM/R billing functions?
2. Did the new billing format increase full-time staff or only an incremental number of hours to existing staff?
3. How is redundancy implemented?
4. What are your key concerns with the MDM/R today?
5. How do you feel this product can improve?

ODS

1. Do you have an ODS?
2. Do you have it in house or as a hosted cloud service?
3. What are the key functions of your ODS for your utility today?
4. Are you using AMI data for operational benefits? If yes, what are your key areas of focus?
5. What are your long term goals with this product?
6. How do you feel this product can improve?

Water Billing

1. Do you bill for water?
2. If yes, please describe any efficiencies gained by billing the commodities together?
3. Are you able to quantify the efforts that went into bringing the water billing into the Hydro process? Was the integration effort difficult? Was the bill print re-designed significant? Were there any call center impacts? Are there call center efficiencies in billing for both commodities – as with staffing are there less total calls than if the billing was done separately?
4. Has water AMI been considered?
5. What political struggles did you encounter to get the billing service? How did you overcome these struggles?
6. How do you feel this product can improve?

AMI Data Collection

1. How does the data collection function work with your AMI – does the vendor perform a data collection service, or is the utility performing these functions?
2. Is there a need for any utility staff to be involved in AMI functions? If yes, do these staff work for the LDC or the services company?
3. What are your biggest concerns with your AMI provider?
4. Are you satisfied with the services from your AMI provider?
5. Are you adding peaksaver PLUS™ functionality to your AMI network? If yes, are you planning to use ZigBee® enabled devices or the AMI vendor's protocol?
6. How do you feel this product can improve?

Smart Grid Strategy

1. At this time, there is no regulatory requirement for Web presentment or smart grid functions. What have you completed with respect to these "uses" for smart meter data?
2. During rate hearings or any other regulatory interaction with the OEB, do you get the impression, or has it been clearly stated that utilities should begin to implement more "stringent" asset management processes? Will smart meter data be used in the future to monitor transformer performance/loading in an attempt to prolong the life of assets? If this is something that you have identified, has anything been planned for or already accomplished to address this?
3. Have you begun any CIS or GIS integration efforts?
4. For CIS integration, some utilities have begun to provide service order information to downstream systems to aid in reporting; is this something you have considered?
5. For GIS, some utilities are communicating the connectivity model to downstream systems for improved outage / restoration processes. Have you created strategies for this smart grid function?
6. Are you planning to implement an outage management system (OMS)?

Summary of Interviews

The table below summarizes the responses from the "like" utility interviews.

Table 13: Summary of Interviews

Utility Name	Innisfil Hydro	Norfolk Power Distribution	Thunder Bay Hydro	Halton Hills Hydro	Entergus Inc.	Whitby Hydro
Approximate Total Accounts	14,000	19,000	49,000	23,000	40,000	40,000
Billing through Services	No	No	No	No	Yes	Yes
Water Billing	Yes	Yes	Yes	Yes	Yes	No
Consider Change in AMI Data Collection	No	No	No	No		No
Seeing Value in ODS	Yes	Yes	Yes	Yes	Yes	Yes
Redundancy in Billing Functions	Yes	Yes	Yes	Yes		Yes

Utility Interview: Innisfil Hydro Distribution Systems Limited (IHDSL)

Utility Structure

Util-Assist interviewed Marj Stewart (Vice President, Corporate Services) and Shannon Brown (Manager, Metering/IT) who both work for Innisfil Hydro Distribution Systems Ltd. When Innisfil Hydro incorporated, two companies were formed; Innisfil Hydro Distribution Systems Ltd., and the services company, Innisfil Electric Services Limited (IESL). At this time, there is effectively no activity within the services company; at one time the services company was providing water heater services within the service territory, but that business has since been sold. Some of the monies from the sale of that services company was put towards a solar project in partnership with the Town of Innisfil; however, as it relates to providing services to the LDC, or otherwise, the only service provided by IESL is sentinel light rentals.

IHDSL (the LDC) performs their own billing functions, and the current staffing is seven full time employees who report to Yvette Cairns (Manager, Customer Service), who in turn reports to Marj Stewart. Innisfil Hydro has utilized a staff rotation program for many years to ensure redundancy across all billing and customer service related roles within the organization:

Staff	Department	Redundancy
3 FTE	Billing	As part of the "billing rotation," the staff perform tasks related to billing, meter reading (data collection for water, MDM/R billing, EBT functions, billing adjustments, retail settlement and month end reporting functions). These tasks relate to all rate classes; they are not limited to MDM/R billing functions.
3 FTE	Cashiering	As part of the "cashiering rotation," staff perform tasks related to customer service (phones, inquiries, service orders, etc.).
1	Collections	The actual field work is outsourced to Olameter, although occasionally the Meter Field Tech will support this requirement, but essentially the FTE for Collections will assign work, process service orders, etc.

One of the advantages to the staff rotation is that the cross training has been successful in providing redundancy across all of the roles. While there are 7 FTEs that perform the daily billing and related customer service functions, during holiday periods and through unanticipated sick days, the staff is able to support one another.

Within the Metering/IT Department, there are two personnel reporting to Shannon Brown. There is one FT Meter Technician who performs all metering-related field work, and there is one FT Network Administrator.

MDM/R Functions

No additional staff were hired for the TOU billing mandate. With the staff rotation that is in place, Innisfil has been able to provide cross training to all personnel performing the billing functions, and the new functions that contribute to the new business processes for IESO MDM/R billing have been "absorbed" by the existing staff. As part of their redundancy planning, Innisfil does utilize Util-Assist's Sync Operator service to provide additional resources for handling of meter data exceptions, and the synchronization function which is performed by either Shannon or Marj on a daily basis, and by Util-Assist when required.

As with any project the size and scale of the MDM/R enrollment effort, the struggle for the LDC was in the transition effort, as opposed to the ongoing daily activity. In fact, Innisfil considers MDM/R billing much simpler than the billing effort in the past (i.e., with manual meter reading), due to the decrease in the VEE efforts which are predominantly automated, as opposed to the manual-driven method when data collection was through meter readers. Innisfil Hydro utilizes the calendar month billing strategy, and estimates that the total billing exceptions across their territory during the cycle billing process are approximately less than 30 exceptions per month. For more complete statistics, see the Performance Metrics charts within this report. Innisfil's electric billing VEE efforts for TOU customers then, normally last 2 – 3 days per month plus actual billing days—the last two weeks of each month.

While Innisfil characterizes the IESO MDM/R TOU billing effort as much easier than using conventional electromechanical meters and manual data collection, they stress the importance of the ODS in that billing function; its contribution to their existing efficiencies should not be understated. Innisfil states that existing staffing levels would have increased without the automation in the handling of billing exceptions that the ODS provides.

As areas of possible improvement with the MDM/R, IHDSL cites the Web Services functions as being an area of concern.

IHDSL would like to implement Web presentment functions that interact with the MDM/R, but at this time they find there are too many interruptions that impact customers and cause call centre traffic. Another function that IHDSL will look to further test is their own Disaster Recovery functions with the IESO MDM/R billing function, as their billing has become very dependent upon the IESO MDM/R, and while there is confidence in IESO's ability to maintain service levels, due diligence suggests that perhaps testing the DR plan should become a higher priority now that a level of stability with the billing functions has been achieved.

Operational Data Store (ODS)

IHDSL utilizes the Savage ODS in a hosted environment. Today, the ODS is used primarily to optimize the MDM/R TOU billing function. IHDSL has found the ODS to be a critical tool used for handling meter data related exceptions. They also use the ODS to provide some reports that have been integrated into their business process:

- the "unbilled report" which is used to assist with Form 1598
- voltage reports are used to assist with asset management, in conjunction with GIS

IHDSL feels the ODS has more value to provide, and with the TOU billing initiative behind them, will begin to work on what is characterized as "Phase 2" with the ODS: integration of AMI outage alarms into a more refined outage/restoration process, use of AMI tamper alarms, transformer loading reports to continue the asset management work that has begun through their existing use of voltage reporting, to name just a few of their goals. These efforts, together with their goals for Web presentment, and the implementation of the PeakSaverPlus program (including load control switches and devices, and thermostats in the future) form IHDSL's Smart Grid strategy at this time. (The Engineering Department is working on Smart Grid strategy as well.)

Automated Metering Infrastructure (AMI)

IHDSL, like NBDHL, has deployed the Sensus AMI solution. At this time, Innisfil is happy with the service being provided by Sensus, and is not looking at changing the existing contract option. The AMI solution is maintaining the SLA requirements, and IHDSL recognizes that with solid AMI performance comes a more easily managed billing process than would otherwise be the case, and the network performance contributes to an overall satisfaction with the solution. IHDSL does cite some areas of possible improvement with Sensus:

Table 15: Areas for Improvement

Communication	With some of the staff changes at Sensus over the previous few years, the CHEC group as a whole went without any dedicated project manager for some time. This has recently changed, but generally speaking, communication from the vendor is seen to be lacking.
Change Management	Change Management with Sensus is seen to be a struggle, with the vendor appearing to have little control over the evolution of the product. The road map for the product seems to meet the customer expectations; however, the rollout of functionality as it is developed seems to be poorly executed. As a result, Innisfil has become dependent on the collective efforts of Sensus and the PowerStream testing service to mitigate risk associated with upgrades. Having more control over the process is desirable, but at the same time it is recognized that owning and operating their own test environment is cost prohibitive.

Table 15: Areas for Improvement	
Performance of Outage Reporting	While Innisfil does look to enhance their outage/restoration processes through integration of real time reporting (i.e., MultiSpeak) with the ODS and GIS in the future, there is some concern over the reliability of the alarms from the meter. In their experience, outage reporting is adequate during low volumes of outages, but there is concern that in higher volumes, the outage reporting may not be sufficient on which to base business processes.

Water Billing

IHDSL recently began providing water and wastewater billing services to the Town of Innisfil. This work is performed through the LDC, and began late last year (i.e., in July 2012 for small volumes, and August 2012 for cycle billing).

The integration of water data (and the customer base) into the IHDSL CIS, and the subsequent billing efforts was a project that was completed in approximately six months from start to finish. In retrospect, IHDSL would have preferred to have had approximately six months to manage the project, from the time that the data was first received to begin the CIS conversion. They had to manage the conversion of data in less time than this, and this ended up causing some unanticipated struggles as far as the commitment of time. It was a difficult project, and consumed the efforts of the Metering/IT Manager to merge data, and also redesign the bill for inclusion of water data. There was also considerable effort expended by the CIS vendor (Harris/Northstar) to bring the Town's information into the IHDSL database. Aside from the conversion efforts, there was a significant increase in call centre traffic which was absorbed by the existing staffing complement. Customer confusion with the transition was the predominant reason for calls, and with time that has dissipated.

The Town of Innisfil was on a tri-annual billing schedule, and this contributed to some of the confusion when IHDSL began billing, due to the move to monthly billing – some customers had billing periods that were different than they were used to due to the move to monthly, and confusion about where to pay bills also caused calls. The utility worked proactively to avoid this; however, some confusion was expected. The tri-annual schedule was a large component of the business case that was created:

Costs	Added paper stock, postage, would result from the move to monthly billing.
Benefits	IHDSL captured such industry findings as: • more frequent billing improved customer's ability to manage water usage and find potential leaks sooner reducing billing problems, and customer dissatisfaction • improved cash flow • ability to offer enhanced services such as Equal Payment Plan which was not previously offered by the Town • smaller bills translate to easier payments, and reduced collection efforts

When IHDSL and the Town began conversations (driven by the shareholder) around providing the service, IHDSL created a business case to communicate the Costs and Benefits, and the Town accepted. While Year one ended up costing more than anticipated due to what became a more difficult transition than was expected, the business case was originally

developed based on a five year agreement.

In addition to the customer satisfaction that has already been made apparent, IHDSL reports having delivered improved revenue and cash flow for the Town. The Town previously utilized two full time billers, and there was management staff for the biller, which was considered in the savings. In addition, IHDSL assists with service orders (i.e., the Town still performs the service, but IHDSL assigns work, logs problems, coordinates check reads, etc.). There is also a reduced call volume with the Town now that the Innisfil Hydro receives and manages the customer inquiries. This savings at the Town contributes to the business case, and is significant given that IHDSL did not increase staffing in order to perform the daily functions – although the Customer Service Manager was added to the IHDSL team as a result of the water billing project.

Utility Interview: Norfolk Power Distribution Inc.

Utility Structure

Util-Assist interviewed Cheryl Elliott (Manager, Customer Service and Settlements), Christine Norton (CIS Systems Analyst), and Ernie Vidovic (Operations Manager) who all work for Norfolk Power Distribution Inc. (NPDI), the subsidiary company of Norfolk Power Inc. NPDI does the billing for four separate utilities (Simcoe Hydro, Norfolk Hydro Electric, Nanticoke (West) Hydro, Delhi Hydro), representing approximately 19,000 customers in Norfolk County.

At one time, billing for water and sewer were performed through the services company – Norfolk Energy Inc. (NEI), within which there was also a water heater business, billing for sentinel lights, and a home comfort products business also managed through the services company, but all of these businesses have since been sold off. Over time NPDI found they could perform the billing function more cost effectively than NEI. The County was in a process of looking for improved pricing, and there was incentive for NPDI to keep the service.

Currently Norfolk employs four FTEs in a “Retail Settlement” role to perform billing and billing related functions (e.g., MVRS, MV-90, settlement functions, cashiering, customer inquiries, EBTs, etc.). Month end financial work is done through the Accounting Department, and Collections work is handled separately from the billing functions. Christine Norton manages exception handling for the TOU billing function, CIS and MDM/R testing, and any other Change management functions that may be required in the new technically intense environment into which billing has evolved.

Redundancy has been implemented into the billing function through the cross training across the four FTEs. In addition, Norfolk Power utilizes the Util-Assist Sync Operator service as redundancy in the exception handling, sync operation, and change management functions that Christine leads. As with all utilities, the TOU learning curve was steep, and the enrollment process with the MDM/R was a struggle at times, but in the end NPDI is happy with the result and gives credit to Daffron, Savage Data Systems and Util-Assist.

Operational Data Store (ODS)

Norfolk Power utilizes the Savage ODS in a hosted environment. It is currently being used primarily for its MDM/R clearinghouse functions, but NPDI looks to use it more in the future for Smart Grid applications. For NPDI, the Pre-Audit function has become a critical feature, and is characterized as the most significant function. At the time that NPDI began to implement TOU billing, their AMI network was experiencing some issues, which eventually required additional infrastructure to resolve. The ODS played a significant role in successfully implementing the TOU billing process, by proactively resolving billing exceptions for the NPDI team.

While NPDI sees huge value in the ODS product, they do look to implement more functions. Service order integration

between the Daffron CIS and the ODS would enhance their synchronization functions by automatically providing data to the ODS which is currently provided in a spreadsheet export.

AMI Data Collection

NPDI uses the Sensus AMI network, and is part of the NEPA shared RNI. Currently there are no plans to consider changing the contractual arrangement with Sensus. At one time there were fairly significant network issues, resulting in close to 1000 stale meters; however, additional infrastructure (3 additional TGBs) has been deployed and now there are less than 50 stale meters, and there have been less than 100 stale meters for some time.

Change management with the AMI vendor is a concern to NPDI, with the RNI version 3.1 upgrade being cited as the most recent example: the concern is that the upgrade has taken longer than expected. NPDI is planning to use Zigbee-enabled devices in the PeakSaverPlus program, and this is part of the reason that they are awaiting RNI 3.1. More generally, the information (regarding development and releases) that is communicated to customers is somewhat lacking, although the change in PM recently has improved this issue. Access to bi-directional data is something that NPDI has been waiting for, and problems are experienced in accessing demand data.

Smart Grid Strategy

NPDI is actively engaged with the NEPA group of utilities in a collaborative effort to work with their vendors to create standardized business processes for outage/restoration. Quotes have been received from GIS and ODS vendors to begin utilizing real time alarms from Sensus over MultiSpeak, together with the connectivity model (i.e., meter to transformer relationships) in GIS and ODS to better understand the extent of outages as they occur, and to use this information for upstream tracing to improve restoration times.

In the future, the connectivity model will also be used to provide transformer loading reports for improved asset management. Integration of all service orders from CIS into ODS will also be a goal to streamline existing billing functions, but also improve the business process surrounding Tamper flags from AMI meters. Integration may also occur to minimize the manual synchronization process which is currently used to update GIS as changes are made in the CIS.

Water Billing

AMI meters have been installed for approximately 14,500 customers. The County originally made the decision to go with AMI, and early on in the process NPDI was engaged in discussions to share infrastructure and use the Sensus network for this function. The County received some grant money along the way improving their business case, and making the transition that much easier across the entire service territory. The water AMI data is presented through the same Web presentment tool (SilverBlaze) being used for electric AMI data. Generally speaking, the implementation of water AMI has been an extremely positive contribution to the billing process, but the call centre traffic continues to be centered around water questions with the changes that have recently been implemented.

Norfolk Power has always billed for water and sewer, so billing water is not new, but use of AMI data for water billing is a relatively recent accomplishment (water installs began in 2010). As with the electric billing, water billing is a monthly process. Water data is delivered by Sensus daily, and this data does not go to the ODS system, rather, it is imported into the Daffron CIS directly. There is no validation of water data; however, issues are occasionally discovered through variance reporting during the billing process with CIS. Leak detection reports are generated and provided to the County; NPDI does not handle these reports, and the County can access the Sensus GUI for reading information.

Utility Interview: Thunder Bay Hydro

Utility Structure

Util-Assist interviewed Tim Wilson (Vice President, Customer Service and Conservation) and Andy Armitage (AMI Data Systems Coordinator) who both work for Thunder Bay Hydro Electricity Distribution Inc. When Thunder Bay Hydro was incorporated three subsidiary companies were created:

- Thunder Bay Hydro Electricity Distribution Inc. (TBHEDI): responsible for delivery and providing the "front line" customer service "face" of the utility, including the reading, billing, and conservation advice and programs to the customer base.
- Thunder Bay Hydro Renewable Power Inc.: a subsidiary, developing renewable energy generation projects in the Thunder Bay area.
- Thunder Bay Hydro Utility Services: provides back office support to other electric utility companies.

Currently, Thunder Bay employs 1 Billing Supervisor and 2.5 FTEs for the billing functions, and 2 FTEs for Collections (with Olameter providing field service staff in Collections), for a total of approximately 5.5 staff (i.e., there is one individual who performs some functions for the billing team and some functions for a department unrelated to the billing functions). The district utilities have their own billing staff, and TBHEDI's Billing Department provides guidance and support (rather than performing billing "functions" for each district utility). In addition to performing these functions for the LDC, the same staff perform these functions for several smaller utilities in the surrounding territory (Atikoken, Fort Frances, Kenora and Sioux Lookout through the services company (Thunder Bay Hydro Utility Services)).

In addition to the 3.5 staff performing billing functions, Andy Armitage is involved in the synchronization functions between CIS and MDMR/ODS/AMI, as well as handling meter data exceptions, functions that are integral to the MDM/R TOU billing process. Andy was originally hired by Thunder Bay Hydro to perform the data collection function with the Elster EnergyAxis AMI system during the AMI procurement and deployment phase of the Smart Meter Initiative. As with the billing team, Andy performs his duties for the LDC as part of the LDC, but also performs these functions for the neighboring utilities as part of the services company. In addition to providing services, Thunder Bay Hydro provides the IT infrastructure for the partner utilities for CIS and AMI head end systems.

In total then, Thunder Bay Hydro has approximately 6 – 6.5 staff performing AMI and MDM/R related billing functions for both the LDC and their services company customers.

AMI data collection and billing functions are not the only services being provided through Thunder Bay Hydro Utility Services; at this time MSP (Meter Services Provider) services are provided to utilities as well as to other industries, such as mining and forestry, and even to OPG. Accounting functions is another area of expertise that Thunder Bay Hydro Utility Services have been able to offer to the neighbouring utilities.

From a rate recovery and/or risk perspective, Thunder Bay stated that they had no problems justifying this model – of providing services to other entities – to the OEB during rate recovery proceedings. The feeling was that the OEB generally accepts the idea of utilities finding ways to share costs and/or infrastructure in an effort to reduce the overall costs to their end-consumers. From a risk perspective, Thunder Bay suggested that perhaps there may be more risk in discussing any possible future changes to the model with the OEB, than justifying the implementation of the model. For example, if the services company is established, and is responsible for paying 1/3 of an LDC employee's salary, and the services company is then sold, how will the LDC justify absorbing the salary that was being covered by the services company?

In the development of the business plans for the services company, market rates are acquired to understand that the model makes sense, and that rates being charged to the services company's customers are fair; however, there is not a formal process in place to do this on a regular basis. Thus far, based on the rates being charged as compared to market prices, there does not seem to have been the need for this – the perception is that the services company is offering rates that are very fair.

The services company does look to expand, and recently began discussions with the City of Thunder Bay to provide water billing services (water metering services are provided to the City of Fort Frances through the Elster AMI system). However, due to competing projects and extenuating circumstances at the City, discussions have not proceeded, but the expectation is they will continue at some point in the future. The services company has also had discussions in the past with other HTE customers to determine if there was interest in having Thunder Bay provide back office infrastructure to other LDCs with shared systems. There is a feeling that if Thunder Bay would like to continue down the path of offering services to other LDCs, that some internal business process changes may be required to ensure the model continues to work as well as it has been thus far.

MDM/R Functions

The effort to integrate Thunder Bay systems with the Smart Meter Entity did result in the hiring of Andy Armitage; however, this move was completed prior to the enrollment effort. Andy's hiring was more directly related to the AMI deployment effort, and was done in this way to ensure that staff were on hand, and educated in preparation for the effort to integrate with the MDM/R.

At this point Thunder Bay has moved to the latest version of the HTE smart meter module which allows for billing using the XML interface. The experience has been that the interface has dramatically improved the billing business process by reducing the number of billing exceptions. The team will migrate the other LDCs over the coming weeks.

As was noted in the Utility Structure section, there are some hours per week (approximately 0.5 FTE) that Thunder Bay is not 100% clear on, as to whether the time is spent each week on billing functions, or working with MicroFIT accounts. As Thunder Bay continues to move the other utilities to XML billing, and implementing further efficiencies through the improved interfaces, their goal is to better understand if there are opportunities with the staff to further reduce billing requirements and use the existing staff in a more productive manner. Further to this, part of Thunder Bay's goal is to move their exception handling process to a more proactive model, as today's environment too often results in handling exceptions at the time of billing, rather than when meter data exceptions occur. With the efficiencies that will be realized through the improved interfaces, it is expected that improved training will be possible and process enhancements will result.

Operational Data Store (ODS)

Thunder Bay Hydro uses the Savage ODS in a hosted environment; and they have not considered alternative options, such as owning and operating the system. The ODS has been a key component in the MDM/R TOU billing project; during their rate filing, Thunder Bay cost justified the system by documenting that without the system, an additional two clerks would be required to manage the data exceptions. While the ODS continues to be used primarily for the TOU billing function, Thunder Bay has begun to use the system to optimize some operational business processes, for example:

- The meter to transformer relationship has been imported into the ODS, and the ODS is now reporting on transformer loading using the consumption data from AMI
- Also using the connectivity model, voltage reporting is being provided based on the AMI data

- The ODS provides mapping of certain reporting functions, such as the voltage report, which provides a graphical view of problem areas
- ODS provides reporting on demand information for the purposes of performing the annual rate class review

Future goals with the ODS include the use of outage and restoration information from the AMI to optimize the outage/restoration processes currently being used.

Thunder Bay does consider Savage to be a great partner, citing new development in a timely manner in response to customer requests as one of their strong points. When asked to provide suggested "areas of improvement" for the product, Thunder Bay listed:

- The ability for advanced users to access reporting functions so that the vendor did not have to provide requested reports
- The ability for advanced users to access data through a query tool

AMI Data Collection

Thunder Bay performs their own AMI data collection—there is no outsourcing of any of the AMI data collection functions. Currently their largest concern with their AMI partner (Elster Metering) is the change management process. There are few updates from the vendor, and when Thunder Bay reports problems, patches are provided. Without a proper test environment, Thunder Bay is required to place their confidence in the test process of the vendor. There have been instances where meters have been "orphaned" through an upgrade process.

Thunder Bay is just getting underway with the HAN project for PeakSaver Plus. They are using IHDs that communicate on the 900 Mhz Elster network, but there have been delays due to Elster problems getting gatekeepers to function properly with the new devices. Plans are to use Aztec IHD devices, but as it relates to the change management concern cited above, there is concern about the maturity of the products being used in the program.

Smart Grid Strategy

Some comments pertaining to Smart Grid strategy have already been made under the ODS section. In addition to those comments regarding outage/restoration process enhancements and transformer loading reporting, Thunder Bay will look to install more switches, in particular around their renewables installations, which are a significant driver in their strategy. Also identified is a requirement to further integrate existing systems, such as CIS and ODS, to communicate more data, such as service order information to begin enhancing tamper reporting, as well as using the information to contribute to other goals such as outage handling.

Utility Interview: Halton Hills Hydro

Jennifer Gordon, Project Manager at Halton Hills Hydro (HHH), participated in the LDC interview process, providing feedback from a slightly different perspective than the other interviews were able to provide. As well as being a customer of SunGard Public Sector, using the same CIS as NBHDL, Jennifer is also the subject matter expert who provides insight to the SunGard development team regarding the specifications and regulatory requirements which drive the development to meet the needs of the Ontario-based SunGard utilities.

Utility Structure

HHH currently bills electric information through the LDC; however, the utility does provide billing for the Region of Halton

through their retail affiliate. Typically this relationship with the region is made formal through 3 – 5 year contracts, and the process also includes verification that rates are fair by going to market. This is done in conjunction with the other electric utilities which provide service to the Region of Halton (Burlington, Milton, and Oakville). HHH has 2 Billing Clerks, a Billing Coordinator and an AMI Coordinator, who all work together to perform the various billing functions, with support from the Project Manager when required. The Billing Coordinator handles retailer work (e.g., settlement, EBT, etc.), and the Billing Clerks handle billing (including water, GS>50, interval account, generation accounts, etc). In addition to the staff managing the billing functions, HHH employs 5 call centre FTEs (and 2 part time staff). One of the 5 call centre staff also manages collections activity.

MDM/R Functions

The AMI Coordinator handles any MDM/R related issues, with support from the Project Manager as required in the handling of exception scenarios which present many unique challenges. A maternity leave within the department provided the opportunity to build redundancy: the CSR who filled in during that time is now able to provide ongoing back up for the AMI Coordinator.

With regards to sync file management, HHH continues to manually transfer files if any edits within the files are required. This is consistent with the feedback from both NBHDL and Thunder Bay Hydro through this meter-to-cash analysis, indicating that this function (i.e., sync and any associated exceptions) can perhaps be controlled to some extent through business process, but perhaps not entirely.

The Project Manager was responsible for leading the IESO MDM/R enrollment process, as well as assisting the SunGard team with the necessary development to bring the Ontario users successfully through the testing process. That knowledge has now been—and continues to be—transferred to other staff by way of business process creation, and re-engineering as systems evolve. The Project Manager has been able to "evolve" as the systems evolve, by participating to the extent possible with some of the vendor partners; currently Jennifer is a member of the IESO Technical Panel, and has also been active in the Elster community, sharing knowledge as the products and requirements have changed over time. The knowledge that was gained through the enrollment process and the subsequent upgrades has allowed HHH to become proficient in managing synchronization as well as handling the meter data exceptions that contribute to billing exceptions, which are handled through the ODS.

Concerns with the product include the lack of flexibility, due to the centralized nature of the product. When providing service to the province, it is hard to "customize" functions to the processes of individual utilities. The Project Manager has put forth suggestions (i.e., through VEE Service Codes, etc.) which might allow utilities to better manage their internal processes, but has had to navigate the "change management" process of the provincial entity which can take time and effort to move initiatives forward. As a result, some of these efforts have resulted in more specialized processes with the ODS product to improve the quality of billing data.

ODS

HHH uses the SDS ODS product in a vendor hosted environment. In addition to using the ODS for TOU related business processes (i.e., providing corrective data around estimated intervals, ensuring passed bill validation sum check, exception handling, etc.), HHH currently uses the product to provide generation data for the billing function, reporting on unbilled revenue each month, and rate class review (i.e., analyzing demand data to find customers that may require rate class changes). HHH is also beginning to use the ODS to report on transformer loading, and other long term goals include moving the meter-to-transformer relationship into the ODS, and other integration efforts with GIS.

Halton Hills did not use an ODS solution through the enrollment process, and moved into and operated in the production environment of the MDM/R for approximately 1.5 years before securing the ODS service. HHH is extremely happy with the product.

AMI Data Collection

HHH is a customer of Elster. The EA_MS head end system is hosted by Olameter who also performs the data collection function. HHH staff does get involved in the AMI from time to time, particularly when there are communication issues between meters and gatekeepers (i.e., collectors), at which time the HHH resource may have to "power-cycle" the gatekeepers, install repeaters, or investigate the meters themselves.

Concerns with this AMI "environment" center around the shared server environment. This is a cost sharing option which provides significant savings to the LDC, but the lack of access to EA_MS does present issues occasionally. Overall, HHH is happy with the service being provided by Olameter.

Currently HHH is not using any Zigbee enabled meters; instead Blueline devices have been deployed, which were selected in order to meet CDM targets. This strategy may change in the future.

Smart Grid Strategy

Halton Hills uses the WhiteCap Web presentment tool to present interval data, which has been considered an important function to provide to their end consumers. The utility has branded the product "AccountOnline" and has been successful in signing up a significant portion of their population – 20%! The product is seen to be very effective and has received great feedback. A recent release of the application allows customers to view data using their smart phone.

Other Smart Grid strategies were mentioned in previous sections: intentions to further integrate the ODS with other utility systems for improved asset management functions (i.e., transformer loading), outage and restoration process enhancement, and possible use of an OMS in the future.

Utility Interview: Entergus Inc.

Utility Structure

Util-Assist interviewed Garry Symons (Director, Corporate Services) who works for Entegrus Inc. which is the parent company to Entegrus Transmission Inc., Entegrus Services Inc., and Entegrus Powerlines Inc. Entegrus Inc. is 90% owned by the municipality, and 10% owned by a private investor. Entegrus Transmission has three employees working with wind developers on new projects. Entegrus Powerlines employs the Linesman and Engineering departments, and Entegrus Services performs the back office functions for all of the companies, employing the executive management team as well as the staff performing the billing and collecting functions for the utility. Entegrus Services also manages a data centre, and provides hosting services to other companies.

Entegrus does not recall undergoing any undue scrutiny from the OEB regarding their utility structure in which the services company performs billing functions for the LDC; the billing has been performed this way for many years. A cost of service process was completed two years ago. Entegrus did modify their billing frequency around the time that TOU was implemented for their service territory, and a business case was developed to justify the move which included the increased costs for paper stock and postage, but also noted the improved cash flow and customer satisfaction. With regards to the costing of services being provided by the services company to the Entegrus Inc, there have been some

informal “requests for information” to determine that pricing is in line with market rates.

Operational Data Store (ODS)

Entegrus utilizes the Conductor ODS, a Telvent product (now owned by Schneider Electric). The ODS product was not procured prior to the move to TOU, and this created some struggles for the utility—trying to bill without an ODS is not something that Entegrus would recommend to other utilities in the Ontario market. The exception handling process was simplified through the implementation of the ODS to such an extent that Entegrus would have had to otherwise implement multiple personnel in addition to the existing staff to manage the process.

Conductor is owned and operated by Entegrus (as opposed to the ASP model), and is managed out of their data centre. Entegrus is the first Ontario LDC to utilize this product.

As with other Ontario LDCs, the rollout of TOU rates was the priority with the ODS, but now that Entegrus has successfully completed this project, the use of operational data will now become the focus—what they have characterized as Phase 2. Engineering is already using the ODS for some operational data, but further implementation into utility business process is a focus for 2013 which will include integration between their Survalent GIS (containing their connectivity model), their Responder OMS, and the Conductor product.

MDM/R Functions

Discussion around the MDM/R underlined the criticality that Entegrus places on their Conductor ODS, and the difficulties that were originally encountered with the implementation of the new TOU billing procedures without having an ODS tool in place to automate the MDM/R clearinghouse functions. In addition to the existing 5-6 billing FTEs, additional staff would have been required had they not secured the Conductor product.

While Entegrus did create and distribute significant volumes of communication and education to their customers regarding the TOU implementation, the call center traffic continues to be around billing concerns related to confusion regarding TOU.

Entegrus has always worked closely with the IESO regarding their enrollment and TOU deployment. This close collaboration continues as Entegrus now prepares to merge the Middlesex service territory data into the existing Entegrus CIS database (resulting from the recent (2012) purchase of Middlesex).

AMI Data Collection

Entegrus has deployed the Tantalus TUNet AMI product. The Tantalus system is somewhat unique in that it allows the Tantalus communication module to be installed in electromechanical meters, and once re-sealed, deployed into the field to minimize the quantity of “stranded” assets; this was a strategy that was employed by Entegrus. The system is managed by the Powerlines side of the business, with assistance from Tantalus when required.

Entegrus does not have a test environment for the AMI system, and as has been common for other utilities, change management has presented challenges as the AMI system has evolved and required upgrades across the network.

With regards to the PeakSaverPlus program, Entegrus has deployed some collared devices (Blueline), which were installed by Blueline, and customers have received tablets as part of the program. No In Home Displays are available for the Tantalus system; switches have been deployed. Entegrus is also an aggregator for the market (through the LDC).

Water Billing

Entegrus is and has been performing water billing for many years on behalf of Chatham, the Town of Newbury, and the Town of Strathroy. Entegrus is currently running a 1500 point water AMI pilot which is using the existing Tantalus AMI infrastructure, with one-way communication. It will be up to the municipality whether the pilot evolves into a full deployment—it is not an Entegrus managed project, but will require collaboration as things advance due to the shared infrastructure and the impacts that adding water points may have on the electric data collection. The experience has been positive, with daily reads being acquired for billing as well as leak detection alarms to provide some enhanced services (as compared with manual reading). Call centre activity is characterized as being mainly attributed to electric based questions indicating that the water AMI and water billing functions have been effectively absorbed over time into the billing process.

Smart Grid Strategy

Entegrus has deployed the eCare Web presentment solution, and have re-branded the product as “GoFigure.” Currently, the product utilizes the TUNet software as the source of AMI data for presentment to end customers. The MDM/R was previously used for this purpose; however, the frequent outages at IESO and resulting problems for customers trying to access data led Entegrus to the decision to “point” the product at the Tantalus head end software.

Entegrus provides eBilling option, and currently have 9,000 customers enrolled on GoFigure, with 2,600 customers using the eBilling option and no longer receiving paper bills. The successful “uptake” has been attributed to effective marketing, with radio and newspaper ads as well as bill stuffers and a draw for a $1000 credit towards their electric bills and another prize of $500. Due to the success of the program, the uptake has paid for the costs of the marketing quicker than expected, surpassing the expected business case which was created to move the project forward.

In addition to the customer education piece of their Smart Grid strategy, Entegrus has goals for 2013 that include integration between existing systems to better utilize operational data in their utility business processes. For example, the Conductor product will be tied to the GIS and OMS, and with the connectivity model the engineering department will begin to more closely monitor Transformer loading.

Currently UtiliSmart is an outsourced service provider for their MV90 points; however, the utility is interested in using Conductor to streamline some of these existing processes as well as the more commonly considered “Smart Grid” functions around outage/restoration and asset management. Tantalus does provide GS>50 metering options, and the utility has started to deploy these.

Utility Interview: Whitby Hydro

Utility Structure

Util-Assist interviewed John Sanderson (President, Whitby Hydro Energy Services Corp.).

When Whitby Hydro incorporated, some regulatory personnel remained with the holding company, Whitby Hydro Electric Corporation, while the remainder of the staff moved to the services company. Whitby’s current corporate structure dictates that the services company performs the billing services, as well as other services, such as engineering functions and even consulting services for other entities (including portfolio management, energy procurement, sub-metering, etc.). The OEB and interveners did take a close look at the model. However, the regulatory risk associated with billing through the services company was perceived to be very low. Nevertheless, it is not known what will come under the microscope by Board staff and interveners at subsequent rate filings. (John Sanderson believes that the Board would prefer a simple

wires company model to regulate.)

If changes in structure were made, without appropriate adjustments to cost, the perception is that the OEB would pay close attention, ensuring that rates accurately reflected the cost to provide the services (i.e., salaries for personnel performing services would need to be tracked properly through any changes). A practice followed regularly at Whitby Hydro is to go to market for pricing to understand that the rates being charged by the services company are in line with what would be paid through 3rd party service providers.

The model was put in place to allow the retail affiliate to bring in revenue which would increase dividend payments to the shareholder. Currently billing services are performed through the services company, but for their own customers only; billing services are not currently provided to other utilities. However, there are other services offered, which have brought revenue into Whitby Hydro from other entities, even other markets.

Whitby Hydro has completed some internal reviews and has determined that there are areas of the company that can be improved upon, and will make an effort in the near term to formalize these efforts. A meter-to-cash review will be undertaken, which will include efforts to improve documentation and training materials for their staff. These efforts are being made from a “due diligence” or “risk mitigation” point of view, to ensure the utility avoids problems that can result from business processes which have perhaps veered away from industry best practices over time. Much change has been implemented in recent years, and the timing seems right for a review.

MDM/R Functions

Whitby Hydro has three billers who perform collections functions as well. There are also three personnel handling call centre activity and another FTE managing cashiering functions. In addition, there is a Billing Supervisor and Irene D’amours (Manager, CIS Integration) who handles much of the MDM/R exception handling processes as well as some of the other analytical functions associated with billing other rate classes (settlement functions for GS>50, sub-metering, etc). Whitby Hydro did add staff in anticipation of the work that would be required for the MDM/R Integration, and since then, redundancy has been implemented across the billing functions by cross training staff to perform the standard processes (i.e., request/response processing), and then ensuring there are specialists available to handle the exceptions (i.e., Manager, CIS Integration with the Util-Assist Sync Operator service).

ODS Functions

Whitby Hydro uses the Savage ODS in an ASP hosted environment. Currently the ODS is being used primarily for IESO MDM/R clearinghouse functions. They are happy with the product and feel it has been an asset through the enrollment effort and deployment of TOU billing. While achieving the TOU mandate has been the focus over the past few years, Whitby looks to take advantage of other ODS functions in the coming months and years by working to optimize outage/restoration processes, and their engineering team will look to use the transformer loading analysis functions within the product. To enable some of these functions Whitby Hydro has already requested that the AMI provider allow access to the real time MultiSpeak events which will allow some of the operational enhancements to be made.

AMI Data Collection

There are metering resources at Whitby (also working for the services company) who get involved with the AMI processes. Whitby Hydro has deployed the Sensus AMI infrastructure, and uses Sensus for data collection services. As part of that service, Sensus is accountable for ensuring the system meets the established Service Level Agreements (i.e., 98% in 24 hours, 99% in 72 hours, 99.5% in 30 days). Whitby’s AMI performance has been strong since the

implementation and no new infrastructure has been required along the way. However, there are business processes, such as the Stale Meter process, that require the metering resource, and in some cases tuning efforts are a joint effort between Sensus and Whitby Hydro.

Whitby Hydro does participate in the PeakSaverPlus program and has deployed collared devices and thermostats. No Zigbee devices have been utilized, nor are there plans to begin using them at this time.

Whitby Hydro has mitigated any risk with change management as it relates to Sensus by subscribing to the PowerStream testing service, so that they are aware of any problems with new RNI versions before upgrades are performed on their system. While they are aware of the change management "issues" to which Sensus seems to be susceptible, their main concern at this time is the time it takes to respond to Whitby concerns when any are raised. Whitby's perception is that there are not enough Sensus resources to properly address customer concerns in a timely manner.

Smart Grid Strategy

Much of Whitby Hydro's smart grid strategy has been captured in the sections above. Whitby Hydro will look to begin using operational data from the AMI to enhance business processes associated with outage and restoration, and asset management over the next several months and into the next year. There are plans to acquire an OMS system in the future, and the utility will look to integrate these systems (CIS, OMS, GIS, ODS) to provide enhanced services to their customers, such as outgoing notification when interruptions to service have been encountered. Whitby Hydro's GIS is Integraph, and GIS is currently their source of data for connectivity information, so much of the "groundwork" for future integration has already been done, and they are well positioned to move to the next phases. Whitby Hydro has already implemented a Web presentment tool, and uses SilverBlaze to display interval data for educational purposes. There is also an eBilling option that is available for their customers, and the adoption of both eBilling and Web tools has been modest, but significant enough to demonstrate savings, and there may be plans to further promote the use of the tools.

Appendix E: Interviews with NBHDL Vendors

Vendor interviews are important to the meter-to-cash analysis to understand the vendor roadmap and the impact on utility future planning requirements. Util-Assist conducted interviews with the following vendors:

- Sensus
- IESO
- SunGard/HTE
- Savage Data Systems

Sensus

An interview was conducted with Sensus representatives on February 13, 2013. The following were in attendance:

- Mike Strano (Util-Assist)
- James Douglas (Util-Assist)
- Chris Teehan (Sensus)
- Mike Higgins (Sensus)

A central theme for all vendor interviews was the product roadmap in the near term (5 years). The reason we concentrate the discussion around the product roadmap is to gather insight into the changes that are coming, which may impact NBHDL in some way. Impact may take the form of change, in that staff training may be required for future functionality, or interface development may be required to integrate systems to take advantage of information provided by the network. Depending on the nature of the change, or the functions that are forthcoming, NBHDL plans resulting from this meter-to-cash analysis may be modified.

As a result of the interview process, NBHDL should consider the following four areas of development in the near term:

1. Metering (ESM)
2. Distribution Automation (DA)
3. Home Area Network (HAN)
4. Outage/Restoration

Metering (ESM)

Summary: Currently the meters in NBHDL's population do not support what is referred to as Extended Supervisory Message. The existing Supervisory message (depending on meter type) is limited to load profile interval data for kwh, and a peak demand value. For bi-directional meters, load profile data can be acquired from iCon meters only. As a result, the network is currently being used primarily to accommodate the mandated TOU initiative in the province – that of billing residential and GS<50 customers where the metering of demand is not required. Generally speaking, most utilities on the Sensus platform have concentrated on this rate class, and are only now beginning to strategize for the metering of other rate classes. Contributing factors to this include the time required to build and implement business processes for these customer classes, and the availability of metering and/or RNI functionality to collect the associated data.

While demand data can be collected currently, it is the introduction of ESM that will drive the strategy for most utilities with regards to metering and billing of rate classes outside those covered by the Smart Meter mandate. With the introduction of ESM on RNI version 3.1.X, the utility will be able to meter and collect data for GS>50 customers. With this functionality, a Meter Data Management strategy can be created that maximizes the value of the deployed network by fully automating

the data collection aspect of the meter-to-cash process. Currently "foot reads" and/or MV-90 type applications/services are required to collect data for customers being billed outside the IESO MDM/R.

If the elimination of costs associated with "foot reads" and "redundant" systems such as MV-90 is considered a priority, then NBHDL will have opportunity to begin strategizing for the optimization of the meter-to-cash process associated with these other rate classes. Some utilities would choose to replace those metering assets only as seal periods expire for the current assets, which would be a strategy that does not require dedicated attention in the documentation of change. If a more "aggressive" strategy is determined to be a priority in order to further utilize the deployed network infrastructure, the time associated with development and implementation of a strategy should be accommodated in utility plans. In addition to the planning functions, there will be costs associated with the integration of CIS to systems such as the ODS where the metering data will be stored for billing. Integration efforts that include the CIS should be considered in the Roadmap discussions with HTE, and the conclusions or planning that results from those conversations.

Home Area Network (HAN)

A common requirement or consideration in this section is that of future integration efforts. This will likely be a common consideration across all the vendor interviews – as functionality advances, integration efforts will need to consider the storage of new pieces of information. With regards to a utility HAN strategy the Asset Type, Serial Number, Warranty information, MAC ID, Communication Type, and Firmware Revision, are all new pieces of information which the utility should plan to store. Depending on utility strategy, current options do allow for outsourced service providers to store this information on behalf of the utility to accommodate current initiatives. But the LDC should consider storing this information to allow for future flexibility in their strategy. We cite HAN as one of the 4 main functions on the roadmap for a couple of reasons. RNI version 3.1 SP2 is when the utility can first begin to use HAN devices on the Sensus network. With the deployment of this RNI version in the coming weeks, NBHDL can begin to implement their HAN strategy. And secondly, there are HAN initiatives afoot in the province that are encouraging LDCs to create their strategies. Currently there are options which allow vendors to manage large components of the service, however NBHDL may want to consider the future-proofing aspect of this strategy in conjunction with CIS and other platforms involved in this meter-to-cash study.

Distribution Automation (DA)

Distribution Automation might be considered a specific component of the utility's Smart Grid strategy. If NBHDL has not already created a Smart Grid strategy, that might be a good first step in better understanding the direction the utility is moving in, over the coming months/years, which will allow them to better prioritize the more specific components being addressed in this section.

Other utilities in the province have begun to deploy distribution automation devices into their service territory. With the network being used in a Production atmosphere for TOU billing, there are many factors to consider when deploying these devices such as the possible impact to the Production billing data that can be put at risk through the implementation of other devices on the network. These devices can communicate more or less frequently than the consumption meters, with more or less data in each transmission. It is hard to characterize the impact to the TOU billing process without an understanding of where the utility is heading with regards to other devices. Most utilities have begun to consider these devices as a requirement in their future plans, as they begin to see their customers deploying distributed generation, or electric vehicles, which can have an impact on the stability of their transmission infrastructure. Distribution Automation devices are devices which can contribute to a more reliable network, and will serve to mitigate the risk associated with the deployment of devices which might negatively impact system uptime, or asset life. Utilities that have begun to deploy these devices in Ontario have done so mostly in a pilot capacity to better understand some of the concepts cited here –

such as data impacts to the network, and how to best integrate the new information with existing systems and software. If NBHDL decides to explore this component of the Smart Grid there may be integration efforts with the CIS and GIS and even other utility systems which should be considered in the go-forward plans and strategy.

Outage/Restoration

More so even than with the DA devices, Ontario utilities have begun to work with the operational data coming from their deployed meters. Better use of the outage/restoration flags being transmitted by the system in real time has been a priority for many utilities in Ontario – both large and small. Use of this information can complement the data being used by the OMS, or for utilities without an OMS, use of the data can begin to replicate the functions that might be found in an OMS system. One of the problems that have slowed the progress of many Ontario customers is the current inability for Sensus to transmit across the MultiSpeak interface alarms specific to a single utility, if the utility "resides" on a shared RNI. Many Ontario utilities have taken advantage of the Sensus functionality which allows an opportunity to share infrastructure. This has reduced costs for many customers, but has somewhat limited their ability to process alarms. This has not been seen as a major concern due to the concentration of efforts on the TOU deployment. Now, as LDCs move beyond TOU, they are looking to integrate Operational data with other systems, and now want to begin using this data. These utilities – for the most part – have elected to wait until deployment of RNI 3.1.X before moving too much further, as it is this RNI version which will allow utilities on shared infrastructure to process alarms specific to their service territory. This eliminates the need for them to work with their ODS vendor to build "filters" to eliminate the "noise" created by other systems. Despite this, some utilities have moved forward and have begun to find tremendous value in this data. If NBHDL also sees value in the use of this data, and would like to begin to implement some of the possible efficiencies, significant time and effort is required to both document requirements and also work with vendors on the integration of the systems according to the requirements. While a great deal of CIS work may not be required for this effort, if CIS is the current source of data for meter-to-transformer (i.e., the connectivity model) relationships, at minimum an integration that will be required is a synchronization between the CIS and the new source of data for these relationships.

IESO MDM/R

Note: The following information is still to be verified by IESO.

The IESO MDM/R roadmap considerations were acquired through multiple sources of information:

- Public facing documents
- IESO MDM/R daily communications
- Interview process including Mike Strano and Luis Orozco

Vendor interviews are considered important to the meter-to-cash analysis to understand future planning requirements. The use of the IESO MDM/R simplifies some of this planning exercise because there is such a tightly controlled change management process in place with IESO. This process includes submission to IESO of documentation regarding requested changes, a venue for discussion of requested changed (i.e., OWG), and documentation released to utilities around approved and implemented changes. The process to implement changes is also carefully controlled through the use of multiple hardware environments made available to LDCs for testing purposes. In this way, NBDHL can understand forthcoming changes and make plans to test them at their convenience based on the development of their own systems to manage the change.

With regards to IESO MDM/R, there are some "roadmap" considerations:

- VEE Service Code changes
- Management of Web Services interactions
- Phase 2 of the V7.2+ changes for Measurement Canada requirements
- V8.0 of eMeter software

VEE Service Code Changes

IESO MDM/R has conducted OWG calls with the user community regarding some modifications to existing VEE Services, and the creation of some new VEE Services. These changes have made their way through the Change Management process and will be ready for LDC testing in the coming weeks/months. It is the opinion of Util-Assist that these changes will have little to no impact on the NBHDL meter-to-cash process. Additional information can be provided if requested regarding these changes to help determine if there is value in utilizing these options; however, it is important to understand that these changes are just that – options that can be used by utilities if there is deemed to be value in the available option. If the decision was made to make use of the VEE Service Changes, CIS work would need to be done, and testing performed to ensure that the result is as anticipated.

Management of Web Services Interactions

Also as part of the OWG call on Feb 13, and as part of email correspondence from IESO MDM/R, we have seen the use of Web Services to be an item which has received a lot of attention recently. In summary, the concern has been a higher than anticipated use of Web Services by the LDC user community. We will continue to see information released as IESO continues their investigation, but also as new entities begin to take advantage of the Web Services functionality to acquire Smart Meter Data for such initiatives as “Green Button.”.

The reason that we have included a reference to Web Services in this meter-to-cash document is that the current ODS provider does make use of Web Services in their exception handling process. IESO has begun to contact larger LDCs in their investigation; however, we would expect that this work will continue and as the progress is made with the “low hanging fruit” there may be reason to contact smaller users of the IESO MDM/R. This is only mentioned here to underline the importance of the LDC fully comprehending their business processes, so that in the event IESO enters into any conversations with NBHDL about the reasons for, or perceived requirements for, certain business process, the LDC is well prepared to engage in those conversations. If change is deemed necessary, this will have an impact on the existing meter-to-cash process.

Phase 2 of the Measurement Canada Requirements (v7.2+)

V7.2+ of the Measurement Canada solution for the IESO MDM/R includes the RR CR measurement profile for Periodic and Hourly Framing structures, and the use of data quality indicators for register read being provide through the XML billing interface. At this time, there is very little impact to NBHDL as it pertains to the release of this functionality. However, as NBHDL does successfully progress into the required HTE upgrades, where use of the XML interface becomes possible, these changes will need to be considered by NBHDL. The testing that is required for this IESO MDM/R upgrade is considered minimal. NBHDL will need to understand whether HTE is making any changes to their software which will make use of the new indicators, and if so, whether NBHDL will then take the new information and translate it into usable information on the customer invoice. If this is deemed important, so work will be required by NBHDL simply to manage the process to get to the point of using the data; management of the Sandbox environment for testing, management of the HTE version to allow testing, management of the test scripts, management of the required bill presentment issues/testing.

V8.0 of the eMeter software

eMeter is the software vendor providing the platform that forms the foundation of the MDM/R. In the calendar year of 2013, we will move to v7.2+. This is a change that is considered mandatory in order to meet regulatory requirements placed on Ontario LDCs by Measurement Canada. Therefore we will see this change. At this time, however, version 8.0 is seen as an optional upgrade. That is not to say that each LDC will have the option, but rather the province as a whole may collectively decide that version 8.0 is a change that is unnecessary in the near term. Following are some comments that have been made in public forums in the recent past:

- Version 8 is a significant change to the MDM software; underlying table structure will change
- Version 8 may contain interface changes to such processes as synchronization
    - As a result of comments such as these, one can assume that if v8.0 were to be implemented, significant testing would be required at the user level.

Very little information has been released by IESO with regards to the deployment of v8.0. This is because even if the decision was made to upgrade to v8.0, that change would likely be as much as two years away. LDCs cannot begin to prepare now for a change that might be two years away, so little priority has been given to documenting and discussing the changes that might be included. However, we can make some inferences:

- Best practices with regards to software would see utilities "desire" the minimum amount of customization in the software platform, thereby simplifying the testing process as the vendor creates patches and upgrades
- Best practices would suggest that the user community stay current (within reason) to minimize the significance of any single upgrade process
- V8.0 has been released by eMeter to some customers, so there is some understanding of what it brings and the indication is that the change is significant

These general comments, as well as the idea around the version being optional might drive NBHDL to the conclusion that while v8.0 might not be here in two years (based upon a possible collective decision to wait), it will likely be here in 3-5 years. If interface changes do in fact come with v8.0, NBHDL should consider this upgrade in their CIS strategy planning.

SunGard (HTE)

Util-Assist interviewed Nancy Murphy (Client Success Executive) and Glenn Carpenter (Product Manager) to learn more about the product roadmap and some of their experiences in the Ontario market.



With regards to their product roadmap, SunGard discussed the fact that the company offers three platforms for their current customer base (as it relates to utility billing solutions): the PLUS Series, the NaviLine i-Series, and OneSolution.

Much of the recent development work seems to have centered on assisting customers with integration efforts. The evolution of the products can be seen through the existing interfaces; the PLUS Series does not currently have any MDM interfaces (and only offers cycle billing), while the NaviLine series have been integrated to MDM products in many markets. The NaviLine series is the product currently in place in NBHDL. NaviLine works predominantly from stored procedures, but does contain some Web services (i.e., real time) interfaces to connect systems.

OneSolution on the other hand is SunGard's new solution which is fully Windows based and uses only Web services interactions to integrate other systems; for example the product uses the MultiSpeak standard to create work orders. SunGard's experience in Ontario and other markets thus far has been that, despite performing integration services with the same vendors in some cases, the same interfaces have never been used from one project to another, which likely speaks to the rapid evolution of the AMI and smart grid initiatives occurring globally. The desire for standards exists, and this seems to be part of the strategy with the OneSolution platform – the development path seems to closely represent what we are seeing in Ontario with the move to use data provided by Sensus through the MultiSpeak interface for downstream processes such as outage/restoration enhancements, or what we are hearing may be the direction for v8.0 with the eMeter solution which may include a real time sync process. The company is actively seeking advice from customers on the OneSolution product direction. SunGard (through the interview process) expressed interest in having a North Bay representative join the Product Advisory Committee, which meets occasionally to discuss development of the new solution.

While the OneSolution product does speak to the evolution of the market, NBHDL need not be concerned about the NaviLine series being retired. The product will continue be developed and supported, and work is always performed to ensure backwards compatibility. Other development efforts include work to enhance the existing eBilling and eNotification functions, and further integrate their products with Web presentment tools.

SunGard has recently released version 9 of the i-Series product, and stated that if NBHDL is looking to move from version 7 in the near future, their recommendation would likely be to move directly to version 9, bypassing version 8. The functionality has not changed dramatically from 8 to 9, but the product contains some bug fixes which makes the move to the newest version make sense. SunGard does not charge fees for the move from one version to another, like some vendors do, but noted that if the AS400 hardware required updates, NBHDL may see some cost from that perspective.

Much of the conversation with SunGard did centre around the manner in which new functions are deployed into the system, and the way the IESO MDM/R enrollment process was handled. There was some background information provided on the difference between cycle and exception billing, which seems relevant to the development effort in Ontario:

- Cycle Billing: In cycle billing, any exceptions that exist in the cycle/route must be handled before any of the bills can be produced. Billing for the entire cycle/route is performed at the same time. This billing format includes a higher degree of report handling "up front" so that exceptions can be managed, and the cycle/route can be completed.
- Exception Billing: In exception billing, any premises that are "exception free" after the meter reading (billing request) function has completed, can be billed immediately. In this format, bills in the same cycle/route may be produced (and subsequently delivered) at different times. In this format, there is less reporting to manage due to the reports being managed after many premises have already moved through the billing function successfully.

It was interesting to hear that SunGard has found their customers' preference moving fairly strongly in the direction of exception billing, with customers providing presentations at SunGard events to describe their positive experiences using this format.

Mentioning the difference in formats that are available is relevant when considering the development effort by SunGard to accommodate the changes for the Ontario Smart Metering Initiative. SunGard acknowledges a heavy reliance on a subject matter expert (SME) from the Ontario utilities to provide insight into the integration specifications and to assist with the testing efforts. Recently this SME has been Jennifer Gordon from Halton Hills Hydro (HHH). When asked whether HHH's use of exception billing should have impacted the NBHDL experience, SunGard felt that because the underlying billing activities in either case are identical, in theory the resulting product should work equally well for Cycle Billing as for Exception Billing (though Glen did note that due to the Ontario utilities' familiarity with the SunGard development team, any problems that were encountered along the way may have been handled directly, rather than through the Product Manager).

Because of the critical nature of the CIS in the meter-to-cash process, Util-Assist did ask specific questions about upgrade processes and training, and SunGard was happy to answer all of our inquiries. One of the difficulties that are encountered in synchronization for NBHDL is when customers/premises are moved from TOU billing back to RPP-Block billing. SunGard noted that in other markets, their users have had to provide the option to enter into the TOU billing format, and so the system can handle this change. Another question that was posed was regarding some of the integration between the financial side of the system and the CIS side of the system. During staff interviews we found that some NBHDL staff were exporting data from CIS and from the financial system and performing their "checks" in Excel rather than through the product. When these examples (and any associated problems which may be resulting) were mentioned during the SunGard conversation, the response was that the NBHDL personnel could probably use some refresher training, as SunGard prides themselves on the integration between their own products, as well as their integration efforts to make their products interact more efficiently with other systems.

As it relates to training, SunGard provides Web training, if required, but generally prefers to make onsite visits to assist their customers in getting the most out of the product. As well as functionality training, their staff can also perform business process reviews to determine if there are better ways to perform CIS/financial functions.

By all accounts the "SUGA" (SunGard Public Sector Users' Group Association) is increasing in popularity, with attendance continuing to increase, to the extent that the conference may have outgrown the facility that has been used in recent years. While this event is not created with a training focus in mind, but rather a venue for discussing new products and development, it is a great opportunity to visit with other users. The next event is scheduled for October, and may include

more than just the current 11 Ontario customers (i.e., electric utilities, water utilities, and customers of the financial module), as the customers in the Northeastern US may get invited to the Ontario venue.

Savage Data Systems

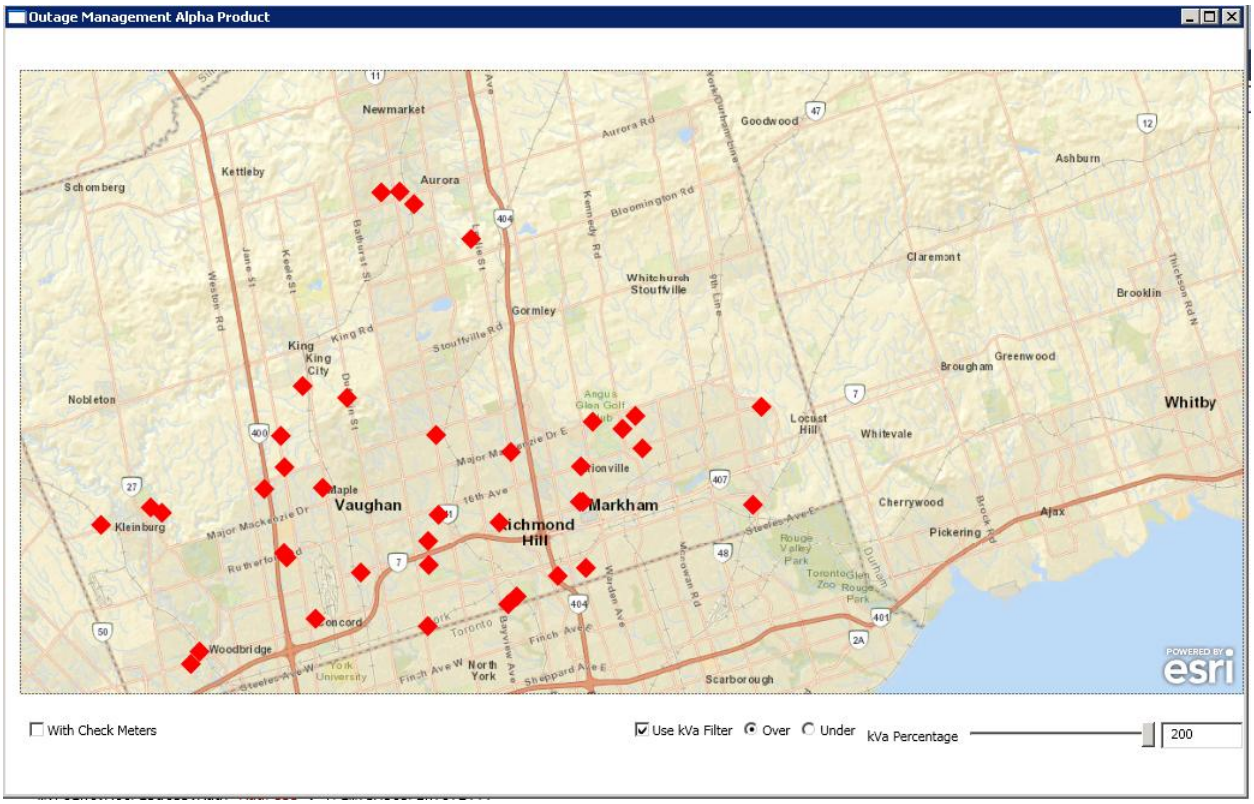
To understand the Savage Data Systems (SDS) ODS roadmap Mike Strano conducted an interview with Ron Savage (President/Owner Savage Data Systems).

NBHDL currently uses the Savage ODS in a hosted environment, which is the model used by every other Ontario utility at this time, although there is an option for the LDC to own and operate the system.

Much of SDS' development over the previous few years has focused on TOU billing, resulting in a significant impact on their customers' billing business processes (confirmed through LDC interviews also included in this report).

As SDS customers have started to shift focus beyond TOU billing functions, SDS has also shifted their development focus to meet the changing needs of their customers. In this way, SDS has started to implement mapping functions in the ODS that allow the utility to map any data field for which their location information exists. If the ODS contains location information for USDPs, any MDM/R report can be mapped, for example, to show patterns of meter communication problems. If service order integration has been set up between CIS and ODS, then service order information could also be mapped – any piece of information within the ODS that may prove valuable through a mapping representation.

As it relates to Smart Grid strategy planning for LDCs, the first use of this mapping function for many LDCs may be studies related to operational data, such as transformer loading, or voltage reporting. The screen shot below shows transformers in the PowerStream service territory (courtesy of PowerStream and Savage Data), where an ODS query shows that the reported KVa has exceeded 200% of the Transformer Badge Plate rating. The utility thus far has used this information in a couple of ways: it has highlighted connectivity model problems which has allowed the utility to update other systems (e.g., GIS) with improved connectivity information thereby improving the value of the report, and also led identified possible "overloading" situations, allowing the utility to improve "planning" to extend the life of valuable assets. The utility will use the ODS in their asset management strategy in this way – as just one example of how the ODS mapping functions will be used by other ODS customers.



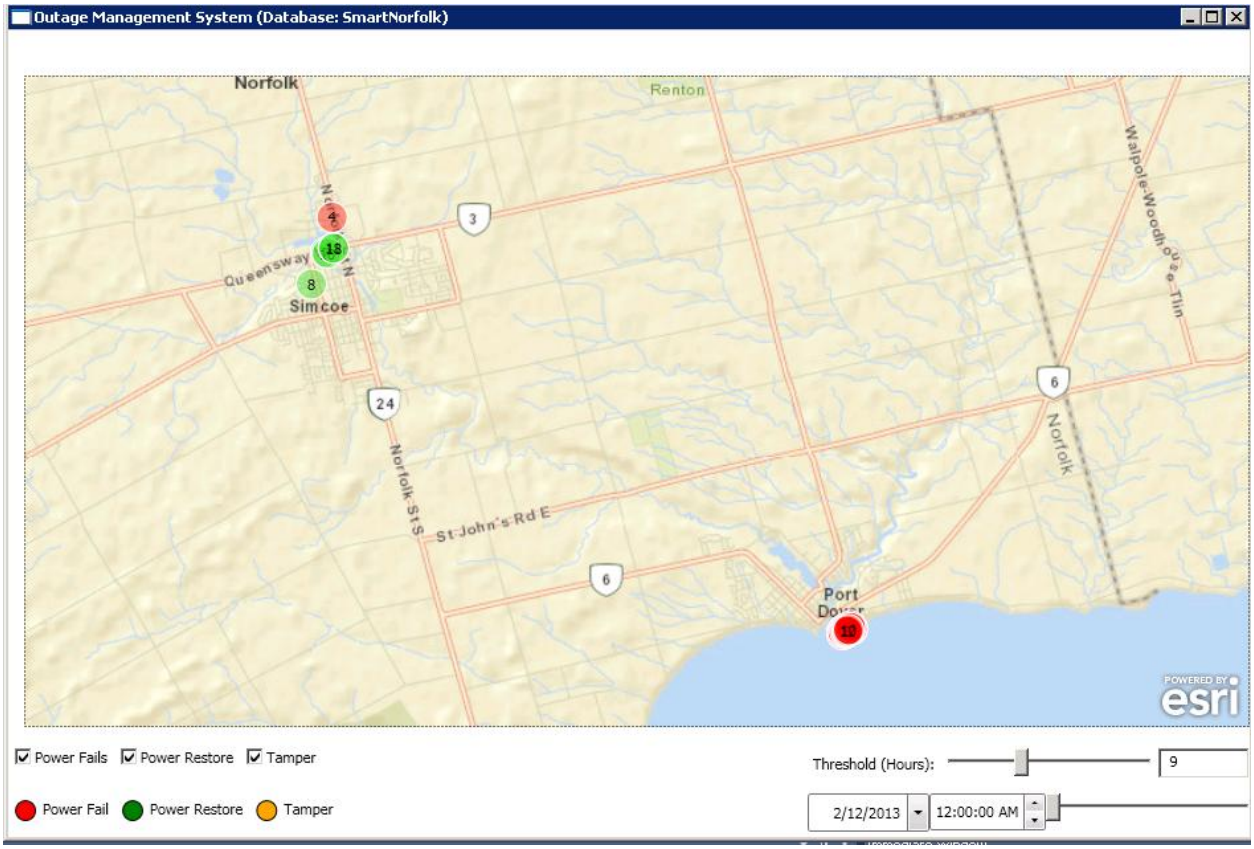
The screen print below depicts an ODS query that demonstrates the ability for users to customize queries in the ODS to suit specific needs. In this case, the query has returned a transformer that is 362% above badge plate rating.

Transformer ID: M34TP1004

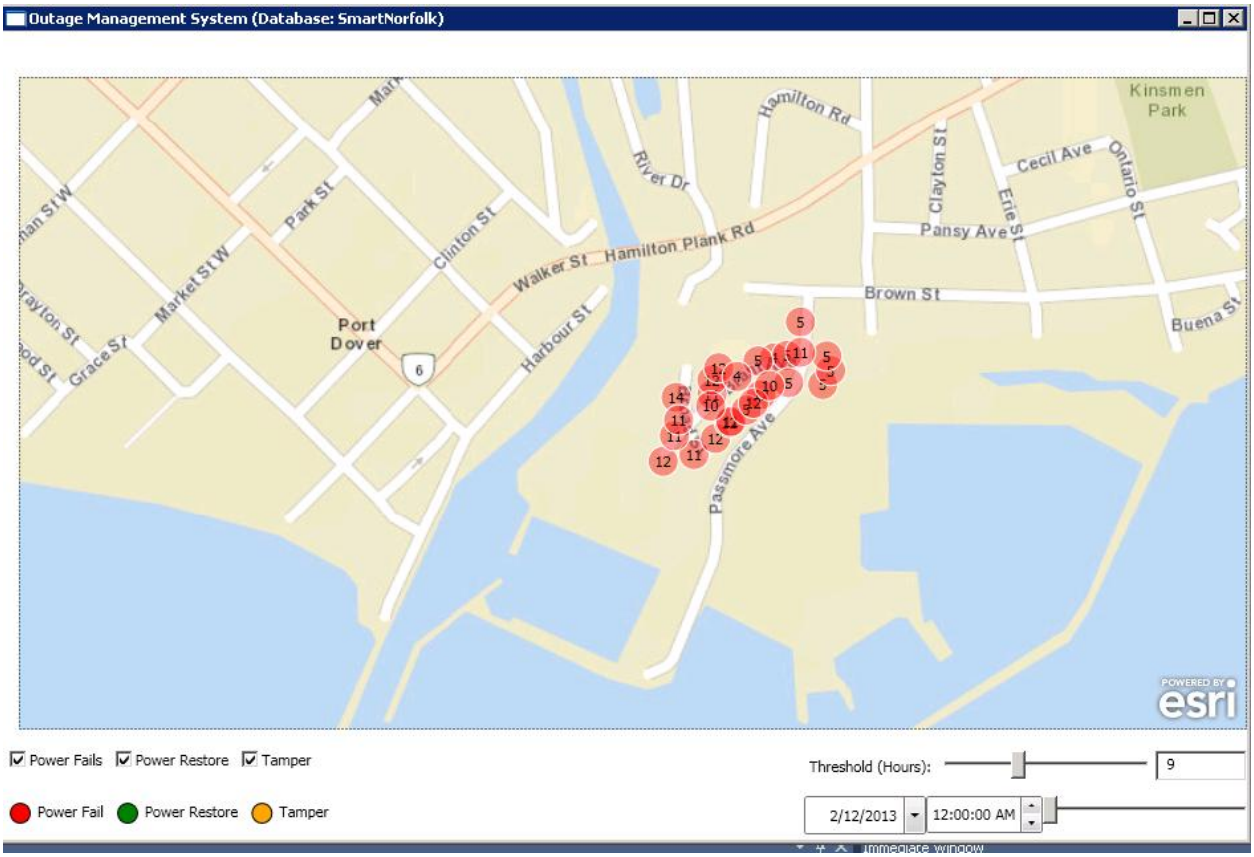
Number Of Meters	Peak Hour	Peak kVa	kVa Rating	kVa Percent	TX Meter	TX Meter Tota
3	7/18/2012 11:00:00 AM	181.08360	50	362.20000		0.00000

Another mapping function that utilities are excited to implement is mapping of outage and restoration information as transmitted by the AMI system. The SDS ODS has now begun to receive MultiSpeak real time information for several Ontario customers, and has been able to map the outage and restoration information. Utilities will use this function to enhance their own business processes around outage and restoration.

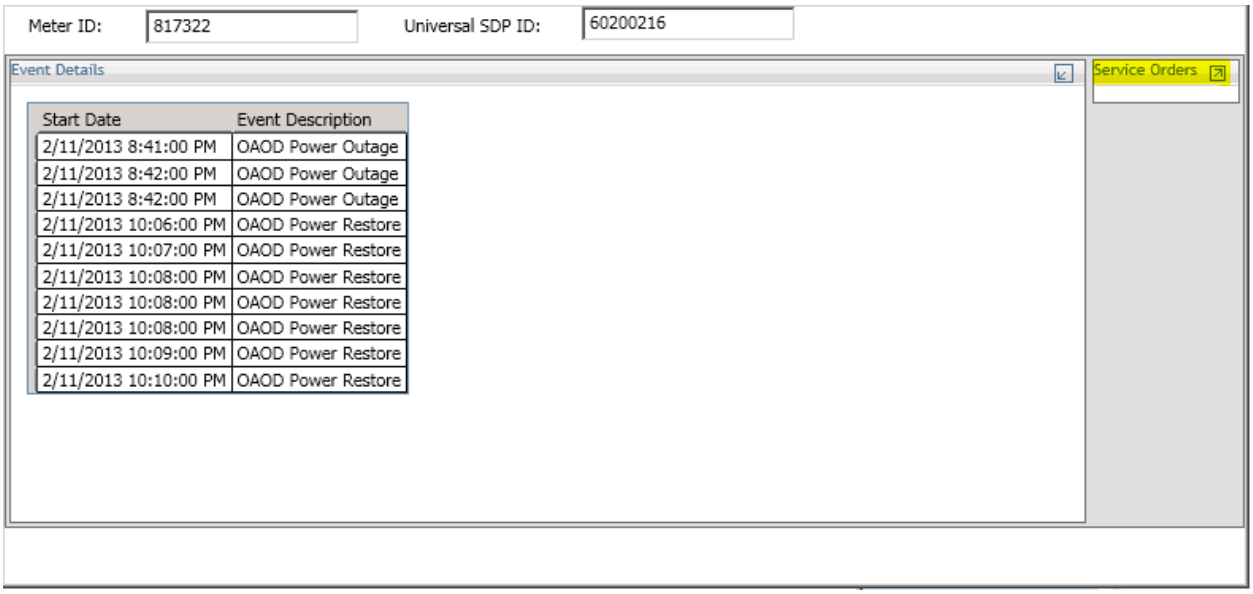
The screen print below shows some meters that have reported outage (red) and restoration (green), with the number inside the icon representing the number of messages that the meter has transmitted.



The utility might use this “high level” map to view their entire service territory, and then decide to zoom in on meters that are reporting outages. If the user were to zoom in on Port Dover from the above screen print, more detailed meter information becomes available – the following screen print shows that many meters in Port Dover are experiencing an outage.



As stated above, the ODS already has the ability to map service order information, and if service orders have been integrated into the system, the user could select meter points from the map to see if any service orders currently exist for the premise, which can aid in the troubleshooting process for small scale outages or reported tamper flags.



Start Date	Event Description
2/11/2013 8:41:00 PM	OAOD Power Outage
2/11/2013 8:42:00 PM	OAOD Power Outage
2/11/2013 8:42:00 PM	OAOD Power Outage
2/11/2013 10:06:00 PM	OAOD Power Restore
2/11/2013 10:07:00 PM	OAOD Power Restore
2/11/2013 10:08:00 PM	OAOD Power Restore
2/11/2013 10:08:00 PM	OAOD Power Restore
2/11/2013 10:08:00 PM	OAOD Power Restore
2/11/2013 10:09:00 PM	OAOD Power Restore
2/11/2013 10:10:00 PM	OAOD Power Restore

As more utilities begin to shift focus to “Smart Grid” functions, Savage Data will continue to develop functionality for their customers. In addition to the development work that has been done in this regard, the ODS team has begun a “parallel effort” to update programming to .NET, from VB (Visual Basic) which will provide the ability for the development team to further update the look and feel of the product. As new programming is performed, the team continues to performance test the new programming to ensure that there are no performance impacts on the new version when it is ready to be implemented with their customers.

These general comments around product development should provide NBHDL with some valuable information for consideration in their own Smart Gird strategy planning as it relates to the use of the ODS.

Appendix F: Business Process Maps

[See separate document: Appendix F_Process Maps.docx]

APPENDIX 4-B BDO IT RISK ANALYSIS AND ASSESSMENT



IT Risk Analysis and Assessment

October 2013

To: Darren Renaud
IT and Billing Manager
North Bay Hydro Distribution Limited

From: Carlo Mariglia, CPA, CA, CISA, CIA, CPA (Illinois)
Partner, Advisory Services
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BACKGROUND

North Bay Hydro Distribution Ltd ("NBH") is North Bay's Local Distribution Company (LDC), responsible for the distribution of electricity and the servicing and maintenance of North Bay's power line infrastructure. In order to help ensure customer obligations are achieved and contractual requirements are met, NBH prudently decided to perform an IT Risk Analysis & Assessment. By performing such an assessment, it helps NBH identify potential areas of risk and allows measures to be proactively developed to reduce or eliminate the likelihood of the risk occurring. NBH engaged BDO to perform a risk based assessment to identify potential areas of risk and allow management the opportunity to proactively improve the protection of information.

SCOPE

- To conduct an audit of IT Strategy, Infrastructure and IT Governance with the objective of providing assurance on the adequacy of our IT strategy, Infrastructure and IT governance practices. The Proponent will have the expertise to review and assess the IT strategy and governance practices, evaluate them against industry best practices, and provide recommendations on the development of an overarching framework that can be used to enhance the value of IT at our organization. The Proponent will have the expertise to evaluate our IT strategy, infrastructure, practices, methods and IT governance practices, as well as expertise in industry best practices.

- To facilitate discussions and information gathering among appropriate internal personnel to determine adequacy of current governance practices for IT initiatives and mechanisms used to oversee and establish IT strategic priorities (e.g. security, procurement, billings, automated controls, financial reporting, regulatory reporting etc.). The Proponent will compare our current practices against industry best practices, including current requirements for cyber security insurance, formulate recommendations for modifications and improvements in process or practice, and provide a remediation plan.

- To ensure that all recommendations and work plans effectively support our Strategic Plan and assist in achieving our long-term goals.

- The scope of the audit will focus on IT systems, infrastructure and projects/initiatives which are considered critical to our long-term success, including security of information, accuracy of data, user access, data management, Smart Meter Billing, etc.

- Interview key stakeholders to evaluate the applicable processes in place from various perspectives throughout the organization, and also solicit the appropriate documentation, building on the assessments and documentation in the "Meter to Cash" review in early 2013.

- Perform a comprehensive risk assessment, including gap analysis, to allow for prioritization of areas for improvement into a five-year plan.

- Produce a draft report containing proposed recommendations, and implementation plans and schedules.

- Produce a report and presentation to management summarizing the conclusions of the assessment, identification of the "top five" gaps and associated recommendations for their remediation, which addressed the need for implementation of additional controls as necessary, comprising our IT Strategy moving forward.

APPROACH

A detailed outline of BDO's approached is captured below:

PHASE	STEPS/APPROACH	DELIVERABLES/OUTCOMES
1) ESTABLISH OBJECTIVES	➢ A Project initiation meeting to confirm the scope, milestones, concerns, and project deliverables. We will determine the appropriate individuals for interview and schedule corresponding meetings. With the assistance of Management, we will capture any future state objectives to be used later in the gap analysis. ➢ Obtain a detailed understanding of current processes, personnel, IT infrastructure and other related information to set a more detailed and specific scope. ➢ Identify the appropriate best practices, frameworks (ITIL, Cobit, etc.) to be used in the assessment (phase 3).	➢ High level project plan with key steps/ dates ➢ Detailed scoping memo ➢ Areas of focus, frameworks, existing weaknesses or strengths, etc.

2) UNDERSTAND CURRENT STATE	➢ Based on the above refined scope, analyze the capability of the current IT infrastructure, IT processes, IT personnel and IT roadmap to achieve medium to long-term business goals/objectives.
	➢ Review key documents.
	➢ Interview key IT and/or business personnel.
	➢ Review the "Meter to Cash" documentation and assessment.
	➢ Identify key external applications and Naviline modules used by North Bay Hydro. BDO will interview select NBH team members to understand each:
	  ➢ Application / Naviline module maintenance responsibilities
	  ➢ Interfaces (internal / external)
	  ➢ Areas of risk / concern
	  ➢ Planned investments (training, upgrades, replacement, etc).
		➢ Capture in summary all key controls, processes or other mitigating activities (reference other key documents within the organization, if applicable)
		➢ Summary of application and Naviline findings identifying areas of risk

3) EXECUTE ASSESSMENT	➢ Benchmark existing systems, processes and procedures against the appropriate framework and/or best practice, and/or similar organization. ➢ Identify areas for improvement towards best practice. ➢ Assess the existing systems, processes and procedures ability to achieve the organization's goals and objectives (Strategic Plan). ➢ Identify areas for improvement towards meeting organizational goals by enhancing the IT systems, processes and procedures. ➢ Perform a risk assessment of the IT environment. ➢ Validate findings/facts with members of the management team.	➢ IT risk assessment (emphasis on best practices/ frameworks) ➢ IT scorecard (emphasis on the IT systems contributing to the organization achieving its goals)

4) REPORTING OUR FINDINGS & RECOMMENDATIONS	➢ Based on our assessment and understanding of your current state we will recommend enhancements/ improvements which focus on improving the IT infrastructure, IT processes, IT personnel and software/applications to achieve your business goals/objectives and enhance the value derived from your IT systems. ➢ Prioritize findings and recommendations. ➢ Facilitate an appropriate management response given the severity/priority of each finding. ➢ Validate all action plans and management responses are captured correctly. ➢ Distribute and present our final report, including identification of the "top five" recommendations.	➢ Draft report for validation/ discussion ➢ Discuss management actions/responses ➢ Validate all findings ➢ Issue final report

TIMING OF AUDIT

The fieldwork was executed during August 2013.

KEY PERSONNEL ENVOLVEMENT

The key personnel that were involved in the IT Risk Analysis & Assessment included:

North Bay Hydro:

- Cindy Tennant, Manager Finance
- Darren Renaud, I.T. and Billing Manager
- Matt Payne, Manager Engineering
- Jim Byrnes, Metering Technician Leadhand
- Melissa Wanner, Regulatory Manager
- Michael Roth, Accountant
- Cheryl Beauchamp, Senior Billing Clerk
- Gloria Sauve, Senior Billing Clerk
- Dale Bradfrod, I.T. Contract Employee

North Bay Hydro – Third Party Vendors:

- Nancy Murphy – SunGard
- Ron Savage – Savage Data
- Mike Grossman – Sensus
- Todd Shortt – Mindoka
- Taylor Poste – Mindoka
- Tobel Graves – Mindoka
- Scott Clark – Scott Communications
- Rick Berard – North Bay Security Communications
- John Weber – Midrange

BDO included the above Third Party vendors in the IT Analysis & Assessment, and have documented any associated risks in the appropriate section of the report.

BDO Canada:

- Carlo Mariglia, Partner
- David Knott, Senior Manager
- Kyle Hulme, Manager
- Elvin Sunnassee, Consultant

Executive Summary

The following is a list of critical decisions and/or risks identified in our IT Risk Analysis and Assessment. For each finding noted above, a more detailed assessment is provided in the next section, along with recommended action plans.

1) Improve TOU Billing Process
2) Enhance Naviline Utilization
3) Establish a Robust Demand Management Program
4) Develop Business Continuity & Execution of Smart Meter Operations
5) Improvement of IT General Controls & IT Infrastructure
6) Further Utilize SunGard HTE Testing Environment for Regulatory Changes
7) Reassess Advanced Metering Infrastructure Operations
8) Improve Vendor Management / Communication with SunGard & Sensus
9) Develop Policies & Processes for Disaster Recovery Planning

The following table outlines the results of the risk assessment by external application and/or SunGard THE/Naviline module. Specifically, we flagged the planned upcoming changes, improvements or training needs and the level of required investment.

SunGard Public Sector HTE/Naviline						
Module		Change(s) Planned / Required	Investment	Estimated Investment	Resources (I)nternal (E)xternal (B)oth	General Supporting Comments
a.	General Ledger	No Significant Changes Required	None			N/A
b.	A/P	No Significant Changes Required	None			N/A
c.	A/R	No Significant Changes Required	None			N/A
d.	A2	Further integration with GIS, Work Orders, AMPs etc.	Low	$	B	Process enhancements / staff training (Future)
e.	Cash Receipts	No Significant Changes Required	None			N/A
f.	Purchasing/ Inventory	No Significant Changes Required	None			N/A
g.	Billing (electricity)	Sync Operator Function needs to be fully developed	High	$$$	B	UtilAssist mandate currently underway
h.	Metering and Smart Metering	Sync Operator Function needs to be fully developed	High	$$$	B	UtilAssist mandate currently underway

SUNGARD PUBLIC SECTOR HTE/NAVILINE						
MODULE		CHANGE(S) PLANNED / REQUIRED	INVESTMENT	ESTIMATED INVESTMENT	RESOURCES (I)NTERNAL (E)XTERNAL (B)OTH	GENERAL SUPPORTING COMMENTS
i.	Fleet	No Significant Changes Required	None			N/A
j.	Work orders	Further integration with GIS, Work Orders, AMPs etc.	Low	$	B	Internal process changes underway
k.	Customer Information	Future area for improvement	None			Alternate Application vs. Vendor User Group (Future)
l.	Human resources	Future area for improvement	None			Alternate Application vs. Vendor User Group (Future)
m	Payroll	On-line or mobile device worked hours entry/tracking	Medium	$$	B	Future Process enhancements / staff training
n.	Budgeting	Roll out underway	Medium	$	I	Active project

EXTERNAL APPLICATIONS						
	MODULE	CHANGE(S) PLANNED / REQUIRED	INVESTMENT	ESTIMATED INVESTMENT	RESOURCES	GENERAL SUPPORTING COMMENTS
a.	Bill Print (custom)	Some areas for improvement	Low	$	B	Vendor management / staff training (Future)
b.	Locates and One-Call (custom)	Some areas for improvement	Low	$	B	Vendor management / staff training (Future)
c.	Disconnects/Reconnects (custom)	Some areas for improvement	Low	S	B	Vendor management / staff training (Future)
d.	Document Management (Mindoka D3C)	Some areas for improvement	Low	$	B	Vendor management / staff training (Future)
e.	Security Card Scan (Keyscan)	No Significant Changes Required	None			N/A
f.	Corporate Credit and Purchasing Cards	Potential roll out of purchase cards	Low	$	I	Process enhancements / staff training (Future)
g.	Microsoft Office	Continuous management required	Low	$	I	Process enhancements / staff training (Future)
h.	Itron MV90 metering software	Evaluation of future usage of application pending	Low	$$$	B	Sync Operator BPE + Change in Smart Meter Infrastructure
i.	Sensus Flexnet Software (metering)	No Significant Changes Required	None			Sync Operator BPE (TBD)
j.	ESRI GIS Software	No Significant Changes Required	None			Potential improved integration (i.e. Work orders, Locates etc.)
k.	AutoCad	No Significant Changes Required	None			N/A
l.	CLEO AS2 software	No Significant Changes Required	None			N/A
m	Survalent SCADA systems and software	No Significant Changes Required	None			N/A
n.	Google Apps (e-mail)	Implement Microsoft Exchange	Medium	$$	B	Microsoft Exchange roll out is planned
o.	Mobile phones (Blackberry & Android)	Ability to accommodate more mobile/remote access	Medium	$	B	Impact on infrastructure and new security risks TBD
p.	Tele-Banking software	No Significant Changes Required	None			
q.	Scan to email and scan to document management Ricoh (D3C)	Improve application or process to address needs	Low	$	I	Vendor management / staff training (Future)

External Applications						
	Module	Change(s) Planned / Required	Investment	Estimated Investment	Resources	General Supporting Comments
r.	Provincial MDM/R	No Significant Changes Required	None			Sync Operator BPE (TBD)
s.	Savage Data ODS, Settlement, EBT, Retailer Hub	Sync Operator Function needs to be fully developed (Investment underway)	High	$$$	B	Sync Operator BPE by UtilAssist (In progress)
t.	Corporate web sites (hosted + content management)	Security and customer experience to be improved (possible move onto internal infrastructure)	Medium	$	I	Changes (In progress)
u.	Cisco ASA security appliances, VPN, and Trend Micro Software	More work from home or remote access	Medium	$$	B	Change in infrastructure or increased reliance on service providers (TBD)
v.	COGNOS BI	More comprehensive and automated reporting for management	Medium	$	I	Licenses Purchased + Staff training (In progress)

Risk Analysis & Assessment Findings & Conclusions:

Finding #1: Improve Time-of-Use Billing Process

Integration of Metering Data Requested from the MDM/R for Billing Requests

Observation:

Through inquiry with the I.T. & Billing Manager, it was noted a request for Billing from the MDM/R is currently being prompted regardless of the percentage of accurate data received from MDM/R through the Operational Data Store – Savage Data ("ODS") remediation. As discussed, the ODS continuously cleans / remediates billing errors between the Meter read data (Advanced Metering Infrastructure) and the MDM/R, as well as between the ODS & MDM/R. As a result, data is sent continuously from the ODS to the MDM/R as more meter issues are rectified (% of clean data increases over time). As a result, requests for Billing may be occurring preemptively, which can cause a significant amount of billing exceptions/ issues for billing purposes, which would otherwise be rectified by the ODS if the request for billing took place in a subsequent period.

Implication:

Preemptively prompting a billing request may be leading to additional billing exceptions / issues which can cause increased time on tasks for billing staff to remediate issues or the requirement to manual intervene to force bills for issuance. Furthermore, this may be forcing customers to be placed on RPP pricing for a billing period, as the TOU billing information could not be executed by the MDM/R.

Action Plan Recommendations:

	Key Action Items:	Timeline of Execution				Requirements
		Months				
		0-1	1-3	3-9	9-12	
1	Review the Billing Request process to ensure an adequate percentage (ex. roughly 95%) of clean data is received from the ODS and integrated with the MDM/R prior to promoting a Billing Request.	X	X			• Processes • Technology • Vendor
2	Develop formal policies & procedures for requesting a Billing Request from the MDM/R and communicate with Billing Staff (Senior Billing Clerks).		X			• Processes • Technology • Vendor

Review of Bill Processing – Cycle vs. Exception Billing

Observation:

As confirmed with the I.T. & Billing Manager, NBH currently performs Billing Tasks on a "Cycle" basis. As a result, a billing request from the MDM/R is received from a specific predefined group of customers, regardless of whether the billing/meter information was appropriately calculated by the MDM/R. As a result, when following cycle billing, customers, where billing exceptions / errors are present, are included within the MDM/R request for billing purposes. This results in significant billing exceptions that require manual intervention / override (increased time on tasks) by Senior Billing Clerks to issue customer bills as part of the cycle request.

Another option to performing Billing Tasks is for NBH to bill customers on an "Exception" billing process. The benefit of exception billing is that only customers, whereby the MDM/R has accurately calculated the information for billing purposes, are received for billing purposes. This will limit the amount of billing exceptions / issues that require resolution within SunGard HTE, by the Senior Billing Clerks, prior to Bill Issuance. However, this increases risks that customers, where significant billing issues exist at the MDM/R, are not being billed in a timely basis as billing exceptions / issues get resolved.

Implication:

NBH may not be best utilizing the Billing Process to efficiently & effectively issue accurate bills to customers using "Cycle Billing".

Action Plan Recommendations:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Perform a cost / benefit analysis of Cycle vs. Exception Billing.	X				• People • Process Review
2	Integrate Billing Process changes, as required.		X	X		• People • Technology

Remediation of Prolonged Smart Meter Billing Issues

Observation:

BDO noted, through discussion with the I.T. & Billing Manager and Senior Billing Clerk, that there are several Billing Exceptions / Errors that continuously exist since the inception of the Time-of-Use Billing. Although these issues affect only a small portion of the total Time-of-Use customers, these issues still require additional time & resources to be rectified for customer billing purposes. Furthermore, it was confirmed that there are a portion of Smart Meters customers that are still on Two-Tiered Pricing, as a result of prolonged Smart Meter billing issues. The majority of the issues relate to prolonged Smart Meter customers, whereby the Smart Meters do not communicate with the Advanced Metering Infrastructure ("AMI"), resulting in Two-Tiered Billing.

Implication:

Additional time & resources are required on behalf of the Billing Staff and Metering to issue bills to customers. Furthermore, the accuracy of bills may be comprised of a portion of Smart Meter Customers that are continuously billed on a two-tiered pricing scheme.

Action Plan Recommendations:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Billing Team (I.T. & Billing Manager and Senior Billing Clerks) should identify all prolonged Smart Meter Billing Issues.	X				• People
2	A risk assessment of prolonged Smart Meter Billing Issues should take place and remediation plans with appropriate timelines are developed.		X			• People
3	Liaise with Metering, Engineering, and Vendors etc. to execute Billing Issue Remediation Plans.		X	X	X	• People • Technology

Finding #2: Enhance Naviline Utilization

Observation:

Through discussion with the I.T. & Billing Manager & Senior Billing Clerk, it was noted that there are different system interfaces (Green-Screen vs. Naviline) that can be used within SunGard. It was noted that Green-Screen is effective in gathering information and resolving billing issues (Billing function), however the full functionality & understanding of the Naviline interface is unknown. Based on our understanding of the use of Naviline by other Ontario Local Distribution Companies, Naviline can be more effective for gathering information for customer concerns or questions (Customer Service function).

Implication:

Understanding the use and functionality of Naviline within NBH's operations could possibility increase the functionality and timeliness of the Billing and Credit & Collection functions, and decrease the time required to respond to customer inquiries / questions.

Action Plan Recommendations:

Key Action Items:		Timeline of Execution				Requirements
		Months				
		0-1	1-3	3-9	9-12	
1	Investigate the functionality of Naviline within NBH's Operations with SunGard – HTE resources.		X			• People • Technology • Vendor
2	If increased functionality is deemed worthwhile, obtain understanding & training to effectively use Naviline for the appropriate functions.		X	X		• People • Technology • Vendor
3	Develop formal policies & procedures regarding staff training and key task execution to reflect the appropriate SunGard user-interfaces. This will minimize the risk of succession planning.			X		• People • Processes • Technology • Vendor
4	Train Senior Billing Clerks, Customer Accounts specialists & support staff, as appropriate.			X	X	• People

Finding #3: Establish a Robust Demand Management Program

Observation:

Through inquiry with the I.T. & Billing Manager, it was noted the full functionality of the Meter Data captured in the MDM/R & Operational Data Store (Savage Data) is not being utilized for Energy Demand Management purposes. Furthermore, it was noted that a formal Conservation & Demand Management Strategic Plan was implemented in 2010; however, a robust process to monitor & assess the achievement of the strategic plan has not been formalized.

Implication:

As a condition of license, by the end of 2014, all electricity distributors in Ontario are required by the Ontario Energy Board ("OEB") to achieve reductions in electricity consumption and peak provincial electricity demand through the delivery of Conservation and Demand Management ("CDM") programs. Management may not be best leveraging on key informational data captured within the MDM/R & Operational Data Store ("ODS") for Demand Management planning & monitoring purposes.

Action Plan Recommendations:

KEY ACTION ITEMS:		TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Investigate Conservation & Demand Management Reporting available from ODS service provider (Savage Data) for assessing & monitoring metering information captured within the ODS.	X				• People • Technology • Vendor
2	Perform an internal assessment to determine the effectiveness of ODS reporting available for use within NBH's conservation & demand management practices.		X			• People

Finding #4: Develop Business Continuity & Execution of Smart Meter Operations

Observation:

NBH's Advanced Metering Infrastructure is critical to the effectiveness of Smart Meter Reading & inevitably the accuracy of customer bills & cash inflows. It was noted, through discussions with the I.T. & Billing Manager, that if significant assets required in the Smart Metering Infrastructure (ie. Base Station) were to fail, it takes a significant amount of time (up to a few days) for Sensus to provide / repair the asset. At the current time, NBH has not established a formal Business Continuity plan, or processes, to ensure there would be minimal delays imposed on the operational Smart Meter infrastructure if significant assets were to fail.

Implication:

If key Smart Metering Infrastructure Assets were to fail, the infrastructure would be "down" for a significant amount of time and it would affect Customer Billing & Cash Inflows to NBH.

Action Plan Recommendation:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Develop a Business Continuity Plan for Smart Meter Operations.	X	X			• People • Technology • Vendor
2	Senior Management to execute Business Continuity Plan and related Processes / Requirements.			X	X	• People • Processes • Technology Vendor

Finding #5: Improvement of IT General Controls & IT Infrastructure

Observation:

North Bay Hydro relies significantly on its information systems to deliver critical services to their customers. We noted a number of risks related to the IT General Controls ranging from formalizing IT Policies & Procedures, developing configuration standards for key servers and network devices, to validating the external perimeter of the network has been sufficiently hardened.

See "Appendix A: Detailed Assessment of IT General Controls" for detailed IT Risk Assessment Observations, Associated Risks & Detailed Recommendations.

Action Plan Recommendations:

	Key Action Items:	Timeline of Execution				Requirements
		Months				
		0-1	1-3	3-9	9-12	
1	Develop and approve configuration standards for key servers and network devices (e.g. firewalls).	X	X			• People • Technology
2	Develop a formal configuration management process to manage changes to network devices and servers.		X	X		• People • Processes
3	Perform a vulnerability scan of all externally facing network devices to identify and resolve known vulnerabilities.		X			• People • Technology
4	Enhance the backup generator testing procedure to include testing under load for all future tests.	X	X			• People • Technology
5	Develop formal IT Policies and Procedures that include: • Change Management • Logical Access • Network Security (including vulnerability scanning) • Physical Security • Backup / Restore • Acceptable Use • Information classification • Incident Management			X	X	• People • Policies

6	Develop a formal IT strategic plan that outlines topics such as, vision, departmental objectives, budgets, and proposed key projects.		X	X		• People • Policies
7	Document IT roles and responsibilities for key functions.			X	X	• People • Policies
8	Develop key performance indicators for service level agreements involved with critical services. Performance should be regularly measured against the established targets.			X	X	• People • Processes
9	Develop a formal network diagram			X	X	• People

Finding #6: Further Utilize SunGard HTE Testing Environment for Regulatory Changes

Observations:

Though discussion with the Senior Billing Clerk, and confirmation with the I.T. & Billing Manager, regulatory changes (ex. electricity rate changes for rate groups) are typically implemented straight into the production environment of SunGard HTE. This increases NBH's risk of issuing inaccurate bills to rate group customers due to limited testing of rate change adjustments throughout the billing process. BDO confirmed a testing environment to test rate changes in SunGard HTE has only become accessible during mid-2013. As a result, NBH now has the ability to test regulatory changes in a testing environment, to help ensure accurate changes prior to implementation into the production environment.

Furthermore, it was noted that the Senior Billing Clerk typically determines the regulatory changes required, inputs the changed into SunGard THE, and performs a high-level review of the changes upon implementation.

Implications:

Without the use of a testing environment to preemptively test regulatory rate changes within SunGard HTE, NBH bears increased risk of issuing incorrect customer billings. The Senior Billing Clerk noted there were instances in the past where a rate group of customers were billed incorrectly as a result of incorrect regulatory rate changes.

Furthermore, it was noted the limited Segregation of Duties in the execution and review of regulatory changes within SunGard by the Senior Billing Clerk increased NBH's risk of incorrect customer billings due to clerical errors.

Action Plan Recommendations:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Update SunGard Regulatory Change procedures to ensure regulatory changes are tested for accuracy within the testing environment, prior to production environment implementation.	X				• People • Processes • Technology
2	Update SunGard Regulatory Change procedures to ensure a secondary review of Regulatory Changes inputted into the production environment is accurate. This review could be performed by the secondary Senior Billing Clerk or the I.T. Billing Manager.	X				• People • Processes

Finding #7: Reassess Advanced Metering Infrastructure Operations

Observation:

NBH has improved their Advanced Metering Infrastructure by implementing additional base stations (5 in total), which capture Smart Meter data reads. This has allowed for the following benefits:

- Increased reach of Smart Meter Data Collectivity within the North Bay area
- Improved Disaster Recovery Initiatives
    - Base stations can pick up a large percentage of the meter data reads from another base station, if that base station malfunctions.

The improved Advanced Metering Infrastructure, however, has lead to substantially increased costs which were somewhat unanticipated. As a result, NBH management is currently exploring alternative options to their Advanced Metering infrastructure to decrease costs, while attaining the same level of Advance Metering Infrastructure effectiveness. Alternatives in the Advanced Metering Infrastructure Operations include the following:

- Assessment of whether the Advanced Metering Infrastructure could be performed in-house (limit use of existing service provider).
    - Such tasks to be performed in-house could include:
        - Collection & Integration of Smart Meter Data between the AMI & ODS.
        - Infrastructure maintenance & technical support.
    - NBH is also exploring the options to provide the above services for other Northern Ontario Distribution Companies, to offset operating expenditures of the internal AMI operations.

- Revisit / Renegotiate the existing contract with Sensus to attain a more cost effective contract to suit NBH's business needs.
    - Costs have increased substantially as a result of the "Base Station Monthly Usage Fees."

Action Plan Recommendations:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Evaluation of the Advanced Metering Infrastructure to be performed by Senior Management.	X	X			• People

Finding #8: Improve Vendor Management / Communication with SunGard & Sensus

SunGard – HTE:

Overall Summary:

Due to continuous ongoing changes in regulatory requirements, and satisfactory level vendor communication / management & the complex process of Time of Use billing, there are several on-going issues with SunGard HTE. Through discussion with the I.T. & Billing Manager and the Manager of Finance, BDO noted management currently has a strong commitment to resolve SunGard issues internally. BDO noted that management is proactively seeking out issue resolution and has been in considerable talks with SunGard client contacts in the last few months to resolve key / significant issues. Some of the identified key / significant issues (both current & future) include the following:

#1 Ineffective System Change Management

Observation:

Through discussion with the I.T. & Billing Manager, it was noted that there are significant issues with System Change Management, whereby patches and fixes developed in the past for NBH are not included within final system upgrades provided from SunGard. This has caused the re-occurrence of past significant "sync" issues between SunGard and the MDM/R. As per discussion with the I.T. & Billing Manager, adequate testing of system upgrades have been performed in the test environment, however, the final system upgrades for the live environment, as provided by SunGard, often do not contain appropriate patches and fixes which were already resolved by SunGard in the past.

Implication:

The system upgrades, which do not contain the appropriate patches and fixes, have caused significant billing issues due to "sync" problems between SunGard and the MDM/R. As a result, these issues continue to cause customer billing delays and extensive time wasted by the Billing function to re-resolve past issues.

#2 Naviline – Formatting of Date

Observation:

Currently HTE system/data uses a U.S. Date Format, whereas other platforms use the Canadian Date Form. This has allowed for minimal integration of data between SunGard modules.

Implication:

Inconsistent Date Format has caused ineffective integration of data between SunGard modules, which could lead to inefficient operational processes.

#3 Implementation of New SunGard System Version

Observation:

NBH is currently using SunGard V7.07. It was confirmed with Nancy Murphy, SunGard Support that SunGard V9.0 is available for Ontario Local Distribution Companies.

Implication:

NBH may not be gaining the full operational functionality of the SunGard system by operating on a version that is 2 years behind the system.

#4 Integration of SunGard – HTE with MDM/R Version 8.0

Observation:

A new version of the eMeter Software (the platform that forms the foundation of the MDM/R) may be released in the next few years (2 – 5 years).

Implication:

Implementation of V8.0 eMeter Software may cause significant changes to NBH's Smart Metering Infrastructure and TOU billing process. Specifically, this may cause further billing issues / exceptions between the integration of MDM/R data and SunGard HTE.

SunGard Action Plan Recommendations:

KEY ACTION ITEMS:		TIMELINE OF EXECUTION					REQUIREMENTS
		MONTHS					
		0-1	1-3	3-9	9-12	When Required	
1	Creation of an internal log to monitor & track SunGard system installations / patches / fixes on a go-forward basis. Increase communication with Vendor to ensure appropriate version / patch management in both the testing & production environments.	X					• People • Processes • Vendor
2	Investigate Data Formatting issues with SunGard. Start a project request with SunGard to determine if there can be issue resolution.	X	X				• People • Vendor
3	NBH management should gain an understanding of both SunGard V8.0 & SunGard V9.0 to understand the version that is most appropriate for their current & future business needs.	X	X				• People • Technology • Vendor

4	The IT & Billing Manager should continuously stay updated with industry / regulatory changes. This includes understanding the potential implication of eMeter V8.0 implementation.	X	X	X	X		• People
5	Be proactive with SunGard to identify and remediate any changes which need to take place regarding the integration of V8.0 eMeter Software & MDM/R, if required.					X	• People • Technology • Vendor

Sensus – Advanced Metering Infrastructure:

Overall Summary:

NBH has improved the overall Advanced Metering Infrastructure in the recent past to improve the accuracy & completeness of Smart Meter read data throughout the Distribution Company's grid. However, several issues are present which continue to cause billing exceptions / issues, leading to additional delays in billing or resources to rectify the billing exceptions / issues. See below for AMI observations noted during our discussion with the Manager of Finance and I.T. & Billing Manager.

BDO did note management has a strong commitment to resolve the Sensus Advanced Meting Infrastructure issues internally, which increased vendor management / communication.

#1 Ineffective Communication of Stale Meter and Infrastructure Maintenance / Repairs

Observation:

Through discussion with NBH's Vendor Contact (Michael Grossman), it was communicated that there is a disconnect between the timely communication of Stale Meters / Meter Removals within the NBH distribution station. As a result, Sensus must spend additional time / resources to identify and/or resolve these metering issues. This additional time / resources causes a lag in providing Smart Meter read data to the Operational Data Store (ODS), and affects the Service Level Agreement Data Interval Completeness requirement of Sensus (see observation #3 below for more details).

Implication:

Lack of timely communication between Sensus and NBH regarding Stale Meters / Meter Removals could be causing additional billing issues / exceptions as a result of incomplete Smart Meter data being communicated between the Advanced Metering Infrastructure & ODS.

#2 Execution / Confirmation of Sensus' Metering Infrastructure Change Management Requirement

Observation:

BDO noted NBH management is concerned with what may be considered "poor" change management procedures within Sensus, based on their current contractual obligation. Specifically, in relation to whether testing efforts of Smart Meters performed by NBH is a requirement of Sensus or not.

Implication:

NBH may be incurring time / resources to manage their metering infrastructure that should be the responsibility of their Vendor, based on the contractual obligations set-forth.

#3 Confirmation of Sensus' Service Level Agreement Requirements for Data Interval Completeness

Observation:

BDO noted Sensus is required to report on Service Level Requirements of Data Interval Completeness. This is to effectively monitor the level of Smart Meter interval data received from the advanced metering infrastructure. If Sensus does not attain certain levels of Data Interval Completeness, a credit for non-compliance is provided to NBH.

BDO noted, through discussions with the Manager of Finance and the I.T. & Billing Manager, that there are only a few instances where Sensus has not achieved the Service Level Agreement requirements in the past. The process on determining & communicating the SLA compliance, however, could be improved.

Implication:

Risk that the Service Level Agreements are not being adhered to appropriately, which would cause increased billing exceptions / issues & no financial support for such non-compliance.

Sensus Action Plan Recommendations:

KEY ACTION ITEMS:		TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Work with Sensus to develop the most appropriate / timely way of communicating Stale Meters & Infrastructure Issues.	X	X			• People • Vendor
2	Enhance processes to ensure effective communication of Stale Meter & Infrastructure Issues between NBH and Sensus.		X			• People • Processes • Vendor
3	Work with Sensus to revisit & establish Metering Infrastructure Change Management requirements and expectations of both Sensus and NBH.	X	X			• People • Processes • Vendor
4	Work with Sensus to develop a more effective way for the Vendor to report timely Service Level Agreement Requirements (% of Data Compiled).	X	X			• People • Processes • Vendor

Finding #9: Develop Policies & Processes for Disaster Recovery Planning

Observation:

North Bay Hydro does not have a documented Business Continuity or Disaster Recovery Plan. A formal Business Continuity and Disaster Recovery Plan (BCP & DRP) is a roadmap to continue critical services or functions during a disaster. These plans help prioritize recovery efforts to meet the needs of the business, contain important contact information (external & internal), document recovery procedures, and identify key individuals with important roles in the recovery activities.

Implication:

Without a documented Business Continuity or Disaster Recovery Plan, NBH may encounter ineffective or inefficient I.T. Infrastructure / System Recovery and Data Restoration in a Natural Disaster situation.

Action Plan Recommendations:

	KEY ACTION ITEMS:	TIMELINE OF EXECUTION				REQUIREMENTS
		MONTHS				
		0-1	1-3	3-9	9-12	
1	Develop formal Business Continuity (BCP) and Disaster Recovery plans (DRP). The recovery requirements must be approved by the business.		X	X		• People • Processes
2	Test the BCP and DRP plans to validate that they achieve the business requirements. Any shortfalls should be documented and tracked until resolution.			X	X	• People • Processes • Technology

Cyber Liability Insurance

Cyber Liability Insurance can help mitigate the risks and costs associated with 3rd parties that experience events related to privacy issues, transmission of viruses, and breach of information. We understand that North Bay Hydro currently has Cyber Liability Insurance with The MEARIE Group. BDO has reviewed the nature of the IT information requested in their application form and summarized our understanding of the availability of supporting documentation:

MEARIE IT Related Insurance information request	North Bay Hydro
Do you have written Corporate Policies in place related to: • Privacy • information and network security • internet usage • email usage • record retention policy • laptop security and/or mobile device policy • policies and procedures for the destruction of sensitive information	North Bay Hydro IT Policies and procedures are informal See detailed IT Finding #4 for details
Test compliance with security policies at least annually	North Bay Hydro's Security Policies are currently informal. See detailed IT Finding #4 for details.
Process for the regular identification and assessment of new threats	The process for discussing risks is currently informal and limited to management meetings.
Process for adjustment of the security policy to address any new threats	North Bay Hydro's Security Policies are currently informal. See detailed IT Finding #4 for details.
Do you have a Disaster Recovery Plan (DRP)? Test Date?	North Bay's Disaster Recovery Plan is currently informal and untested. Please see detailed IT Finding #5 for details.

MEARIE IT Related Insurance information request	North Bay Hydro
Do you have a Business Continuity Plan (BCP)? Test Date?	North Bay's Business Continuity Plan is currently informal and untested. Please see detailed IT Finding #5 for details.
Do you have an Incident Response Plan (IRP)?	North Bay Hydro has an informal incident response plan. Currently IT issues are tracked via email. See detailed IT finding #10
Do you encrypt all sensitive business and consumer information while "at rest" in electronic form and when being transmitted	Sensitive information is protected using firewalls and logical access security measures, however, it is not encrypted.
Procedures to ensure strong access controls and hard drive encryption to prevent unauthorized access?	North Bay Hydro uses Active Directory logical access controls to limited access to information to authorized personnel, however, hard drive encryption is not deployed.
Do you have anti-virus protection on all computers and network systems?	North Bay Hydro does require all computers to have anti-virus protection.
Is firewall technology used at all internet access points to prevent unauthorized access?	North bay Hydro has deployed firewalls to protect the external perimeter; however vulnerability scanning has not been performed. See detailed IT finding #2 for details
Do you have procedures in place related to electronic intrusion detection?	North Bay Hydro has not deployed intrusion detection or prevention systems.
Are your computer systems backed-up on a regular basis	North Bay Hydro performs daily incremental and weekly full system backups of the Naviline system, however, these backups are stored offsite at a residential location. See detailed IT finding #12
Do you utilize user passwords for all computer access?	North Bay Hydro enforces user password requirements on all computers via Active directory / group policy.

MEARIE IT Related Insurance information request	North Bay Hydro
Do you have a security awareness program and mandatory training for all staff with access to sensitive information?	North Bay Hydro does not have a formal security awareness program with mandatory training.
Has a network security assessment been conducted within the past 12 months?	A formal network security assessment has not been performed, including a vulnerability assessment. See detailed IT finding #2
Are you subject to PCI Security Standards and are you currently in compliance with the standards?	North Bay Hydro utilizes a 3rd party to process credit card payments (Paymentus)*

*Note: North Bay Hydro should request and retain a copy of Paymentus's PCI Certification and validate no card holder data is transmitted, processed or stored within the NBH infrastructure.

Generally, to be eligible for such insurance, prudent insurers require sufficient documentation or audits demonstrating that technology solutions have been implemented to combat the cyber threats, such as robust firewalls, encryption of sensitive data, and strong password protection. Based on the interviews performed and available supporting IT documentation, there is a risk that North Bay Hydro may receive reduced compensation in the absence of evidence that the risks were addressed.

AUDIT OF IT INFRASTRUCTURE & SYSTEMS

In the absence of formal network diagrams, system configuration standards, IT asset management system, and IT Policies, it is difficult to perform an audit of the IT infrastructure and Systems, both from a design and operational perspective.

Network diagrams provide insight into the population of systems to be audited / reviewed. Without a network diagram there is a risk that key systems or interfaces would not be identified for evaluation. Configuration standards provide the information for the design evaluation activities of an IT audit, and serves as the benchmark to compare each system against for compliance. Having formal configuration standards also helps to ensure configuration consistency across the network. Without such standards, it is difficult to determine if a given device is out of compliance. IT policies (e.g. IT security policies, asset management) provide additional criteria such as the need for encryption, platform baselines, and operating system standards. Without such policies, it is difficult to identify and determine risks and areas of non-compliance. An IT asset management system will enable key IT devices (e.g. servers) to be tracked and aspects such as projected end of life / warrantee, software licenses, and configuration.

APPENDIX A: DETAILED ASSESSMENT OF IT GENERAL CONTROLS

The following table summarizes the identified risks:

#	Risk Summary / Issues	Rating: H/M/L
1	Configuration standards for Servers and Network devices are informal	H
2	External perimeter has not been vulnerability scanned	H
3	Backup generator is tested periodically but not under load conditions	H
4	IT Policies and Procedures are informal	M
5	Business Continuity & Disaster Recovery Plans are informal and untested	M
6	NBH utilizes Google Apps for email	M
7	A formal strategic plan has not been developed	M
8	IT Roles & Responsibilities are informal	L
9	Service Level Agreements (SLAs) for key 3rd parties do not include Key Performance Indicators (KPI)	L
10	IT Issues are tracked via email	L
11	Review of Active Directory and Naviline User account privileges is informal	L
12	Daily incremental and weekly full system backups of the Naviline system are stored offsite at a residential location	L
13	A formal Network diagram has not been developed	L

For each risk noted above, a more detailed description is provided in the next section, along with recommendations to reduce the risk.

HIGH RISK FINDINGS:

Configuration Standards for Servers and Network Devices are Informal

Observation:

Configuration standards for Servers and Network devices are informal. Formal configuration standards provide a method for establishing consistency in the settings of network devices. These settings affect security as well as performance of the IT network infrastructure.

Associated Risk:

Without documented standards and a configuration management process, there is a risk that important network devices such as Firewalls, Routers, and Servers, may not be configured consistently (or securely).

Recommendation:

BDO recommends that NBH develops a formal process for configuration management that includes processes for change (both temporary and permanent) as well as monitoring. NBH should also develop documented configuration standards that meet (at a minimum) best practices and are approved by management.

External Perimeter Has Not Been Vulnerability Scanned

Observation:

NBH has not performed an automated vulnerability scan of the external perimeter devices. Firewalls that protect the external network perimeter are considered the first line of defense in protecting your information from unauthorized access, and must be kept up to date in order to remain effective.

Associated Risk:

Without regular vulnerability scans of the network devices protecting NBH's external perimeter, to identify any known weaknesses that exist, there is a risk that unauthorized access could occur to information or key servers.

Recommendation:

BDO recommends that NBH performs regular vulnerability scans of all external perimeter network devices. Any identified issues should be tracked to resolution or mitigating controls put in place to reduce the risk to an acceptable level. NBH may wish to consider performing a vulnerability scan of their external perimeter using internal resources on a regular basis, and periodically re-confirm using an external 3rd party.

Backup Generator is Tested Periodically but Not Under Load Conditions

Observation

NBH has implemented a backup generator to supply emergency power to critical IT systems in the event of a sudden unplanned power loss. This generator is tested periodically, however, not under load conditions.

Associated Risk:

Without testing the backup generator under load conditions there is a risk that it will not be able to provide sufficient power over an extended period of time. The potential for carbon buildup in the combustion chambers or dirty filters may cause the generator to fail or over heat when required to produce maximum power output (i.e. while under load) over an extended period of time.

Recommendation:

BDO recommends the generator testing process be enhanced to include the requirement for testing the generator under load conditions (either with a load bank or ideally powering actual NBH systems).

A formal Network diagram has not been developed

Observation

NBH does not have a formally documented network diagram.

Associated Risk:

Without a formally documented network diagram, it is difficult to identify single points of failure, potential security vulnerabilities (e.g. unprotected network devices), and manage the overall network configuration.

Recommendation:

BDO recommends a formal network diagram be developed and validated using a network discovery tool. Once this diagram has been developed, a process must also be implemented to ensure the diagram remains current. This diagram should also identify those network devices that are identified in the disaster recovery plan, to highlight potential design issues.

MEDIUM RISK FINDINGS:

IT Policies and Procedures are Informal

Observation:

North Bay Hydro does not have formally documented IT Policies and Procedures. IT Policies and Procedures outline important minimum expectations for significant processes that affect the protection and availability of information.

Associated Risk:

Without documented IT policies and procedures, there is a risk that important activities may not be performed consistently, or to the same level of detail.

Recommendation:

BDO recommends that NBH develops formal Information Technology (IT) Policies and Procedures which include topics such as:

- Change Management
- Logical Access
- Network Security
- Physical Security
- IT Operations (Backup / Restore / Problem and Incident Management)
- Acceptable Use

Business Continuity & Disaster Recovery Plans are Informal and Untested

Observation:

North Bay Hydro does not have a documented Business Continuity or Disaster Recovery Plan. A formal Business Continuity and Disaster Recovery Plan (BCP & DRP) is a roadmap to continue critical services or functions during a disaster. These plans help prioritize recovery efforts to meet the needs of the business, contain important contact information (external & internal), document recovery procedures, and identify key individuals with important roles in the recovery activities.

Associated Risk:

Without a formal BCP or DRP there is a risk that during a disaster, critical services may not be available when required to meet the needs of the business.

Recommendation:

BDO recommends that management develop a formal Business Continuity & Disaster Recovery Plan. This plan must be designed to meet the needs of the business and tested to validate any assumptions.

NBH Utilizes Google Apps for Email

Observation:

North Bay Hydro currently utilizes Google Apps for email. In order to help ensure system availability, Google has established a distributed network of data centers located in the Americas, Asia, and Europe. High availability is achieved by mirroring information at more than one location, so at a given point in time, NBH data could reside on multiple continents (eliminating single points of failure).

Associated Risk:

Since information is stored in various countries/continents, access to NBH information is subject to local laws, such as the US Patriot Act. There is a risk that NBH information processed by Google Apps may be accessed by individuals outside of NBH.

Recommendation:

BDO recommends that NBH develops a policy guideline outlining the information that should be prohibited from being processed by Google Apps.

A Formal Strategic Plan has not been Developed

Observation:

North Bay Hydro has not developed a formal strategic plan. A strategic plan contains such elements as:

- Mission statement, stating the fundamental purpose of NBH
- Values, which will help shape the priorities of NBH
- A vision, which outlines future plans
- The strategy, which is a collection of goals supporting NBH's vision

Associated Risk:

Without a formal strategic plan, it may be difficult to ensure the goal of each area in which NBH is aligned to successfully meet the expectations of both internal and external stakeholders (such as the OEB).

Recommendation:

BDO recommends that NBH develops a high-level strategic plan that identifies, at a minimum, the corporate vision and appropriate strategy for each area of the business. This plan should be developed and approved by Senior Management and communicated to all areas of the business.

Low Risk Findings:

IT Roles & Responsibilities are Informal

Observation:

North Bay Hydro does not have formally documented Roles and Responsibilities. Documented Roles & responsibilities are important as they outline key activities that individuals have a responsibility to perform.

Associated Risk:

Without documented IT Roles and Responsibilities, there is a risk that important activities may not be performed on a consistent basis or to the level of detail that is required. These activities may be considered a key control that helps ensure the accuracy and integrity of a system(s) is maintained or to ensure regulatory compliance continues to be achieved.

Recommendation:

BDO recommends that NBH develops formal roles and responsibilities for key individuals, and communicate them to those involved in performing the activities.

Service Level Agreements (SLAs) for Key 3rd Parties do not include Key Performance Indicators (KPI)

Observation:

The Service Level Agreements (SLAs) North Bay Hydro maintains with third party service providers do not include key performance indicators or service level targets (e.g. availability). Key performance indicators, service level objectives, and targets are important as they define expected levels of service and must be agreed upon by both parties.

Associated Risk:

Without including expected performance metrics in third party SLAs, it is difficult to determine if the services being provided are meeting the business and technical needs of NBH.

Recommendation:

BDO recommends that NBH identifies key third party service providers and examine the relevant SLAs to determine if they contain appropriate targets or performance metrics. Where required, NBH should update the agreement at the earliest point in time.

IT Issues are Tracked via Email

Observation:

North Bay Hydro currently tracks IT issues using the email system. The process of tracking issues involves identifying the issue, documenting & prioritizing, assigning responsibility, escalating, tracking, resolving, and closing the individual problem. These activities help ensure that once an issue is identified, it is assigned the appropriate amount of resources and oversight until it is resolved in a timely manner.

Associated Risk:

Without a process to capture, track and report issues, there is a risk that important problems may not be resolved in a timely manner relative to the magnitude of the problem. In addition, governance over IT systems will be difficult in the absence of aggregated reporting of problems and incidents to management.

Recommendation:

BDO recommends that NBH develops a process to capture, track, and escalate issues on a regular basis, to management.

Review of Active Directory and Naviline User Account Privileges is Informal

Observation:

North Bay Hydro currently performs periodic, informal reviews of Active Directory (Microsoft Operating System) and Naviline user accounts.

Associated Risk:

Without performing regular formal reviews of user account privileges, there is a risk that the identification of individuals with inappropriate access to information may not occur in a timely manner. In addition, without formal evidence of such a review, it is difficult to validate the adequacy of the reviews.

Recommendation:

BDO recommends that NBH includes the requirement for performing the logical access reviews with the Roles and Responsibilities of specific positions within the organization (see observation # 8).

Daily Incremental and Weekly Full System Backups of the Naviline System are stored offsite at a Residential Location

Observation:

North Bay Hydro currently performs daily incremental and weekly full system backups of the Naviline ERP system. These backups are stored at an offsite residential location. It is important to store system backups offsite (i.e. in a separate location from the system being backed up) to limit the risk that both the system and data are damaged during a disaster.

Associated Risk:

By storing the Naviline system backups at a residential location, there is a risk that should the backups be needed, only a limited number of individuals (likely one) will have access. In addition, there is a risk that the residential location will likely only provide limited security measures to protect the backups.

Recommendation:

BDO recommends that NBH considers using a third party service provider to store the NBH backup media. Further, NBH may wish to consider encrypting all backup information that is stored offsite as an additional security measure to prevent unauthorized access to information.

Analysis of External Applications managed by Mindoka

Interview:

Bill Print application - North Bay Hydro uses an application called Bill Print which was developed by Mindoka. This application helps to generate ebills on the North Bay Hydro website for customers to download and print their bills.

Locates and One Call application – Application is used to identify and locate customers and new applicants to North Bay Hydro, it is used by the service technicians to retrieve customer information. The application interfaces with HTE and the billing system.

Disconnects/Reconnects application - This application helps to track down customers that need to disconnected or reconnected due to nonpayment of the utility bills. The application interfaces with HTE and the billing systems

Associated Risk:

These applications contain sensitive customer data and there is a high reliance on the service provider Mindoka including system availability and continuity and back up.

Recommendation:

BDO recommends actively managing the service provider and ensuring that an appropriate contract is in place to ensure that the organization is protected against vendor failure. Specifically, need to address availability and back-up risks.

APPENDIX 4-C NBHDL INFORMATION TECHNOLOGY STRATEGY

Information Technology Strategy: Forward to 2020

Information technology (IT) has transitioned from a purely supportive role into a key and essential component in the delivery of all services at North Bay Hydro Distribution Limited (NBHDL). IT has enabled the efficient managing of the organization's customer base, the automated of repetitive task work, and the enabling of the staff to focus on more customer centric value added activities. From the electrical distribution side IT has been integral in the modernization of the North Bay grid, and the improvement in efficiencies for our work teams. IT provides advanced SCADA, work management access to critical data, diagnostics tools, and planning support. IT also helps in inventory control, cost management, and efficiencies in stock management. All of this contributes to all staff being focused on the customer and efficient cost effective distribution of power

The driving force behind the IT Strategy is to ensure that the Information Technology (IT) team remains focused on activities that are aligned with the corporate goals and business unit initiatives. IT is not a self-serving department since it is a service provider to the organization. For the business to be successful IT must support the business goals, be versatile in enabling agility, and be vigilant in protecting the assets so that business units can remain focused on their goals and the customer. When successful IT enables the business to meet changing demands or quickly react to opportunities that arise and have an impact – either positive or negative – on the business of power distribution at NBHDL.

As evidenced in many other industries both regulated and not, the continued growth and demand for IT services will not go away and it is imperative that IT has a plan in place to meet the need and anticipate where possible the challenges that lie ahead. This strategic plan has a 36 month horizon as beyond that, it becomes it becomes increasingly less clear on where the business is going. Information technology has a lifetime of 24 to 36 months on average today's environment. In fact most technology vendors and software developers are working on an 18 month development cycle, and rarely commit beyond 24 months. This is evidenced in several major vendors re-aligning their extended warrantees to not exceed 36 months, and in some cases are refusing renewals beyond that. This and along with other business elements, IT anticipates that there will be ongoing challenges of providing services in a cost effective and efficient manner and this strategy will assist in helping guide IT and the business in meeting those challenges.

Planning is required to manage and focus IT resources, keeping them in line with the business strategy and priorities, and delivering the highest possible quality to our customers.

North Bay Hydro Distribution Limited 2014

Information Technology Strategy: Forward to 2020

IT Mission

We deliver customer-enabled IT services by being an agile responder to changing business needs through the implementation of standardized technology and project frameworks allowing North Bay Hydro Distribution Limited to serve and protect IT customers, partners, and their data while delivering those services in a timely, efficient and cost effective manner.

Aligning / Integrating Business and IT

IT will engage in various actions in order to ensure that it is providing services aligned with business strategy and priority. These actions are intended to be bi-directional – communications is dynamic and flows both to and from IT.

IT Business Engagement

IT engages all business. The management team at NBHDL will operate as a coordinating and information exchange organization to help establish strategic direction and priorities as well as to recommend key projects and actions.

Periodic Reporting / Status

IT will:

- Be invited to Leadership Team status meetings.
- Be engaged in the budget cycle at all stages.
- Be engaged in the Rate Application cycle at all stages.
- As required, be invited to board, and board sub-committee, meetings to represent IT initiatives.
- Receive copies of project management reports from the project manager.
- At Leadership Team status meetings, report at least the following KPIs:
    - Performance of service desk
    - At-risk projects

Measurement

Bi-annually, at points in time yet to be determined, IT will present to the Leadership Team:

- A mapping of IT objectives against the business' strategic plan; KPI to be what percent of the IT objectives support the business' strategic plan.
- A mapping of IT projects against the IT Tactical Plan Inventory; KPI to be what percent are traceable to the IT Tactical Plan Inventory.
- A supported assessment of delays between IT Strategic Plan updates and IT Tactical Plan Inventory updates; KPIs to be average and outlier delays; key element to be trending over time.
- A supported assessment of delays between business strategic plan updates and IT Strategic Plan updates; key element to be trending over time.

Managing the IT Project Inventory

NBHDL IT does not have a PMO (Project Management Office), but will have PMO-like reporting to help manage projects. The business will also have a suitably-sized project management methodology, including gates to progress from one stage to the next.

IT will, as aligned with the corporate project governance:

- maintain a published project matrix, showing active / inactive, RAG status (red, amber, green light status)
- maintain a requested-project matrix
- maintain the IT Strategy Tactical Plan
- Report as required to senior management when such is available

Core IT Strategy

Energy Leadership

Reliability

Predictive maintenance of field assets would further optimize reliability management for electrical supply. Currently, NBHDL aggregates data and replaces components in a preventative maintenance manner – looking at predicted lifespan of key types of equipment, results of visual inspections and an annual maintenance plan – for example thermography and pole testing. Ideally, NBHDL would be able to review the performance of each individual component, using statistical methods to predict imminent failure in advance of preventative maintenance. At the same time, if a piece of equipment was seen to be exceeding its normal lifespan, it could be considered for extended service.

IT will enable predictive maintenance through integration of existing systems, enablement of business intelligence through data sharing / reporting / warehousing, and through other initiatives, noted elsewhere in the IT Core Strategy, to become a more effective business partner. IT will also procure and maintain any diagnostic and information gathering solutions, and ensure their reliability.

Asset Management (field)

In order to provide consistent and guaranteed power, knowledge of assets in the field is a key element in developing a comprehensive maintenance and capital build program. The average life-time of electrical assets can be up to 80 years depending on the asset however, knowing the history on such assets is key to the development of an ongoing maintenance work plan. By being able to track changes to assets and to measure the life time remaining on assets will position the company to be proactive to the electrical needs of IT customers. Such a capability is based on business analytics, accurate history of field assets and an understanding of the maintenance history on the equipment.

IT will enable and enhance, through tool provisioning and training for NBHDL's Engineering and Operation departments, a comprehensive field asset management program to be and delivered in a manner that meets the needs of the company.

Performance

Performance improvement is a core value for NBHDL and a core requirement for its customers, especially industrial ones. By taking Change Management principles to heart, NBHDL departments will be better positioned to offer performance improvements to NBHDL customers in a timely, efficient and reliable manner. Through the use of change management processes, there will be improved communication between departments and an overall better understanding on how changes can or will impact customers.

IT embraces standardized change management principals through ITIL, and will offer up change

management mechanisms to other parts of the business, for example Operations and Engineering, geared to internal processes, to assist them in bringing greater visibility into the changes that are undertaken in order to assist with the tracking of issues related to the delivery and supply of power. The foundation of this offering will be a sound Service Desk / ITIL capability organic to IT.

Asset Management (office)

Real-time knowledge of assets - from desktop devices to personally-managed devices to PPE - from both the financial and physical perspective, facilitates efficiency and effectiveness in reduction of dollars tied up in inventory, rapidly locating assets required to provide services, retrieving / retaining assets during off boarding, and of course accurately representing the value of assets in financial statements.

When the business moves to integrated (information available between departments) and more-automated asset management, IT will facilitate through tool provisioning and training, and lead by more-transparently tracking its own asset inventory.

Extracting Value

Most of the time, existing systems can provide desired services - in transactional work, reporting, communications - to the business. The gap arises in knowing the full available, or achievable, capability of any given system or collection of systems. IT will facilitate a culture of inquiry, first asking the question "can we do what we want with existing systems" when net-new service, or service changes, are raised by the business. IT will do this through managing, and assisting management of, vendor / partner relationships, and through building organic capability awareness by involvement, and facilitating involvement, in various system support communities, both physical and virtual.

People

Recognizing people as a key support for business-mission delivery, IT will assist the business in supporting its people by:

- Providing tools and techniques to enhance communications, reporting, and training. IT will work with HR to determine the best fit in each of these areas, especially in training, which IT envisions being supplied through eLearning for scalability, measurability, and accessibility at any time and place.
- Providing enhanced training, either directly or through eLearning, for IT-provided office tools. IT will integrate this training into the onboarding process, and provide a mechanism for on-demand eLearning. At first, the foundational tools will have available training - over time, the business will come to expect that all of the significant tools will have matching eLearning as a matter of course.

IT's own staff have specific support needs to continually ensure that they are well-suited to IT' mission delivery. IT will support IT people with two key initiatives.

Change is the one constant in the world of technology - skills, and even attributes, that are critically valuable one year may become obsolete a few short years later as disruptive shifts in both technology, and how it is delivered, wash constantly through the industry. IT will invest in IT people through

professional development (training and courseware) suited to specific roles and anticipated roles, setting IT people up for success as the industry, NBHDL, and their own roles change and adapt.
Further, many professionals have aspirations and concerns beyond the moment and are motivated by knowing where they might be - what their value might be - within the organization over time.

Operational Efficiency

Planning Culture

NBHDL is improving its planning culture and matching capability, by bringing in governance, structure and procedures to manage programs.

IT will closely support the automation and reporting requirements through direct involvement, and assisting with development and extraction of KPIs.

Managing Documents

Currently NBHDL has an electronic document solution that was implemented in 2010 from Mindoka. This is a fully functional electronic document management solution that could be further utilized across the organization. The solution can be used to reduce paper volumes in the following areas: Finance for the storage of monthly financial reporting, standard query reporting such as job costing and to control access to key financial reports and/or analysis documentation, for vendor invoices, HR for the storage of employee records, Engineering for the storage and versioning of design documentation once complete, for the storage of documents related to contracts for services etc.

By expanding the delivery of this service, it will allow for the automated retrieval of key corporate documents in a timely manner. Through time, it will reduce the need to store additional volumes of paperwork and hence reduce storage needs. Staff will see reductions in time searching for paper documentation once all key documents are transferred into the solution since adequately indexed documentation will be retrieved quicker. Documentation retention will also be improved as the rules for documentation retention could be automated based on tax, legal and regulatory requirements.

IT, with support from Mindoka, will collaboratively assist in the delivery of this key capability to the business.

Managing Workflow

Throughout the organization, workflow within and between departments - and workflow that reaches to and from partners - will be significantly more efficient and predictable if it is standardized and automated.

IT will facilitate, through pioneering tools and techniques, and training in same, automated management of information and document creation, management, approval, and other elements of workflow.

Business Continuity Planning (BCP) and Disaster Recovery (DR)

Having an effective Business Continuity Planning process, as well as tested Disaster Recovery plans and processes is part of good corporate governance, and essential for NBHDL to deliver its core mission. Gone are the days of simply having a good backup of your data. The businesses dependence on technology to deliver daily services is very evident, and the need by our customers for reliable service has never been greater.

IT will develop its BCP and assist departments in developing their plans, and integrating it, resulting in an overall BCP for the organization. IT will also facilitate periodic testing and validation of the BCP elements, and help to close any gaps.

An effective BCP focuses on people as well as services and technology. IT will work with HR and department heads to create the people part of the BCP to ensure that NBHDL and its staff needs are covered.

Disaster Recovery involves people, plan, process, and testing to be effective. IT will establish appropriate redundancy, alternate location services, off-site storage, hot-live fail-over, and backup to support quick and efficient DR. This will involve analysis of existing assets, co-locating with partners, sharing of common platforms with other LDCs BCP/DR for cost reduction and support simplification, and eventually inclusion into larger (district) plans.

Business Intelligence

Information in multiple silos is difficult to share, likely to be inconsistent, and results in replication of effort and resources.

IT will work with the business to:

- Consolidate systems, resulting in less overlap and replication.
- Determine information owners, and link systems to ensure consistent information across systems.
- Develop business-wide reporting and analysis capability, commonly called Business Intelligence, to unlock broad trends and help transform information into knowledge.
- Do a sweeping review of current reporting capabilities, leading to more-useful, self-managed reports to assist departments in financial and other forms of management.

Communication

Internally, strong communications promotes unified corporate culture, a sense of corporate citizenship, mission alignment, and, put simply, reduction in confusion. Externally, strong communications promotes responsible crisis communication, professional and effective relations with customers, stakeholders, and partners. IT enables both process and underlying tools in these areas:

- Reporting, internally and externally.

- Meeting facilitation, creating more-effective meeting spaces, both virtual and physical.
- eServices for customers, reducing delinquency and foot traffic into NBHDL's lobby.
- Outage management for customers, helping customers plan their response to outages while freeing staff to more-quickly restore service.
- Internal messaging (deploying content by push and pull through multiple means) for all departments, especially Human Resources and Customer Service.
- External messaging (also deploying content by push and pull through multiple means), largely for Customer Service.

Shared Services

Many services benefit from economies of scale - sharing the costs of a given service among other LDCs reduces the cost of service delivery and positions NBHDL in a leadership role, while accommodating government requests to identify opportunities for cost savings.

IT will periodically examine its service portfolio, and, where appropriate, reach out to other LDCs with the objective of offering, or taking advantage of, a shared service. Each time IT creates a net-new service, a key question will be "is this service suited to sharing?"

This approach, where other LDCs are its customers, will drive professionalism, predictability, partnering capability and transparency - because other LDCs are readily able to choose alternate service providers. IT will be incented to be the best partner, which produces behaviours directly beneficial to NBHDL.

Enterprise Solutions

Enterprise systems impact many or most elements of the NBHDL community, whether staff, partner or customer. Vital to the operations of NBHDL, Enterprise solutions support business processes, provide tools for analysis and decision-making, enable collaboration with colleagues, promote data security, and address compliance and regulatory requirements. In collaboration with colleagues across NBHDL, IT will continue enhancing the effectiveness of these systems through improving their functionality (directly or through vendor change quests), usability, availability, and integrity. By increasing the integration of enterprise systems, this will allow easy self-service access to information anytime and anywhere across a variety of devices and platforms.

Key Enterprise Solutions are listed in the Appendix.

Portable Workplace

Working in an integrated manner wherever staff need to be in the course of their duties improves efficiency by reducing movement, improves decision-making by bringing needed information to hand, and facilitates DR and enables BCP by making work less-tied to a specific location.

IT will develop capabilities to provide service as staff move about, wherever this is both feasible and cost-effective. The guiding principle is to provide a usable workspace, without IT intervention, at whatever location is in use (either in office or field work).

This may take the form of laptops, tablets, Roaming Profiles, Virtualization, web delivery, and other technology enablers.

IT Engagement

When IT is involved in change – net-new or adjustment of an existing service / process – the entire organization benefits from IT's expertise in IT-related contract management, change management, and finally service delivery.

IT will be actively involved in net-new and change from inception of an idea to decommissioning of a given service or process. As the organization develops increasingly-mature project management practices, IT will ensure that it is present in each stage of the organization's formal governance system.

IT Service Orientation

IT recognizes that it is a service organization, existing for the purpose of facilitating the business while ensuring compliance with corporate standards designed to manage risk, enable financial stewardship, and generally enable mission delivery.

To this end, IT will develop additional transparency in operations and accept additional guidance from the business in prioritization.

Transparency will increase through public posting of all policy and procedure, communications driven through improved change management, and visibility of service request progress.

Additional guidance will come through periodic management team meetings.

Managing IT Expenditures

Managing one's own departmental budget suggests managing one's own departmental IT-related purchases – provided that departments comply with governance and oversight mechanisms by acquiring standardized IT assets.

IT will develop transparent, published IT asset standards to enable self-purchasing, in conjunction with self-management budgets.

Partnering

Recognizing that IT cannot do everything – and need not, as long as services are delivered as NBHDL requires – IT will seek partners while shifting from a "how can we do it" approach to a "who can do it" approach to meeting the NBHDL's IT-enabled goals.

Simply outsourcing is not a panacea, so IT will produce a thoughtful partner management strategy, policy, and operating procedures to maximize the success in the two-way interaction that is partnering. Continuous, structured interaction, extending the NBHDL enterprise partly into a partner's enterprise and vice-versa, converts vendors to partners and, in binding partner success to NBHDL success, enhances the flow of new ideas and capabilities into IT to better support NBHDL's mission.

IT Operational Efficiency and Risk Management

Cloud Services

The inexorable maturation of "cloud" service offerings creates an opportunity for IT to control future costs and investments, allow for growth and flexibility in IT infrastructure, and facilitate DR and enable BCP. IT, and NBHDL, will also reap the rewards of shared investment as noted below.

Further, many infrastructure-management and deployment skills are rarely used and simply not cost-effective (or even possible) to acquire or maintain within IT – examples include deep knowledge around information security management, complex network configuration and troubleshooting, and net-new knowledge when disruptive technology shifts impact NBHDL.

Using external cloud services leverages the knowledge and skills investments that cloud providers amortize over their many clients, resulting in IT requiring less net-new headcount for any given expansion and less overall cost for same. Cloud providers depend absolutely on perceptions of security, so we expect to benefit from their necessarily-aggressive information security management practices.

When IT is considering a new initiative, a key question will be "why not use a cloud service" – this will drive a shift within IT from direct service provision to managing partner relationships, which may in turn drive a refresh in IT organization and staff skills and training.

Service Delivery

ITIL

The act of service delivery, industry-wide, has matured into well-understood and widely-practiced frameworks, promising and providing predictable management of known services.

IT will bring in appropriate elements of ITIL, the most widely adopted approach for IT Service Management, which provides a practical, no-nonsense framework for identifying, planning, delivering and supporting IT services to the business.
When IT has established a stable Service Desk (SD) and Configuration Management Database (CMDB), it will offer the capability – in terms of both technology and practice – to other service-oriented parts of the business.

Self Help

The fastest resolution to a service interruption is the one done by the immediate consumer of the service. IT will identify areas of opportunity for self-help, and develop, deploy and measure training and information programs to enable self-resolution of common service issues. Identification will rely on sound metrics organized by a stable Service Desk.

Core Focus

As part of focusing on core capability, IT will continually review IT suite of responsibilities and determine

if, in coordination with the business, non-core services would be better managed by another part of the organization or through a third party.

Currency

Current technology – recent version of software, hardware, and partner-provided services – is the foundation on which to build flexible, reliable, desired services. When technology falls too far behind, net-new capability may be difficult or impossible to use; reliability and maintainability suffers as vendor and other knowledge pools move on – in some cases support for services is simply discontinued; and visibly-outdated technology creates barriers to work efficiency as staff, incoming and current, experience a significant disconnect between their daily interaction with technology and their NBHDL-provided technology.

IT will, as core policy and practice, maintain current versions of the services and underpinning technology that supports the business, making exceptions where warranted by specific circumstances. At the same time, being on the "bleeding edge" – moving too-quickly to immature services and underpinning technology – will be reserved for situations where the risks are matched by identified benefits.

Part of remaining current is awareness of disruptive technology shifts – IT will continually, through engagement with media, conferences, analyst sources, and peer support networks, scan industry trends to see the next wave as it advances.

Information Security

Organizations enact Information Security programs to achieve two key results: genuine change in staff and partner behaviour resulting in reduced risk and actualization of risk, and deflection of liability from the organization and its officers to where it belongs: with persons who wilfully or negligently violate well-communicated norms of behaviour.

A fully-active Information Security program will protect the confidentiality, integrity, and availability of NBHDL's valuable information assets, while informing management of the ongoing information risk profile to make for better-informed policy and resource-allocation decisions.

IT will, in several phases, deploy and act on an Information Security program.

Standards

Standards are the foundation of predictability and measurement – leading to improved performance and transparency in service delivery.

IT will cooperatively create and publish a Service Catalogue (as part of implementing ITIL) of standard services it offers to NBHDL, starting with those deemed most in need and extending eventually to all of the offered services. Over time, the business will come to expect consistent, measured service

information as a norm of interacting with IT. As part of this, IT will eventually offer only 'best-effort' support for non-published services.

Self-Management

The quickest way for business units to respond to change is to self-manage – this puts workflow accountability and priority with the unit / person most affected and most accountable.

IT will enable self-management of common operational needs (such as access control and information sharing), and will cooperatively create the governance mechanisms to ensure that self-management remains visibly-aligned with corporate policies and norms of behaviour. IT will also ensure that adequate training for self-management is delivered to staff.

Proactive Infrastructure Management

IT is implementing round-the-clock alarms for out-of-pattern usage of the infrastructure – both internally- and externally-provided – so it be aware of service disruptions before the business is impacted, or at least be actively remediating disruptions before the business has reported an issue. This will also facilitate seeing more-accurately forward to future usage needs and more-closely match existing capacity to need (mitigating over-capacity), and will help build net-new capacity before the business is constrained by capacity.

IT will consider and then implement two operating centers – Network and Security – either internally or through service partners, to more-clearly and quickly become aware of at-risk infrastructure conditions. Where applications are not currently compatible with NOCs and SOCs, IT will facilitate instrumentation to integrate those applications into the monitoring framework.

IT will use the data gathered by these operating centres to enable periodic capacity planning, either for daily operations growth / change or net-new capability as the organization potentially enters new lines of business or operations.

Appendices

IT Organization

NBHDL has an Information Technology Services department on site with a current staff complement of two including the IT and Billing Manager. IT support is also augmented with support from the City of North Bay IT, and various contractors as needed.

NBHDL will be re-aligning the Billing and Customer Accounts staff to enhance customer service, provide greater redundancy (as flagged in the IT Risk Assessment Audit and the Meter to Cash Audit). One FTE with be shifted from Billing to IT centric functions.

The changing staff deployment is required due to the increased focus on IT and the need to ensure that the software applications, infrastructure, security and recoverability of the NBHDL information technology environment can be accomplished with acceptable disruption to business operations. Additionally, successful delivery of the IT Strategy as tied to the Corporate Strategy will require additional functionality in order to deliver planned work as well as normal maintenance activities – software upgrades, asset turnover and ongoing support activities to ensure that the IT environment operations in an efficient and effective manner. It will also result in a more responsive and resilient front office and billing function.

The strategic positioning of the IT department through the noted staffing changes will enable the department to transform into a more business-responsive team, positioned to deliver on the corporate needs as documented in this IT Strategic plan. The key goals of delivering more automation, enabling improved and net-new business workflows, consolidating enterprise systems through integration efforts and the standardization of IT services will enable the transformation of IT at NBHDL from a tolerated cost centre to a business enabler. These goals will be significantly impacted without the staffing re-alignment that can provide sufficient resources to meet the continuing challenges and need for automation that are detailed in this plan.

Industry best practices, suggest that the compliment of IT staff in the Utility sector is 6.6% of the total organizational headcount. This suggests a NBHDL IT staff compliment of approximately 3 FTE positioning NBHDL to be within industry norms and also strongly enabling delivery of improvements to operational and capital work efforts at NBHDL as outlined in the Corporate and IT Strategic plans.

The core value provided by this shift is to significantly reduce expenses from Third Party solution providers, who would otherwise provide and invoice for their services. So, this shift will assist in reducing third party costs with respect to the development of business requirements, IT functional requirements, test planning, test case development and testing support. The IT environment evolves continuously as software updates and upgrades are delivered by vendor partners – this suggests that that additional IT support will provide continuous value through testing and validating these ongoing changes, as well as continuous response to the business' directional changes and net-new deployment.

Enterprise Solutions

Core System	Business Owner	Vendor	Support	Future Direction	Notes
ERP - HR	HR	SunGard	Contract support SunGard PS	NBHDL will continue to use SunGard for the foreseeable future. It currently is the only fully integrated solution, and other vendors are only beginning to approach this level of integration. We have built custom web apps for locates, dis/re-connects, and are integrating customer web forms. We also have a fully integrated web portal that is very fast, robust, and extensible (we quickly were able to adopt the green button).	The product was flagged as a potential risk in our BDO IT audit due to the low penetration in the Ontario market (5 LDCs), but SunGard is currently working on several possible conversions. The 5 LDCs have a strong mutual assistance history, with many collaboration efforts, and are that driving anchor for the Canadian SunGard users group.
ERP - Finance	Finance	SunGard/Cognos	Contract support SunGard PS & IBM		
ERP - Time Reporting	Finance	SunGard/Executime	Contract support SunGard PS & Executime		
ERP - Inventory/Purchasing	Finance/Operations	SunGard	Contract support SunGard PS		
ERP - CIS	Billing / Customer Service	SunGard	Contract support SunGard PS		
ERP - Work orders	Operations/Customer Service	SunGard	Contract support SunGard PS		

Integrated ERP Solution on IBM AS-400

AutoCAD	Engineering	Autodesk	Autodesk & Web	AutoCAD is still the main drafting/design tool world wide, and is the defacto standard. We have added Spidacalc to assist in pole design	Nothing significant was identified in risk audit, but licensing costs continue to be high.
Locates	Operations	Mindoka	Mindoka	We will continue to adapt this custom app to provincial needs, and expectations of the customer	This app is designed to work with SunGard, and we own the open source based source code.
Disconnects/Reconnects	Customer Service	Mindoka	Mindoka	We will continue to adapt this custom app accommodate change, and expectations of the customer and business.	This app is designed to work with SunGard, and we own the open source based source code.
Customer Web Site	IT	Mindoka/WordPress	Mindoka & Clark Communications	We have recently migrated to an industry supported content management system which opens up vast	The open source nature, and large development community will ensure that this platform is versatile, and adaptable.

				possibilities for remaining current, and deploying new functionality to the customer.	
Customer Web Portal	IT	Mindoka	Mindoka	We will continue to adapt this custom app accommodate change, and expectations of the customer and business.	This app is designed to work with SunGard, and we own the open source based source code.
E-billing	Billing/IT	Mindoka	Mindoka	We will continue to adapt this custom app accommodate change, and expectations of the customer and business.	This app is designed to work with SunGard, and we own the open source based source code.
Bill Generation/Print	Billing/IT	Mindoka	Mindoka	We will continue to adapt this custom app accommodate change, and expectations of the customer and business.	This app is designed to work with SunGard, and we own the open source based source code.

SCADA	Engineering	Survalent	Survalent & Costello Assoc.	Survalent is the SCADA solution of choice as this industry changes and develops. It is capable of growth, and has the ability to integrate future enhancements easily.	A Canadian product, Survalent is now installed world wide, and is on the leading edge for utilities SCADA, and security.
GIS	Engineering	ESRI	ESRI	ESRI continues to be one on the major solutions, and it will interface well with ACAD, and Survalent	
AS2	Billing	Cleo	Cleo & Savage Data	This is the main transfer agent for billing requests to the MDM/R.	This will continue to be used as long as we are using an MDM/R or variant.
Document Management	IT	Mindoka	Mindoka	Mindoka has created a fully extensible DMS, with integration of scan, PDF, and various document formats. It is DMS choice for Ricoh Inc. customers	Mindoka has also created extensions to allow the DMS to communicate with our SunGard ERP.

Configuration Management DB (CMDB)	IT	Spiceworks	Spiceworks & Spiceworks Community	Spiceworks is the standards based solution for 3000+ companies world wide. It is directly supported by over 2000 vendors such as IBM, Cisco, Dell, Microsoft, Oracle etc. It continues to develop and has the ability to be customized via customer plugins.	This solution is versatile and low cost in comparison to vendor specific products like Tivoli which do not provide CMDB or Help Desk/Service Desk functionality.
Help Desk Ticketing	IT	Spiceworks	Spiceworks & Spiceworks Community		
AMI	Billing/Metering	Sensus	Sensus & Util-Assist	NBHDL has one of the highest performing Sensus deployments in the province, and will continue to leverage this AMI to the benefit of our customers and business.	As technology progresses continued investment in the AMI solution will be needed to keep pace.
ODS	Billing	Savage Data	Savage Data & Util-assist	Savage has over 1/2 of the LDC market as customers, and is local to North	ODS continues to evolve along side the MDM/R, and provide services complimentary to utility billing, and business functions.

				Bay, so support is exemplary.	
Commercial Billing - MV90	Metering/Billing	Itron	Itron	MV90 is still the industry choice for commercial customer reads. We anticipate a gradual phase out as we move these customers to our AMI solution	
Network Security & Filtering	IT	Cisco & Trend Micro	Cisco & Bell Aliant	Cisco and it's partnership with TrendMicro for security results in a standards based and dynamic security solution well supported, and scalable.	Cisco is known world wide and the provider of choice. Bell Aliant provides Cisco certified support with the most current technology experience.
Phone System - Lines, Call Accounting, Call Record	IT	Mitel, Prairie Fyre, & Oxilio	Bell Aliant, Prairie Fyre, & Oxilio	This is a solid well supported system with capability to grow, and interface with diverse communications platforms.	Mitel systems are one the most deployed systems in Ontario, and is well supported by Bell Aliant
File/Print	IT	Dell/Microsoft	Dell & Microsoft	Two industry leaders with well-known and supported platforms.	

Email	IT	Microsoft	Microsoft	An industry standard, Exchange continues to grow and adapt o industry needs. It is also well supported in cloud deployment and BC/DR deployments.	

APPENDIX 4-D NBHDL FOCUSED MANAGEMENT RESOURCES

Introducing

Focused Management Resources

Todd Wilcox - President
North Bay Hydro Distribution Limited
June 11, 2014

Consultants
Who Think Like Owners

Our vision

To be the implementation partner of choice when significant and sustainable results are a strategic necessity.

Who we are

Our people

20 plus consultants

All senior and experienced

- 20+ years of consulting experience
- Representing a broad range of specific competence and experience

All partner level

Our process

Gain an understanding of the need

Work with leaders to establish clear goals

Analyze the attainability of those goals (including barrier identification)

Assist in the implementation of the improvements necessary to achieve those goals

Provide the tools and environment for continuing improvement

Our principles and values

Support achievement of high level business needs (leader with a need)

Consultant can never own the problem (sustainability)

People come to work to succeed, and most people will change for the better

FMR consulting support must have specific goals and objectives, timelines, milestones and measurable benefits

Our tools

Process Mapping	Six Sigma
Value Streaming	Kaizen
Error Proofing	Process Engineering
Process Excellence	Activity Based Management
Top Line Growth	DOE (Design Of Experiments)
Leadership By Design	Visionary & Supportive Leadership
Plant Layout & Design	One to One Coaching

Who we are, what we bring and what we believe

We Are

A flexible firm that specializes in delivering tangible and sustainable results through accelerated implementation

We Bring

Experience
Structured methods and approaches
A bias for hands-on action

We Believe

Implementation itself is a methodology
Process without results is a waste of resource
Results without process are not sustainable
Results require more than “tools”
Successful implementation is client sustainable

Services and specialties

Services

COMPREHENSIVE

- Business Process / IT Integration
- Integrated Product and Process Development
- Activity Based Management
- Six Sigma
- Lean Manufacturing
- Resource Optimization
- Supply Chain/Logistics Optimization
- Office Kaizen / Lean Enterprise
- Workshops and Seminars

Specialties

INTEGRATED

- Optimize business processes in plants and offices
- Improve the ways and means of productivity
- Teach and enable our clients to achieve maximum resource leverage

Who we are - Our Multi-disciplinary approach

- Operational Excellence
- Management Development
- Organizational Design & Development
- Logistics Maximization
- Supply Chain Optimization
- Strategic Supplier Relations
- Lean Enterprise
- Asset Utilization & Rationalization
- Zero Defects
- Knowledge & Learning Management

- Customer Value Proposition
- Performance Measures
- Channel Effectiveness
- Competitive Intelligence
- Segmentation
- Marketing Effectiveness
- Product Development & Introduction
- Customer & Product Rationalization
- Strategy Alignment
- Sales Force Optimization
- E-Commerce

Multi disciplinary team approach





* Productivity Specialists
* Industrial Engineers
* Cost Accountants
* Behavioural Scientists
* Systems Analysts

* Organizational Analysts
* Information Technologists
* Management Skills Trainers
* Executive Team Builders
* Benefits Specialists

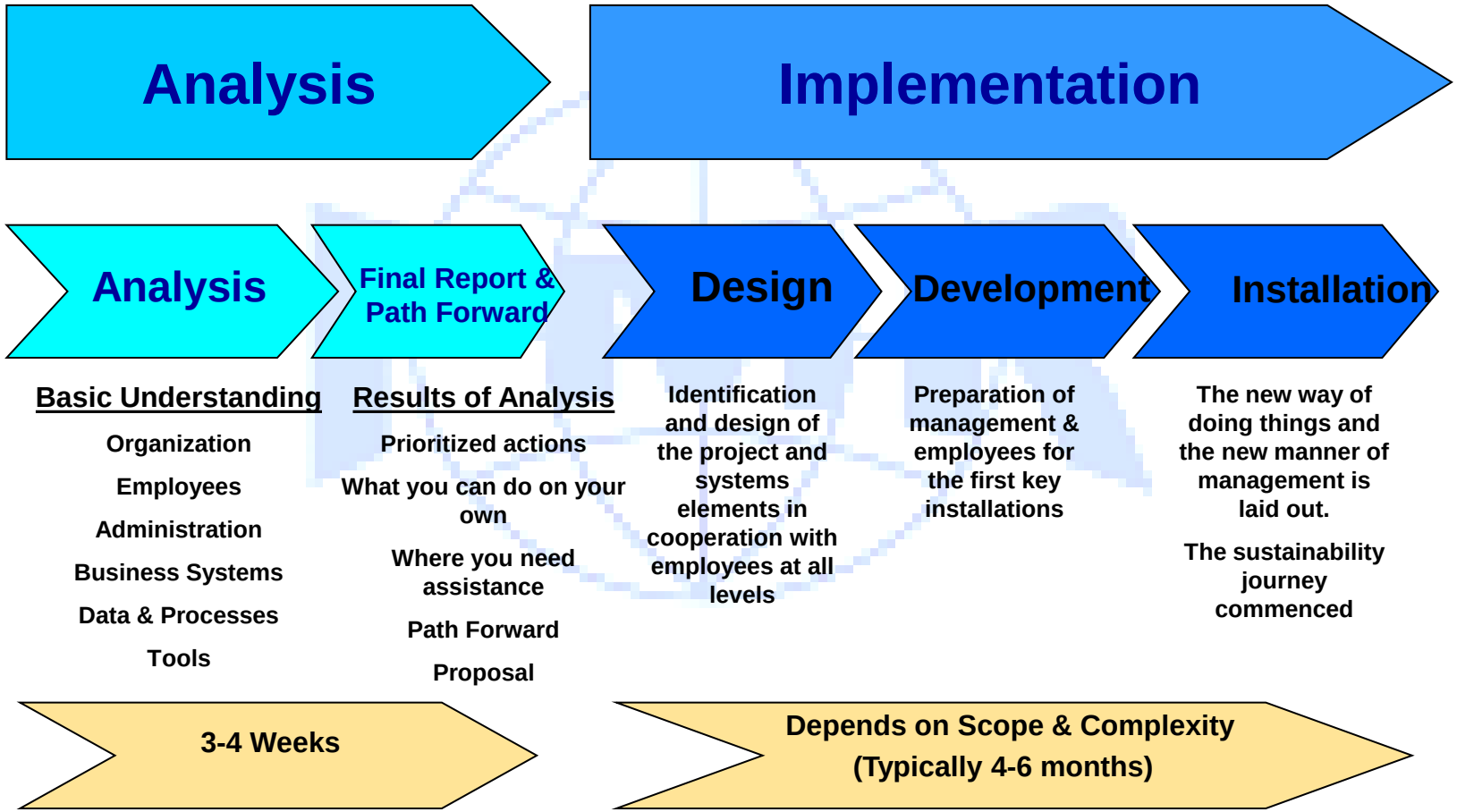
Who is FMR - Selected List of Our Clients - Past & Present

NORTH BAY HYDRO
Community Power

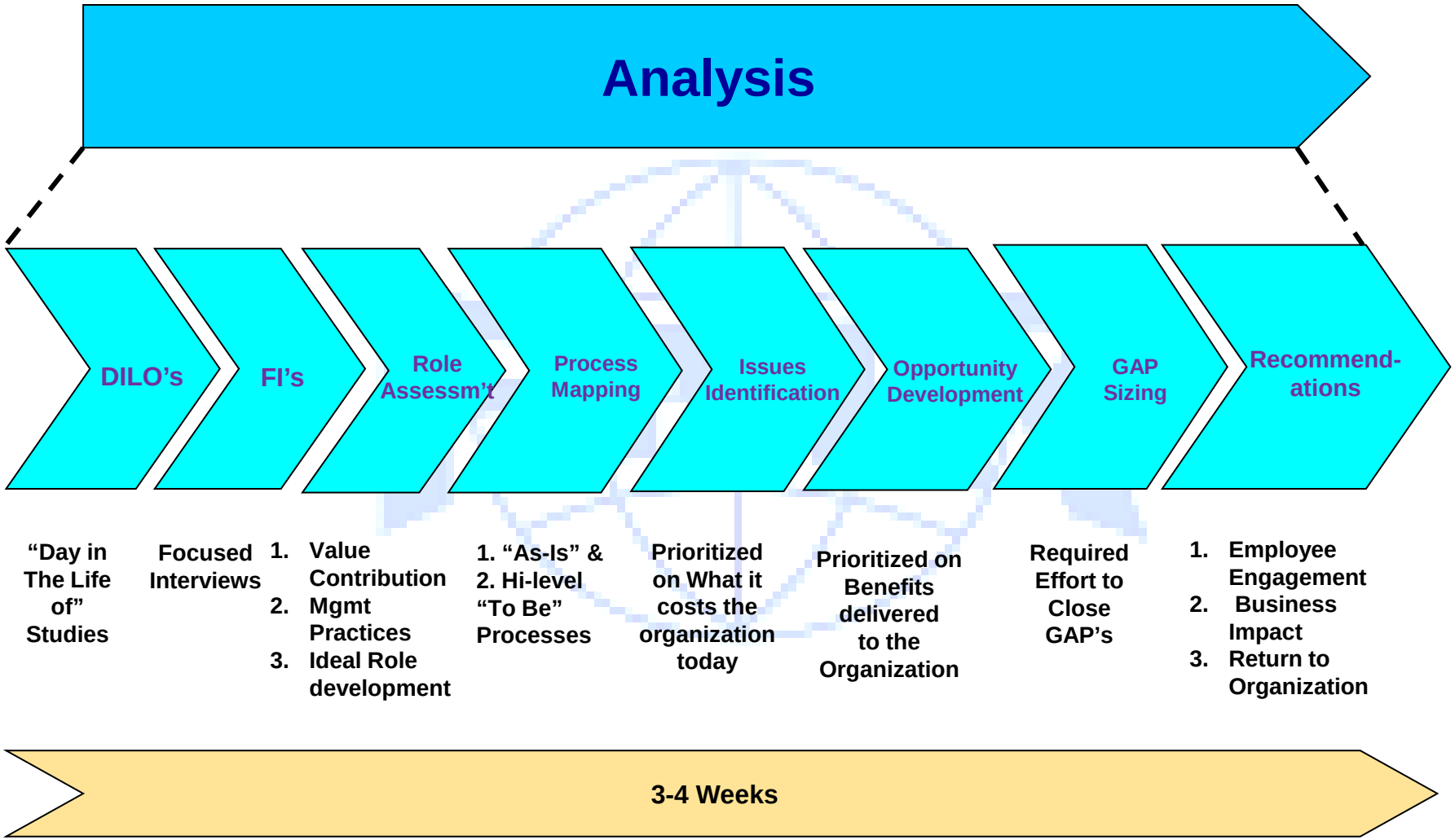
UNITED
LADDLAW
NewYork-Presbyterian
The University Hospitals of Columbia and Cornell
Ryder
Heinz
CANADA
Manulife Financial
PHILIPS
BRINKS
ENWIN
UTILITIES
OLD MUTUAL
SPX VALVES & CONTROLS
INCO
DUPONT
The miracles of science
Kimberly-Clark
AIR PRODUCTS
NOKIA
CONNECTING PEOPLE
Weyerhaeuser
BlueCross
BlueShield
Association
HOSPITAL FOR SPECIAL SURGERY
Sheraton
See for yourself
THE PEPSI BOTTLING GROUP
BORG WARNER
BORG-WARNER AUTOMOTIVE, INC. REGISTERED TRADEMARK
LICENSED TO BWD AUTOMOTIVE
Built To Last
NEW YORK LIFE
Celanese
HARRIS
Columbian
Chemicals
Company
a phelps dodge Industries Company
STANLEY
BOSTITCH
Itron
JANOS
TECHNOLOGY
MERCK
Pizza Hut
COVER THE EARTH
MOLSON
AGC GLASS
Hercules
GP
Georgia-Pacific
goldcorp
Coors ORIGINAL
armacell
advanced insulation and engineered foams
THE MAKERS OF
Armaflex
Tubolit
Oka - Products
bp
Selma Medical Center
Palm Beach Hospital
St. John Medical, NB
NAPA
AUTO PARTS
Power Stream
Rich-SeaPak
St. Simons Island, Georgia
horizon
UTILITIES
Looking beyond
Transit
BHI
Burlington Hydro Inc.
SHARP

FMR

What we do - Overview of FMR's Approach



What we do - Analysis Approach



How we work

Critical Need - We fill critical short-term gaps for clients who need “results now”. This includes things like:

- Rapid Improvement Events (Kaizen Blitz)
- Value Stream and Process Mapping
- Analysis and Implementation Design
- Profit improvement
- Training

Business Case Driven Projects - We address contained and tolerated underperforming functions, sites or businesses to deliver ROIs greater than 3:1.

- Phase 1 - Analysis and Implementation Design that delivers (according to situational requirements) a gap analysis, business case and implementation design
- Phase 2 - Implementation conducted according to our structured model
- Phase 3 - Sustaining mechanisms (Lean or Implemented System for Managing)

Comprehensive Change Programs - We design and deliver change and improvement initiatives that leverage client organizations, achieve financial benefits and transfer capability.

Sustainability - We ensure sustainability through internal audits, transfer of technology, on-going communication and follow up after project completion

What makes FMR different?

Return on Investment

Measurable, verifiable, sustainable

Leadership

Implementation - A formal, structured methodology that gets sustained results.

Team

Our people are experienced and passionate about their work and it shows.

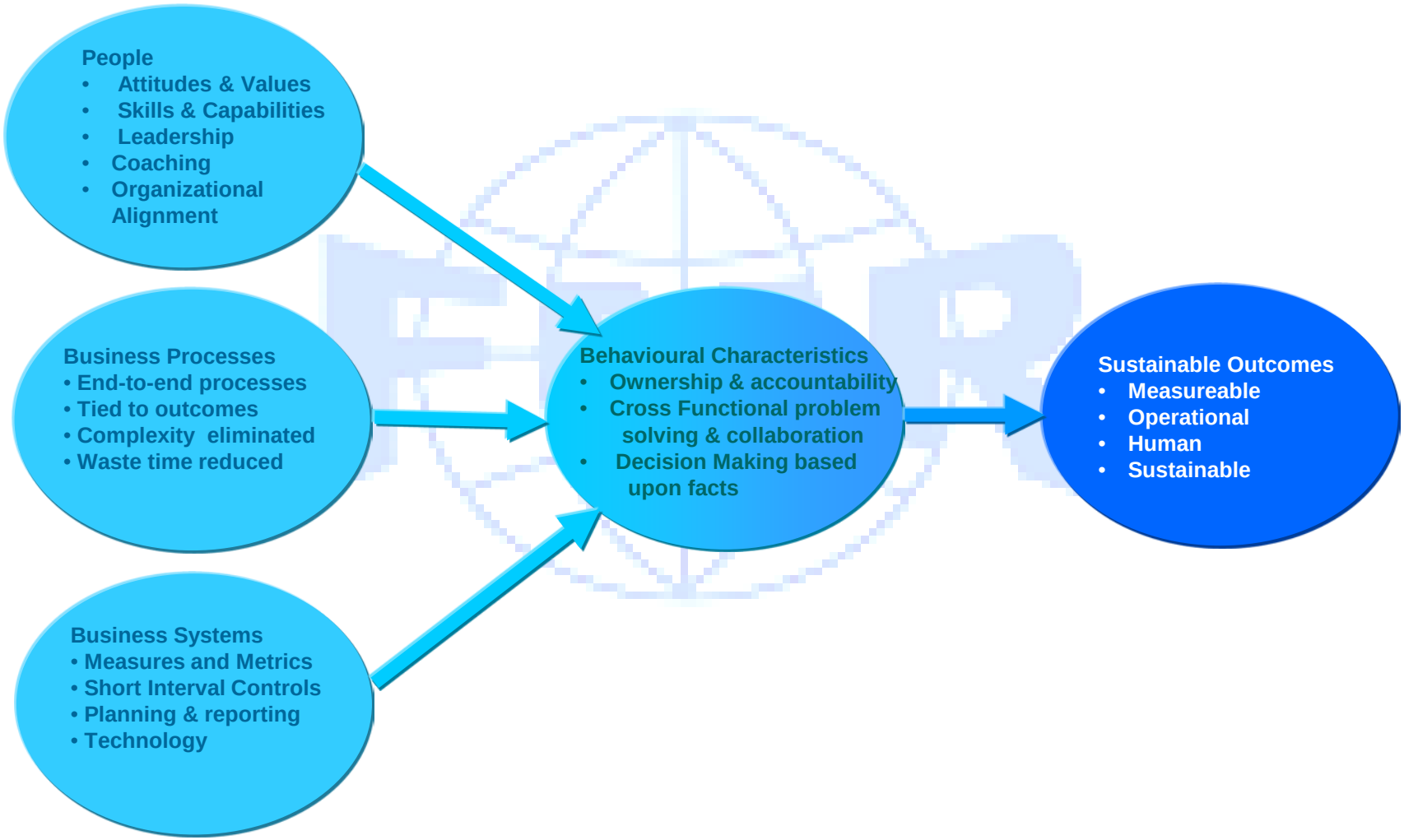
Integrity

It means doing the right thing for our client.

Change is a difficult business that requires balance

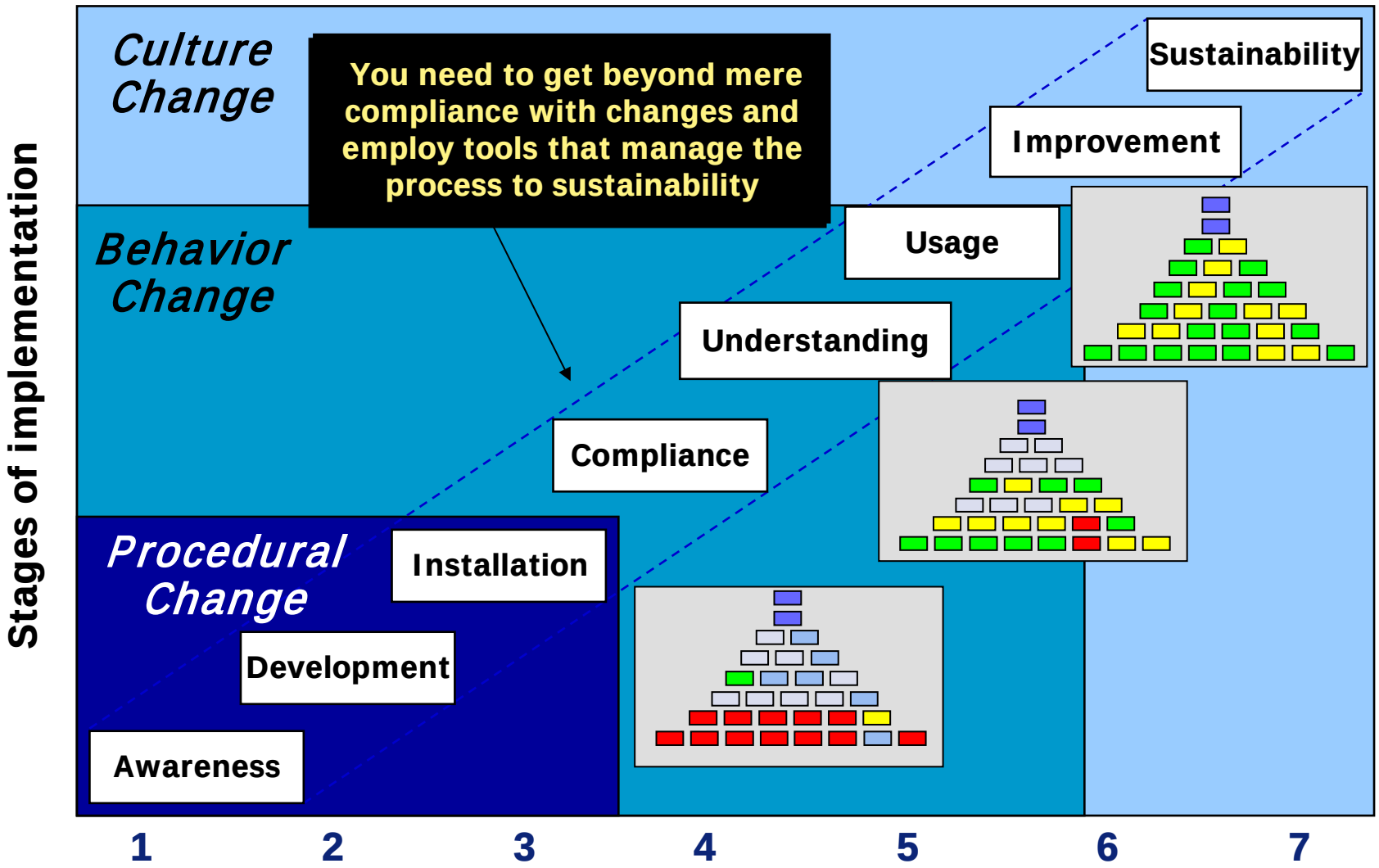
- Knowing how hard to push and where
- Knowing the difference between training and implementation
- Recognizing the difference between valid concern and simple and complex resistance
- Understanding that key elements of change are marketing, selling and ownership
- Being objective and subjective simultaneously (not easy)

In bringing about Change, a number of Factors have to be Aligned to achieve Sustainable Outcomes.



Sustainability is achieved when the new way becomes "The Way".

Sustainable behavioral change comes from "acting your way into a new way of thinking and doing"

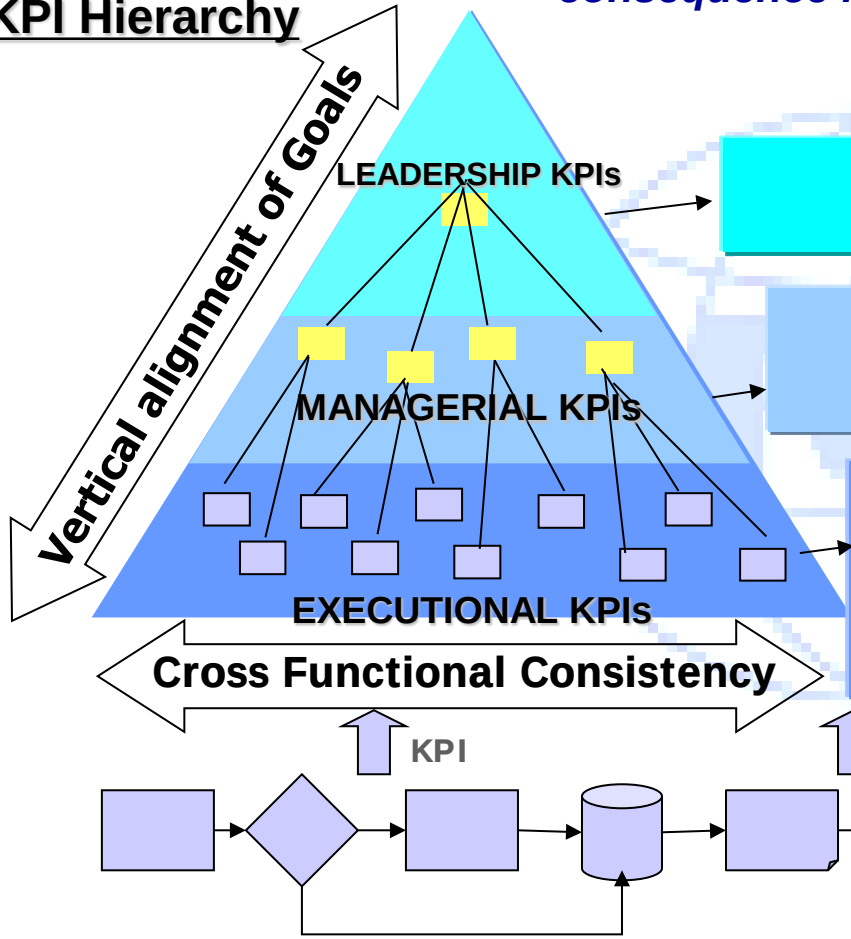


What we will do – Develop Cascaded and Aligned KPI's

To increase accountability, encourage required behaviours through appropriate consequence management

Illustrative

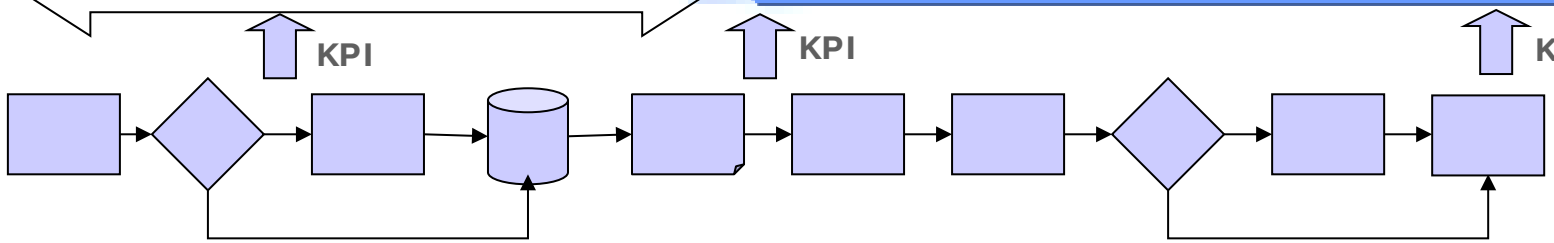
KPI Hierarchy



- •Bookings vs. Plan – MTD = 80% & YTD = 80%
- •Outlook = YTD + Weighted Forecast to YE = 100%
- •Peer-to-Peer Mtg for all 90%

- •Regional Level – Productivity (Summary)
  - •Actual vs. Plan– MTD = 80% & YTD = 80%
  - •90% = Max 45 DAYS, 50% = MAX 75 DAYS
  - •Outlook/BD = YTD Bookings + Weighted Forecast to YE = 100%

- •Value Add Time = qtrly DILO >=60%
  - •Actual vs. Plan– MTD = 80% & YTD = 80%
  - •Max 45 DAYS, 50% = Max 75 DAYS
  - •Outlook = YTD + Weighted Forecast to YE = 100%
  - •KPI's oriented– rigorous qualification
- •Implement Performance Accountability & Consequence Management



Metrics Wisdom:

If you can't measure it, you can't manage it!
If you can't manage it, you can't understand it.
If you can't understand it, you can't control it
If you can't control it, you can't improve it!

Examples of our work

- **Electrical utility company -** Designed and implemented a complete System for Managing providing the necessary metrics to provide “real-time” information to management to ensure decisions are made based on information, not assumptions as well as staffing guides, planning guidelines and technical integration to align all locations with the same information.

- **Gas transportation company** – Designed and implemented a complete System for Managing and a Preventive Maintenance System resulting in reduced labour and overtime cost through improved management control, improved operational output and lower maintenance cost and downtime.

- **Distribution company** - Aligned business processes with IT systems (SAP) in the forecasting and scheduling areas and improved warehousing and logistics functions to accommodate peak demand cycles.

- **Call centre** - Improved business processes in several areas including scheduling, billing, customer service and resource utilization.

- **Clothing retail company -** Designed and implemented Point of Sales, Payroll, Accounting and Sales Audit Systems to provide better reporting and business intelligence, decrease amount of data handled in order to plan for growth, streamline sales and expenses data flow and expedite the report distribution flow.

- **Electrical utility company** - Worked throughout the organization on business process optimization. The work included technology and capability transfer, the implementation of a sustained System for Managing and complete design and implementation of a world class maintenance system.

Who is FMR and What do We Do?

An Overview of FMR's Work in Ontario Based LDCs

LDC	Fleet Maint	Fleet Mgmt	Engeering	Cust Svce & Call Ctr	GPS Mgmt	Proj Mgmt Office SetUp	Suite Metering	Billing (Meter-to-Cash)	FL Spvr	IPASS Plng & Sched'g	Regulatory & Rate Appl'n	Procurem't & SCM	Eng/ Oper'ns Aligm't
PowerStream (Vaughan)	✓	✓	✓	✓	✓	✓	✓						
Burlington Hydro			✓	✓				✓					
Horizon (Hamilton)			✓	✓					✓	✓	✓		
EnWin (Windsor)						✓							✓
Energy+ (Cambridge & North Dumfries													✓
Niagara Peninsula Energy Inc.												✓	

What we did - Profile of our work

Client Situation: Front Line Supervisor Role Definition

- Front line supervisor role had not kept pace with internal and external changing demands
- Role highly tenured
- Lack of effective succession plan
- Change programs associated with past amalgamations inadequately addressed

What FMR Did:

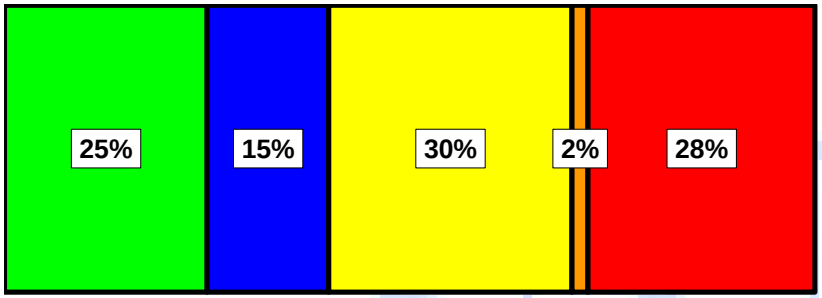
- Identified gap between current and desired state
- Identified the means (management tools, processes and activities) for gap closure
- Developed and automated selected management tools
- Realigned responsibilities between Managers, Supervisors & Lead Hands

Benefits Delivered:

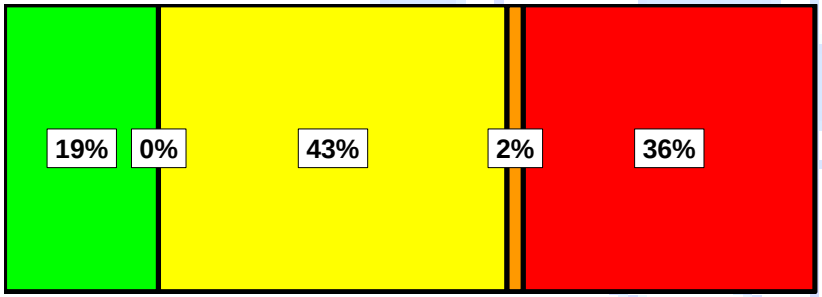
- Improved Contractor Administration
- Reducing supervisors' clerical activities by 30% (from 43% to 30%)
- Solidifying chain of command and attendant accountabilities
- Reducing supervisors' "windshield time" by 22%

Gap Analysis - Front Line Supervisors

IDEAL



*ACTUAL



*Composite of 10 Supervisors

LEGEND

CODE	DESCRIPTION
	Active Management
	Training
	Administration
	Direct Work
	Available to Manage

Supervisors carry a set of standard responsibilities as follows:

1. Requisitioning of small and recurring items
2. Receiving and handling absenteeism calls
3. First level of discipline-verbal and written
4. Addressing stock outs with Stores
5. Administering attendance management
6. Answering questions around accumulated vacation and sick days

In the situations where these duties are currently performed by Managers, the Manager should transfer these duties to the Supervisors as soon as the appropriate support systems are in place and the necessary training is completed.

What we did - Profile of our work

Client Situation: Fleet

- Lack of historical data regarding vehicle utilization
- Inability to collect and analyze GPS data
- Lack of performance metrics (KPI's)

What FMR Did:

- Developed Key Performance Metrics based on Industry Best Practices (public and private)
- Developed management reports aligned with KPI's
- KPI's in 4 categories: Fleet, Green/environmental, Operations and Risk Management

Benefits Delivered:

- Identified 35% of fleet as low utilization vehicles
- Identified 10% of units as "not turning a wheel" in last quarter.
- Identified 30% of fleet as idling more than 40 hours in last quarter
- Created decision criteria for fleet replacement

What we did - Profile of our work

Client Situation: Maintenance

- Lack of historical data regarding vehicle utilization
- Lack of performance metrics (KPI's)
- High maintenance cost
- Redundant capacity due to unplanned breakdowns

What FMR Did:

- Developed Key Performance Metrics
- Developed management reports aligned with KPI's
- Trained maintenance management staff
- Implemented maintenance system

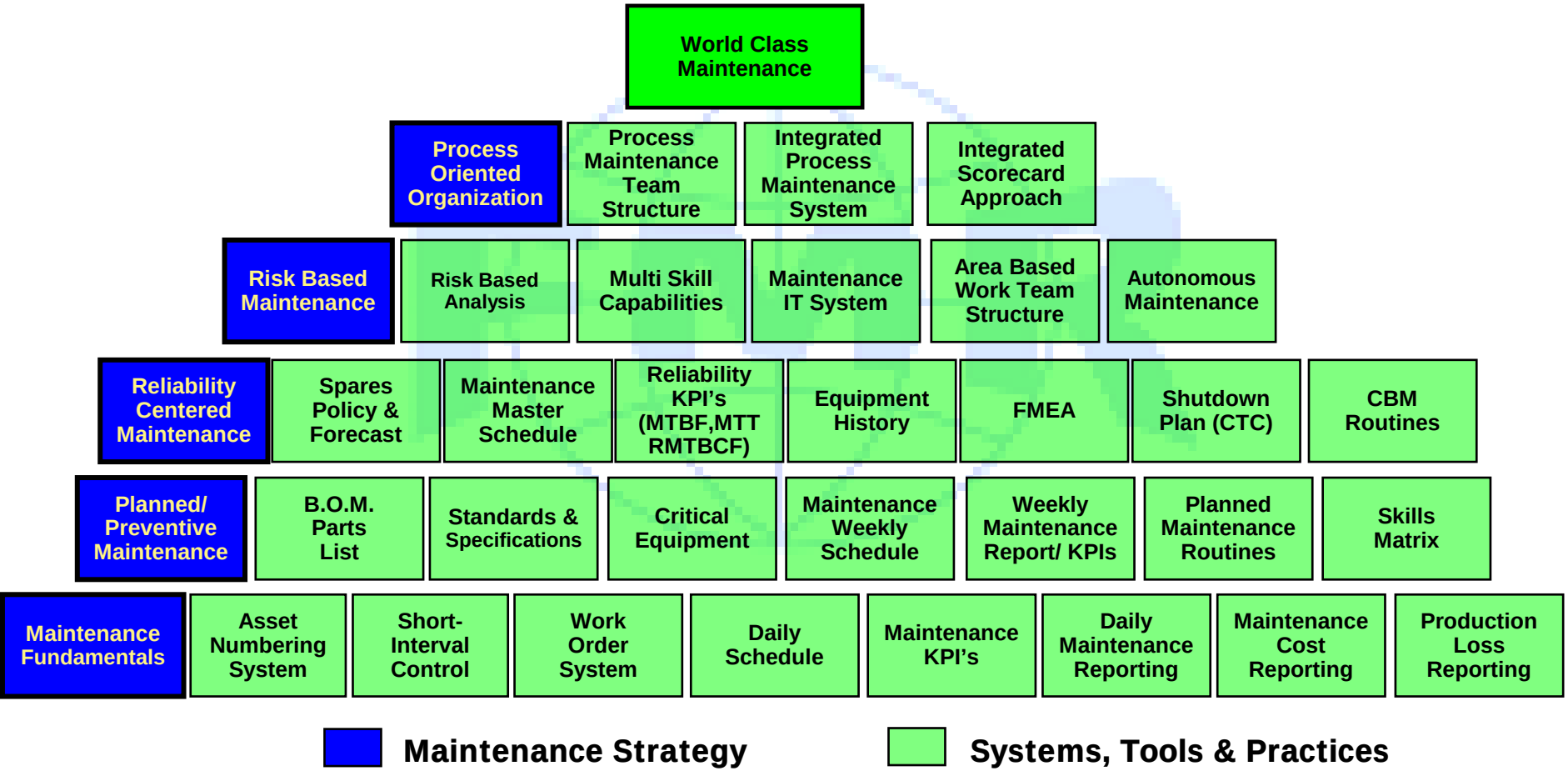
Benefits Delivered:

- Reduced maintenance cost by 20%
- Allowed 10% reduction in fleet due to increased utilization
- Increased resale price of units by 15%

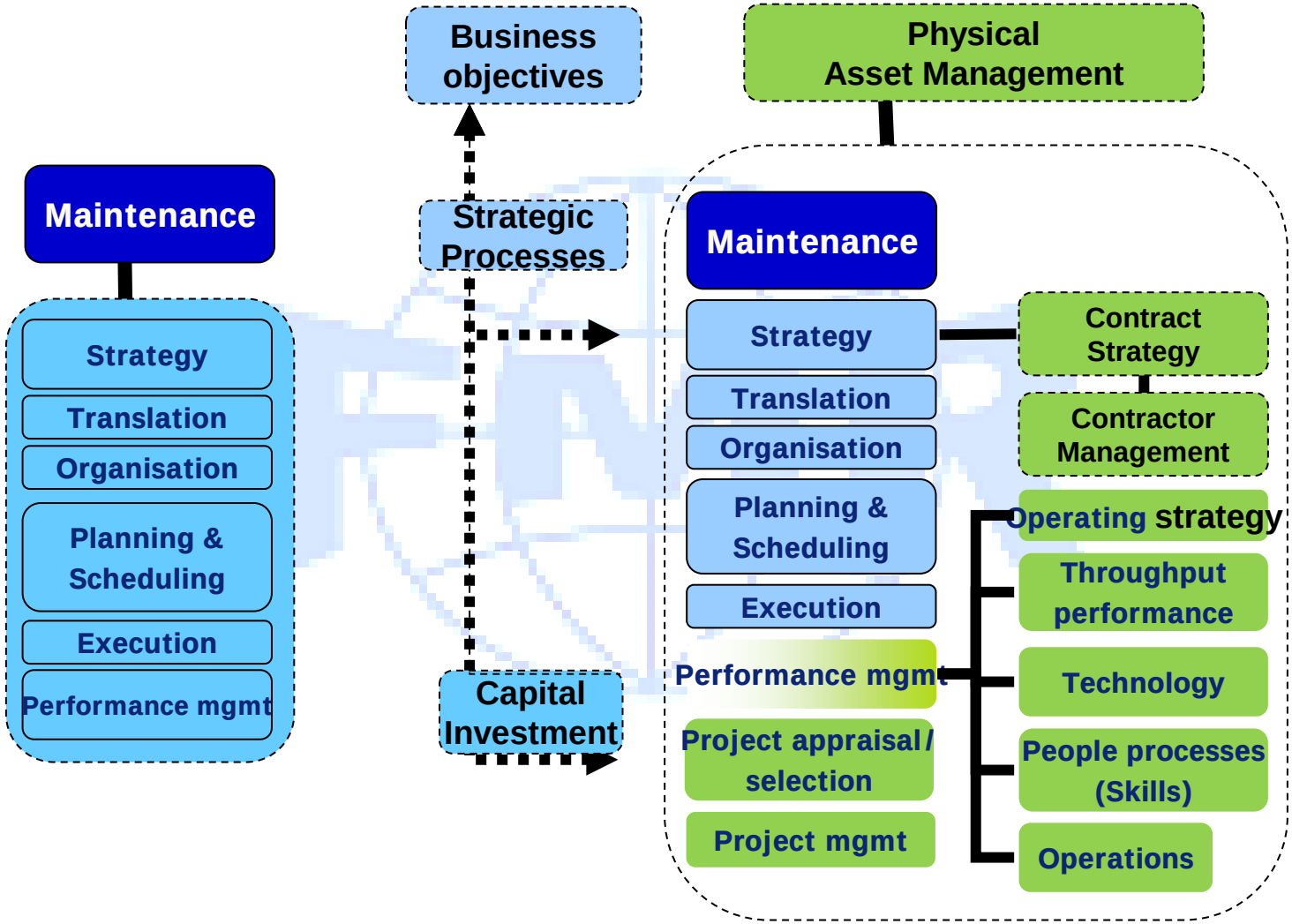
Selected List of Maintenance Projects

Industry	Company Name	Issues Faced	Nature of FMR Work	Benefits Summary
Mining	East Rand Mine (South Africa)	Rising Costs Poor control on Mobile equipment	Machine Shop & Surface Maintenance Mobile Equipment PM	Uptime +30% Service Time -25% Longer /Predictable runs
	Mount Isa Mine (Australia)	PM compromised because of High Utilization causing High Outages	Preventative Maintenance Program	Labour Costs - 50% OT Availability +25%
	Iron Ore	Excessive equipment downtime (No KPI's) High maintenance cost High inventory cost with insufficient material availability	Mgmt System w KPI's Implemented Warehouse Mgmt System & Training	Labour Costs - 22% OT Material Costs - 10% Availability +20% Inventory - 15% Stock Outs - 60%
	Goldcorp	Excessive equipment downtime High production cost Fire Drill break-fix	Mgmt System w KPI's Implemented Prod'n & Testing Dept Restructuring	Uptime +15% Overall Cost s - 20% Indirect Labour -10% Production Throughput +5%
	Inco	Management/Employee relationships severely compromised over production conflicts caused by Downtime	Mgmt System w KPI's Implemented – SC & Procurement Restructured	Uptime +20% Labour Costs - 12% Service Time -20%
Utilities	PowerStream	Poor records for mobile equipment Redundant capacity forced by unplanned breakdowns	Mgmt System w KPI's Implemented Maintenance Mgmt Training	Overall Maint Costs -20% Reduced Fleet 10% thru incr utilization Unit resale price +15%
CPG	Kimberly-Clark	Excessive Downtime and Waste Lack of Performance Metrics KPI's)	Mgmt System w KPI's (OEE) Implemented Maint Prgm w Training	Downtime -40% C/O -30% Waste - 20% Labour -15% OT
Breweries	Molsons	Inconsistent production capacity due to unplanned breakdowns on bottling line High maintenance costs	Mgmt System w KPI's Implemented Maint Prgm w Training	Waste - 5% Labour -15% OT & O/S Capacity + 8%

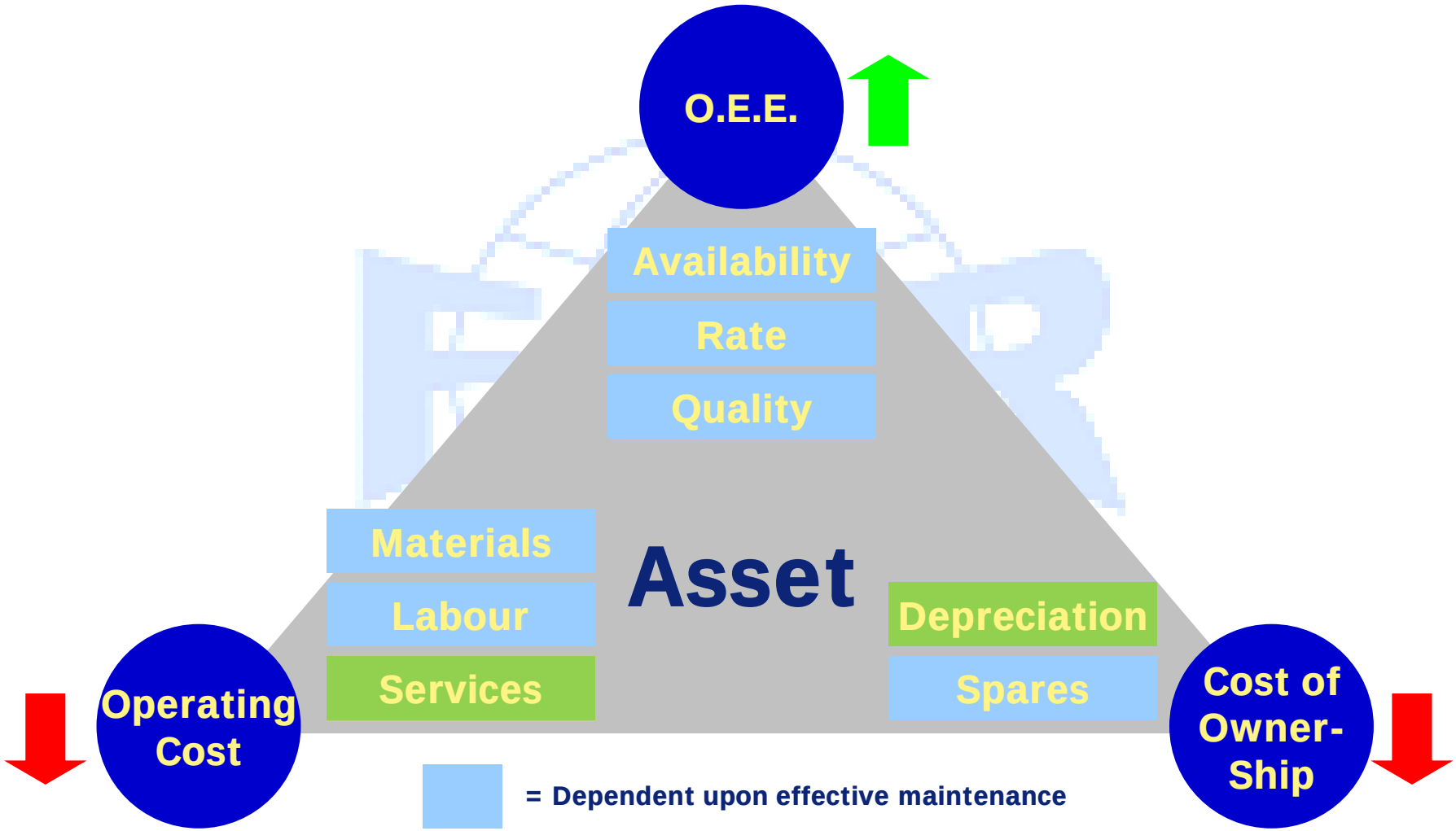
The Maintenance Pyramid Diagnostic tool and Implementation aid



Asset Management vs. Maintenance



Balancing Asset Life-Cycle Costs
…The Impact of Effective Maintenance



What we did - Profile of our work

Client Situation: Customer Service

- Rate increase coming later in 2011
- Time of Use billing, Smart Meters and the questions it will generate
- Facing summer increase in workload – vacation impact
- Manager retiring after 44 years of service
- No existing KPI's or performance measurement tools

What FMR Did:

- Developed Key Performance Metrics
- Developed management reports aligned with KPI's
- Designed an Activity List for the "Ideal CSR"
- Provided training and support to achieve targets on the Performance Dashboard

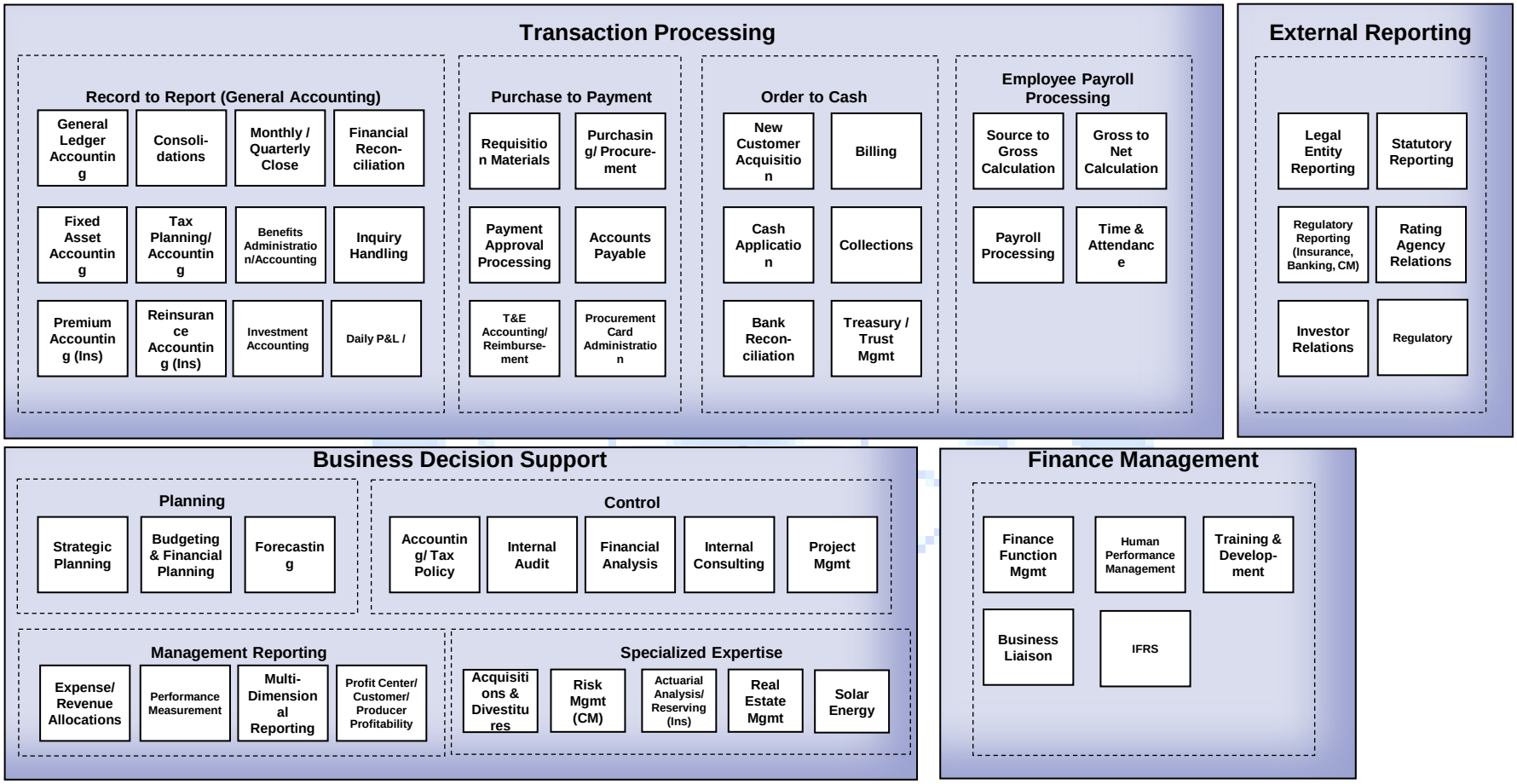
Benefits Delivered:

- All CSR's capable of performing all duties
- Reduced call waiting times >50%
- Reduced resource requirement by 35%
- Brought work in from other departments allowing cost avoidance
- Met company wide financial targets within the department

Our FMR Team-members have Delivered Several Order-to-Cash & Customer Service Projects

HYDROGENICS	CELESTICA	Power Stream	BHI	horizon UTILITIES
Sales & Operations Planning	Sales & Operations Planning	Customer Connections Process	GAP Analysis Customer Service	Credit Collections and Customer Service System for Managing
Order-to-Cash (Customers)	Order-to-Cash	Meter-to-Cash	Call Centre Effectiveness	Credit Collections and Customer Service After Hours Program
Order-to-Cash (Partners)	Partner Strategy	Suite Metering		
Customer Service				

Many Organizations Consider the O-to-C Processes as part of Finance & Accounting Processes and Sub-Processes



In doing a more detailed Analysis of the Order Lifecycle, demonstrates it involves many functions.

Order Capture

- Sales forecasting
- Customer need
- Order solicitation
- Quote
- ATP
- Systems Assurance
- Inventory netting

Order Management

- Order entry (complex products)
- Order configuration
- Customer check
- System/configuration Engineering
- Installation instructions
- Final pricing
- Shipping/delivery terms
- Order release
- Replenishment

Order Fulfillment

- Manufacturing planning
- Supply chain management
- Procurement
- Fabrication
- Assembly & test
- Systems integration/ configuration
- Staging
- Pick & pack

Installation and Customer Support

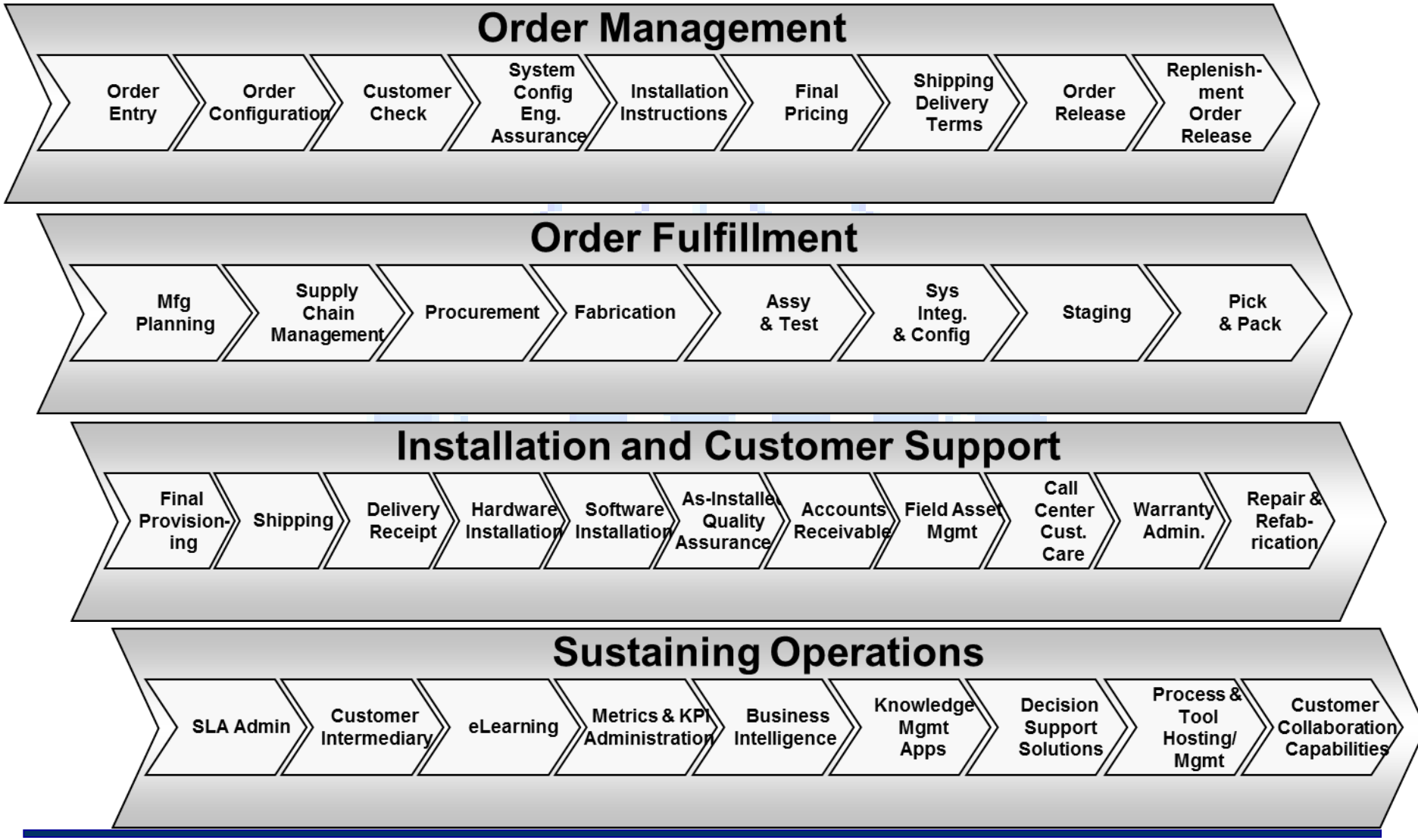
- Final provisioning
- Shipping
- Delivery receipt
- HW Installation
- Software Installation
- As-installed quality assurance
- Accounts receivable
- Field asset management
- Call center/customer care
- Repair and service
- Warranty administration

Sustaining Operations

- SLA Administration
- Customer Intermediary
- eLearning
- Metrics, KPI's
- Business Intelligence
- Decision Support Solutions
- Process and tool hosting/management
- Partner collaboration capabilities

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Further and More Granular Examination of the Order Cycle illustrates this point further



What we did - Profile of our work

Client Situation: Engineering & Operations

- No defined process linking Engineering and Operations during the design process, resulting in minimal communication between the departments during this critical stage
- Frequent problems with the start of construction for large projects due to inadequate material planning and staging
- Costly redesign and construction rework due to avoidable design flaws
- Significant project budget overruns

What FMR Did:

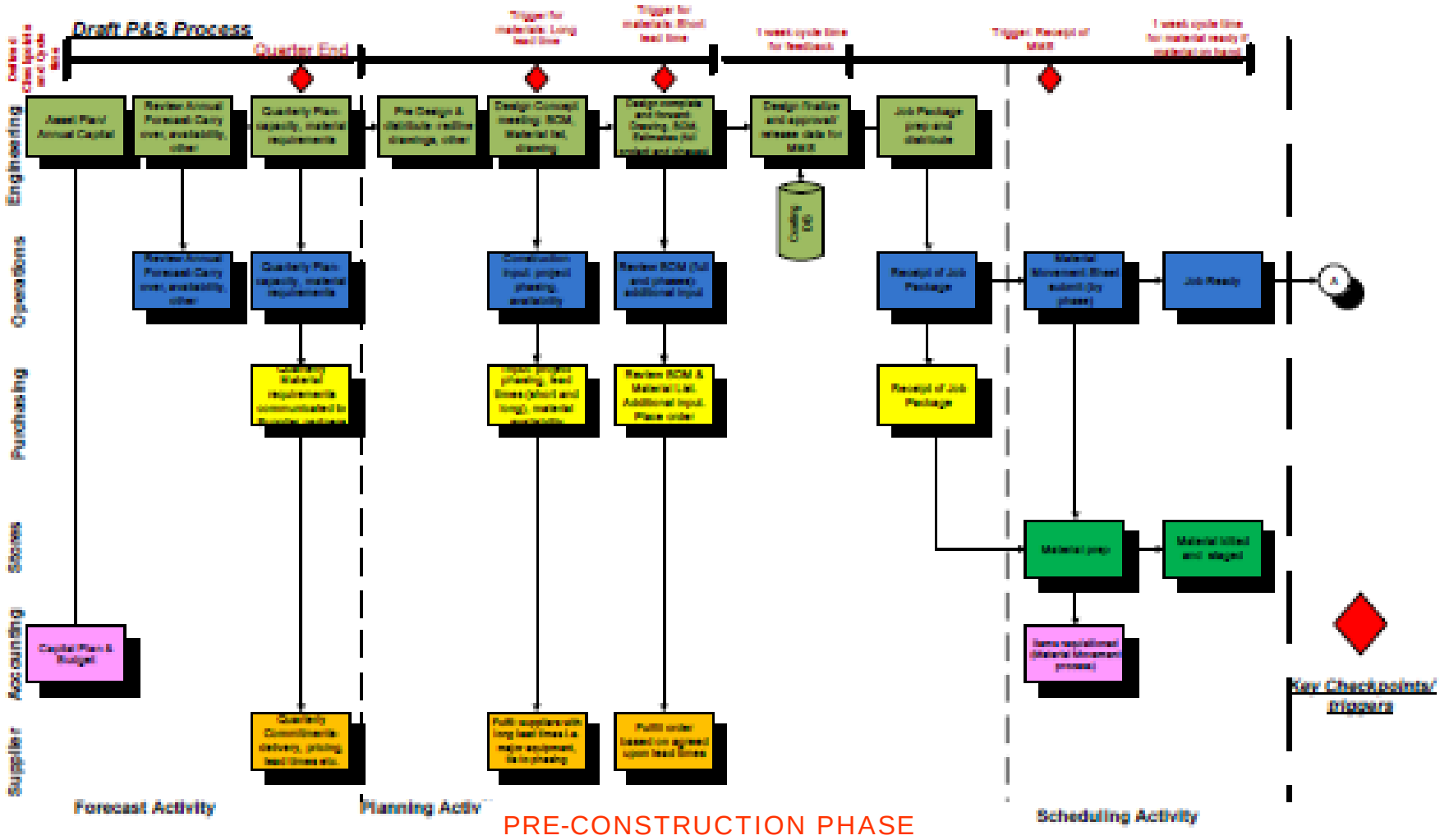
- Designed and implemented a process requiring collaboration between Engineering Techs and Operations Supervisors at critical points in the process
  - Design Reviews
  - Construction Readiness Meeting
  - Construction Reviews
- Provided for the documentation of these key collaborations sessions in support of continuous improvement
- Implemented a Monthly Eng/Ops Performance Review Session, with KPIs, to monitor both projects and the collaboration process

Benefits Delivered:

- Design Review Sessions have resulted in “hundreds of thousands of dollars” in construction rework that will not be required (2011 Construction Projects)
- Construction Review Sessions have lead to insights that will improve Technologists’ future design work

Our Approach to Work Flow & Work Management

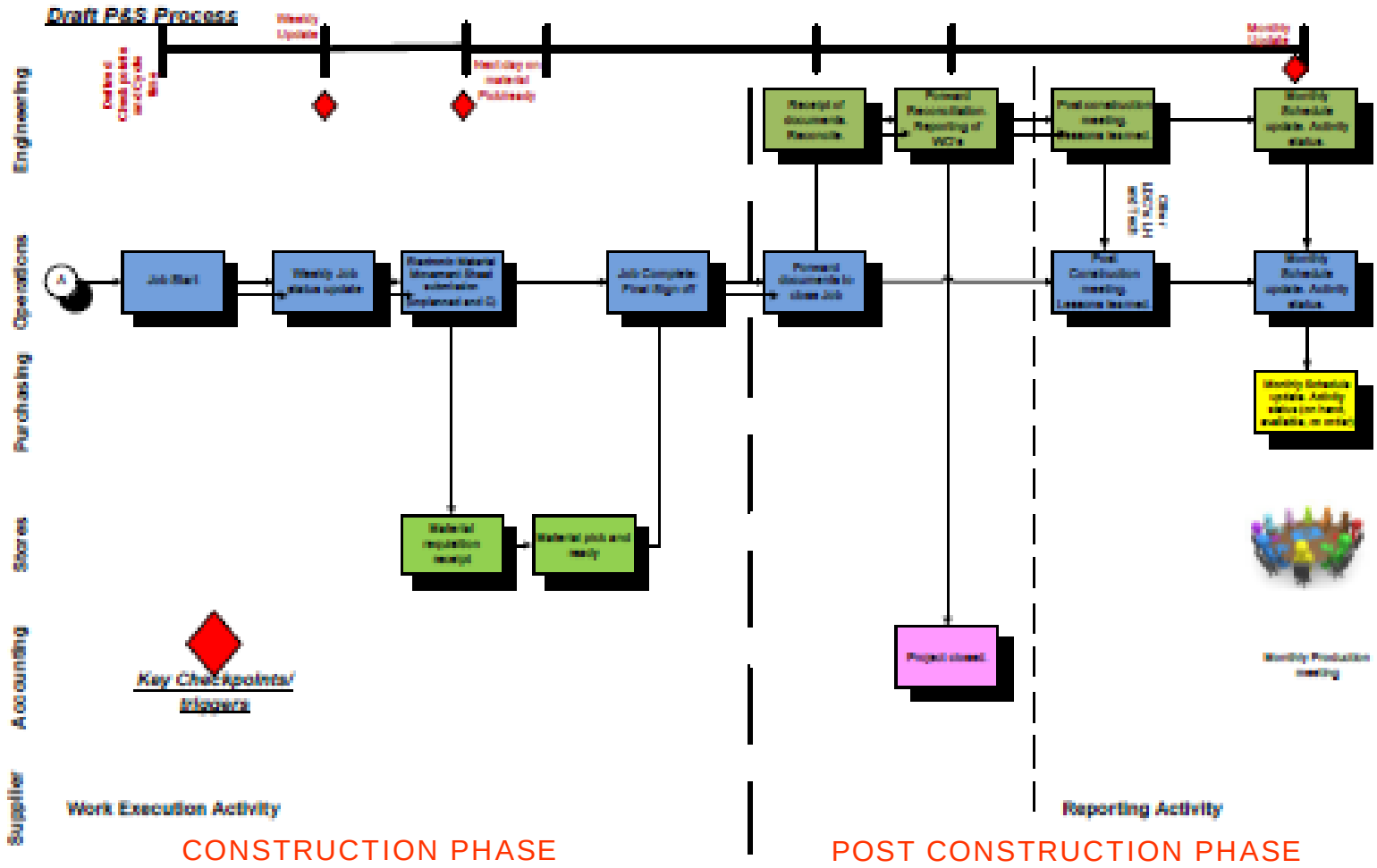
Process Maps from Prior Work (1 of 2)



PRE-CONSTRUCTION PHASE

Our Approach to Work Flow & Work Management

Process Maps from Prior Work (2 of 2)



FMR helps clients leverage traditional as well as next-generation solutions to develop superior supply chains.

Practice Area	Description	Primary Offerings
Supply Chain Transformation	Helps clients rapidly transform their supply chains to create differentiation and sustainable competitive advantage; targets a significant increase in supply chain performance as a key competitive factor.	• Supply Chain Performance Assessment • Operating Model Design • Supply Chain Transformation
Supply Chain Planning	Helps clients develop and implement strategies that improve cost efficiency, increase business effectiveness and create synergies and collaboration across companies.	• Supply Chain Solutions Delivery • Supply Chain Collaboration • Intelligent Supply Chain • Supply & Demand Planning
Sourcing and Procurement	Helps clients design and implement strategies that transform buying and selling with differentiating sourcing and procurement strategies, processes, technologies and organizations.	• Procurement Transformation • Strategic Sourcing • eProcurement • Auction Services
Manufacturing and Design	Helps clients develop collaborative capabilities, innovative manufacturing programs, leading-edge approaches, and alliance relationships to accelerate speed-to-market, speed-to-volume, and time-to-profit.	• Product Lifecycle Management • Service Management/Spare Parts/Warranty Management • Manufacturing Transformation • Six Sigma
Fulfillment	Helps clients plan and implement innovative solutions to traditional "block-and-tackle" challenges in areas such as warehouse management and operations, distribution network design, packaging, transportation management, customer fulfillment and customer service.	• Integrated Fulfillment • Supply Chain Services • Shipment Visibility and Identification • Collaborative Transportation Solutions

An End-to-End Disintermediation of the Supply Chain Costs

Total Supply Chain Cost ($000)

Classic Lipton
$615,727

Vendor	Material Costs	Inbound Logistics	Conversion Costs	Internal Logistics	Distribution	Outbound Logistics	Customer
	Raw Materials $226,940 Packaging $134,244 Total $361,184	Freight Costs $5,008	Variable Costs Direct Labor $16,200 Overhead $5,380 Total $21,580 Fixed Indirect $31,623 Overhead $112,709 Total $144,332 Total $165,912	Stock Transfers $18,806	Public Warehouse $12,200 Other Variable $1,314 Plant Warehouse $26,577 Total $40,091	Freight Costs $24,726	Unsellable Deductions $4,000 Checks $3,000 Damaged $7,000 Total $14,000

Van den Bergh
$1,096,035

Vendor	Material Costs	Inbound Logistics	Conversion Costs	Internal Logistics	Distribution	Outbound Logistics	Customer
	Raw Materials $524,706 Packaging $225,756 Total $750,462	Freight Costs $10,943	Variable Costs Direct Labor $87,893 Overhead $0 Total $87,893 Fixed Indirect $0 Overhead $143,071 Total $143,071 Total $230,964	Stock Transfers $4,000	Public Warehouse $1,000 Other Variable $0 Plant Warehouse $24,400 Total $25,400	Freight Costs $74,266	Unsellable Deductions $4,000 Checks $3,000 Damaged $7,000 Total $14,000

Total New Lipton
$1,711,762

Vendor	Material Costs	Inbound Logistics	Conversion Costs	Internal Logistics	Distribution	Outbound Logistics	Customer
	Raw Materials $751,646 Packaging $360,000 Total $1,111,646	Freight Costs $15,951	Variable Costs Direct Labor $104,093 Overhead $5,380 Total $109,473 Fixed Indirect $31,623 Overhead $255,780 Total $287,403 Total $396,876	Stock Transfers $22,806	Public Warehouse $13,200 Other Variable $1,314 Plant Warehouse $50,977 Total $65,491	Freight Costs $98,992	Unsellable Deductions $8,000 Checks $6,000 Damaged $14,000 Total $28,000

What we did - Profile of our work

Client Situation: Sub-Assembly

- Multiple Vendors and procurement methods
- Inconsistent and varied logistics methods designed to vendor preference

What FMR Did:

- Developed Vendor Master to identify most suitable supplier per product or commodity
- Developed and implemented a vendor consolidation and classification methodology
- Mapped logistics methodologies, determined “best of the best”, made additional improvements and implemented changes

Benefits Delivered:

- Streamlined procurement process allowing reduction in WIP inventory requirements
- Reduced material handling labour costs
- Reduced procurement time and cost
- Generated $1,000,000 annual savings

What we did - Profile of our work

Client Situation: Chemical Plant

- Multiple Vendors with inconsistent quality measures
- Recipes had to be constantly adjusted to compensate for varied raw materials
- Unpredictable delivery times and quantities leading to disrupted production and shipping schedules

Benefits Delivered:

- Reduced quality driven rework by 18%
- Improved On Time In Full by 15%
- Reduced performance penalties by 98%
- Generated $2,000,000 annual savings

What FMR Did:

- Developed JIT program and sourced vendors and logistics provider
- Standardized quantity and quality expectations
- Developed and implemented customer service centric delivery processes

What we did - Profile of our work

Client Situation: Suite Metering

- Competitive market realities drove requirement for new efficiencies
- No process existed for suite metering
- Customer has option to select service provider
- Pending loss of revenue

What FMR Did:

- Developed an “end to end” process from building commissioning to development of virtual billing to possession by unit owner/lessor

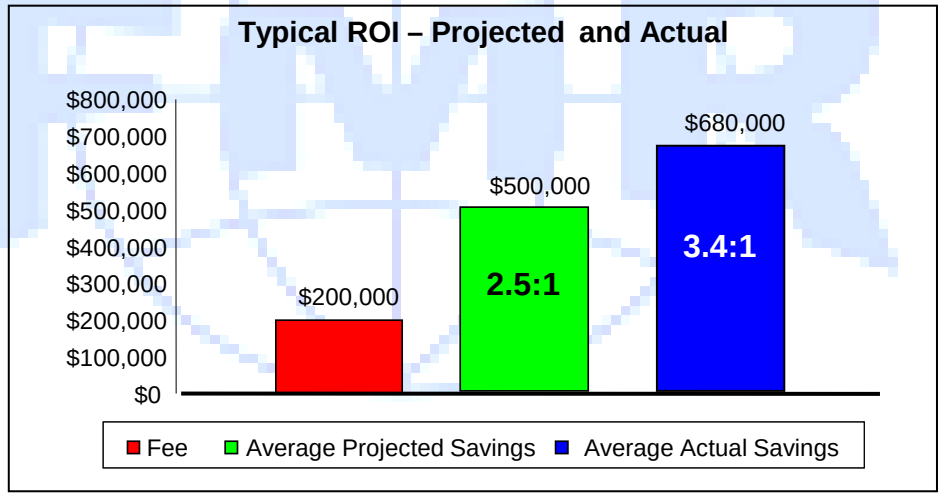
Benefits Delivered:

- Reduced the backlog of commissioning by >75%
- Market share retention
- Potential loss avoidance
- Billing cycle time improved by >50%

Our work pays for itself - Cost, R.O.I. & Sustainability

Project Cost

• As with most worthwhile initiatives, there is a cost of both time and money. A typical program ranges from 20 to 26 weeks in length but measurable savings begin to occur by the 6th or 8th week and sometimes even sooner. Because each program is custom designed for the individual client and situation there is no "standard" fee but the initial projections typically average a return of 2.5 to 1.

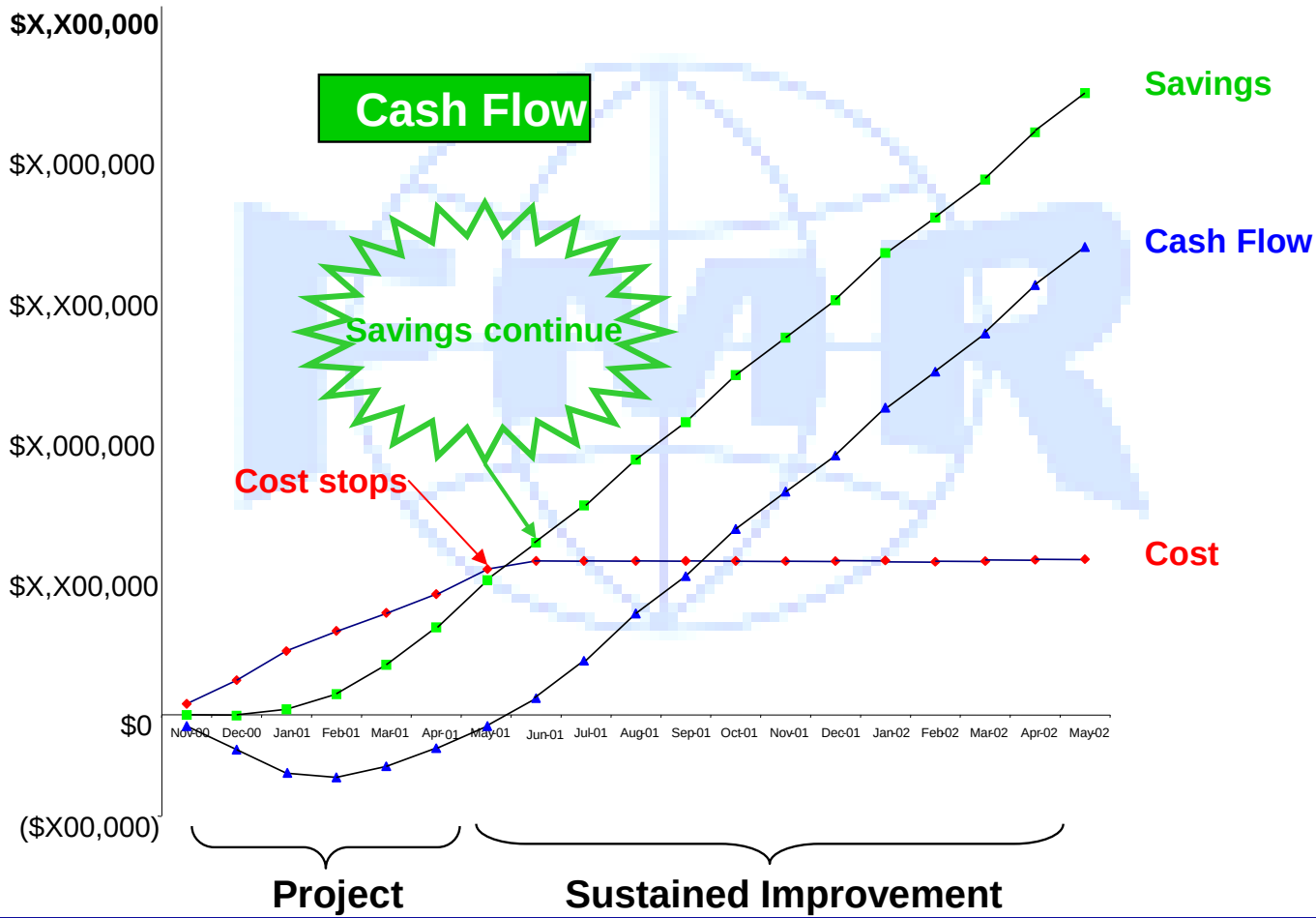


Return On Investment

• While the historical initial projections average 2.5 to 1, the average actual performance on our programs has provided a return of 3.4 to 1.

Our work pays for itself: - Payback, Cost, & Resulting R.O.I.

Resulting cash flow



Why FMR Consulting ?

1. Needs based
2. Multi-disciplined approach
3. Only senior people
4. We believe people want to succeed.
5. We believe only people raise the bar, technology holds it in place so people can raise it again.
6. All of our work produces measurable financial results.

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APPENDIX 4-E NBHDL TREE TRIMMING PROGRAM CONSULTING 2014

North Bay Hydro

Tree Trimming Program

Consulting 2014

February 2014

Consultant: Daniel Shepstone, Arborist/ Utility Arborist

ArborWorks Tree Service



Forward

Daniel Shepstone, Certified Arborist and Utility Arborist with the International Society of Arboriculture and the Ontario Ministry of Training, Colleges and Universities Ontario and President of ArborWorks Tree Service created this report at the request of North Bay Hydro. The intention is to provide industry specific knowledge of arboriculture and its application with respect to tree, limb and brush clearances around energized conductors, apparatus, and substations as they relate to community safety, concerns and perspectives.

Considerations with respect to the historical methodologies and current practices have been addressed. Included are recommendations on improving the ability of North Bay Hydro to design, create, manage and apply a best practices tree pruning and vegetative management program for maintaining trees and related vegetation in proximity to, and around utility lines and apparatus.

The document has been created with best intentions for North Bay Hydro application by using Industry Standard references, local geography, local tree species, Federal, Provincial and Municipal legislative requirements.

Table of Contents

Introduction

C.V. Daniel Shepstone

Utility Pruning –Objectives of the LDC

Industry Standards and Practices

Brushing: Integrated Vegetation Management

Field Observations: NBH Cycles

Conclusion

Introduction

History

Utility line clearing has been a necessary component to any utility distribution company since the establishment of electrical grids and hydro distribution to a community. Overhead utility lines and other important apparatus are found firmly established in many communities. Trees are also a very important contributor to the makeup of our landscapes. Both planted and naturally established trees impact the community and its residents as a whole, surrounding flora and fauna and how safely and efficiently electricity is distributed throughout.

Trees are vitally important to the landscape and the environment. They contribute with carbon reducing capabilities as well as their psychological and sociological impacts on society. It has been recognized since the beginning of civilization that trees, their composition and the manageability of it, is a very important faucet of human evolution and existence.

The theory of Arboriculture has been practiced for centuries. The practice of managing, growing and cutting trees dates back to include the cultivation of fruit and ornamental trees, by the Egyptians, Greeks and Romans. Over time the evolution of society and mankind has made ever-changing demands from the landscape and the environment. These requirements would include land clearing for settlement and civilization, wood cutting for heating, shaping and molding for tools, boats, shelter and other needs. It is recognized that the cultivation of trees and other plants began around the fifteenth century for food, building and other resources.

The preservation of trees in both the urban and rural environment has generated an increasing demand for skilled people, with an intrinsic knowledge of tree biology, mechanics and cultivation principles. These people must have an understanding of the symbiotic nature in which trees and modern society thrive. High-profile recent environmental issues such as harvesting of the rain forests, depletion of the ozone layer, political pressures with respect to interests in natural resources, climate change and carbon foot prints have pronounced effects on the public opinion on the importance of people and trees ability to co-exist in the same environment.

Since the early twentieth century the arboriculture industry as we know it today began to take shape. Credit to industry leaders such as John Davey, F.A. Bartlett, Alex Shigo and many other early researchers for their contributions to the

introduction of research, laboratories and fieldwork dedicated to expanding our knowledge in sciences of tree biology and mechanics. Information derived from their efforts promoted an industry need to promote better public understanding trees, their biology and the importance of their place in the landscapes. More recently technological advances have profoundly increased our ability to not only theorize but to accurately measure the structural integrities and biological reactions of trees and wood fiber.

Arboriculture

In the mid 1800's the term Arboriculture was defined as the cultivation of trees and shrubs *(Collins English Dictionary)*. It wasn't until the mid 1900's that the term was more commonly used in the industry to encompass the cultivation, management and study of individual trees, shrubs and other woody perennials. Arboriculture is both a science and a practice.

The science of arboriculture studies how plants grow and respond to cultural practices and their environments. The practice of arboriculture includes the technique of pruning, removing and climbing trees for that purpose, including fertilization, management, cultivation, pest and disease diagnosis and control with respect to trees and shrubs.



Amenity trees, as opposed to those cultivated for their timber or fruit value are typically the trees tended to through arboriculture practices. Those skilled, knowledgeable and trained in the field of arboriculture are referred to as Arborists. An arborist is a person both in which may study arboriculture and one whom professes at the technique and practices. Early twentieth century, the western societies more commonly referred to an arborist as a 'tree doctor' or 'tree surgeon'.

After a brief introduction of the importance of both trees and utilities and the symbiotic relationship they play in today's societies. We now may reflect on the importance of utilizing appropriate methodologies to ensure safe and reliable hydro distribution while utilizing sound practices of arboriculture to ensure public safety and perception is intrinsically balanced in the community.

About the Author

DANIEL SHEPSTONE

Employment

President and Founder of ArborWorks Tree Service

ArborWorks Tree Service was founded in North Bay in 2005. Daniel has owned and operated the business in Ontario since 1999. Changing from its original establishment as Arbortech Tree Service to ArborWorks in 2004. Daniel has grown the organization to the corporation it is today by using fundamental Arboriculure practices. It is the endeavors of ArborWorks Tree Service to continue as a leader in maintaining and promoting proper tree pruning practices.

Qualifications

Certfied Arborist 2001
Certified Utility Arborist 2010
Ministry of Training , Colleges and Universities, Ontario (licence # 444A - 249381)
International Society of Arboriculture (cert. # ON-0747 AU)

Tree Risk Assessment Qualification
Pacific Northwest Chapter ISA (cert. 1303)

Certified Pesticide Applicator –Exterminator/ Public Works, 2011
IPM Council of Canada

Safety and Awareness for Line Clearing, 2009
Electrical & Utilities Safetyt Association of Ontario

Arboriculutre – Home Study Course, 1999
Bartlett Tree Experts Co.

Annual Training & Seminar Conference in Arboriculture, attendee 1999-2014
International Society of Arboriculture, Ontario Chapter member

Educational Details

Humber College, 1999
Arborist Apprenticeship Program

Sir Sandford Fleming College, 1998

Fish and Wildlife Technician diploma

Police Foundations diploma

Objectives of North Bay Hydro
Tree Trimming Program

North Bay Hydro, not unlike any other utility distribution company is mandated to provide electricity to the community. It must do so in a safe and reliable manner using an exhausting network of electrical apparatus, transmission, and distribution lines within the community. The equipment is engineered using both overhead and underground technologies.

When designing and engineering distribution lines in the community and different environments, consideration with respect to the local vegetation must take place. These include local tree and shrub species, plant hardiness zones, invasive woody plants and shrubs.

Historically tree trimming has consisted of a set of requirements that included specified distances the vegetation must be cut away from the lines. These requirements used terminology that had broad meaning with little scientific consideration to the relations the cutting would do to the plant. This practice provided little opportunity for the plants and the hydro rights-of-ways to develop and be maintained in a favorable manner.

Early tree trimming contracts were drafted with the best interests of the utility and the community in mind. Unfortunately little scientific premise was available to reference with respect to encouraging symbiotic relationships between hydro distribution and local vegetation. As a result, little forethought was put into the vitality of the plants that sustained the cutting and by todays standards improper pruning techniques where used. Today we can refer to scientific journals and appreciate the research that has been published to assist utilities in creating rights-of-ways that encourage appropriate plant and tree species to grow and be pruned that would promote increased public safety, fewer distribution interruptions, extended cycle pruning times and target cycle pruning.

Following are excerpts from the 2014 Vegetation Management Contract including Scope, Technical Requirements and Permission requirements of the contractor.

Scope of the Contract

The services required under the contract consist of supplying labour, equipment and materials necessary to perform tree trimming, brushing and removal of danger trees to provide adequate clearance for North Bay Hydro Distribution Limited (North Bay Hydro) electrical and communication distribution system within the City of North Bay.

TECHNICAL SPECIFICATIONS

General

The importance of trees to mankind in general, and the citizens of North Bay in particular, cannot be overestimated. Not only do trees benefit climatic conditions, but also, from the aesthetic point of view, their contribution is beyond monetary consideration. Trees are encouraged to grow along streets or are planted there to beautify the city and their destruction or unnecessary removal is indefensible.

Desirable as it may be, it is not always practical to locate overhead lines where the pruning of trees for line clearance can be eliminated. It is, however, the established policy of North Bay Hydro to engage skilled foresters and to follow recognized arboricultural practices in line clearing work so that the health and appearance of trees may be maintained to the highest degree that existing conditions will permit.

The purpose of performing line-clearing operations is not only to render power circuits free from tree interference so that they may give uninterrupted service, but also to protect the public against avoidable hazards due to the presence of North Bay Hydro's lines.

In general, ownership to trees will be with the municipality or property owners. In order to maintain good public relations, it is imperative that personnel responsible for line clearing operations notify the adjacent property owners before proceeding with the work. It is also most important that persons arranging for and performing the work conduct themselves in a manner that would promote good public relations.

Specifications

The specifications as follows shall govern all line clearing operation authorized by North Bay Hydro unless they are specifically amended by North Bay Hydro's authorized representative by way of a written addendum issued by the Purchasing Department.

The Contractor must work in accordance with the most recently published Electrical & Utility Safety Association (E&USA) Electric Utility Safety Rules, E&USA Line Clearing Operations Safe Practice Guide 2008, the Ontario Occupational Health & Safety Act and The Utility Work Protection Code.

Permission

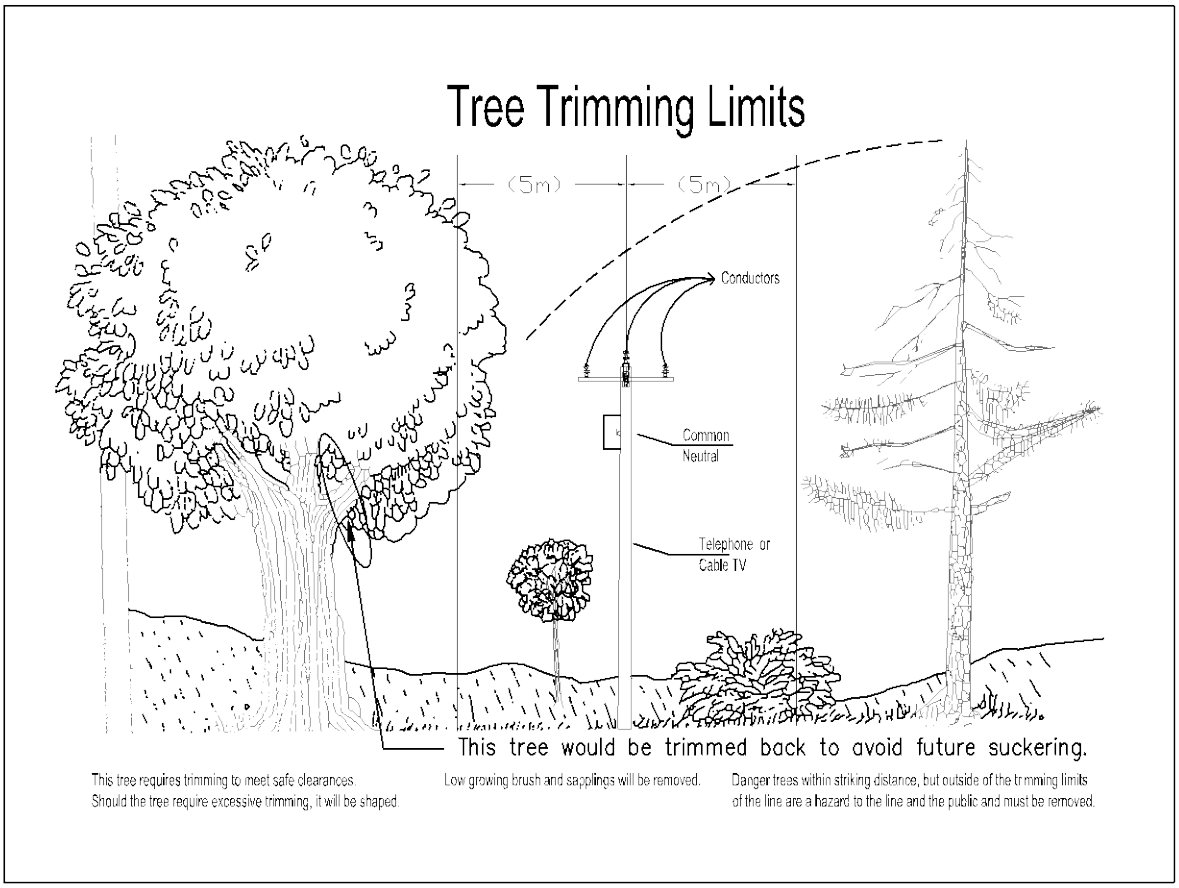
Before any work on trees on private property is commenced, the Contractor shall obtain verbal permission from the owner of that property. If permission is refused the matter shall be referred to North Bay Hydro's authorized representative. If the property owner is not at home, the Contractor shall leave a card provided by North Bay Hydro and shall trim trees on that property only by direction of North Bay Hydro's authorized representative.

North Bay Hydro is investing in a much more robust Forestry program to re-establish the right-of-ways in order to reduce the number and frequency of tree-related power outages. In order to accomplish this goal, North Bay Hydro will contact each customer

<u>to obtain written approval</u> for the Contractor to perform the necessary work on the customer's property. These written permissions will be obtained in advance of the Contractor beginning work in the area.

North Bay Hydro is granted access under "Section 40 - Powers of Entry" under the Electricity Act, 1998 to enter on land on which its distribution system is located to inspect, maintain, repair, alter, remove, replace or disconnect wires or other facilities used to distribute electricity. North Bay Hydro may enter any land for the purpose of cutting down or removing trees, branches or other obstructions if, in the opinion of North bay Hydro, it is necessary <u>to do so to maintain the safe and reliable operation of its distribution system</u>.

<u>Sound judgment shall be exercised in the appraisal of the value of the trees to the community, especially with regard to sound mature trees considered to be landmarks of historic interest</u>.



The objective of North Bay Hydro is to improve the clearance between the utility lines and the trees in certain proximity, therefore reducing the amount tree contacts made with hydro equipment that cause interruptions in service.

The intentions of the 2014 contract are to address the concerns of the utility while making statements that would implement appropriate arboriculture practice to meet the industry standards. Throughout are highlighted terms and statements that have been incorporated to address more recent concerns.

Some of the utility concerns identified in the contract are with respect to:

- Inappropriately qualified personnel managing and performing duties required to perform the contract
- Identification that standards for practice are available and shall be performed
- Historically poor methodologies and practices performed hinder current opportunities to maintain and manage aging trees
- Positions of liability following poor practice or recognition of land use and tree ownerships
- Definition that the program will inherently be reclamation of rights-of-ways, differentiating from past maintenance practices

Performance and Personnel

Tree pruning has become a very intense, complicated and costly proponent for hydro distribution companies.

Throughout history, as we know utility networks have become increasingly vast and ever aging. Vegetation management considerations have developed professional people that are dedicated, trained and skilled in very specific faucets of the utility distribution industry. Recognized are those who are skilled in the management of trees and vegetation in relation and proximity to the utility equipment.

Here are readily used terms in vegetation management:

- *Skilled Foresters: one who is skilled in forestry or in charge of a forest.*

The term Forester inaccurately defines the position that is inherently desired for charge of this vegetation management contract.

More accurately, a vegetation control program with respect to utility lines in a combination of urban and rural settings has been identified as a program that shall be managed by one who is skilled in Arboriculture:

- *Arborist: one who is engaged in the profession of arboriculture who, through experience, education and related training, possesses the competence to provide for or supervise the management of trees and other woody plants.*

In Ontario the skill of arboriculture is a recognized trade with the Ministry of Training, Colleges and Universities. This profession is broken down into two delineations: Arborist and Utility Arborist:

- *Utility Arborist: a person who undertakes any work required to prune or clear vegetation in proximity* to energized electrical equipment, structures and conductors or who in the course of utility line clearing operations, prunes, falls or removes trees which could come into contract with energized power lines. (*Proximity is defined as a distance of three meters or less from a primary conductor with a voltage of 750 volts or greater.)*

An experienced Arborist or a Utility Arborist whom has the skill sets and knowledge required to readily identify trees and make recommendations, adhering to appropriate standards to successfully manage trees in relative proximity to utility lines after consideration to all concerning and superfluous factors surrounding the tree, the environment, the community and the utility.





***Arboriculture** is primarily focused on individual woody plants and trees maintained for permanent landscape and amenity purposes, by arborists, for the enjoyment, protection, and benefit of human beings.*

Industry Standards

Utility Distribution and Vegetation

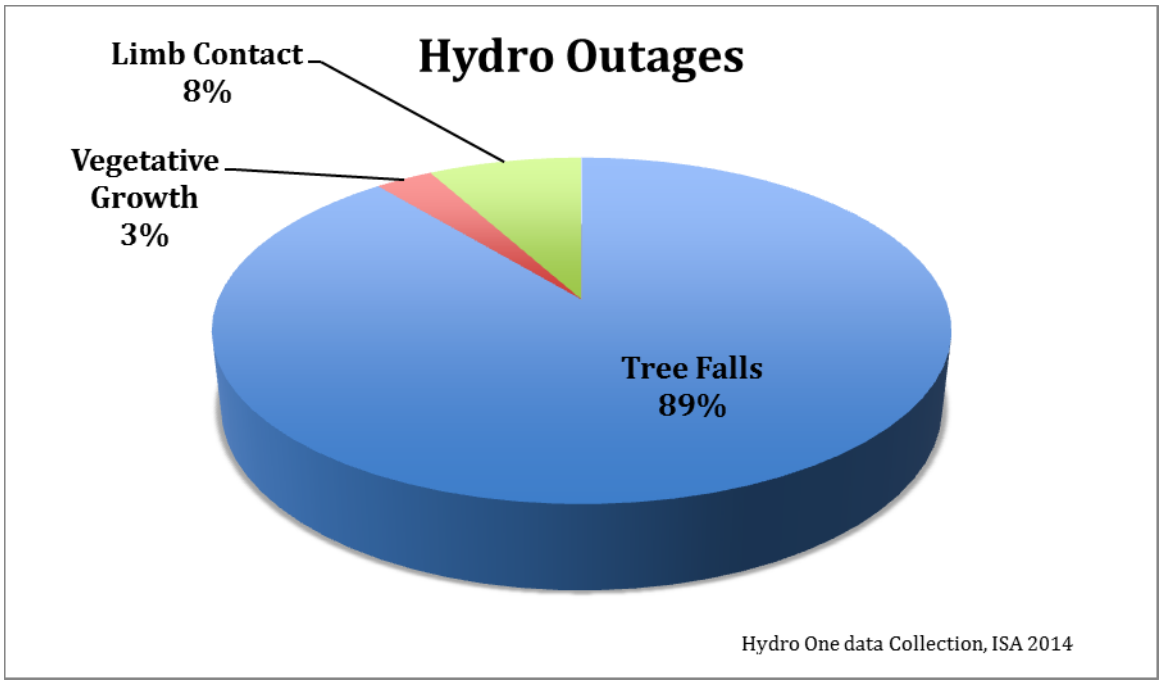
Trees must co-exist with the modern communities and utility distribution methods. Overhead and underground space is becoming a precious commodity in growing communities. With this in mind human accommodation, transit, other utilities, trees and hydro distribution equipment must compete for the same space.

Green industries, climate change, renewable power, reduced carbon emissions are all focuses on ensuring that while performing business in an safe and efficient manner, there is also consideration for the longevity and limited maintenance requirements of both the facility being engineered and its affects on the vegetation and environments surrounding it.

Tree and utility systems most commonly compete for overhead space with overhead power lines, street lights, transformers, poles, guys and other apparatus above ground. Not so typical interference comes from competition between trees and utility equipment below ground installations.

Root systems are an extensive and elaborate interconnecting system that occupies a significant area of the soil near the trunk of the tree. Generally below ground issues occur during the utility building phase. If professional consultation is not taken place prior to the installation of underground services significant tree health and structural concerns may result. Liabilities concerning safety, including the damage the tree roots sustained during construction comparatively to the remaining ability of the tree to maintain stability and not fall over. Health concerns, including tree decline or death following construction. Both structure and tree health, are vitally important considerations taken into account in planning and preconstruction meetings. It is common for 'Arborist Reports' to accompany engineering packages when proposing new line construction.

Overhead competition is the focus of concern for majority of tree and utility conflicts. According to recent Hydro One data collection most distribution interruptions occur in three ways; Tree falls, Vegetative growth, Limb contact. The data presented indicated that 89% of outages were as a result of tree falls or failures and only 8% from limb contact and 3% of outages as a result of general vegetative growth.



Pruning

Trees being the most common source of hydro distribution interruptions, and the demand for greener communities promote regulation and standard practices for appropriate tree care and utility pruning methods with best interest in both the utility and the ideal green community.

Throughout North America, utility pruning has become a profession of its own. Guidelines in the United States of America, the American National Standard, ANSI Standards have recognized standards of practice that would best facilitate tree care operations, including safety practices, pruning methods, vegetation clearance requirements and apply those to best practices for electrical utility rights-of-ways.

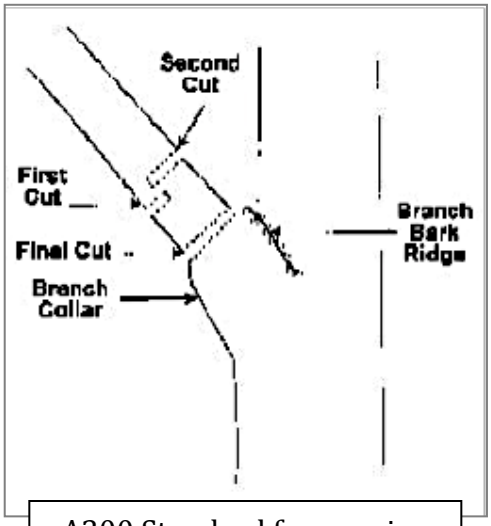
ANSI-A300 is a standard for pruning and management of trees, shrubs and other woody plants. The ANSI standards are intended to provide Federal, Provincial, Municipal and private entities recognized standards when developing policy. In Canada the ANSI standards are readily referenced during operations while maintaining compliance with regulations including Occupational Health and Safety Act, the Electrical Utility Safety Rules and surrounding regulations.

By far the best way to maximize the benefits of trees and maintain appropriate utility and vegetation clearances is to plant trees where they will not interfere or conflict with the utility equipment. Unfortunately many factors do not permit this as

a viable maintenance practice. The ANSI-A300 recognizes that not all trees will be located in a space suitable for its size and proximity to street, sidewalks, building and other parts involved in infrastructure growth and development, including utility service lines and rights-of-ways.

A variety of terms have been defined in the ANSI standards that encourage a balance for optimal tree growth and benefits while adequately discouraging vegetative growth, failures and other related concerns, biologically and structurally that occur with poorly maintained trees. The terms have been adopted from published scientific literature.

Research has shown that trees respond to injury or disease with specific biological reactions. Historically, utility trimming has been superficial in its attempts to maintain appropriate vegetative clearances. Today's methods are tremendously more proactive in managing the vegetation as a known biological presence with predictable reactions.



A300 Standard for pruning and removing branches

Tree trimming, or pruning as it currently is referred to provides an opportunity to assess the species, age, condition and location of the tree and appropriate pruning practices utilized to facilitate longer periods required pruning. Utility companies generally refer to the frequency pruning and vegetative controls on the lines and rights-of-ways as cycles, or cycle pruning.

In general, cycle pruning is conducted between three and eight years in a predetermined geographical area. Urban environments often do not facilitate extended cycle times due to the influence the general public has on maintaining tree canopy as a part of urban life. Urban trees influence society through heating and cooling benefits, carbon reducing qualities, human psychological health benefits and so on.

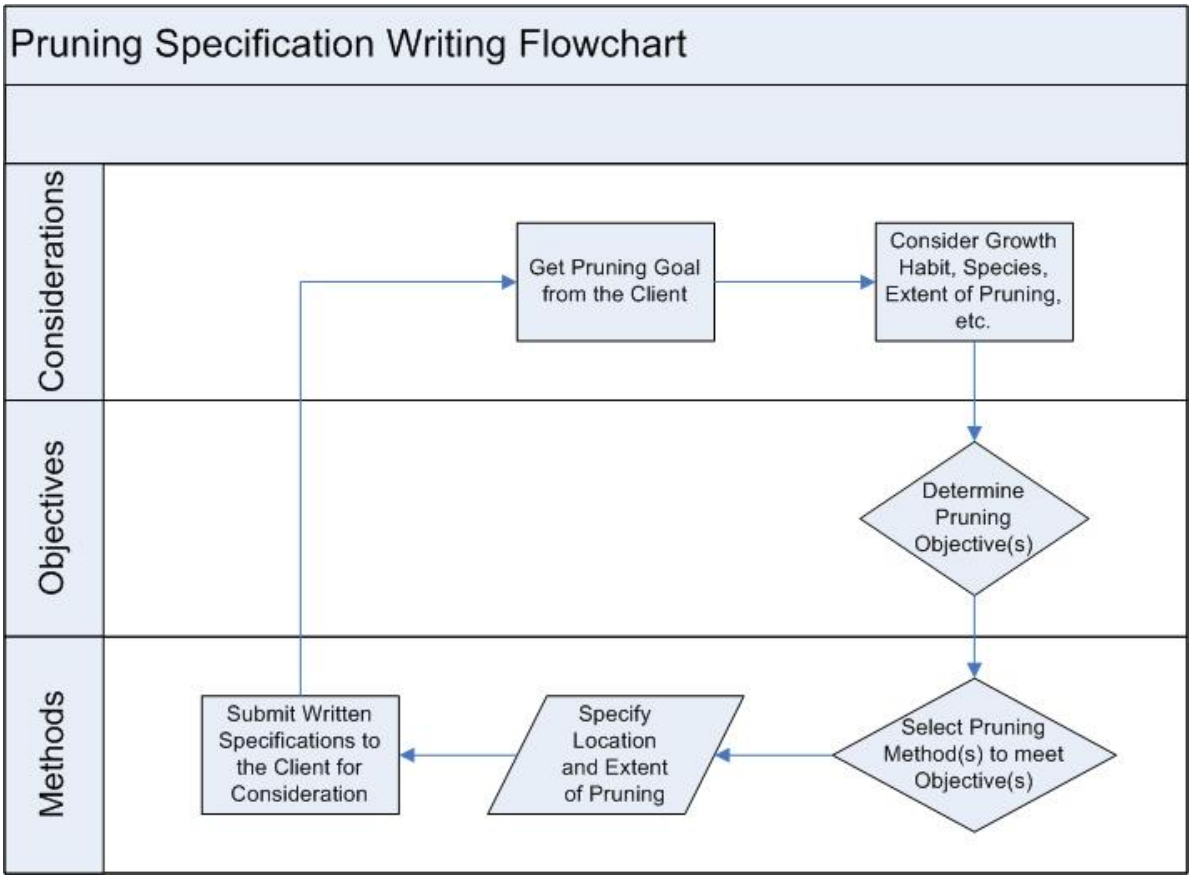
Removing trees completely may extend cycle times in rural environments. The use of mechanical, chemical and cultural control methods will also reduce required the frequency of pruning and brushing operations.

A best practice management approach would be to balance short and long cycles, through the use of tree inventories and technology to identify areas in which more

frequent pruning is required, essentially target pruning. Focusing resources on areas of high profile more often and ensuring compliance with current practice to promote an apparently controlled environment in which trees and utility service may share overhead space.

Pruning of trees and shrubs in compliance with the ANSI-A300 standards and its application to vegetation management for electrical utility rights-of-ways is an integral management consideration when designing a vegetation control and maintenance program. Combinations of sound inventory, practice and management techniques are proven strategies to improve safe and reliable utility distribution in urban and rural environments.

ANSI-A300 standard for writing pruning specifications:





Topping and heading cuts created the rapid regeneration of limbs

Past Practice

Historically utility trimming was the removal of vegetative growth within certain distance from conductors and related apparatus. This theory in practice only created heading, stubbing and topping cuts.

a part of a tree, limb or leader, at a specified distance or
or trunk. This approach to pruning was very counter productive to the ultimate goal. The original cutting provided the clearance required, however the advantageous growth that resulted from the cutting created regeneration of the very weak, rapidly growing limbs that would quickly interfere with the utility lines.

Current Practice

Appropriate pruning practice performed in compliance with the ANSI A300 standard will incorporate the use of proper pruning cuts and directional pruning opportunities to avoid excessive epicormic response. This provides the tree to continue growing, allowing taller canopy with proper clearance, sustained for longer periods between pruning.



Directional pruning using proper pruning cuts directing existing limb material away from the utility and preventing undesirable rapid limb growth response

Vegetation Control

Vegetation management is defined not only through the practice of pruning and removing trees and limbs, but it refers to the removal and prevention abilities of the management plan to reduce unwanted vegetative growth below and in proximity too hydro lines, in and around substations and apparatus.

Vegetative management plans should incorporate a variety of control techniques.

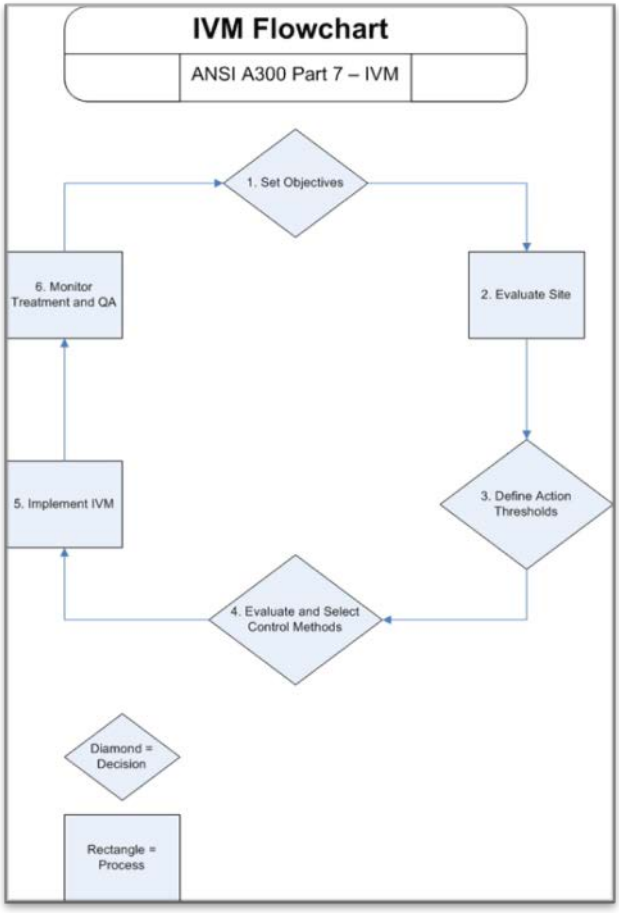
- Manual: cutting of brush through the use of hand operated tools
- Mechanical: cutting and removal of underbrush through the use of equipment mounted saws, mowers, or other devices
- Chemical: use of herbicides, growth regulators or other pesticides to prevent the regeneration of undesirable plant species.
- Cultural: control the regeneration and growth of undesirable plant species through the establishment of compatible, stable plant communities or the use of crops, pastures, mulching, or other managed landscapes
- Biological: the use of plants, animals, insects or pathogens to regularly attack or remove undesirable plant species from growing to excessive height and diameter.

An Integrated Vegetation Management plan should take into consideration action thresholds, control methods used, maintenance cycles, geographical locations to be managed, resources available, local regulations and ongoing quality assurance the program will be applied according to the appropriate standards.



Stubbing limb cuts creating excessive regeneration and significant interference

Attached is the flow chart that makes up part of the ANSI-A300 standard that is recognized practice to account for appropriate planning, management, implementation and monitoring of an IVM program.



Control Methods

Several control methods are recommended for the cutting, removal, reduction and reduced regeneration properties. It is always necessary to consider multiple methods to create a successful 'brush' management plan.

The cutting and removal of brush has been an effective but cyclical repetition of removing regenerated and new seeded species that pose inherently interference and encroachment issues on rights-of-ways. Manual operation of saws and hand held mowers can be a slow and costly option, although readily available. Substitutes to manual cutting are mechanical and chemical methods.

Biologically when a perennial plant, including trees and shrubs are cut at the base or low on the trunk, the rizhosphere is left undisturbed. In this organic layer of soil contains the root systems of all terrestrial plants, trees and shrubs. Following the cutting and removal of the stem of the tree or shrub the root systems pushes this biological reactionary system that produces epicormic growth, a flush of newly rapidly growing shoots.

The new shoots that a plant produces are determined by the amount of energy reserves stored in the root system. Epicormic growth may be produced the during the same growing season or at the beginning of the next growing season. To combat this biological response in plants the three methods of brush removal should be considered during one cutting season:

- ✓ Mechanical Control
- ✓ Chemical Control
- ✓ Cultural Control

Mechanical Control



Mechanical brush removal or control is an effective method of cutting the unwanted plant, immediately converting the stem and branch material into shredded or chipped biodegradable material that is left on site assisting in discouraging regeneration of unwanted plant species. Mechanical mulching or brushing machines are effective methods for cutting the plant at the base and extending into the soil, the rizhosphere, disturbing, by cutting and removing root systems leaving little opportunity for the plant to regenerate.

Chemical Control

Herbicide - Understanding, Recommendation and Application

What is a Herbicide

Herbicide is mixture of chemical or biological agents and inert additives that are designed to control the growth and reproduction of vegetative materials.

Any herbicide is referred to as part of the pesticide families. The active ingredient to any herbicide is the chemical or biological component to the mixture that actually interrupts the growth potential of the vegetation it is trying to control.

Herbicides are produced to control vegetation in many different ways. Some herbicides are active upon contact, systemically or through osmosis. Some are applied pre-plant emergent or post plant emergent. They can be applied to the foliage, stem or root of a plant, as well as applied to the soil in which the plant grows. There are several qualified methods of applying the herbicide. Depending on the way you wish to control the vegetation will contribute to a decision on how it should be applied. Some methods used are foliar spraying, stem spraying, stem injection, cut-stump contamination or basal bark spraying.

If the decision to use a herbicide is chosen to be the best course of action for the control of the vegetation, then considerations must be made as to what herbicide would be best suited to the needs of the control purpose, the methods available to apply it, the environment surrounding the vegetation including soil types and surrounding developments. Public perception and legislation must also be considered. Herbicides must be registered for use in Canada, and classified by both Federal and Provincial governments.

Legislation - Federal

The Federal Government of Canada, through Health Canada has an extensive registration system that must be completed by the registrant of the product (pesticide) prior to its use in Canada. The Pesticide Management and Research Association of Canada (PMRA) are responsible for Registering and classifying the pesticides at the federal level. Once the product has been registered for use a label is attached to the product that supplies the applicator with extensive information of the toxicity of the product, its direction for use, what it is registered to control and much more information.

After a product receives federal registration it falls to provincial legislation for further regulations on its use.

Legislation - Provincial

In April of 2010 the Government of Ontario chose to implement new legislation governing the use of pesticides in Ontario. It further classified pesticides provincially and implemented a ban on many federally registered products, eliminating their use for cosmetic purposes within the province.

Currently we have 11 classes of pesticides in Ontario. The important information to be aware of is that pesticides in class 2 to 4 are for commercial purposes and can only be applied by licenced exterminators. Class 9 pesticides are banned active ingredients; they are manufactured of synthetic materials and cannot be applied for cosmetic purposes. Class 11 pesticides are deemed to be 'organic' and are registered for use by licenced applicators for control of pests, including unwanted vegetation for cosmetic purposes, and used in domestic products.

In Ontario, pesticides that contain class 9 active ingredients may be used by Industrial Vegetation exterminators for use on a public work, which includes a utility, but its use has to be under the direction of an Integrated Pest (Vegetation) Management Plan, drafted by an Ontario accredited Integrated Pest (Vegetation) Management person.

Integrated Pest (Vegetation) Management - IVM

Integrated Pest (Vegetation) Management is a decision making process that encompasses the entirety of the project to be completed including the environment, any prevention methods and alternatives to chemical control.

Provincial legislation requires that all public works must use licenced Industrial Vegetation exterminators, and accredited IPM persons to assess, recommend, apply and manage the application of a herbicide on a public work in efforts to control undesirable vegetation.

Method of Application

When considering a method to apply a herbicide considerations including access to the site, land usage, soil types, water bodies and public perception should all be taken into account.

Evaluating and Reporting

As part of the IPM process, a monitoring program has to be developed. It is part of the Pesticide Act, Ontario Regulation 63/09 that the public work be diligent in maintaining records of the pesticide usage throughout the year.

It is part of the regulation that the annual reports be drafted in accordance to Regulation 63/09. S.25 (4). and be kept at the head office of the public work and produced to the provincial Director or any member of the public, free of charge upon request.

Cultural Control

Cultural Control is the effective use of compatible plant materials to discourage the growth and regeneration of undesirable plants. Utility rights-of-ways should consider the use of wild grasses and forbs that can easily be seeded post mechanical mulching, and in combination with chemical controls.



WILD GRASSES AND FORBS TO CULTURALLY CONTROL UNWANTED PLANT MATERIAL IN A UTIILTY R.O.W.

Observations: North Bay Hydro Cycles

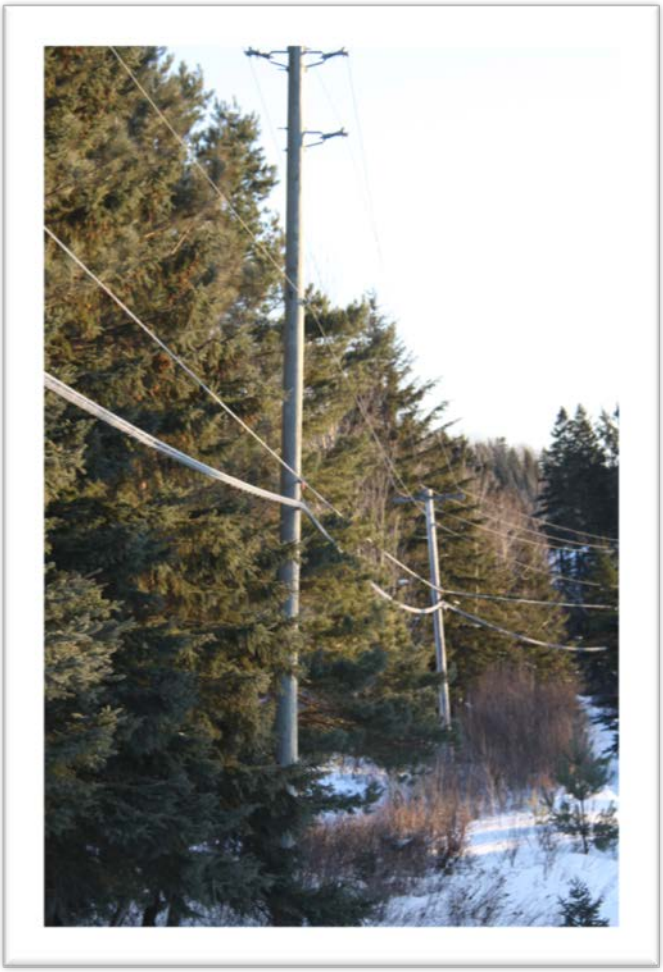
Observations have been made to identify the amount of work required to meet current contract specifications comparatively to past practice.

Overview of Cycles

Cycle 1A

Description: Consists of Hwy 11 North corridor, including College Drive, Cedar Heights, Larocque Road and the area surrounding McKeown Avenue most often referred to as Thibeault Terrace.

The concentration of work is not accessible through conventional bucket truck mean and considered to be off road*, with a majority of the work consisting of complete tree removal in close proximity to primary lines.



Hwy 11 is extensively overgrown and requires significant resources to reclaim appropriate clearances. Thibeault Terrace is an urban residential area with relatively extensive network of overhead lines. This area requires significant pruning improvements.

Cycle 1B

Description: Consisting partly of Hwy 11 North corridor and the roads extending to the east, including the airport and Golf Course Road area.

A significant amount of the work is roadside accessible, with a

segment of back lot sections. Work is estimated to be extensive with relative equal amounts improved pruning methods to remove existing stub cut and topped trees in combination with complete tree removal. Mechanical and chemical brush control is recommended for rural residential and back lot locations.

Cycle 1C

Description: Consisting mainly of urban and rural-residential streets including Airport Hill and its resident streets, Tower Drive, Lees Rd and Smith Rd.

Majority of the area is roadside accessible requiring more extensive pruning and some removals. Airport Hill is a compilation of mature deciduous trees with opportunity to maintain significant tree canopy with proper assessment and implementation of crown elevation and restoration pruning techniques. An area identified as one overhanging limbs may be acceptable in some locations.

Approximately half of Tower Drive, Northmount, Smith and a segment of Lees Road is extensively overgrown and will require significant clearance improvements.

Cycle 1D

Description: Consists of Carmichael Drive, Four Mile Lake Road, Chadbourne Drive and Widdifield Station Road.

This area is overgrown by coniferous species, specifically balsam, spruce and red pine. The cycle has a combination of on and off road accessible lines. Back lots should have mechanical and chemical control, roadside lines require extensive tree removal to reclaim rights-of-ways.

Cycle 2 A through D

Description: Cycle 2 is grouped into one area because it consists of the most developed area; residential, commercial and industrial spaces. In general the disbursement of trees in this cycle is consistent throughout, only sparse in the immediate downtown core. The area includes from John Street west along the waterfront and out Main Street West to Hwy 17, north to O'Brien Street and part of Trout Lake Road.



Vegetation continuously in contact with high voltage repeatedly burning off new growth stunting limbs under phase

Cycle two is the oldest part of the city, the oldest street trees are observed presenting the opportunity for tree and human, utility and tree conflicts and overall concerns. Field data identified extensive improper and outdated pruning methods resulting in current vegetation and utility contacts through rapid regeneration of limbs (suckers and water sprouts).

The cycle is mostly roadside accessible with some overgrown residential back lot areas. Cycle 2 has an extensive network of older trees that require significant restoration pruning and where pruning is too extensive and the regeneration of advantageous growth would result, removal is recommended.

Cycle 3A and 3B

Description: Consists of Wallace Heights down Lake Heights and Sage including the Birch Haven area to the southeast of Trout Lake.

This area was effectively pruned to current standards in 2012. Significantly less work required in upcoming cycles in this area.

Cycle 3C

Description: Peninsula Road, North Shore Road and tributaries.

Cycle pruning with more current methods was pursued in 2011. The proximity of hydro lines is greatly improved from methods dating back pre-2011 contract. Clearances are currently at minimum distances; pruning cuts are generally made in compliance with ANSI-A300 standards but many areas were not pruned or missed through out the cycle. In addition it appears little to no attention was placed on

pole, guy, secondary and triplex clearances creating extensive overgrowth in these areas.

Mechanical and chemical controls are recommended. This area has a significant stand of large white and red pine species with overhanging limbs on West Peninsula road that should be regularly monitored for broken and hanging limbs over the conductors.

New contract requirements outline minimum right-of-way clearances, therefore certain lines may require more resources applied to enlarge the existing rights-of-ways.

This photo identifies that the pruning performed on this stand of immature red pine in cycle 3C has been performed using proper arboriculture. The trees will not regenerate quickly to interfere with the conductors, however the clearances do not meet the requirement of the 2014 Vegetative Management Contract technical specifications.



Cycle 3D

Description: Hwy 63 corridor from Trout Lake to Songis Road including Daly's Rd and Feronia Road areas.

The Hwy 63 corridor is of accessible only with off-road areal devices and manual tree climbing technique. This area is lined with an extreme amount of overgrown mature and immature coniferous trees, balsam, spruce and pine. The trees are overhanging and under growing, limbs topped and stubbed off, neglected brush by definition has permitted the under growing vegetation to become small and large trees under lines. Vegetation is currently burning** in this area and must be removed. The cycle requires significant reclamation work to attain necessary line clearances.

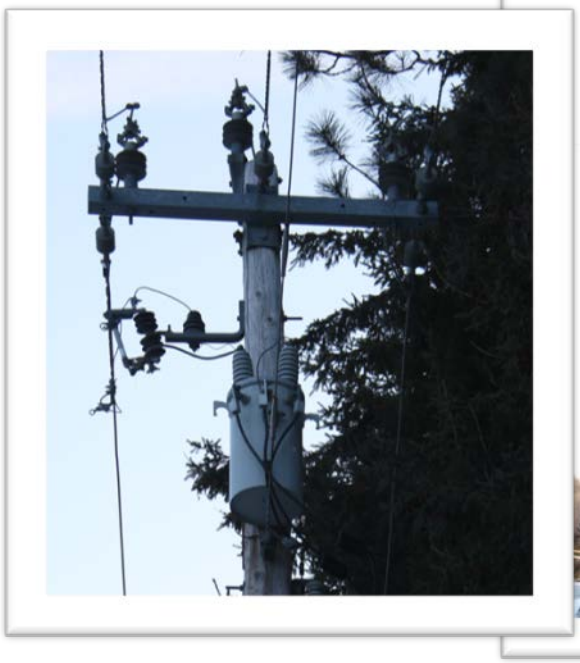
Cycle 4

Description: West Ferris, all roads and back lots south of John Street between Hwy 11 and Lake Nipissing to the South boundary of North Bay.

This cycle was completed in 2013, specification for clearances attained where performed in compliance with the current requirements laid out in the 2014 Vegetation Management Contract. Approximately three streets and all back lots were not completed in that cycle year. In anticipation that the remaining work will be completed prior to the scheduled cycle pruning, in theory the cycle will consists of less work than recently performed.

Data was collected in this cycle estimating a hypothetical reflection of work required at time of the next cycle. The pruning practices performed throughout the cycle have been performed in compliance with the current contract requirements using proper arboriculture. Assumptions can be made that opportunity for epicormic and advantageous growth will result in certain areas, but overall the hydro lines and rights-of-ways have been restored to appropriate clearances.

Extensive overgrown conifers in contact with primary phase conductors and transformer





Cycle Observations Results

Each of the four cycles are broken into four additional segments, 'A' through 'D'. Within each cycle area the, degrees of work necessary to provide hydro and vegetative clearance requirements as per the current cycle contract requirements were documented. Comparatively the amount of work performed during past practice, or cycle pruning performance was estimated to the amount of work necessary to complete the cycle using the current contract requirements.

Past work performance were estimated by utilizing old contract technical requirements, observations made of heading, stubbing and topping cuts, distances from tree trunks to center of conductors, diameter of regenerated growth (both water sprouts and coppice growth).

In addition to making observation of past practice, tree species and local plant hardiness zone information was taken into consideration. This information is valuable when determining:

- The overall vigorousness of the tree species
- The compartmentability properties of the tree to compartmentalize decay
- The epicormic response of the tree species
- The hardiness of the plant
- The invasive properties of the plant
- The expectation or potential for invasive pest or disease

With this information future planning can be managed with a proactive response to anticipate the reaction of the tree to the pruning methods utilized.

The information was collected using a scale of 1 through 5.

Scale:

1. Significantly less work required than previous contract requirements
2. Slightly less work required than previous contract requirements
3. The same amount of work required as previous requirements
4. More work required than previous requirements
5. Significantly more work required than previously contract requirements

In 2013 cycle two zone was carefully examined, more observation was performed and documented for the amount of work required to provide the clearances outlined in the 2014 Vegetative Management Contract.

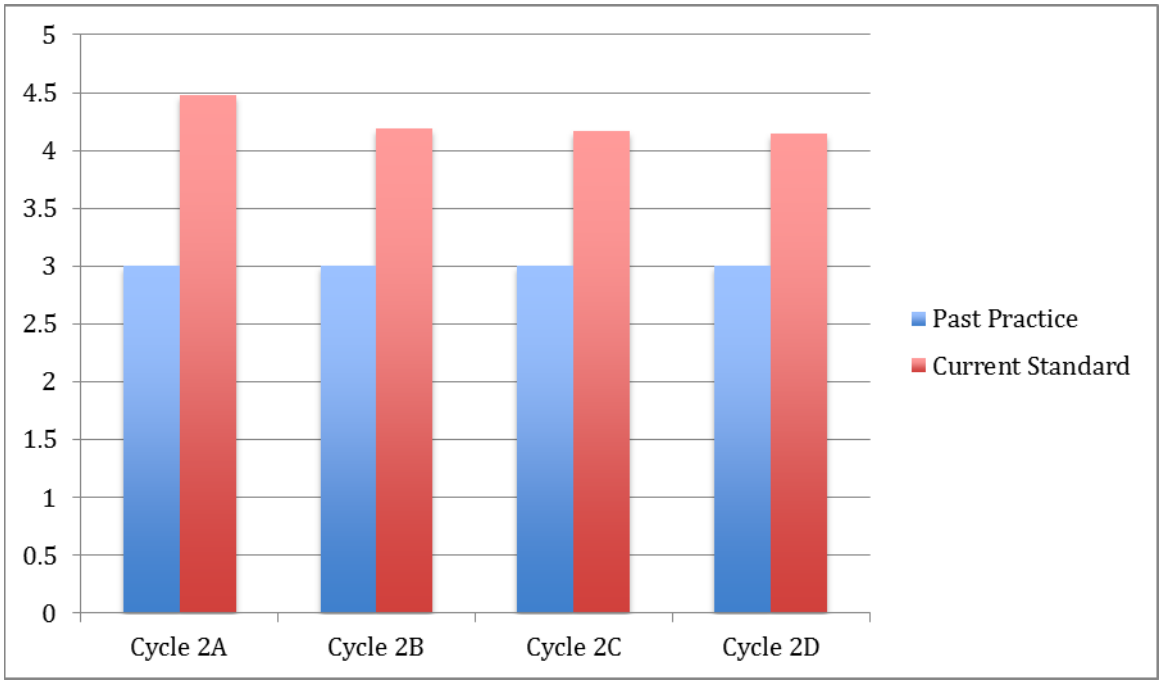
These observations were compared against the amount of work observed in the past cycle contract requirements. The information was documented using the same scale for comparative degrees of work required.

Using cycle two as an extrapolated base line of the work requirements for current and future work requirements as per technical requirements of the 2014 Vegetation Management Contract, results can be therefore be applied to Cycles One, Three and Four through sampling of the respective cycles as a representation of the whole.

Cycle 2 field data compiled scores:

2A	**4.48**
2B	**4.19**
2C	**4.17**
2D	**4.14**

Average Cycle 2 Score: 4.25



Note: Cycle 2 results are a compilation of scores with consideration incorporated in the data as to the geological, physical, topographical and technical aspects of the overall cycle. Cycle 2 consists of mostly urban and sub-urban areas accessible by utility bucket trucks (road side) with a significant number of deciduous trees.

The information derived from this data indicates that the current amount of work required to complete Cycle 2 is approximated to be 35% higher than during the last time the cycle was completed.

The results of cycle 2 can therefore be assumed to be relative to the amount of work increased for other cycles completed under the similar contractual requirements.

In addition to cycle 2 findings, sample plots from cycle One, Three and Four were conducted.

Cycle 1 field data compiled scores:

1A, B, C, D collectively 4.85

Therefore the amount of work required to complete cycle 1 would be between 35% and 47% greater than the work performed to previous contract requirements. (Please refer to increased work with relation to *Field Observation –Area of Increased Vegetative Control*.)

Cycle 3 field data compiled scores:

3A, B, C, D collectively 3.93

Therefore the amount of work required to complete cycle 3 would be between 29% and 35% greater than the work performed to previous contract requirements. (Please refer to increased work with relation to *Field Observation –Area of Increased Vegetative Control*.)

Cycle 4 field data compiled scores:

4A, B, C, D collectively 4.06

Therefore the amount of work required to complete cycle 4 in 2013 was between 31% and 35% greater than the work performed to previous contract requirements.

However, section 4 was not complete as per the 2014 distributed cycle map area. The exceptions were:

Section 4A was only completed on the south side of the overpass, west of Main St. Excluding all areas identified on older Cycle maps including Judge, Worthington and that area.

Section 4D, River Bend Road, Decaire Road, parts of Booth Road, Ferris Drive, Lamorie and the underbrushing on the back lots between substations were left incomplete and not done.

(Please refer to increased work with relation to *Field Observation –Area of Increased Vegetative Control*.)

Cycle 4 field data (Note: Cycle 4 completed 2013, some roads not complete)

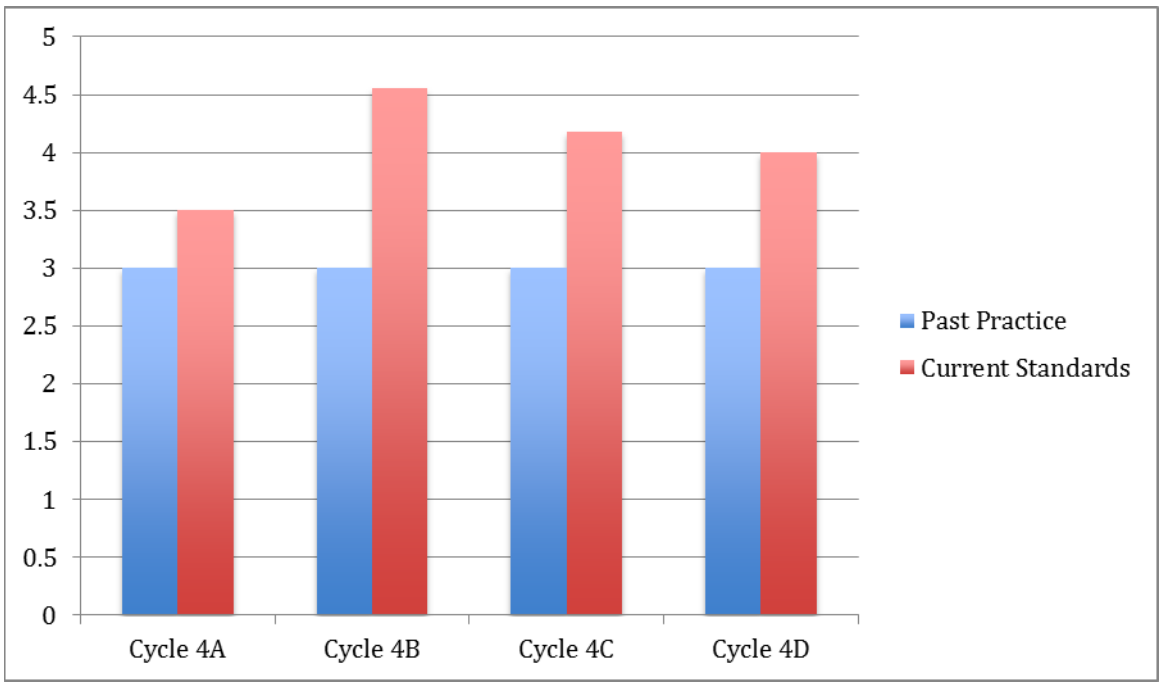
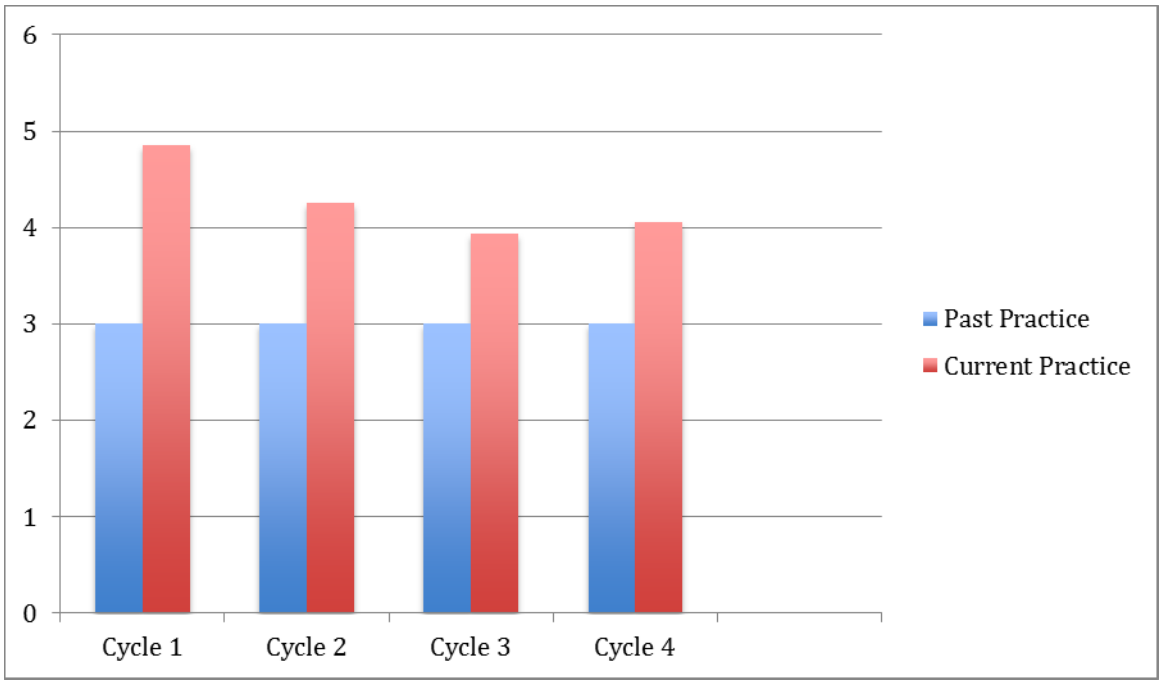


Illustration of Cycle Average Comparisons



Projections are made using comparative data derived from a mostly urban and sub-urban area (Cycle 2).

Field observation – Areas of Increased Vegetative Growth

Throughout the field data collection certain cycle areas require significantly more resources than other areas to reclaim the rights-of-ways. In attempting to make estimations on the amount of resources required to complete the work to current standards some approximations had been made to Cycle One, Three and Four. The estimated percentages of work required were based on mixed sample plots of urban, sub-urban and rural areas within these cycles.

In consideration of the amount of resources to apply to these cycles increased resources, presumably there above the listed percentages will be required in the following areas:

Cycle 1:

- Four Mile Lake Road
- Chadbourne Drive
- Carmichael Drive
- Widdifield Station Road
- Tower Drive
- Smith Road
- Northmount Road
- Lees Road
- Hwy # 11
- Larocque Road

Cycle 3:

- Hwy #63
- Feronia Road
- Peninsula Road

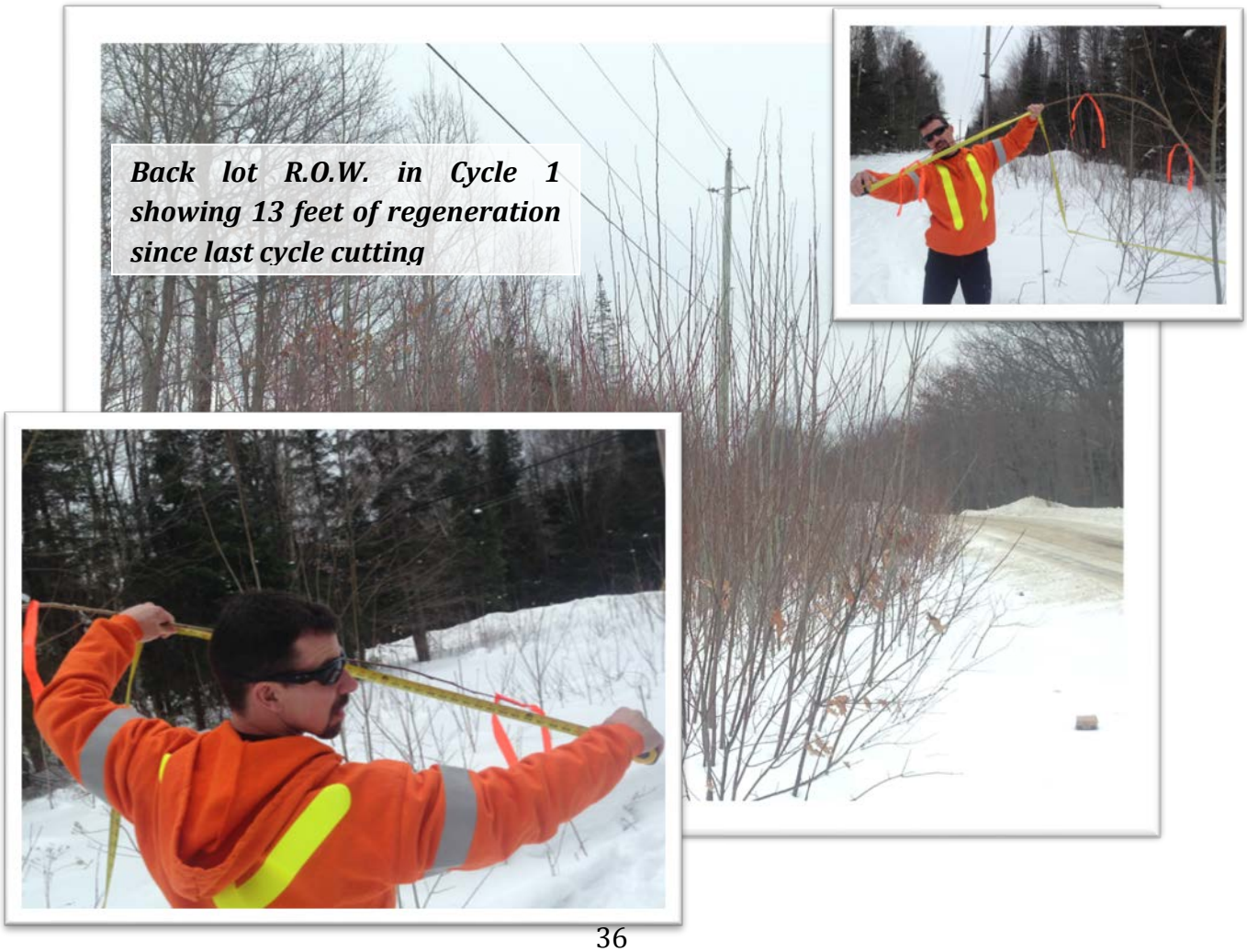
The areas listed will require significantly more resources in comparison to the overall identified areas in cycle two. In these particular areas the tree line, or vegetative growth is growing from under or nearly under the conductors.

Four Mile Lk Rd – Single phase primary line with mature and semi-mature spruce and balsam trees growing around conductor



Areas in which the vegetation is growing so close to the conductors and related equipment there is no opportunity to prune the trees. With past practice allowing trees to continue to grow in close or very close proximity to the lines it allowed the trees to grow taller in certain areas and larger in diameter in other areas. These trees will require complete removal to reclaim appropriate clearances. Complete tree removal will result in:

- ⇒ Increased workers to complete the task
- ⇒ Larger equipment to process the cut materials
- ⇒ Increased volume of debris, chips and wood to transport and dispose of
- ⇒ Increased customer service and education with respect to private lands
- ⇒ Increased monitoring, supervision, permits and utility disruptions (possible shut down requirements)
- ⇒ Larger work zones resulting in more traffic interference and roadside operations (additional signage, permits and traffic control)



Back lot R.O.W. in Cycle 1 showing 13 feet of regeneration since last cycle cutting

Conclusion

Utility tree trimming operations are increasingly scrutinized by public, political and legislative opinion and regulation. The ideal overhead utility distribution system would allow for no tree or other interfering vegetation within a certain distance to the lines for the safe and uninterrupted distribution of service. Unfortunately nature encodes hidden checks and balances within the environments to prevent our idealistic once establishing, never maintaining rights-of-ways approach required for the ideal situation.

In consideration of the balance required between maintaining appropriate and regulated vegetation clearance for regularly uninterrupted hydro distribution and a green community we must apply what we know about tree biology and cultivation to manage to the best of our abilities.

Regulation provides us with the set of clearances required around conductors and related electrical apparatus. Our understanding of tree biology and cultivation provides us with a standard for best practice to establish and adequately maintain vegetation on a cyclical schedule.

In best practice, proper arboriculture ensures that we can adequately cut a tree limb at a particular location to direct its energy reserves in promoting future growth in the direction we want while discouraging epicormic growth response. This provides the opportunity to utilize certain existing mature trees to provide canopy within a certain proximity to hydro lines.

The utility rights-of-ways established by North Bay Hydro have been examined and estimations on the amount of resources or work required to adequately reestablish these areas, to provide a standard of vegetative clearance, that would satisfy regulation, provide safe and relatively uninterrupted service have been made. This report finds that the overall condition of the rights-of-ways requires significant rehabilitation and restorative work. The practices that have been maintained in the past are out dated causing vegetation and utility conflicts in a large percentage of the city.

Cycle's one and three require a significantly more amount of work with respect to reclaiming rights-of-ways. The area is a rural residential with a low number of residence. The trees species in the area are comprised mostly of balsam fir, spruce and pine. These are regularly observed species in the cycle that have been

permitted to grow under and nearly under the conductors. This cycle area will require a large number of trees to be removed. Pruning these trees will only defer the growth problem to a later date. The appropriate clearances will not be attained, and these trees will inevitably require removal. The longer the trees are permitted to grow in proximity to the lines, as they are currently will result in increased hydro distribution disruptions from limb and trunk failures until they are removed. The trees will also incrementally require increased resources to remove them as they grow in diameter and height.

Integrated vegetation management techniques provide a mixed opportunity to control regeneration of cut vegetation through root disruption and chemical applications. Best management practices require a combination of methods be applied in one management plan. The use of manual and mechanical cutting techniques in combination with chemical and cultural controls have proven to reduce regeneration and lowered resources in maintaining rights-of-ways. In preparation of an effective integrated vegetation management plan field reports that accurately reflect the condition of the right-of-way, accessibility of the right-of-way, the vegetation to be managed and appropriate control measures should be performed. Appropriate and effective Integrated Vegetation Management would substantially reduce the cyclical use of resources to combat vegetation regeneration.

*off road- an area in which standard forestry bucket truck units cannot access due to the location of the hydro line and the terrain.
**burning- when parts of a tree make contact with energized conductors resulting in the vegetation being burned off

APPENDIX 4-F THE MEARIE GROUP EMPLOYEE BENEFIT PROGRAM

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

North Bay Hydro
Union Employees

Prepared: January 2014

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Extended Health Care	12
Long Term Disability	23
Life Insurance	27
Supplementary Life Insurance	37
Voluntary Group Home & Automobile Insurance	41

Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your disability and life plans are insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.*

Need help?

Any questions you have about your benefit program may be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, extension 5330.

For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you are an active permanent full-time employee under the age of 65, you are first eligible to enroll in all benefit plans, with the exception of the Life Insurance plan, on the date your employment begins. You are eligible to enrol in the Life Insurance plan on the date you complete six (6) months of continuous employment with your employer.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65, or
- the date the group plan is cancelled.

Please note:
Survivor benefits are not available under the extended healthcare benefit. Survivor benefits are available under the dental care benefit – to surviving dependents of ACTIVE employees only – according to the plan provisions outlined in this benefit booklet.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

General Information

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and

- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday, but on or after your 55th birthday, and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire under an Early Retirement through OMERS, you will also qualify for a reduced amount of life insurance until you reach age 65. Coverage details are provided in the Life Insurance section of this handbook.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **prior year's** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

Dental Care

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

Maximum Benefit

No overall maximum benefit applies for basic dental services.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

Your plan design determines which online services are available to you.
Go to www.greatwestlife.com to register.

OR

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Dental Care

Extended Benefit For Surviving Dependents of Active Employees

If you should die while insured under this plan as an **active** employee of North Bay Hydro, **dental coverage** will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

NOTE: This provision does not apply if you are insured for dental coverage as a retired employee; in such case, coverage ceases upon your death.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

What Is Covered

Reasonable Treatment
All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to $10 per day, for a maximum of 120 days.

Extended Health Care

Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

Charges for fertility drugs are limited to a maximum of $15,000 per lifetime.

Extended Health Care

Professional Services

Services of a licensed **chiropractor**, to a maximum of $500 per calendar year, plus up to $50 for x-rays per calendar year.

Services of a **physiotherapist**, to a maximum of $12.20 per treatment.

Services of a registered masseur, when recommended in writing by the attending physician, limited to $60 per visit, to a maximum of $300 per calendar year.

Services of a licensed **speech therapist**, to a maximum of $200 per calendar year, when recommended in writing by the attending physician.

Services of a registered **clinical psychologist**, to a maximum of $35 for the initial visit, plus $20 per hour for each subsequent visit, subject to a maximum of $200 per calendar year.

Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **$400 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Extended Health Care

Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

Note: *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*

- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Extended Health Care

Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of $400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Maximum Benefit
The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

Extended Health Care

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

Your plan design determines which online services are available to you.
Go to www.greatwestlife.com to register.

OR

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
    - the patient's name,
    - the date the treatment or supply was provided,
    - the nature of the service or supply,
    - an item-by-item list of the charges, and
    - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.

Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.

2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.

3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

Extended Health Care

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

LONG TERM DISABILITY

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days**.

Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of $4,000 per month**.

> *To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),

- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),

- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and

- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability gross earnings.

Any disability income benefit payments you receive under the plan are taxable.

Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Life Insurance

Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.

How The Plan Works

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

Life Insurance

Benefits Provided

Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings

Notes: *All amounts of basic term and additional term insurance are rounded upward to the nearest $1,000.*
Regardless of which Option you select, the total amount of coverage cannot exceed $600,000.
Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

Life Insurance

Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of $10,000 to a maximum of $250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of $10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**Note:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option).

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**Note:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

Life Insurance

Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.*

Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends,
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**NOTE:** If your employment ends due to retirement on Early pension, you will continue to be insured for a reduced Retirement Life Insurance benefit — refer to the sub-section, *Retirement Life Insurance*.)

Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Life Insurance

Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

Life Insurance

Early Retirement Life Insurance

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit until age 65 – based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page – if you retire prior to age 65 under an Early Retirement.

Life Insurance

Classification		Amount of Early Retirement Life Insurance (Terminates At Age 65)
A.	If you retire prior to age 65 with less than 10 Years of Service in this Plan	$2,000
B.	If you retire prior to age 65 and you were not insured under the Superseded Plan* but were hired prior to June 16, 1989and retire with 10 or more Years of Service in this Plan **OR** if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
C.	If you retire prior to age 65 and were insured under the Superseded Plan*:	
	1. If at **any time** you elected coverage under Options 2, 3 or 4;	Amount will be determined in accordance with provision B above
	2. If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or	50% of your final annual earnings
	3. If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	70% of the amount of coverage you were insured for immediately prior to your retirement date
D.	If were hired on or after June 16, 1989 and you retire prior to age 65 with 10 or more Years of Service in this Plan	$10,000

Notes

All amounts of retirement life insurance are rounded upward to the nearest $1.00.

**Superseded Plan* means the prior life insurance plan which this Plan replaced effective March 1, 1980.

Years of Service means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

Early Retirement Life Insurance coverage ceases on the date you attain age 65.

Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

Supplementary Life Insurance

The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Supplementary life insurance coverage is available in **multiples of $10,000, to a maximum of $250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

(**Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of $600,000.)

Supplementary Life Insurance

Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.*

Supplementary Life Insurance

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Supplementary Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Group Home & Automobile Insurance Program

The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.

How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is second-to-none in the Canadian insurance marketplace.

Products Available

Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

Group Home & Automobile Insurance Program

Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

AVIVA Roadside Assist
This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

Vehicle Anti-theft Device
Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

Six Star Protector
Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their "Six Star" driving record and their claims free discount in the event they have an accident in the future.

Payment Options
- Multi-pay plans, or, monthly payment plan with no interest or service fees.

Hours Of Operation
- Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

Group Home & Automobile Insurance Program

How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at www.avivacanada.com (click on Traders - password: grquote).

** Administered by Alternative Risk Services Inc.*



3700 Steeles Avenue West, Suite 1100
Vaughan, Ontario L4L 8K8
905.265.5300
1.800.668.9979
www.mearie.ca
Fax: 905.265.5301 Email: mearie@mearie.ca

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

North Bay Hydro
Management

Prepared: May 2014

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your disability and life plans are insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.*

Any questions you have about your benefit program should be referred to the Human Resources Department or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, Extension 5351.

For quick and easy access to information about your group health and dental benefits, claim forms and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you are an active permanent full-time employee under the age of 65, you are first eligible to enroll in all benefit plans, with the exception of the Life Insurance plan, on the date your employment begins. You are eligible to enrol in the Life Insurance plan on the date you complete six (6) months of continuous employment with your employer.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

You will be required to complete a Health or Dental Coverage Change of Information Form.

General Information

When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65 (applies to all benefits except for short term disability),
- the date you attain age 70 (applies to short term disability insurance), or
- the date the group plan is cancelled.

Please note:
Survivor benefits are not available under the extended healthcare benefit. Survivor benefits are available under the dental care benefit – to surviving dependents of ACTIVE employees only – according to the plan provisions outlined in this benefit booklet.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

General Information

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

If You Retire

Upon early retirement, you will continue to qualify for benefits under the plan, and shall be allowed to continue the Life Insurance, Extended Health and Dental benefits with 100% of the premium cost paid by the Employer until the age of 65.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current year's** Ontario Dental Association Fee Guide for General Practitioners and Specialists. Updates are made automatically each year.

There is **no dental care deductible**.

What Is Covered

Until the age of 65 the plan provides 100% reimbursement for the following BASIC dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period, or prophylaxis (light scaling and polishing), limited to once in any 6-month period, when performed in Quebec
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

Dental Care

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.
    1. provisional splinting; and
    2. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 36 months old and cannot be made serviceable; or
    3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

Maximum Benefit

No overall maximum benefit applies for basic dental services.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $400, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan, which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Dental Care

Extended Benefit For Surviving Dependents of Active Employees

If you should die while insured under this plan as an employee of North Bay Hydro, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

Note: This provision does not apply if you are insured for dental coverage as a retired employee; in such case, coverage ceases upon your death.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works

Until the age of 65, your extended health care plan reimburses 100% of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- reasonable and customary, considering the circumstances involved and the area in which they are incurred,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured. (Most expenses which are covered in part or in full by the provincial health plan cannot legally be insured.)

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time.

Extended Health Care

Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days to a maximum of $3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to $10 per day, for a maximum of 120 days.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Extended Health Care

Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- ethical drugs or medicines prescribed by a physician or dentist and dispensed by a licensed pharmacist, but which are available without a prescription,
- oral contraceptives,
- preventive vaccines,
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Mandatory Generic Substitution: The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

Extended Health Care

The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

Charges for fertility drugs are limited to a maximum of $15,000 per lifetime.

Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist *(when recommended in writing by the attending physician)*, naturopath, speech therapist, clinical psychologist, to a maximum of **$500 per practitioner, per calendar year.**

Note: *Services for licensed chiropractor include up to $50 for x-rays per calendar year.*

Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **$500 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Extended Health Care

Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

Note: *It is obligatory that a detailed treatment plan be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment:* manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.

Extended Health Care

Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- one pair of custom-made orthopaedic shoes per calendar year which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that cannot be accommodated by a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes, which are recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, up to a maximum of $400 per pair, not to exceed more than one pair every six months, and
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $300 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and laboratory tests, and other similar diagnostic services.

Ambulance

Licensed ambulance service, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The services must be received within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

Extended Health Care

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

To claim benefits for medical services and supplies, *other than* drugs or medicines:

1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
   - the patient's name,
   - the date the treatment or supply was provided,
   - the nature of the service or supply, and
   - an item-by-item list of the charges.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by the Workplace Safety and Insurance Board,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Healthcare Spending Account

Your Health Care Spending Account provides you with annual credits to be spent on any eligible health or dental expense of your choice (according to CRA guidelines).

How The Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans, or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are rolled over to your account for the following plan year. If they are not used by the end of the following year, they are automatically forfeited.

The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year plus any unused amount from the previous year.

Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act

Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

Healthcare Spending Account

Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office.

Great-West Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.

Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan; or
- Expenses arising from war, insurrection, or voluntary participation in a riot.

How to Make a Claim

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA.

Any claim against the HCSA must be submitted on a special HCSA claim form. For Healthcare and Visioncare claims, use form M5431A, and for Dentalcare claims, use form M5429A. **Claims against the HCSA must be submitted to the Great-West Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred**. The standard GWL claim forms should be used when you do not want benefits reimbursed from your HCSA.

Short Term Disability

Your short term disability plan provides you with a weekly income if you are unable to work due to non-occupational injury or illness.

How The Plan Works

Benefits are payable under the short term disability plan if, due to non-occupational injury or illness, you are unable to perform the duties of your normal job.

Benefits are payable from the **1st** day of disability if the disability is due to an accident, or from the **3rd** day of disability if the disability is due to illness. An employee with sick leave credits may elect to draw from his/her sick leave bank rather than utilize this benefit. Benefits will be paid for up to **26 weeks**.

Benefits Provided

The short term disability plan provides a weekly benefit equal to **75% of your weekly earnings, to a maximum of $2,500* per week.**

Health evidence of insurability, satisfactory to the insurer, is required for all amounts in excess of $1,000.

To receive benefits, you must be under the regular and continuing care of a physician. Satisfactory proof of your condition and medical attendance must be provided to the Insurance Company.

Any benefits you receive from the short term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Coordination with Other Disability Benefits

Short term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from any salary continuation arrangement or plan, the Canada Pension Plan, Quebec Pension Plan, or any other federal, provincial, municipal or foreign government plan, excluding any benefits payable with respect to your dependents

Short Term Disability

When Disability Recurs

If you recover and are able to return to work, only to become unable to work again, the second period of absence will be treated as a continuation of the first unless the medical reason for the second period is unrelated to the first, or is separated from the first by more than 2 weeks.

How to Claim Short Term Disability Benefits

Claim forms are available from your Plan Administrator. Forms should be completed and returned to your Plan Administrator promptly, if you are unable to report for work. Short term disability claims must be submitted no later than 31 days from the date your disability begins.

What's Not Covered

Your short term disability plan does not cover:

- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any accidental injury arising out of or in the course of employment, or disease covered by Workers' Compensation or similar legislation,
- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- participation in a criminal act, or
- any of the following:
    1. any disability, loss or expense that commences or occurs during your leave of absence except to the extent that the continuation of such insurance coverage during any period of statutory maternity or parental leave of absence is required either by any relevant federal or provincial law (whether statutory, regulatory or otherwise) or by any written agreement between your Utility and you; and
    2. any disability, loss or expense for which you are entitled to receive any basic and supplementary unemployment insurance, maternity/parental leave benefits.

Long Term Disability

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works

Benefits are payable under the long-term disability plan after you have been totally and continuously disabled for a period of **180 days**.

Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of $9,000* per month**.

Health evidence of insurability, satisfactory to the insurer, is required for all amounts in excess of $6,000.

> *To qualify for long-term disability benefits you must be "totally disabled". During the first 60 months that you receive long-term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 60-month period, you will continue to qualify for long-term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long-term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long-term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits

Long-term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workplace Safety and Insurance Board or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System (OMERS), but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System (OMERS).

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long-term disability benefit will not be discontinued. However, your monthly long-term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long-term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits

Claim forms are available from Human Resources Department. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long-term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Life Insurance

Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.

How The Plan Works

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by completing a General Change Form that may be obtained through your Human Resources Department.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

Life Insurance

Benefits Provided

Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings

Notes: *All amounts of basic term and additional term insurance are rounded upward to the nearest $1,000.*
Regardless of which Option you select, the total amount of coverage cannot exceed $600,000.
Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available that include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

Life Insurance

Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of $10,000 to a maximum of $250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of $10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**Note:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option).

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**Note:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

Life Insurance

Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.*

Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.*

When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by retirement on pension or cessation of active employment due to total disability;
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**NOTE:** If your employment ends due to early retirement on pension, you may be eligible for a reduced Early Retirement Life Insurance benefit until age 65 — refer to the sub-section, *Early Retirement Life Insurance*).

Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Life Insurance

Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

Life Insurance

Early Retirement Life Insurance

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease (refer to chart on page 29).

However, you may qualify for a reduced Early Retirement Life Insurance benefit based on your years of service in this plan prior to retirement as set out in the chart below.

CLASSIFICATION	AMOUNT OF RETIREMENT LIFE INSURANCE
A. If you retire prior to age 65 and you retire with less than 10 Years of Service in this Plan	$2,000
B. If you retire prior to age 65 and your retire with 10 or more Years of Service in this Plan	$10,000
Notes The Life Insurance will continue to the normal retirement age of 65. On the date you attain age 65, the continued life insurance benefit, as set out in the schedule above, will cease.	

Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

Supplementary Life Insurance

The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Supplementary life insurance coverage is available in **multiples of $10,000, to a maximum of $250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

(**Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of $600,000).

Supplementary Life Insurance

Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months). Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect. Monthly costs shown above are subject to applicable taxes.*

Supplementary Life Insurance

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Supplementary Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Group Home & Automobile Insurance Program

The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.

How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is second-to-none in the Canadian insurance marketplace.

Products Available

Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

Group Home & Automobile Insurance Program

Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

AVIVA Roadside Assist
This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

Vehicle Anti-theft Device
Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

Six Star Protector
Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their "Six Star" driving record and their claims free discount in the event they have an accident in the future.

Payment Options
- Multi-pay plans, or, monthly payment plan with no interest or service fees.

Hours Of Operation
- Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

Group Home & Automobile Insurance Program

How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at www.avivacanada.com (click on Traders - password: grquote).

** Administered by Alternative Risk Services Inc.*



3700 Steeles Avenue West, Suite 1100
Vaughan, Ontario L4L 8K8
905.265.5300
1.800.668.9979
www.mearie.ca
Fax: 905.265.5301 Email: mearie@mearie.ca

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

North Bay Hydro
Early Retirees

Prepared: June 2014

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your life plan is insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**.*

Need help?

Any questions you have about your benefit program may be referred to The MEARIE Group, at 1-800-668-9979, extension 5330.

For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you qualify for early retiree coverage, you are automatically enrolled for all benefits on the date of your retirement.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you retire.

Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates

Coverage for you and your dependents will end on:

- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65, or
- the date the group plan is cancelled.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

Dental Care

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

Maximum Benefit

No overall maximum benefit applies for basic dental services.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

Your plan design determines which online services are available to you.
Go to www.greatwestlife.com to register.

OR

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

Dental Care

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

What Is Covered

Reasonable Treatment
All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to $10 per day, for a maximum of 120 days.

Extended Health Care

Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Mandatory Generic Substitution: The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

Charges for fertility drugs are limited to a maximum of $15,000 per lifetime.

Extended Health Care

Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist *(when recommended in writing by the attending physician)*, naturopath, speech therapist, clinical psychologist, to a maximum of **$500 per practitioner, per calendar year.**

Note: *Services for licensed chiropractor include up to $50 for x-rays per calendar year.*

Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **$500 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Extended Health Care

Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

Note: *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*

- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Extended Health Care

Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of $400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Maximum Benefit
The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

Extended Health Care

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
- Complete and print **personalized forms and cards** (e.g. ID, Drug, Global Medical Assistance, Best Doctors®)
- Browse the **Health & Wellness Site** and the **Great-West Life Centre for Mental Health in the Workplace** website for extensive healthcare information and tools.

Your plan design determines which online services are available to you.
Go to www.greatwestlife.com to register.

OR

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
    - the patient's name,
    - the date the treatment or supply was provided,
    - the nature of the service or supply,
    - an item-by-item list of the charges, and
    - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.

Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.

2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.

3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

Extended Health Care

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Retirement Life Insurance

Your retirement life insurance plan provides you with a basic benefit, according to the Retirement Life Insurance benefit schedule. In the event of your death, the plan pays a benefit to your beneficiary.

How The Plan Works

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

Benefits Provided

Early Retirement Life Insurance

On the last day of the month in which you retire on pension under an Early Retirement or Total Disability Retirement — whichever occurs first — your basic life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit until age 65 – based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page – if you retire prior to age 65 under an Early Retirement.

Retirement Life Insurance

Classification		Amount of Early Retirement Life Insurance (Terminates At Age 65)
A.	If you retire prior to age 65 with less than 10 Years of Service in this Plan	$2,000
B.	If you retire prior to age 65 and you were not insured under the Superseded Plan* but were hired prior to June 16, 1989and retire with 10 or more Years of Service in this Plan **OR** if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
C.	If you retire prior to age 65 and were insured under the Superseded Plan*:	
	1. If at **any time** you elected coverage under Options 2, 3 or 4;	Amount will be determined in accordance with provision B above
	2. If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or	50% of your final annual earnings
	3. If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	70% of the amount of coverage you were insured for immediately prior to your retirement date
D.	If were hired on or after June 16, 1989 and you retire prior to age 65 with 10 or more Years of Service in this Plan	$10,000

Notes

All amounts of retirement life insurance are rounded upward to the nearest $1.00.

**Superseded Plan* means the prior life insurance plan which this Plan replaced effective March 1, 1980.

Years of Service means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

Early Retirement Life Insurance coverage ceases on the date you attain age 65.

Retirement Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.



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The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

North Bay Hydro
Other Employees Retired Before June 15, 2005

Prepared: June 2014

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Dental Care	4
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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your life plan is insured through **Desjardins Insurance**. Your health and dental plans are insured through **Great-West Life Assurance Company**.*

Need help?

Any questions you have about your benefit program may be referred to The MEARIE Group, at 1-800-668-9979, extension 5330.

For quick and easy access to information about your group health and dental benefits, claim forms, and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you qualify for early retiree coverage, you are automatically enrolled for all benefits on the date of your retirement.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age for dental or under 22 years of age for extended healthcare, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you retire.

Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates

Coverage for you and your dependents will end on:

- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date the group plan is cancelled.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners and Specialists — updated automatically each year.

There is **no dental care deductible**.

What Is Covered

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

Dental Care

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

Maximum Benefit

No overall maximum benefit applies for basic dental services.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

With GroupNet for Plan Members, you can:

- **Submit many of your claims online**, through Member eClaims.
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- View **claim status** and Explanation of Benefits statements for the past 24 months.
- Access **personalized coverage information**.
- Check **dentalcare and visioncare coverage** balances and find out when you are next covered for a dental checkup, or can next purchase prescription eyeglasses or contacts.
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Your plan design determines which online services are available to you.
Go to www.greatwestlife.com to register.

OR

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).

4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or the completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible**.

What Is Covered

Reasonable Treatment
All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Daily charges for confinement in a **Chronic Care Facility** which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day, for a maximum of 120 days per disability.

Daily charges for room and board and normal nursing care in a **Private Hospital** when certified as necessary by the attending physician, up to $10 per day, for a maximum of 120 days.

Extended Health Care

Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Mandatory Generic Substitution: The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or Dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectables and hematinics).*

The plan does not cover expenses for: smoking cessation products, Viagra; the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

Charges for fertility drugs are limited to a maximum of $15,000 per lifetime.

Extended Health Care

Professional Services

Services of a licensed chiropractor, physiotherapist, massage therapist *(when recommended in writing by the attending physician)*, naturopath, speech therapist, clinical psychologist, to a maximum of **$500 per practitioner, per calendar year.**

Note: *Services for licensed chiropractor include up to $50 for x-rays per calendar year.*

Vision Care

Charges for the purchase and fitting of prescription glasses or elective contact lenses, eye examinations or elective last vision correction procedures, to a maximum of **$500 every 24 consecutive months** (charges for repairs are also included under this maximum), if prescribed by an ophthalmologist, optometrist or oculist.

Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Extended Health Care

Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

Note: *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and*

- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Extended Health Care

Non-Dental Prostheses, Supports and Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 4 pairs per calendar year for persons under age 2; 3 pairs per calendar year for persons between the ages of 2 to 17; and, 1 pair per calendar year for persons 18 years of age or older,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O). and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of $400 per pair, not to exceed more than one pair every six months,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $300 per lifetime,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

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Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Maximum Benefit
The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited.

Extended Health Care

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

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Your plan design determines which online services are available to you.
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OR

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
    - the patient's name,
    - the date the treatment or supply was provided,
    - the nature of the service or supply,
    - an item-by-item list of the charges, and
    - if applicable, the name and number of each prescription drug.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.

Extended Health Care

3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.

2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.

3. You will be required to pay any portion of the cost that is not eligible to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

Extended Health Care

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Retirement Life Insurance

Your retirement life insurance plan provides you with a basic benefit, according to the Retirement Life Insurance benefit schedule. In the event of your death, the plan pays a benefit to your beneficiary.

How The Plan Works

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

Benefits Provided

Early Retirement Life Insurance

On the last day of the month in which you retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your basic life insurance coverage under the Option you selected will cease.

However, you will continue to be insured for a reduced Retirement Life Insurance benefit – based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page.

Retirement Life Insurance

Classification	Amount of Retirement Life Insurance
A. If you retire with less than 10 Years of Service in this Plan	$2,000
B. If you were not insured under the Superseded Plan* but were hired prior to June 16, 1989 and retire with 10 or more Years of Service in this Plan **OR** if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings
C. If you were insured under the Superseded Plan*:	
1. If at **any time** you elected coverage under Options 2, 3 or 4;	Amount will be determined in accordance with provision B above
2. If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or	50% of your final annual earnings
3. If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	70% of the amount of coverage you were insured for immediately prior to your retirement date
D. If were hired on or after June 16, 1989 and you retire with 10 or more Years of Service in this Plan	$10,000

Notes

All amounts of retirement life insurance are rounded upward to the nearest $1.00.

**Superseded Plan* means the prior life insurance plan which this Plan replaced effective March 1, 1980.

Years of Service means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

Retirement Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

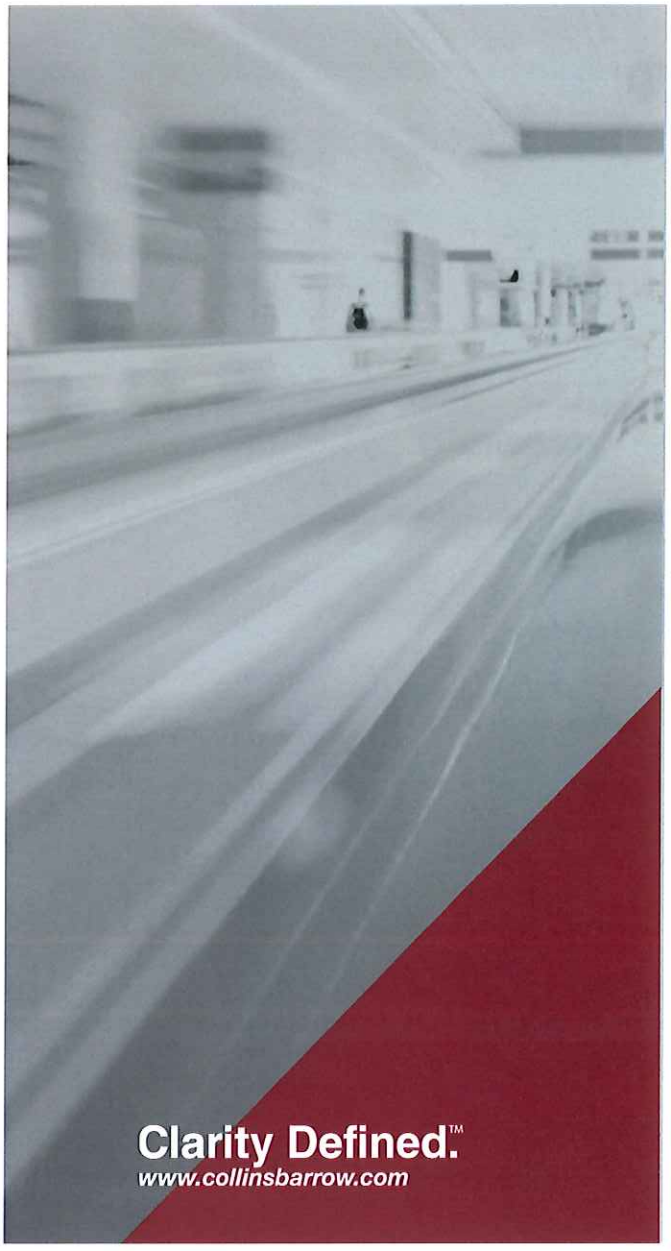


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APPENDIX 4-G COLLINS BARROW TORONTO ACTUARIAL SERVICES

COLLINS BARROW TORONTO

ACTUARIAL SERVICES



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NORTH BAY HYDRO DISTRIBUTION LIMITED

Report on the Actuarial Valuation of
Post-Retirement Non-Pension Benefits

As at December 31, 2013

Final – February 7, 2014

Collins Barrow

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EXECUTIVE SUMMARY

PURPOSE

MEARIE Actuarial Services and Collins Barrow Toronto Actuarial Services Inc. were engaged by North Bay Hydro Distribution Limited (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2013. The nature of these benefits is defined benefit.

This report is prepared in accordance with the guidelines set forth in Section 3461 Employee Benefits of the Canadian Institute of Chartered Accountants (the "CICA") Handbook Accounting Part V Pre-Changeover Accounting Standards ("CICA Section 3461"). CICA Section 3461 was first applied to the Corporation with effect from January 1, 2000.

The most recent full valuation was prepared as at December 31, 2010 based on the then appropriate assumptions.

The purpose of this valuation is threefold:

i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2013;

ii) to determine the benefit expense for fiscal year 2014; and

iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

The intended users of this report include the Corporation and their auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2013 with comparative figures from the previous valuation as at December 31, 2010 are shown below:

		December 31, 2010 (000s)	December 31, 2013 (000s)
Accrued Benefit Obligation (ABO)			
a)	People in receipt of benefits	$ 5,174	$ 3,653
b)	Fully eligible actives	$ 128	$ 117
c)	Not fully eligible actives	$ 726	$ 536
Total ABO		**$ 6,028**	**$ 4,306**

	2011	2014
Current Service Cost:	$ 84	$ 63
Benefit Expense:	$ 454	$ 258
Prepaid Benefit Liability: *at December 31, 2013*		$ 4,511

The December 31, 2013 Prepaid Benefit Liability is based on accounting extrapolations from the December 31, 2010 valuation results with such figures provided in our previous correspondence dated January 16, 2014.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by North Bay Hydro Distribution Limited (the "Corporation") as at December 31, 2013, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;

2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;

3. All known substantive commitments with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and

4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events from December 31, 2013 up to the date of this report that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2016. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA FCIA
Fellow, Canadian Institute of Actuaries



Patrick Kavanagh, AB ASA ACIA
Manager

Toronto, Ontario

February 7, 2014

SECTION A
VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 57 to 59, and an increase/decrease in the health and dental claims cost trend rates by 1% per annum.

Table A - 3 presents the determination of the actuarial gain/(loss) from the previous valuation at December 31, 2010.

VALUATION RESULTS

Table A.1—Valuation Results
(in thousands of dollars)

		December 31, 2010	December 31, 2013
1.	Accrued Benefit Obligation		
a)	People in receipt of benefits	$ 5,174	$ 3,653
b)	Fully eligible actives	$ 128	$ 117
c)	Not fully eligible actives	$ 726	$ 536
Total ABO		**$ 6,028**	**$ 4,306**

		2011	2014
2.	Benefit Expense		
a)	Current Service Cost	$ 84	$ 63
b)	Interest Cost	$ 268	$ 195
c)	Expected Return on Assets	$ -	$ -
d)	Amortization of Transition Amount	$ -	$ -
e)	Amount of Prior Service Cost	$ -	$ -
f)	Amortization of (Gain)/Losses	$ 102	$ -
Total Benefit Expense		$ 454	$ 258
3.	Benefit Payments	$ 312	$ 264

SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis
(in thousands of dollars)

		December 31, 2013			
		Valuation Results	**Retirement Age 59**	**1% Higher Trend**	**1% Lower Trend**
1.	Accrued Benefit Obligation				
	a) People in receipt of benefits	$ 3,653	$ 3,653	$ 3,958	$ 3,389
	b) Fully eligible actives	117	103	121	114
	c) Not fully eligible actives	536	409	608	474
Total ABO		**$ 4,306**	**$ 4,165**	**$ 4,687**	**$ 3,977**
2.	Current Service Cost for 2014	$ 63	$ 49	$ 75	$ 54
3.	Interest Cost for 2014	$ 195	$ 188	$ 213	$ 179
4.	Expected Average Remaining Service Lifetime of the current Active Employees (years) at December 31, 2013	13	14	13	13

DEVELOPMENT OF NET GAINS OR LOSSES

Table A.3—Development of Net Gains or Losses
(in thousands of dollars)

Expected ABO at December 31, 2013	6,194
Actual ABO at December 31, 2013	4,306
Actuarial Loss/(Gain)	(1,887)
Amortization of Unamortized Actuarial Loss / (Gain)	
Unamortized Net Actuarial Loss (Gain) at December 31, 2013	1,682
Actuarial Loss (Gain) for Current Year at December 31, 2013	(1,887)
Total Loss (Gain) at December 31, 2013	(205)
Less: Actual Amortization for 2014	-
Expected Unamortized Actuarial Loss (Gain) at December 31, 2014	(205)

Please note that the actual ABO at December 31, 2013 is approximately $1,887,000 lower than the expected ABO at December 31, 2013. The Expected ABO at December 31, 2013 is based on an extrapolation of December 31, 2010 results using management's best estimate assumptions as at December 31, 2012 and data as at December 31, 2010. The change in the ABO is due to a combination of the following factors:

- A change in the mortality table assumption (an increase of approximately $169,000)
- A change in the withdrawal table assumption (an increase of approximately $20,000)
- A change in the health and dental claims cost trend rate assumptions (a decrease of approximately $43,000)
- A change in the discount rate assumption (a decrease of approximately $411,000)
- Differences between the actual and expected health and dental benefit cost rates (a decrease of approximately $2,006,000)
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (an increase of approximately $384,000 to the total ABO)

CICA Section 3461 requires entities to adopt a systematic method for recognizing actuarial gains and losses in income. Furthermore, once adopted, CICA Section 3461 requires that the method of recognizing actuarial gain/(loss) be applied consistently from year to year. The required minimum amortization is equal to the amount of any gain or loss in excess of 10% of the ABO divided by the expected average remaining service lifetime (E.A.R.S.L.) of the active members of the group. The EARSL of the current active group is 13 years. Under these guidelines, there is no amortization required for year 2014.

SECTION B
PLAN PARTICIPANTS

Table B – 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation at December 31, 2010.

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at December 31, 2013 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of birth prior to date of hire
- Salaries less than $20,000 per year, or greater than $250,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Active Employees

As of December 31	2010			2013		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Number of Employees	31	14	45	35	14	49
Average Length of Service	9.7	10.3	9.9	9.3	9.9	9.5

As of December 31, 2013	**Current Age**					
	Active Lives – not fully eligible			Active Lives –fully eligible		
	Count			Count		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30	9	-	9	-	-	-
30-35	6	4	10	-	-	-
36-40	3	-	3	-	-	-
41-45	5	3	8	-	-	-
46-50	5	2	7	-	-	-
51-55	4	3	7	-	-	-
56-60	-	-	-	3	2	5
61-65	-	-	-	-	-	-
66-70	-	-	-	-	-	-
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**32**	**12**	**44**	**3**	**2**	**5**

As of December 31, 2013	Average Service					
	Active Lives – not fully eligible			Active Lives –fully eligible		
	Count			Count		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30	3.70	-	3.70	-	-	-
30-35	4.22	5.56	4.76	-	-	-
36-40	6.94	-	6.94	-	-	-
41-45	4.85	8.03	6.04	-	-	-
46-50	12.32	10.08	11.68	-	-	-
51-55	19.96	20.06	20.00	-	-	-
56-60	-	-	-	26.69	5.75	18.32
61-65	-	-	-	-	-	-
66-70	-	-	-	-	-	-
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**7.66**	**10.56**	**8.45**	**26.69**	**5.75**	**18.32**

People in Receipt of Benefits

As of January 1	2010			2013		
	Male	Female	Total	Male	Female	Total
Number of Members	36	14	50	33	16	49

As of December 31, 2013	Expected Annual Benefit Payments		
Age Band	Male	Female	Total
Less than 30	$ -	$ -	$ -
30-35	$ -	$ -	$ -
36-40	$ -	$ -	$ -
41-45	$ -	$ -	$ -
46-50	$ -	$ -	$ -
51-55	$ -	$ -	$ -
56-60	$ 35,336	$ 14,967	$ 50,303
61-65	$ 22,469	$ 29,955	$ 52,425
66-70	$ 44,012	$ 15,328	$ 59,340
71-75	$ 30,697	$ 16,177	$ 46,873
Greater than 75	$ 34,022	$ -	$ 34,022
Total	**$ 166,535**	**$ 76,428**	**$ 242,963**

RECONCILIATION OF DATA

Table B.2—Reconciliation of Data

	Actives	LTD	Retirees
As at December 31, 2010	**45**	**1**	**49**
New Entrants	12	-	-
Active	-	-	4
LTD	-	-	-
Terminated	(4)	-	-
Benefits ceased	-	-	(2)
Deceased	-	(1)	(3)
Retired	(4)	-	-
Corrections*	-	-	1*
As at December 31, 2013	**49**	**-**	**49**

Notes:

*One retiree missing from the previous valuation at December 31, 2010 has been included in the current valuation.

SECTION C
SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions as to the discount rates, salary rate increases, mortality and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The ABO and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by CICA Section 3461 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. CICA Section 3461 stipulates that the attribution period commences at the employee's hire date and ends at the earliest age at which the employee could retire and qualify for the post-retirement non-pension benefits valued herein.

For each employee not yet fully eligible for benefits, the ABO is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

For health and dental benefits, the Corporation has selected the premium rates charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

	Health Care		***Dental Care***	
Retirees	Single	Family	Single	Family
Class 4	$ 153.13	$ 327.12	$ 29.65	$ 85.60

The ABO at December 31, 2013 is based on membership data at December 31, 2013 and management's best estimate assumptions at December 31, 2013.

ACCOUNTING POLICIES

Pursuant to CICA Section 3461, the Corporation amortizes the amount of any gain or loss in excess of 10% of the ABO divided by the expected average remaining service lifetime of the active members of the group.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2013.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.60% per annum. This rate reflects the market interest rates at the measurement date on high quality debt instruments with consideration given to the timing and amount of projected benefit payments.

The assumption used in the prior valuation was 4.50% per annum, which was updated to 3.75% per annum at December 31, 2012.

Claims Cost Trend Rate

The rates used to project benefits costs into the future are as follows:

	Current Valuation		Previous Valuation	
End of Year	*Health*	*Dental*	*Health*	*Dental*
2014	7.00%	4.60%	6.88%	5.00%
2015	6.70%	4.60%	6.50%	5.00%
2016	6.40%	4.60%	6.13%	5.00%
2017	6.10%	4.60%	5.75%	5.00%
2018	5.80%	4.60%	5.38%	5.00%
2019	5.50%	4.60%	5.00%	5.00%
2020	5.20%	4.60%	5.00%	5.00%
2021	4.90%	4.60%	5.00%	5.00%
2022 and Thereafter	4.60%	4.60%	5.00%	5.00%

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

Mortality is assumed to be in accordance with the 2014 Registered Pension Plans (RPP) Mortality table, with a generational projection of mortality improvements based upon CPM Improvement Scale A1-2014. These are proposed mortality tables that may be used for actuarial valuations for funding and/or financial reporting purposes for a broad range of Canadian pension plans as per the Canadian Institute of Actuaries' Canadian Pensioners Mortality Pension Experience Subcommittee draft report dated July, 2013.

Mortality rates are applied on a sex-distinct basis.

The previous valuation used the 1994 Uninsured Pensioner Mortality (UP-94) table, with a generational projection of mortality improvements to the year 2020 based upon Projection Scale AA.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Band	Withdrawal Rate per Annum
18 – 29	2.75%
30 – 34	2.25%
35 – 39	2.00%
40 – 54	1.50%

In the prior valuation, a flat rate of 2.00% per annum was used for termination of employment prior to age 55.

Retirement Age

All active employees are assumed to retire at age 57, or immediately if currently over age 57.

This assumption remains unchanged from the previous valuation.

Family/Single Coverage

It is assumed that the employee's coverage type at December 31, 2013, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be 3 years older than female spouses. In the previous valuation, it was assumed that the employee's coverage type at the valuation date, as provided in the valuation data by the Corporation, would remain the same throughout retirement. There were no assumptions made for spousal gender or spousal age offset.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance.

We have assumed taxes and expenses are included in the premium rates for health, dental and vision benefits.

These are the same assumptions that were used in the previous valuation.

SECTION D
SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation.

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Collective Agreement entered into by North Bay Hydro Distribution Limited and Local Union No. 72 in full force and effect from April 1, 2010 until March 31, 2014.
- Great West Life Group Policy Number: 331170.
- The MEARIE Group Employee Benefit Program Employee Benefit Booklet for North Bay Hydro Union Employees prepared July, 2010.
- The MEARIE Group Employee Benefit Program Employee Benefit Booklet for North Bay Hydro Management prepared July, 2010.

What follows is only a summary of the post retirement non-pension benefit program. For a complete description, please refer to the above-noted documents.

ELIGIBILITY

All employees who retire from the Corporation are eligible for post-retirement life, health and dental benefits until age 65.

Grandfathered Employee Benefits

Union employees
All union employees who retired on or before June 13, 2005 are eligible for lifetime life, health and dental benefits.

Management employees
All management employees who retired prior to 2002 are eligible for lifetime life, health and dental benefits.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of post-retirement life, health, and dental benefits for all eligible retirees.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another electrical distribution company/hydro prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Post-Retirement Life Insurance

All employees who retire from the Corporation are entitled to the following post-retirement life insurance coverage until age 65:

Plan Option	Amount of Coverage	Eligibility
A	Flat $2,000.	If employee retires with less than 10 years of service in the Plan.
B, C1	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under the superseded plan and elected coverage under Options 2, 3 or 4, or if employee was not insured under the superseded plan, employment commenced prior to June 16, 1989 or retirement date is prior to June 1,1993 and retires with 10 or more years of service in the Plan.
C2	50% of final annual earnings	If employee was insured under superseded plan and was hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement.
C3	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement.
D	Flat $10,000.	If employee was hired on or after June 16, 1989 and retires with 10 or more years of service in the Plan.

Post-Retirement Health and Dental Benefits

As described in the above noted governing documents.

Grandfathered Employee Benefits

As described in the above noted governing documents.

SECTION E
EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan
of North Bay Hydro Distribution Limited
Actuarial Valuation as at December 31, 2013

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of North Bay Hydro Distribution Limited that, to the best of my knowledge and belief, for the purposes of the valuation:

i) the membership data summarized in Section B is accurate and complete;

ii) the assumptions upon which this report is based as summarized in Section C are management best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and

iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2013.

NORTH BAY HYDRO DISTRIBUTION LIMITED

Jan 17 2014
Date

Signature

CINDY TENNANT
Name

MANAGER, FINANCE
Title

Collins Barrow

2/7/2014

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL

	Calendar Year 2013	Projected** Calendar Year 2014 * Expected
Discount Rate - January 1	3.75%	4.60%
Discount Rate - December 31	4.60%	4.60%
Withdrawal Rate	Age based rate table	Age based rate table
Assumed increase in Employer Contributions	actual	expected*

A. Determination of Benefit Expense

Current Service Cost	94,421	63,338
Interest on Benefits	229,279	194,937
Expected Interest on Assets	-	-
Past Service Cost	-	-
Transitional Obligation/(Asset)	-	-
Actuarial (Gain)/Loss	81,916	-
Benefit Expense	405,615	258,275

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	4,306,371	4,300,771
Assets as at December 31	-	-
Unfunded ABO	(4,306,371)	(4,300,771)
Unrecognized Loss/(Gain)	(205,022)	(205,022)
Prepaid Benefit Asset (Liability)	(4,511,393)	(4,505,793)
Prepaid Benefit/(Liability) as at January 1	(4,405,983)	(4,511,393)
Benefit Income/(Expense)	(405,615)	(258,275)
Contributions/Benefit Payments by the Employer	300,205	263,876
Prepaid Benefit Asset (Liability)	(4,511,393)	(4,505,793)

* based on estimated employer benefit payments for those expected to be eligible for benefits.

**Projected calendar year 2014 result is provided for informational purposes only. Significant changes in 2014 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

Collins Barrow

2/7/2014

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL

	Calendar Year 2013	Projected** Calendar Year 2014 * Expected
Discount Rate - January 1	3.75%	4.60%
Discount Rate - December 31	4.60%	4.60%
Withdrawal Rate	Age based rate table	Age based rate table
Assumed increase in Employer Contributions	actual	expected*

C. Calculation of Component Items

Calculation of the Service Cost		
- Current service cost	94,421	63,338
Interest on Benefits		
- ABO at January 1	6,169,784	4,306,371
- Current service cost	94,421	63,338
- Benefit payments	(150,103)	(131,938)
- Accrued benefits	6,114,102	4,237,771
- Interest	229,279	194,937
Expected Interest on Assets		
- Assets at January 1	-	-
- Funding	150,103	131,938
- Benefit payments	(150,103)	(131,938)
- Expected assets	-	-
- Interest	-	-
Expected ABO as at December 31		
- ABO at January 1	6,169,784	4,306,371
- Current service cost	94,421	63,338
- Interest on benefits	229,279	194,937
- Benefit payments	(300,205)	(263,876)
- Expected ABO at December 31	6,193,278	4,300,771
Expected Assets as at December 31		
- Assets at January 1	-	-
- Funding	300,205	263,876
- Interest on assets	-	-
- Benefit payments	(300,205)	(263,876)
- Expected Assets at December 31	-	-

* based on estimated employer benefit payments for those expected to be eligible for benefits.

**Projected calendar year 2014 result is provided for informational purposes only. Significant changes in 2014 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

Collins Barrow

2/7/2014

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL

	Calendar Year 2013	Projected** Calendar Year 2014 * Expected
Discount Rate - January 1	3.75%	4.60%
Discount Rate - December 31	4.60%	4.60%
Withdrawal Rate	Age based rate table	Age based rate table
Assumed increase in Employer Contributions	actual	expected*

D. Actuarial (Gain)/Loss

(Gain)/Loss on ABO as at January 1		
- Prepaid Benefit/(Liability) as at January 1	4,405,983	4,511,393
- Unrecognized Transitional Obligation	-	-
- Unamortized (Gain)/Loss	1,763,801	(205,022)
- Expected ABO	6,169,784	4,306,371
- Actual ABO	6,169,784	4,306,371
- Total (Gain)/Loss on ABO	0	-
(Gain)/Loss on assets as at January 1		
- Expected assets	-	-
- Actual assets	-	-
- (Gain)/Loss on assets	-	-
Total (Gain)/Loss as at January 1	1,763,801	(205,022)
10% of ABO as at January 1	616,978	430,637
Total (Gain)/Loss in excess of 10%	1,146,823	-
Expected average remaining service life (years)	14	13
Minimum Amortization for current year	81,916	-
Actual Amortization for current year	81,916	-
(Gain)/Loss on ABO at December 31 due to change in discount rate assumption		
- Expected ABO - December 31	6,193,278	
- Actual ABO - December 31	4,306,371	
- (Gain)/Loss on ABO at December 31	(1,886,907)	
Unamortized (Gain)/Loss	(205,022)	(205,022)

* based on estimated employer benefit payments for those expected to be eligible for benefits.

**Projected calendar year 2014 result is provided for informational purposes only. Significant changes in 2014 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

APPENDIX 4-H NBHDL ESTIMATED BENEFIT EXPENSE (IAS 19)

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Projected** CY 2014	Projected** CY 2015
Discount Rate at January 1	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	7.00%	6.70%
Ultimate Rate	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	4,306,371	4,300,771
Defined Benefit Cost Recognized in Income Statement	258,275	260,879
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-
Benefits Paid by the Employer	(263,876)	(271,960)
Net Defined Benefit Liability/(Asset) as at December 31	4,300,771	4,289,690

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	66,251	69,299
- Past Service Cost	-	-
Net Interest Cost	192,024	191,580
Defined Benefit Cost Recognized in Income Statement	258,275	260,879

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-
Total Defined Benefit Cost	258,275	260,879

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	4,306,371	4,300,771
Current Service Cost	66,251	69,299
Past Service Cost	-	-
Interest Cost	192,024	191,580
Benefits Paid	(263,876)	(271,960)
Net Actuarial Loss/(Gain)	-	-
Present Value of Defined Benefit Obligation as at December 31	4,300,771	4,289,690

* based on estimated employer Benefits Paid for those expected to be eligible for benefits

**Projected CY2014 and 2015 results are provided for informational purposes only. Significant changes in 2014 or 2015 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Projected** CY 2014	Projected** CY 2015
Discount Rate at January 1	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	7.00%	6.70%
Ultimate Rate	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*

D. Calculation of Component Items

Service Cost		
- Current Service Cost	66,251	69,299
- Past Service Cost	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	4,306,371	4,300,771
- Benefits Paid	(131,938)	(135,980)
- Accrued Benefits	4,174,434	4,164,791
- Interest Cost	192,024	191,580
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	4,306,371	4,300,771
- Current Service Cost	66,251	69,299
- Interest Cost	192,024	191,580
- Benefits Paid	(263,876)	(271,960)
- Expected Present Value of Defined Benefit Obligation as at December 31	4,300,771	4,289,690

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	4,300,771	4,289,690
- Past Service Cost	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	4,300,771	4,289,690
- Actual Present Value of Defined Benefit Obligation	4,300,771	4,289,690
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	-	-

* based on estimated employer Benefits Paid for those expected to be eligible for benefits.

**Projected CY2014 and 2015 results are provided for informational purposes only. Significant changes in 2014 or 2015 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

Adjustment C) - Employee Benefits

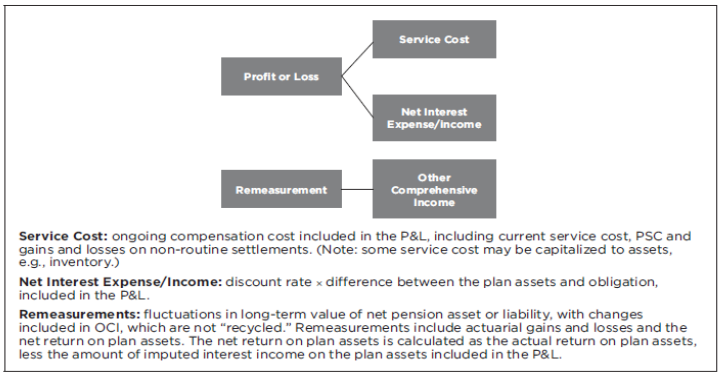
CGAAP vs. IFRS Support:

As per IAS 19, the deferral and amortization of actuarial gains/losses has been eliminated. Therefore on year of transition to IFRS, NBH must recognize the cumulative unrecognized actuarial losses in retained earnings. The impact of this election is a decrease to the employee future benefits liability of $205,022 at January 1, 2014.

In future years, all remeasurements which would include actuarial gains and losses will go through Other Comprehensive Income (OCI).

Measurement of Employee Benefits under IAS 19 (R):

As summarized in the diagram below, the service cost and net interest income and expense will be presented in profit or loss, and remeasurements will be presented separately in OCI:



Service Cost: ongoing compensation cost included in the P&L, including current service cost, PSC and gains and losses on non-routine settlements. (Note: some service cost may be capitalized to assets, e.g., inventory.)

Net Interest Expense/Income: discount rate × difference between the plan assets and obligation, included in the P&L.

Remeasurements: fluctuations in long-term value of net pension asset or liability, with changes included in OCI, which are not "recycled." Remeasurements include actuarial gains and losses and the net return on plan assets. The net return on plan assets is calculated as the actual return on plan assets, less the amount of imputed interest income on the plan assets included in the P&L.

Conclusion:

C:\Users\KHulme\Desktop\1403_Discl

Upon Transition:

Account		Debit		Credit
Employee future benefits	$	205,022.00		
Retained earnings - adjustment			$	205,022.00

As of December 31, 2014

Prepaid benefit liability, beginning of the year	$	4,306,371.00	
Defined Benefit Cost Recognized in the I.S.	$	258,275.00	(See above .pdf MEMO for details)
Defined Benefit Costs Recognized in OCI	$	-	
Benefits Paid by the Employer	$	(263,876.00)	
Net Defined Benefit Liability as at December 31, 2014	$	4,300,770.00	

North Bay Hydro Distribution Limited
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Projected** CY 2014	Projected** CY 2015
Discount Rate at January 1	4.60%	4.60%
Discount Rate at December 31	4.60%	4.60%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	7.00%	6.70%
Ultimate Rate	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

per audited f/s was $4,511,393 - unamortized gain of $205,022 (see EFB_1) recognized upon transition

Net Defined Benefit Liability/(Asset) as at January 1	4,306,371	4,3
Defined Benefit Cost Recognized in Income Statement	258,275	2
Defined Benefit Cost Recognized in Other Comprehensive Income	-	
Benefits Paid by the Employer	(263,876)	(2
Net Defined Benefit Liability/(Asset) as at December 31	4,300,771	4,2

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	66,251	69,299
- Past Service Cost	-	-
Net Interest Cost	192,024	191,580
Defined Benefit Cost Recognized in Income Statement	258,275	260,879

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-
Total Defined Benefit Cost	258,275	260,879

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	4,306,371	4,300,771
Current Service Cost	66,251	69,299
Past Service Cost	-	-
Interest Cost	192,024	191,580
Benefits Paid	(263,876)	(271,960)
Net Actuarial Loss/(Gain)	-	-
Present Value of Defined Benefit Obligation as at December 31	4,300,771	4,289,690

* based on estimated employer Benefits Paid for those expected to be eligible for benefits

**Projected CY2014 and 2015 results are provided for informational purposes only. Significant changes in 2014 or 2015 such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

APPENDIX 4-I NBHDL PURCHASING POLICY

9.4.01 Factors effecting choice of suppliers:

- Company support and assistance
- North Bay Representative
- Established Engineering preference
- Established quality and delivery
- Ability to respond to emergency situations

9.4.02 Stores Items

- North Bay Hydro will tender and purchase standard stores items through the EDA District purchasing consortium. This consortium tenders for equipment components on an annual basis.
- Minimum/Maximum inventory levels to be established for Stores items with re-order when minimum levels are reached

9.4.03 Non Stores Items

- Non stores/Non inventory items or services used repeatedly subject to annual quotation process from three vendors when possible.

9.4.02 Approval for Requisitions:

Non Stores and Stores Inventory Purchases

- All requisitions for purchases must be signed by the appropriate Department Supervisor
- Requisitions for stores inventory should be initiated from min/max setup in stores
- Requisitions for purchases over $1,000 and less than $3,000 must be approved by the Operations Supervisor, Manager, Engineering or the Manager, Finance
- Requisitions for purchases over $3,000 and less than $5,000 must be approved by the Manager, Finance
- Requisitions for inventory purchases over $5,000 must be approved by Chief Operating Officer/Secretary

9.4.03 **Prices and Conditions will be obtained by:**

- Sealed tenders for all larger line vehicles
- Letter Quotations for smaller general purpose vehicles i.e. half tons/vans
- Sealed tenders for totals over $40,000
- Letter quotations where cost under between $5,000 to $40,000
- Phone quotations where cost under $5000
- Specialized consultant used by the company on a regular basis (year to year) shall be retained based on quoted hourly rates obtained at the start of each budget year. If this is not possible and estimated quote shall be provided for the work, the board shall be made aware of the contract and staff shall monitor the overall fee as it relates to the estimate

9.4.05 **Criteria for approval will consider:**

- Lowest price
- Best value (lifetime costs)
- North Bay Representative - local
- Technical and maintenance support of Vendor
- Country of manufacturer with Canadian preference
- Engineering preference when necessary

9.4.06 **Conflict of Interest:**

- All Request for Proposals, tender, etc. shall include a clause in regards to conflict of interest similar to the noted below
- "Each Proponent must include in its submission, confirmation that the proponent does not or will not have any conflict of interest (actual or potential) in offering its submission, a conflict is considered one or all of the following:
  - An unfair advantage over other Proponents during the procurement process, thereby rendering the process non-competitive and unfair (e.g. Proponent has confidential information no available to other Proponents);
  - Activities, relationships or contracts which render the Proponent unable or potentially unable to perform the duties and obligations required of the Proponent if awarded the Contract: or
  - Activities, relationships or contracts which impair or potentially impair the Proponent's judgement in performing the Proponent's duties and obligation under the Contract."

9.4.07 **Waiver:**

Management has the right to waive this policy in emergency situations or to take advantage of unique situations where favourable pricing is available for a limited time.

This section is the only addition for Board approval

APPENDIX 4-J NBHDL ANNUAL TAX RETURNS 2010

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
Fax: (705) 495-2001

May 2, 2011

PERSONAL AND CONFIDENTIAL

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Mrs. Tennant,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

The "T2 Bar codes format" has been adopted by the Canada Revenue Agency (CRA) for corporate income tax returns produced by tax preparation software. The traditional federal forms no longer have to be filed. Furthermore, the CRA requires that the General Index of Financial Information (GIFI) be used to report financial statement information.

The form containing the T2 bar codes includes information from your corporation's income tax return and all applicable schedules (traditional federal forms), including the GIFI.

Signature

✍ The form containing the T2 bar codes should be completed and signed.

Payment

✉ A cheque in the amount of $**150,453,** payable to the Receiver General, must be sent to the CRA as soon as possible to minimize interest charges. You should write the corporation's federal business number on the back of the cheque and the taxation year for which the payment is made, i.e. the 2010 taxation year. Alternatively, you may make the payment at any chartered bank branch.

Mailing

✉ A copy of the form containing the T2 bar codes (and of any required federal form, such as Form RC59) should be sent to the CRA no later than June 30, 2011.

Federal tax instalments (monthly)

Due date	Amount
2011-01-31	$52,747
2011-02-28	$52,747
2011-03-31	$71,424
2011-04-30	$71,424
2011-05-31	$71,424
2011-06-30	$71,424
2011-07-31	$71,424
2011-08-31	$71,424
2011-09-30	$71,424
2011-10-31	$71,424
2011-11-30	$71,424
2011-12-31	$71,416
2012-01-31	$68,311
2012-02-29	$68,311
Total	$956,348

BDO Canada LLP

T2 BAR CODE RETURN

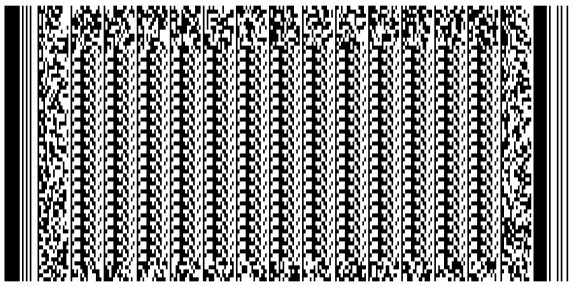
Name: North Bay Hydro Distribution Limited

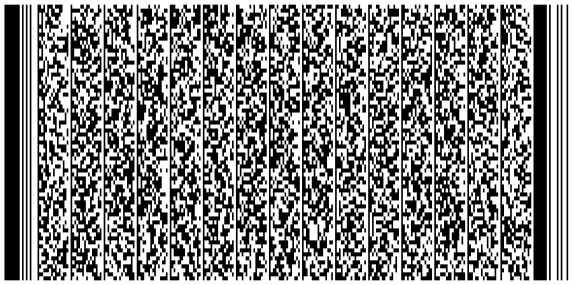
BN: 88246 3128 RC 0001
Tax Year Start: 2010-01-01
Tax Year End: 2010-12-31

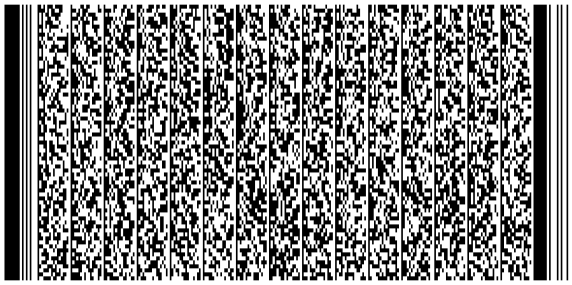
For agency use
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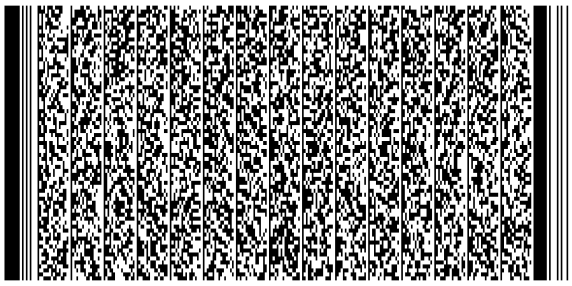
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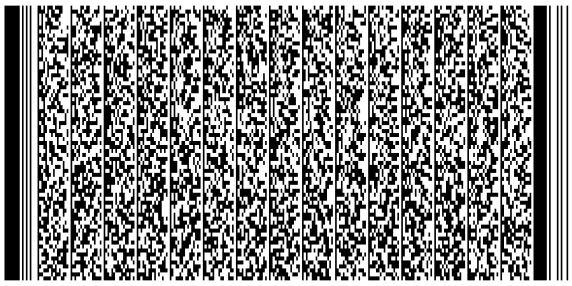
[096] _____











This page must be sent to the Canada Revenue Agency

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2010-01-01

Tax Year End: 2010-12-31

Under the *Income Tax Act,* you must keep all records used to prepare your corporation income tax return, and provide this information to us upon request.

Certification

I, Cindy Tennant am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted on this return.

Net income (or loss) for income tax purposes from Schedule 001, financial statements or GIFI	$	2 558 975
Part I tax payable	$	459 535
Part II surtax payable	$	0
Part III.1 tax payable	$	0
Part IV tax payable	$	0
Part IV.1 tax payable	$	0
Part VI tax payable	$	0
Part VI.1 tax payable	$	0
Part XIII.1 tax payable	$	0
Part XIV tax payable	$	0
Net provincial and territoral tax payable	$	309 888
Provincial tax on large corporations	$	0
Enclosed payment	$	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

	(705)474-8100	Manager, Finance
Signature of an authorized signing officer of the corporation	Phone	Position, office or rank
		2011-05-02
Contact person, if different to authorized signing officer	Phone	Date

This page must be sent to the Canada Revenue Agency

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2011-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date		Monthly tax instalments	Instalments paid	Cumulative difference	Instalments payable
2011-01-31		52,747			52,747
2011-02-28		52,747			52,747
2011-03-31		71,424			71,424
2011-04-30		71,424			71,424
2011-05-31		71,424			71,424
2011-06-30		71,424			71,424
2011-07-31		71,424			71,424
2011-08-31		71,424			71,424
2011-09-30		71,424			71,424
2011-10-31		71,424			71,424
2011-11-30		71,424			71,424
2011-12-31		71,416			71,416
2012-01-31					68,311
2012-02-29					68,311
	Total	819,726			956,348

Corporate Identification and Other Information

Internal information for the preparer

Tax Preparer's Profile used BDO T2

Personalized identification number _____ **Client code** _____

Partner _____ **Date needed** _____

Preparer _____ **Delivery method** _____

Reviewer _____ **Other** _____

Assigned to _____

CCH Practice

Client ID _____ **Engagement** _____

These fields are automatically updated if the tax return is linked with CCH Practice (Time & Billing software). To get more information about integration with CCH Practice, please consult the online help by pressing F1.

Import GIFI data

To import GIFI data from an accounting software application proceed as follows: on the **File** menu, click **Import Data**, then click **GIFI File**.

Transfer GIFI data

Once you have completed the GIFI schedules or imported the GIFI data, you can transfer specific amounts from the GIFI to the applicable return and schedules by answering "**Yes**" to the question:

Do you want to transfer GIFI amounts to the applicable return and schedules? . . . . . [X] Yes [ ] No

Note 1: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

Note 2: For more details see the *List of Data Transferred to the Return and Schedules*.

Identification

Corporation's name
(Legal name) . . . . . **002** North Bay Hydro Distribution Limited

Abbreviated name . . . . . North Bay Hydro Distribution Limited

(If the legal name exceeds the viewable portion, enter an abbreviated name, otherwise, it will be truncated for print and display purposes)

Corporate residence

Provincial or territorial jurisdiction . . . . . **750** ON Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
[ ]	[ ]	[ ]	[ ]	[X]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Is the corporation a resident of Canada? . . . . . **080** [X] Yes [ ] No

If **no**, give the country of residence and **complete and attach** Schedule 97. **081** _____

Is the non-resident corporation claiming an exemption under an income tax treaty? If **yes**, complete and attach Schedule 91. . . . . **082** [ ] Yes [X] No

Tax year information

Tax year start	060	2010-01-01
Tax year end	061	2010-12-31
Number of days in tax year (maximum of **371** days)		365
If the taxation year exceeds 365 days and no taxation year ends in the preceding calendar year, is the taxation year deemed under subsection 249(3) ITA to end the last day of the preceding calendar year*?		☐ Yes ☒ No
If, under subsection 249(3) ITA, the previous taxation year was deemed to end the last day of the preceding calendar year, is this the first year of filing with the harmonized Ontario forms?		☐ Yes ☒ No
Is the tax year a full year with a floating year-end?		☐ Yes ☒ No
Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year?	063	☐ Yes ☒ No
If **yes**, provide the date control was acquired	065	
Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)?	066	☐ Yes ☒ No
Is this the first year of filing after: Incorporation?	070	☐ Yes ☒ No
Date of incorporation		1999-12-10
Is this the first year of filing after: Amalgamation?	071	☐ Yes ☒ No
Date of amalgamation		
Has there been a wind-up of a subsidiary under section 88 during the current tax year? If **yes**, complete and attach Schedule 24.	072	☐ Yes ☒ No
Is this the final tax year before amalgamation?	076	☐ Yes ☒ No
Is this the final return up to dissolution?	078	☐ Yes ☒ No
If an election was made under section 261, state the functional currency used	079	
Relevant spot rate for the first day of the particular taxation year		

Jurisdiction incorporated

Federal	☐
Province	ON Ontario
Other (please specify):	

* For more information, press F1 to consult the Help.

Account numbers

Federal	**Business Number (BN)**	001	88246 3128 RC0001
British Columbia	Account number		
Alberta	Account number (CAN)		
Saskatchewan	Account number		
Manitoba	Account number		
Ontario	Corporation Number (MGS)		1390858
Québec	Québec enterprise number (NEQ)		
	Identification number		
New Brunswick	Account number		
Nova Scotia	Account number		
Prince Edward Island	Account number		

General information

040 Type of corporation at the end of the tax year

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify): _____

Has the corporation made an election under subsection 89(11) not to be a CCPC in the current year?	266	[ ] Yes	[X] No
Has the corporation made an election under subsection 89(11) not to be a CCPC in a prior year and this election has not been revoked?		[ ] Yes	[X] No
Has the corporation revoked any previous election made under subsection 89(11) in the current year?	267	[ ] Yes	[X] No
Has the corporation revoked any previous election made under subsection 89(11) in the previous year?		[ ] Yes	[X] No
Is this a deposit insurance corporation as defined in subsection 137.1(5) ITA?		[ ] Yes	[X] No
Was the corporation a deposit insurance corporation in the preceding year?		[ ] Yes	[X] No
If other (item 5 above), is corporation eligible for S.B.D.?		[X] Yes	[ ] No
Is this a corporation subject to Part IV tax (other than a private corporation) or a mutual fund corporation deemed to be a private corporation for the purpose of Part IV tax under section 131(5) ITA?		[ ] Yes	[X] No
Was the corporation associated with another corporation for purposes of the allocation of the business limit in the preceding year (subsection 125 ITA)?		[X] Yes	[ ] No
Is the corporation a mortgage investment corporation (s.130.1)?		[ ] Yes	[X] No
Is this an investment corporation? (public corporation – see definition at 130(3))		[ ] Yes	[X] No
Is this a non-resident-owned investment corporation?		[ ] Yes	[X] No
Is this a corporation trading in securities?		[ ] Yes	[X] No
Is this a financial institution prescribed by Regulation?		[ ] Yes	[X] No
Is this a bank?		[ ] Yes	[X] No
Is this a loan or trust corporation?		[ ] Yes	[X] No
Is this a cooperative corporation? (136(2) ITA)		[ ] Yes	[X] No
If yes, is it a cooperative corporation that is a CCPC for the purpose of the general tax reduction and the small business deduction (136(1) ITA*)?		[ ] Yes	[X] No
Was the corporation a cooperative that is a CCPC for the purpose of the general tax reduction and the small buisiness deduction (136(1) ITA) in the preceding year?		[ ] Yes	[X] No
Is this a mutual fund corporation?		[ ] Yes	[X] No
Is this an insurance corporation?		[ ] Yes	[X] No
If insurance corporation, did corporation carry on life insurance business?		[ ] Yes	[X] No
Is the corporation a credit union?		[ ] Yes	[X] No
If yes, do you want the investment income (line 440 of Schedule 200) to be deducted from the calculation of the general tax reduction for CCPCs and the calculation of the Canadian M&P profits deduction*?		[ ] Yes	[X] No
Is this an oil refining corporation (QTA 771.1)?		[ ] Yes	[X] No
Is the corporation a registered charity under paragraph 149(1)f) ITA?		[ ] Yes	[X] No
Is the corporation subject to the reporting requirements of the U.S. Securities and Exchange Commission?		[ ] Yes	[X] No
Did the type of corporation change during the tax year?		[ ] Yes	[X] No
If the type of corporation changed during the tax year, provide the effective date of the change	043	_____	
Is the corporation a professional corporation that is a member of a partnership?	067	[ ] Yes	[X] No

* For more information, press F1 to consult the Help.

Exempt Corporation

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

085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

If *Yes*, heading on page 1 of federal and provincial jackets . . . . . _____

Corporate addresses

Address of head office

Has this address changed since the last time you filed your T2 return?	010	☐ Yes	☒ No
Address – line 1	011	74 Commerce Court	
Address – line 2	012	P.O. Box 3240	
City	015	North Bay	
Province, territory, or state	016	ON	Ontario
Country (other than Canada)	017	CA	Canada
Postal Code	018	P1B 8Y5	
Zip Code or Foreign postal code	018		

Mailing address (if different from head office address)

Use address of preparer		☐ Yes	☒ No
Has this address changed since the last time you filed your T2 return?	020	☐ Yes	☒ No
c/o	021		
Address – line 1	022	74 Commerce Court	
Address – line 2	023	P.O. Box 3240	
City	025	North Bay	
Province, territory, or state	026	ON	Ontario
Country (other than Canada)	027	CA	Canada
Postal Code	028	P1B 8Y5	
Zip Code or Foreign postal code	028		

Location of books and records

Use address of preparer		☐ Yes	☒ No
Use address of head office		☒ Yes	☐ No
Has the location of books and records changed since the last time you filed your T2 return?	030	☐ Yes	☒ No
Address – line 1	031	74 Commerce Court	
Address – line 2	032	P.O. Box 3240	
City	035	North Bay	
Province, territory, or state	036	ON	Ontario
Country (other than Canada)	037	CA	Canada
Postal Code	038	P1B 8Y5	
Zip Code or Foreign postal code	038		

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? **270** ☐ Yes ☒ No

Is the corporation inactive? **280** ☐ Yes ☒ No

Has the major business activity changed since the last return was filed? (enter **yes** for first-time filers) **281** ☐ Yes ☒ No

If **yes**, what is the corporation's major business activity? **282**

If the major activity involves the resale of goods, show whether it is wholesale or retail. **283** 1 Wholesale ☒ 2 Retail ☐

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.

		Product or service		%
1	**284**	Electricity Distribution	**285**	99.000
2	**286**	Other	**287**	1.000
3	**288**		**289**	

Did the corporation immigrate to Canada during the tax year? **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the tax year? **292** 1 Yes ☐ 2 No ☒

Do you want to be considered as a quarterly instalment remitter if you are eligible? **293** 1 Yes ☐ 2 No ☐

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**

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? **295** 1 Yes ☐ 2 No ☐

Instalment paid

Federal	Schedule 200, line 840	Go to form T7B-1
Manitoba	MCT1	
Saskatchewan	SCT1 and SCT B1	
Alberta	AT1, line 082	
British Columbia	BCS, line E	
	FIN 542, line A	
Québec	CO-17, line 440	Go to form CO-1027
	COZ-1179, line 81	
Prince Edward Island	PE-Capital tax	
Nova Scotia	NS-Capital tax	
New Brunswick	NB-Capital tax	
Newfoundland and Labrador	NL-Capital tax	

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 ☒

Was an amount deducted under section 125 ITA in computing the corporation's tax payable for its preceding taxation year? Yes ☐ No ☒

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

Certification

Authorized signing officer

Title . . . . . Mrs Other

Last name . . . . . 950 Tennant

First name . . . . . 951 Cindy

Position, office, or rank . . . . . 954 Manager, Finance

Date of signing (see note) 2011-05-02

Telephone number 956 (705) 474-8100

Is the contact person the same as the authorized signing officer? . . . . . 957 [X] Yes [ ] No

Is the contact person the preparer? . . . . . [ ] Yes [X] No

Contact person if different from authorized signing officer 958

Telephone number 959

Additional information

Fax number . . . . .

Email address . . . . .

Cellular or pager number . . . . .

Foreign phone number . . . . .

Note: The current date is displayed by default. It is tranferred to all forms to sign where it can be overriden for the requirements of a particular form.

By overriding the date all the dates will be modified accordingly. It is also possible to modify all the dates that were not overridden from the print dialog box.

Language of correspondence – Langue de correspondance

990 Indicate your language of correspondence of your choice.
Indiquez la langue de correspondance de votre choix. . . . . English

Filing information

Disclaimer:

To appear on the last page of the T2 return . . . . . [ ]

To appear on the last page of each GIFI forms . . . . . [ ]

To appear on the last page of the T661 form (Schedule 32) . . . . . [ ]

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

User-defined cells for reporting purposes

Description	Amount	Date

Canada Revenue Agency / Agence du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

055 **Do not use this area**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), 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* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

Identification

Business Number (BN) 001 88246 3128 RC0001

Corporation's name
002 North Bay Hydro Distribution Limited

Address of head office
Has this address changed since the last time you filed your T2 return? 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 74 Commerce Court
012 P.O. Box 3240
City: 015 North Bay
Province, territory, or state: 016 ON
Country (other than Canada): 017 CA
Postal code/Zip code: 018 P1B 8Y5

Mailing address (if different from head office address)
Has this address changed since the last time you filed your T2 return? 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022 74 Commerce Court
023 P.O. Box 3240
City: 025 North Bay
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal code/Zip code: 028 P1B 8Y5

Location of books and records
Has the location of books and records changed since the last time you filed your T2 return? 030 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 031 to 038.)
031 74 Commerce Court
032 P.O. Box 3240
City: 035 North Bay
Province,territory, or state: 036 ON
Country (other than Canada): 037 CA
Postal code/Zip code: 038 P1B 8Y5

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

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

To which tax year does this return apply?
Tax year start: 060 2010-01-01 YYYY MM DD
Tax year-end: 061 2010-12-31 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 [X]
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 subsection 249(3.1)? 066 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

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

Is the corporation a resident of Canada?
080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081 _____

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
100					

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **Yes** response, **attach** to the T2 return the schedule that applies.

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

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates 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	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes		2 No	X
Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter **yes** for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? 282

(Only complete if **yes** was entered at line 281)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale X 2 Retail

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity Distribution	285	99.000 %
286	Other	287	1.000 %
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the tax year?	292	1 Yes		2 No	X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes		2 No	

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 (YYYY MM DD)

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2 No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		2,558,975	A
Deduct: Charitable donations from Schedule 2	311	6,000		
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		6,000 ▶	6,000	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			2,552,975	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		2,552,975	
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			2,552,975	Z

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

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 2,558,975 A

Taxable income from line 360, **minus** 10/3 of the amount on line 632*, **minus** 1/(.38 minus X**) 3.57143
times the amount on line 636***, and **minus** any amount that, because of federal law, is exempt form Part I tax . . . . . **405** 2,552,975 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

400,000 x (Number of days in the tax year before 2009 / Number of days in the tax year) = ... 1

500,000 x (Number of days in the tax year after 2008 / Number of days in the tax year) = 365/365 . . . . 500,000 2

Add amounts at line 1 and 2 500,000 4

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** **** 97,399 / 11,250 D = ... 4,328,844 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** F

Small business deduction

Amount A, B, C, or F whichever is the least x 17 % = ... **430** G

Enter amount G on line 1.

***** 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. This 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 the previous tax years, the amount to be entered at 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 at 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		2,552,975 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, whichever is the least		E
Aggregate investment income from line 440*		F
Total of amounts B to F	▶	G
Amount A **minus** amount G (if negative, enter "0")		2,552,975 H

Amount H	2,552,975	x	Number of days in the tax year after December 31, 2007, and before January 1, 2009 / Number of days in the tax year		x	8.5 %	=	I
Amount H	2,552,975	x	Number of days in the tax year after December 31, 2008, and before January 1, 2010 / Number of days in the tax year		x	9 %	=	J
Amount H	2,552,975	x	Number of days in the tax year after December 31, 2009, and before January 1, 2011 / Number of days in the tax year	365 / 365	x	10 %	=	255,298 K
Amount H	2,552,975	x	Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year		x	11.5 %	=	L
Amount H	2,552,975	x	Number of days in the tax year after 2011 / Number of days in the tax year		x	13 %	=	L.1

General tax reduction for Canadian-controlled private corporations – Total of amounts I to L.1	255,298 M

Enter amount M on line 638.

* 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, 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, 2007, and before January 1, 2009 / Number of days in the tax year		x	8.5 %	=	T
Amount S		x	Number of days in the tax year after December 31, 2008, and before January 1, 2010 / Number of days in the tax year		x	9 %	=	U
Amount S		x	Number of days in the tax year after December 31, 2009, and before January 1, 2011 / Number of days in the tax year	365 / 365	x	10 %	=	V
Amount S		x	Number of days in the tax year after December 31, 2010, and before January 2012 / Number of days in the tax year		x	11.5 %	=	W
Amount S		x	Number of days in the tax year after 2011 / Number of days in the tax year		x	13 %	=	W.1

General tax reduction – Total of amounts T to W.1	X

Enter amount X on line 639.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . . **440** _____ x 26 2 / 3 % = _____ A

Foreign non-business income tax credit from line 632 . . . . . _____

Deduct:

Foreign investment income from Schedule 7 . . . . . **445** _____ x 9 1 / 3 % = _____

(if negative, enter "0") _____ ▶ _____ B

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

Taxable income from line 360 2,552,975

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least . . . . . _____

Foreign non-business income tax credit from line 632 . . . . . _____ x 25 / 9 = _____

Foreign business income tax credit from line 636 . . . . . _____ x 1(.38 - X*) / 3.57143 = _____

_____ ▶ _____

2,552,975

x 26 2 / 3 % = 680,793 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780) . . . . . 459,535 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. This 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 of Schedule 3 . . . . . 1,350,000 x 1 / 3 450,000 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) . . . . . _____

Part I tax

Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) **multiplied** by 38.00 % . . . . . 550 970,131 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 i

Taxable income from line 360 2,552,975

Deduct:

Amount from line 400, 405, 410, or 425, whichever is the least . . . . .

Net amount . . . . . 2,552,975 ▶ 2,552,975 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) 970,131 D

Deduct:

Small business deduction from line 430 1

Federal tax abatement 608 255,298

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 638 255,298

General tax reduction from amount X 639

Federal logging tax credit from Schedule 21 640

Federal qualifying environmental trust tax credit 648

Investment tax credit from Schedule 31 652

Subtotal 510,596 ▶ 510,596 E

Part I tax payable – Line D **minus** line E . . . . . 459,535 F

Enter amount F on line 700.

Summary of tax and credits

Federal tax

Part I tax payable	700		459,535
Part II surtax payable from Schedule 46	708		
Part III.1 tax payable from Schedule 55	710		
Part IV tax payable from Schedule 3	712		
Part IV.1 tax payable from Schedule 43	716		
Part VI tax payable from Schedule 38	720		
Part VI.1 tax payable from Schedule 43	724		
Part XIII.1 tax payable from Schedule 92	727		
Part XIV tax payable from Schedule 20	728		
Total federal tax			459,535

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 Ontario [for tax years ending before 2009], Quebec, and Alberta)	760	309,888	
Provincial tax on large corporations (New Brunswick* and Nova Scotia)	765		
		309,888 ▶	309,888
Total tax payable	770		769,423 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund	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	618,970	
Total credits	890	618,970 ▶	618,970 B

Refund code 894 Overpayment

Balance (line A **minus** line B) 150,453

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 150,453

Enclosed payment 898

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 ☒

* The New Brunswick tax on large corporations is eliminated effective January 1, 2009.

Certification

I, 950 Tennant (Last name in block letters) 951 Cindy (First name in block letters) 954 Manager, Finance (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 further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2011-05-02 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation

956 (705) 474-8100 Telephone number

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

958 Name in block letters

959 Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Schedule of Instalment Remittances

Name of corporation contact _____
Telephone number _____

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2010-01-01		83,555
2010-03-01		83,555
2010-04-01		83,555
2010-05-01		83,555
2010-07-01		67,375
2010-08-01		67,375
2012-12-31		150,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 618,970 **A**

Total instalments credited to the taxation year per T9 618,970 **B**

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	20,611,795	23,010,947
	Total tangible capital assets	2008	+	86,605,519	80,599,233
	Total accumulated amortization of tangible capital assets	2009	–	48,981,463	46,271,663
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	11,956,046	10,637,087
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	70,191,897	67,975,604
Liabilities					
	Total current liabilities	3139	+	8,458,158	9,453,833
	Total long-term liabilities	3450	+	36,941,734	33,996,113
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	45,399,892	43,449,946
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	24,792,005	24,525,658
	Total liabilities and shareholder equity	3640	=	70,191,897	67,975,604
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	5,280,404	5,014,057

***** Generic item

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
Cash and deposits					
	* Cash and deposits	1000		5,900,680	9,398,403
	Cash and deposits		+	5,900,680	9,398,403
Accounts receivable					
	* Accounts receivable	1060		6,456,194	6,280,451
	Taxes receivable	1066			175,052
	Holdbacks receivable	1068		6,713,535	6,082,905
	Accounts receivable		+	13,169,729	12,538,408
Inventories					
	* Inventories	1120		786,111	796,498
	Inventories		+	786,111	796,498
Other current assets					
	Prepaid expenses	1484		755,275	277,638
	Other current assets		+	755,275	277,638
	Total current assets	1599	=	20,611,795	23,010,947

***** Generic item

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
Land							
	* Land	1600	+	526,739			455,113
	Total			526,739			
Buildings							
	* Buildings	1680	+	2,809,332			2,796,676
	*Accumulated amortization of buildings	1681			–	1,412,316	1,334,381
	Total			2,809,332		1,412,316	
Machinery, equipment, furniture and fixtures							
	* Machinery, equipment, furniture, and fixtures	1740	+	315,127			315,127
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	281,247	275,236
	Tools and dies	1744	+	1,329,852			1,310,736
	Accumulated amortization of tools and dies	1745			–	1,117,856	1,081,102
	Computer equipment/software	1774	+	2,862,529			2,801,299
	Accumulated amortization of computer equipment/software	1775			–	2,407,824	2,266,861
	Transportation equipment	1783	+	2,364,816			2,379,846
	Accumulated amortization of transportation equipment	1784			–	1,492,514	1,369,063
	Other machinery and equipment	1785	+	83,493,936			76,732,247
	Accumulated amortization of other machinery and equipment	1786			–	43,555,569	40,965,108
	Total			90,366,260		48,855,010	
Other tangible capital assets							
	* Other tangible capital assets	1900	+	-7,096,812			-6,191,811
	*Accumulated amortization of other tangible capital assets	1901			–	-1,285,863	-1,020,088
	Total			-7,096,812		-1,285,863	
	Total tangible capital assets	2008	=	86,605,519			80,599,233
	Total accumulated amortization of tangible capital assets	2009			=	48,981,463	46,271,663

***** Generic item

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
	Other long-term assets				
	* Other long-term assets	2420		4,676,973	5,206,289
	Future (deferred) income taxes	2421		7,279,073	5,430,798
	Other long-term assets		+	11,956,046	10,637,087
	Total long-term assets	2589	=	11,956,046	10,637,087

* Generic item

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
Amounts payable and accrued liabilities					
	* Amounts payable and accrued liabilities	2620		8,132,979	9,312,916
	Amounts payable and accrued liabilities		+	8,132,979	9,312,916
	* Taxes payable	2680	+	143,348	
Due to related parties					
	* Due to related parties	2860		66,567	23,056
	Due to related parties		+	66,567	23,056
	* Current portion of long-term liability	2920	+	115,264	117,861
	Total current liabilities	3139	=	8,458,158	9,453,833

***** Generic item

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
Long-term debt					
	* Long-term debt	3140		2,785,974	1,911,280
	Long-term debt		+	2,785,974	1,911,280
Due to shareholder(s)/director(s)					
	* Due to shareholder(s)/director(s)	3260		19,511,601	19,511,601
	Due to shareholder(s)/director(s)		+	19,511,601	19,511,601
Other long-term liabilities					
	* Other long-term liabilities	3320		14,644,159	12,573,232
	Other long-term liabilities		+	14,644,159	12,573,232
	Total long-term liabilities	3450	=	36,941,734	33,996,113

***** Generic item

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	19,511,601	19,511,601
	* Retained earnings/deficit	3600	+	5,280,404	5,014,057
	Total shareholder equity	3620	=	24,792,005	24,525,658

***** Generic item

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	5,014,057	6,250,406
	* Net income/loss	3680	+	2,118,119	96,601
Dividends declared					
	* Dividends declared	3700		1,350,000	1,332,950
	Dividends declared		–	1,350,000	1,332,950
	* Prior period adjustments	3720	+	-501,772	
	Retained earnings/deficit – end	3849	=	5,280,404	5,014,057

***** Generic item

Financial Statements – Five Years

This form is the result of the compilation of the data entered in the GIFI forms. This form is provided as a complement of information and do not replace in any ways the traditional financial statements.

This form reproduces the financial statements as they appear in the *CCH Profit Driver* program further to the export process. Consult the context-sensitive help to learn more about *CCH Profit Driver* and about how to export the data towards this program.

Model Properties

Corporation's name	North Bay Hydro Distribution Limited
Group name	
Business number	88246 3128 RC0001
Industry code	
Industry type	Electricity Distribution
Legal form	
Primary contact	Cindy Tennant
Contact number	(705) 474-8100
Contact email	
Address	
Street address	74 Commerce Court P.O. Box 3240
City	North Bay
Province/State	ON
Postal code	P1B8Y5
Country	CA

Information about the preparer

Partner		Manager	
Analyst		Auditor	

Income Statement

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Revenue	11,645,606	10,846,023	11,353,062	11,548,477	
Revenue	11,645,606	10,846,023	11,353,062	11,548,477	
Returns and allowances (-)					
COGS					
COGS					
Depreciation					
Gross Profit	11,645,606	10,846,023	11,353,062	11,548,477	
Operating expenses	3,885,912	3,678,651	3,606,825	3,421,308	
Operating expenses	1,096,379	1,097,439	1,283,857	1,106,120	
Amortization	2,789,533	2,581,212	2,322,968	2,315,188	
Depreciation					
Bad debts written off					
Salaries and wages					
Officer compensation					
Lease/rent expense					

Income Statement (continued)

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Other expense (income)	4,907,290	6,989,137	5,686,644	5,680,305	
Other expenses	4,908,240	6,994,419	5,677,321	5,683,007	
Interest income (-)					
Other income (-)				-2,702	
(Gain)/Loss disp. of assets	-950	-5,282	9,323		
Gain on derivatives (-)					
Loss on derivatives					
Income from subs/other (-)					
Non cash income (-)					
Non cash expenses					
EBIT	2,852,404	178,235	2,059,593	2,446,864	
Interest expense					
Interest expense					
Deferred interest					
Capitalized interest (-)					
Profit before tax	2,852,404	178,235	2,059,593	2,446,864	
Taxes	734,285	81,634	643,734	1,090,746	
Taxes				1,090,746	
Future (def) income tax	734,285	81,634	643,734		
Income tax credit (-)					
Non-Tax (income)/expenses					
Non-Tax (income)/expenses					
Extraordinary items					
Minority interest					
Net income	2,118,119	96,601	1,415,859	1,356,118	
Dividends	1,350,000	1,332,950	1,000,000		
Dividends	1,350,000	1,332,950	1,000,000		
Withdrawals					
Dividends – Stock					
Adjustments	501,772		1,823,165		
Adjustments	501,772		1,823,165		
Currency adjustment					
Retained earnings	266,347	-1,236,349	-1,407,306	1,356,118	

Balance Sheet

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Cash and equivalents	5,900,680	9,398,403	12,212,777	12,471,708	
Cash and equivalents	5,900,680	9,398,403	12,212,777	12,471,708	
Short term liquid deposits					
Marketable securities					
Acc receivable	13,169,729	12,538,408	11,021,030	10,471,623	
Acc receivable	13,169,729	12,538,408	11,021,030	10,471,623	
Allow. – Doubt. accts (-)					
Inventory	786,111	796,498	762,697	790,836	
Inventory	786,111	796,498	762,697	790,836	
Raw materials					
Work in progress					
Finished goods					
Prov. slow moving/obs (-)					
Other curr assets	755,275	277,638	226,075	220,655	
Other curr assets					
Tax receivable					
Notes receivable					
Non trade receivables					
Prepaid expenses	755,275	277,638	226,075	220,655	
Loans to rel. parties – CP					
Future (def) income tax – CP					
Due from rel. parties – CP					
Costs in excess of billings					
Derivative assets – CP					
Non op current assets					
Current assets	20,611,795	23,010,947	24,222,579	23,954,822	
Fixed assets	37,624,056	34,327,570	30,515,241	29,235,765	
Fixed assets	-7,096,812	-6,191,811	-5,267,808	29,235,765	
Land	526,739	455,113	398,727		
Buildings	2,809,332	2,796,676	2,658,406		
Leasehold improvements					
Equipment	90,366,260	83,539,255	76,655,396		
Vehicles					
Furniture and fixtures					
Capital leases					
Capital work in progress					
Accumulated depn (-)	-48,981,463	-46,271,663	-43,929,480		
Investments					
Investments					
Investment in subs					

Balance Sheet (continued)

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Other non curr assets	11,956,046	10,637,087	3,533,285	5,711,259	
Other non curr assets	4,676,973	5,206,289	2,171,824	4,378,309	
Intangibles					
Notes receivable					
Future (def) income tax	7,279,073	5,430,798			
Loans to rel. parties – NC			1,332,950	1,332,950	
Prepaid/deferred exps – NC . . .			28,511		
Cash value life insurance					
Derivative assets – NC					
Non op non curr assets					
Non curr assets	49,580,102	44,964,657	34,048,526	34,947,024	
Total assets	70,191,897	67,975,604	58,271,105	58,901,846	

Balance Sheet (continued)

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Short term debt	115,264	117,861	72,364	89,720	
Short term debt					
Current maturity LTD	115,264	117,861	72,364	89,720	
Capital leases – CP					
Subordinated debt – CP					
Overdraft – Book					
Overdraft – Financing					
Line of credit					
Loans payable other					
Accounts payable	8,132,979	9,312,916	7,905,209	6,232,800	
Accounts payable	8,132,979	9,312,916	7,905,209	6,232,800	
Other curr liabilities	209,915	23,056	5,003,140	5,754,880	
Other curr liabilities					
Accruals					
Tax payable	143,348		45,143	715,000	
Dividends payable					
Interest payable					
Provisions			4,264,214	4,112,778	
Due to rel. parties – CP	66,567	23,056			
Non trade creditors				927,102	
Billings in excess of costs			693,783		
Future (def) income tax – CP					
Loans from rel. comp. – CP					
Derivative liabilities – CP					
Non operating curr liabs					
Current liabilities	8,458,158	9,453,833	12,980,713	12,077,400	
Long term debt	2,785,974	1,911,280			
Long term debt	2,785,974	1,911,280			
Long term capital lease					
LT subordinated debt					
Deferred debt					
Deferred interest					
Other non current liabs	34,155,760	32,084,833	19,528,385	19,655,133	
Other non current liabs	14,644,159	12,573,232			
Future (def) income tax – NC					
Due to rel. parties – NC			16,784	143,532	
Provisions					
Minority interest					
Deferred revenue					
Loans from related Co – NC	19,511,601	19,511,601	19,511,601	19,511,601	
Derivative liabilities – NC					
Non op non curr liabs					
Non current liabilities	36,941,734	33,996,113	19,528,385	19,655,133	
Total liabilities	45,399,892	43,449,946	32,509,098	31,732,533	

Balance Sheet (continued)

	Current year 2010-12-31	1st prior year 2009-12-31	2nd prior year 2008-12-31	3rd prior year 2007-12-31	4th prior year 2006-12-31
Stockholding	19,511,601	19,511,601	19,511,601		
Stockholding					
Preferred stock					
Common stock	19,511,601	19,511,601	19,511,601		
Paid in capital					
Other equity					
Other equity					
Stockholders loans					
Minority interest					
Reserves					
Treasury stock (-)					
Subordinated debt – Equity					
Accumulated OCI					
Currency adjustment					
Accumulated R/E	5,280,404	5,014,057	6,250,406	7,657,712	
Retained earnings from I/S	266,347	-1,236,349	-1,407,306	1,356,118	
Previous balance	5,014,057	6,250,406	7,657,712	6,301,594	
Adjustments					
Equity	24,792,005	24,525,658	25,762,007	7,657,712	
Liabilities & Equity	70,191,897	67,975,604	58,271,105	39,390,245	

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
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May 2, 2011

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Notice to Reader

Statement of income

The corporation's income statement on December 31, 2010 has been prepared solely for income tax purposes based on information provided by North Bay Hydro Distribution Limited without audit or review.

Readers are cautioned that these statements may not be appropriate for their purposes.

Signed in North Bay on May 2, 2011,

_____

Signature
BDO Canada LLP

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence Number	0003 01

Account	Description	GIFI		Current year	Prior year
Income statement information					
	Total sales of goods and services	8089	+	11,645,606	10,846,023
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	11,645,606	10,846,023
	Cost of sales	8518	+		
	Total operating expenses	9367	+	8,789,630	10,605,999
	Total expenses (mandatory field)	9368	=	8,789,630	10,605,999
	Total revenue (mandatory field)	8299	+	11,642,034	10,784,234
	Total expenses (mandatory field)	9368	–	8,789,630	10,605,999
	Net non-farming income	9369	=	2,852,404	178,235
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	2,852,404	178,235
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	734,285	583,406
	Deferred income tax provision	9995	–		-501,772
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,118,119	96,601

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	11,645,606	10,846,023
	Total sales of goods and services	8089	=	11,645,606	10,846,023
Realized gains/losses on disposal of assets					
	* Realized gains/losses on disposal of assets	8210		950	5,282
	Realized gains/losses on disposal of assets		+	950	5,282
Other revenue					
	Foreign exchange gains/losses	8231		-4,522	-67,071
	Other revenue		+	-4,522	-67,071
	Total revenue	8299	=	11,642,034	10,784,234

***** Generic item

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
Advertising and promotion					
	Donations	8522		7,000	6,000
	Advertising and promotion		+	7,000	6,000
	* Amortization of tangible assets	8670	+	2,789,533	2,581,212
Interest paid (financial institutions)					
	* Interest paid (financial institutions)	8740		1,028,552	1,023,906
	Interest paid (financial institutions)		+	1,028,552	1,023,906
	* Property taxes	9180	+	60,827	67,533
Other expenses					
	* Other expenses	9270		4,903,718	6,927,348
	Other expenses		+	4,903,718	6,927,348
	Total operating expenses	9367	=	8,789,630	10,605,999

***** Generic item

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- 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) for Corporations* 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 preparing or reporting on the financial statements

Does the accountant have a professional designation? . . . . . **095** 1 Yes [X] 2 No [ ]

Is the accountant connected* with the corporation? . . . . . **097** 1 Yes [ ] 2 No [X]

* 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 [X]

Completed a review engagement report . . . . . 2 [ ]

Conducted a compilation engagement . . . . . 3 [ ]

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 [X]

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 [ ]

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) . . . . . 2 [ ]

Were notes to the financial statements prepared? . . . . . **101** 1 Yes [X] 2 No [ ]

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost? . . . . . **102** 1 Yes [X] 2 No [ ]

Has there been a change in accounting policies since the last return? . . . . . **103** 1 Yes [ ] 2 No [X]

Are subsequent events mentioned in the notes? . . . . . **104** 1 Yes [X] 2 No [ ]

Is re-evaluation of asset information mentioned in the notes? . . . . . **105** 1 Yes [ ] 2 No [X]

Is contingent liability information mentioned in the notes? . . . . . **106** 1 Yes [X] 2 No [ ]

Is information regarding commitments mentioned in the notes? . . . . . **107** 1 Yes [X] 2 No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** 1 Yes [ ] 2 No [X]

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? . . . . . **109** 1 Yes [ ] 2 No [ ]

Canada

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

Assets – lines 1000 to 2599

1000	5,900,680	1060	6,456,194	1068	6,713,535
1120	786,111	1484	755,275	1599	20,611,795
1600	526,739	1680	2,809,332	1681	-1,412,316
1740	315,127	1741	-281,247	1744	1,329,852
1745	-1,117,856	1774	2,862,529	1775	-2,407,824
1783	2,364,816	1784	-1,492,514	1785	83,493,936
1786	-43,555,569	1900	-7,096,812	1901	1,285,863
2008	86,605,519	2009	-48,981,463	2420	4,676,973
2421	7,279,073	2589	11,956,046	2599	70,191,897

Liabilities – lines 2600 to 3499

2620	8,132,979	2680	143,348	2860	66,567
2920	115,264	3139	8,458,158	3140	2,785,974
3260	19,511,601	3320	14,644,159	3450	36,941,734
3499	45,399,892				

Shareholder equity – lines 3500 to 3640

3500	19,511,601	3600	5,280,404	3620	24,792,005
3640	70,191,897				

Retained earnings – lines 3660 to 3849

3660	5,014,057	3680	2,118,119	3700	-1,350,000
3720	-501,772	3849	5,280,404		

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

Revenue – lines 8000 to 8299

8000	11,645,606	8089	11,645,606	8210	950
8231	-4,522	8299	11,642,034		

Cost of sales – lines 8300 to 8519

8519	11,645,606

Operating expenses – lines 8520 to 9369

8522	7,000	8670	2,789,533	8740	1,028,552
9180	60,827	9270	4,903,718	9367	8,789,630
9368	8,789,630	9369	2,852,404		

Farming revenue – lines 9370 to 9659

9659	0

Farming expenses – lines 9660 to 9899

9898	0

Extraordinary items and taxes – lines 9970 to 9999

9970	2,852,404	9990	734,285	9999	2,118,119

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)
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- 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				2,118,119 A
Add:				
Provision for income taxes – current	101	734,285		
Amortization of tangible assets	104	2,789,533		
Charitable donations and gifts from Schedule 2	112	6,000		
Non-deductible meals and entertainment expenses	121	10,800		
Other reserves on lines 270 and 275 from Schedule 13	125	1,467,517		
Reserves from financial statements – balance at the end of the year	126	5,760,956		
Subtotal of additions		10,769,091	▶	10,769,091
Other additions:				
Miscellaneous other additions:				
602 Regulatory assets deducted in prior year	292	222,948		
603 Apprentice Tax Credit- fed and provincial 26,950				
Total 26,950	293	26,950		
604				
Subtotal of other additions	199	249,898	▶	249,898
Total additions	500	11,018,989	▶	11,018,989
Deduct:				
Gain on disposal of assets per financial statements	401	950		
Capital cost allowance from Schedule 8	403	3,259,447		
Other reserves on line 280 from Schedule 13	413	1,552,917		
Reserves from financial statements – balance at the beginning of the year	414	5,736,552		
Subtotal of deductions		10,549,866	▶	10,549,866
Other deductions:				
Miscellaneous other deductions:				
700 Reg assets at end of year	390	28,267		
704				
Total	394			
Subtotal of other deductions	499	28,267	▶	28,267
Total deductions	510	10,578,133	▶	10,578,133
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				2,558,975

* For reference purposes only

T2 SCH 1 E (09)

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 2

CHARITABLE DONATIONS AND GIFTS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
NORTH BAY GENERAL HOSPITAL FOUNDATION	5,000
Summer in the Park	1,000
Subtotal	6,000
Add: Total donations of less than $100 each	
Total donations in current tax year	6,000

		Federal	Québec	Alberta
Charitable donations at the end of the previous tax year				
Deduct: Charitable donations expired after five tax years*	239			
Charitable donations at the beginning of the tax year	240			
Add:				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250			
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1) 6,000	210			
Subtotal (line 250 **plus** line 210)		6,000	6,000	6,000
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255			
Total charitable donations available		6,000 A	6,000	6,000
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	6,000	6,000	6,000
Charitable donations closing balance	280			

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2009-12-31			
2nd prior year	2008-12-31			
3rd prior year	2007-12-31			
4th prior year	2006-12-31			
5th prior year	2005-12-31			
6th prior year*	2004-12-31			
7th prior year	2003-12-31			
8th prior year	2002-12-31			
9th prior year	2001-12-31			
10th prior year	2000-12-31			
11th prior year	1999-12-31			
12th prior year	1998-12-31			
13th prior year	1997-12-31			
14th prior year	1996-12-31			
15th prior year	1995-12-31			
16th prior year	1994-12-31			
17th prior year	1993-12-31			
18th prior year	1992-12-31			
19th prior year	1991-12-31			
20th prior year	1990-12-31			
21st prior year*	1989-12-31			
Total (to line A)				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes***** **multiplied** by 75 % . . . . . 1,919,231 B

Taxable capital gains arising in respect of gifts of capital property included in Part 1** . . . . . 225 C

Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) . . . . . 227 D

The amount of the recapture of capital cost allowance in respect of charitable gifts 230

Proceeds of disposition, less outlays and expenses** . . . . . E

Capital cost** . . . . . F

Amount E or F, whichever is less 235

Amount on line 230 or 235, whichever is less . . . . . G

Subtotal (**add** amounts C, D, and G) H

Amount H **multiplied** by 25 % I

Subtotal (amount B **plus** amount I) 1,919,231 J

Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less) . . . . . 6,000 K

***** For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

****** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year			
Deduct: Gifts to Canada, a province, or a territory expired after five tax years	339		
Gifts to Canada, a province, or a territory at the beginning of the tax year	340		▶
Add: Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current-year gifts made to Canada, a province, or a territory*	310		
Subtotal (line 350 **plus** line 310)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	355		
Total gifts to Canada, a province, or a territory available			
Deduct: Amount applied against taxable income (enter this amount on line 312 of the T2 return).	360		
Gifts to Canada, a province, or a territory closing balance	380		

***** Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year				
Deduct: Gifts of certified cultural property expired after five tax years*	439			
Gifts of certified cultural property at the beginning of the tax year	440			
Add: Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450			
Total current-year gifts of certified cultural property	410			
Subtotal (line 450 **plus** line 410)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455			
Total gifts of certified cultural property available				
Deduct: Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460			
Gifts of certified cultural property closing balance	480			

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2009-12-31			
2nd prior year	2008-12-31			
3rd prior year	2007-12-31			
4th prior year	2006-12-31			
5th prior year	2005-12-31			
6th prior year*	2004-12-31			
7th prior year	2003-12-31			
8th prior year	2002-12-31			
9th prior year	2001-12-31			
10th prior year	2000-12-31			
11th prior year	1999-12-31			
12th prior year	1998-12-31			
13th prior year	1997-12-31			
14th prior year	1996-12-31			
15th prior year	1995-12-31			
16th prior year	1994-12-31			
17th prior year	1993-12-31			
18th prior year	1992-12-31			
19th prior year	1991-12-31			
20th prior year	1990-12-31			
21st prior year*	1989-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year				
Deduct: Gifts of certified ecologically sensitive land expired after five tax years*	539			
Gifts of certified ecologically sensitive land at the beginning of the tax year	540			
Add: Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land	510			
Subtotal (line 550 **plus** line 510)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555			
Total gifts of certified ecologically sensitive land available				
Deduct: Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560			
Gifts of certified ecologically sensitive land closing balance	580			

***** For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Québec	Alberta
1st prior year	2009-12-31			
2nd prior year	2008-12-31			
3rd prior year	2007-12-31			
4th prior year	2006-12-31			
5th prior year	2005-12-31			
6th prior year*	2004-12-31			
7th prior year	2003-12-31			
8th prior year	2002-12-31			
9th prior year	2001-12-31			
10th prior year	2000-12-31			
11th prior year	1999-12-31			
12th prior year	1998-12-31			
13th prior year	1997-12-31			
14th prior year	1996-12-31			
15th prior year	1995-12-31			
16th prior year	1994-12-31			
17th prior year	1993-12-31			
18th prior year	1992-12-31			
19th prior year	1991-12-31			
20th prior year	1990-12-31			
21st prior year*	1989-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 6 – Additional deduction for gifts of medicine

		Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year				
Deduct: Additional deduction for gifts of medicine expired after five tax years	639			
Additional deduction for gifts of medicine at the beginning of the tax year	640			
Add: Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650			
Additional deduction for gifts of medicine for the current year:				
Proceeds of disposition	602	1	1	1
Cost of gifts of medicine	601	2	2	2
Subtotal (line 1 **minus** line 2)		3	3	3
Line 3 **multiplied** by 50 %		4	4	4
Eligible amount of gifts	600	5	5	5

Federal: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year **610** _____

Québec: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year _____

Alberta: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year _____

where:

A is the **lesser** of line 2 and line 4

B is the eligible amount of gifts (line 600)

C is the proceeds of disposition (line 602)

		Federal	Québec	Alberta
Subtotal (line 650 **plus** line 610)				
Deduct: Adjustment for an acquisition of control	655			
Total additional deduction for gifts of medicine available				
Deduct: Amount applied against taxable income (enter this amount on line 315 of the T2 return)	660			
Additional deduction for gifts of medicine closing balance	680			

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2009-12-31			
2nd prior year	2008-12-31			
3rd prior year	2007-12-31			
4th prior year	2006-12-31			
5th prior year	2005-12-31			
6th prior year*	2004-12-31			
Total				

***** These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2009-12-31	
2nd prior year	2008-12-31	
3rd prior year	2007-12-31	
4th prior year	2006-12-31	
5th prior year	2005-12-31	
6th prior year*	2004-12-31	
7th prior year	2003-12-31	
8th prior year	2002-12-31	
9th prior year	2001-12-31	
10th prior year	2000-12-31	
11th prior year	1999-12-31	
12th prior year	1998-12-31	
13th prior year	1997-12-31	
14th prior year	1996-12-31	
15th prior year	1995-12-31	
16th prior year	1994-12-31	
17th prior year	1993-12-31	
18th prior year	1992-12-31	
19th prior year	1991-12-31	
20th prior year	1990-12-31	
21st prior year*	1989-12-31	
Total		

***** These gifts expired in the current year.

Canada Revenue Agency / Agence du revenu du Canada

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- Enter in column F1, the amount of dividends received reported in column 240 that are eligible.
- Under column F2, enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

	Name of payer corporation (from which the corporation received the dividend) 200	A	Complete if payer corporation is connected: B Enter 1 if payer corporation is connected 205	C Business Number of connected corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD 220	E Non-taxable dividend under section 83 230
1			2			

Total (enter on line 402 of Schedule 1)

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* 240	F1 Eligible dividends (included in column F)	F2	Complete if payer corporation is connected: G Total taxable dividends paid by connected payer corporation (for tax year in column D) 250	H Dividend refund of the connected payer corporation (for tax year in column D)** 260	I Part IV tax before deductions F x 1 / 3 *** 270	
1							
							J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . . .

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax 320

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax 330

Non-capital losses from previous years claimed to reduce Part IV tax 335

Current-year farm loss claimed to reduce Part IV tax 340

Farm losses from previous years claimed to reduce Part IV tax 345

Total losses applied against Part IV tax x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) 360

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A Name of connected recipient corporation 400	B Business Number 410	C Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD 420	D Taxable dividends paid to connected corporations 430	D1 Eligible dividends (included in column D)
1	North Bay Hydro Holdings Limited	89999 9999 RC0001	2010-12-31	1,350,000	
2					

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation.

Total 1,350,000

Total taxable dividends paid in the tax year to other than connected corporations 450

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450) 460 1,350,000

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 1,350,000

Other dividends paid in the tax year (total of 510 to 540) . . . . .

Total dividends paid in the tax year 500 1,350,000

Deduct:

Dividends paid out of capital dividend account 510

Capital gains dividends 520

Dividends paid on shares described in subsection 129(1.2) 530

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year 540

Subtotal ▶

Total taxable dividends paid in the tax year that qualify for a dividend refund 1,350,000

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
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- 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 (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

100 402 Corporations not specified Enter the regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes ☐	103		143		
Newfoundland and Labrador offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☒	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	127		167		
Total		129 G		169 H		

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

** 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*.

Notes:

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

T2 SCH 5 E (10)

Canada

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
2,552,975		2,552,975	291,698

Ontario basic income tax (from Schedule 500) **270** 331,677

Deduct: Ontario small business deduction (from schedule 500) **402** 39,979

Subtotal (if negative, enter "0") 291,698 ▶ 291,698 A6

Add:

Surtax re Ontario small business deduction (from Schedule 500) **272** 39,979

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 39,979 ▶ 39,979 B6

Subtotal (amount A6 **plus** amount B6) 331,677 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") 331,677 E6

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") 331,677 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") 331,677 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** 28,514

Subtotal 28,514 ▶ 28,514 H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) 360,191 I6

Deduct:

Ontario qualifying environmental trust tax credit **450**

Ontario co-operative education tax credit (from Schedule 550) **452** 1,125

Ontario apprenticeship training tax credit (from Schedule 552) **454** 49,178

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 50,303 ▶ 50,303 J6

Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) **290** 309,888 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 at line 255.

Net provincial and territorial tax payable or refundable credits **255** 309,888

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.

Capital Cost Allowance (CCA) Workchart

Class number **200** 1 Description

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	**101**	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		4.00	4.00	4.00	
UCC (opening)	**201**		33,167,910	33,167,910	33,167,910	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+	12,656	12,656	12,656	5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	33,180,566	33,180,566	33,180,566	8
1/2 of net additions	**211**	–	6,328	6,328	6,328	9
Balance for CCA		=	33,174,238	33,174,238	33,174,238	10
Maximum allowable CCA			1,326,970	1,326,970	1,326,970	11
CCA claimed	**217**		1,326,970	1,326,970	1,326,970	12
UCC (closing) line 8 minus line 12	**220**		31,853,596	31,853,596	31,853,596	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 8 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		20.00	20.00	20.00	
UCC (opening)	**201**		435,994	435,994	435,994	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+	40,764	40,764	40,764	5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	476,758	476,758	476,758	8
1/2 of net additions	**211**	–	20,382	20,382	20,382	9
Balance for CCA		=	456,376	456,376	456,376	10
Maximum allowable CCA			91,275	91,275	91,275	11
CCA claimed	**217**		91,275	91,275	91,275	12
UCC (closing) line 8 minus line 12	**220**		385,483	385,483	385,483	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 10 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		30.00	30.00	30.00	
UCC (opening)	**201**		814,632	814,632	814,632	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+	64,703	64,703	64,703	5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–	950	950	950	7
Balance before CCA		=	878,385	878,385	878,385	8
1/2 of net additions	**211**	–	31,877	31,877	31,877	9
Balance for CCA		=	846,508	846,508	846,508	10
Maximum allowable CCA			253,952	253,952	253,952	11
CCA claimed	**217**		253,952	253,952	253,952	12
UCC (closing) line 8 minus line 12	**220**		624,433	624,433	624,433	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 10 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		30.00	30.00	30.00	
UCC (opening)	**201**		13,479	13,479	13,479	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+				5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	13,479	13,479	13,479	8
1/2 of net additions	**211**	–				9
Balance for CCA		=	13,479	13,479	13,479	10
Maximum allowable CCA			4,044	4,044	4,044	11
CCA claimed	**217**		4,044	4,044	4,044	12
UCC (closing) line 8 minus line 12	**220**		9,435	9,435	9,435	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 1 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		4.00	4.00	4.00	
UCC (opening)	**201**		1,346,355	1,346,355	1,346,355	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+				5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	1,346,355	1,346,355	1,346,355	8
1/2 of net additions	**211**	–				9
Balance for CCA		=	1,346,355	1,346,355	1,346,355	10
Maximum allowable CCA			53,854	53,854	53,854	11
CCA claimed	**217**		53,854	53,854	53,854	12
UCC (closing) line 8 minus line 12	**220**		1,292,501	1,292,501	1,292,501	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 45 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		45.00	45.00	45.00	
UCC (opening)	**201**		41,674	41,674	41,674	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+				5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	41,674	41,674	41,674	8
1/2 of net additions	**211**	–				9
Balance for CCA		=	41,674	41,674	41,674	10
Maximum allowable CCA			18,753	18,753	18,753	11
CCA claimed	**217**		18,753	18,753	18,753	12
UCC (closing) line 8 minus line 12	**220**		22,921	22,921	22,921	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 47 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		8.00	8.00	8.00	
UCC (opening)	**201**		15,008,809	15,008,809	15,008,809	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+	6,267,195	6,267,195	6,267,195	5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	21,276,004	21,276,004	21,276,004	8
1/2 of net additions	**211**	–	3,133,598	3,133,598	3,133,598	9
Balance for CCA		=	18,142,406	18,142,406	18,142,406	10
Maximum allowable CCA			1,451,392	1,451,392	1,451,392	11
CCA claimed	**217**		1,451,392	1,451,392	1,451,392	12
UCC (closing) line 8 minus line 12	**220**		19,824,612	19,824,612	19,824,612	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 50 Description

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	**101**	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		55.00	55.00	55.00	
UCC (opening)	**201**		32,372	32,372	32,372	1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+				5
Additions (full year rule)	**203**	+				6
Disposals	**207**	–				7
Balance before CCA		=	32,372	32,372	32,372	8
1/2 of net additions	**211**	–				9
Balance for CCA		=	32,372	32,372	32,372	10
Maximum allowable CCA			17,805	17,805	17,805	11
CCA claimed	**217**		17,805	17,805	17,805	12
UCC (closing) line 8 minus line 12	**220**		14,567	14,567	14,567	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number **200** 52 Description

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) **101** ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	**212**		100.00	100.00	100.00	
UCC (opening)	**201**					1
ITC (prior year)	**205**	–				2
GST/PST rebate	**205**	–				3
Adjustments	**205**	+/-				4
Additions (1/2 year rule)	**203**	+				5
Additions (full year rule)	**203**	+	41,402	41,402	41,402	6
Disposals	**207**	–				7
Balance before CCA		=	41,402	41,402	41,402	8
1/2 of net additions	**211**	–				9
Balance for CCA		=	41,402	41,402	41,402	10
Maximum allowable CCA			41,402	41,402	41,402	11
CCA claimed	**217**		41,402	41,402	41,402	12
UCC (closing) line 8 minus line 12	**220**					13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

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) 200	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Net adjustments** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % 212	9 Recapture of capital cost allowance (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (column 7 **multiplied** by column 8; or a lower amount) (line 403 of Schedule 1)**** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		33,167,910	12,656		0	6,328	33,174,238	4	0	0	1,326,970	31,853,596
2.	8		435,994	40,764		0	20,382	456,376	20	0	0	91,275	385,483
3.	10		814,632	64,703		950	31,877	846,508	30	0	0	253,952	624,433
4.	10		13,479			0		13,479	30	0	0	4,044	9,435
5.	1		1,346,355			0		1,346,355	4	0	0	53,854	1,292,501
6.	45		41,674			0		41,674	45	0	0	18,753	22,921
7.	47		15,008,809	6,267,195		0	3,133,598	18,142,406	8	0	0	1,451,392	19,824,612
8.	50		32,372			0		32,372	55	0	0	17,805	14,567
9.	52			41,402		0		41,402	100	0	0	41,402	
		Total	50,861,225	6,426,720		950	3,192,185	54,094,810				3,259,447	54,027,548

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*.

**** 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 (06)

Canada

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		6,426,720		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
reg assets capitalized but not figured into NBV figure of FS	+	-410,507		
Total additions per books	=	6,016,213	▶	6,016,213
Proceeds up to original cost – Schedule 8 regular classes		950		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
other	+	1,820		
Total proceeds per books	=	2,770	▶	2,770
Depreciation and amortization per accounts – Schedule 1			–	2,789,533
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	950
Net change per tax return			=	3,224,860

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		37,097,317
Opening net book value	–	33,872,457
Net change per financial statements	=	3,224,860

If the amounts from the tax return and the financial statements differ, explain why below.

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

This schedule is to be completed by a corporation having one or more of the following:
– related corporation(s)
– associated corporations(s)

	Name 100	Country of residence (if other than Canada) 200	Business Number (Canadian corporation only) (see note 1) 300	Relationship code (see note 2) 400	Number of common shares owned 500	% of common shares owned 550	Number of preferred shares owned 600	% of preferred shares owned 650	Book value of capital stock 700
1.	North Bay Hydro Holdings Limited		86712 3580 RC0001	1					
2.	North Bay Hydro Services Inc		86450 3511 RC0001	3					
3.	North Bay Hydro Generation Limitec		89117 4401 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.
Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

T2 SCH 9(99)

Canada

Related and Associated Corporations Workchart

T2 Data Connection

Enable T2 Data Connection [X]

When you select this check box, a link creation will automatically be prompted for all new copies. Furthermore, for existing copies, the **Always keep the link and offer to restore it when in error** check box will be activated by default.

Note: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

There are three main functionalities for the T2 Data Connection. Depending on your situation, it may not be practical or even necessary to use all of these features. To determine which features might be applicable to you and find out the suggested methodology, press F1.

Here are the main functionalities:

1) Data transfer from one client file to an R&A workchart (see the *Create Links* help topic).
2) Tables allowing you to visualise the result of allocation scenarios (see the *Calculate Allocation Scenarios* help topic).
3) Importing data found in the R&A workcharts, including links to other returns (if any) and allocations, from one return to another (see the *Import Data from Other Group Returns* help topic).

General information – Filing corporation

This workchart allows the tax preparer to input common information for the filing corporation on one screen.
Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the corporation North Bay Hydro Distribution Limited

Name of the Related/Associated Corporation Group

By entering a meaningful name for the related/associated corporation group in this field, you will be able to identify the corporations that are part of the same group in the Client Manager.

Business Number
Canadian corporations only. Enter "NR" if a corporation is not registered. 88246 3128 RC0001

Select this check box if the corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [X]

* For more information, press F1.

Association code 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the corporation	2010-01-01	2010-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada for the year 52,490,657

Schedule 23 – Agreement among associated CCPC's to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

			Number of days		Number of days in the taxation year		
2003	$ 225,000	x	(	÷	365)	=	
2004	$ 250,000	x	(	÷	365)	=	
2005 and 2006	$ 300,000	x	(	÷	365)	=	
2007 and 2008	$ 400,000	x	(	÷	365)	=	
After 2008	$ 500,000	x	(365	÷	365)	=	500,000

Business limit before allocation (for association codes 1 and 4) 500,000 | 500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of business limit allocated . . . . . x **350** 100.0000 %

Allocated business limit = **400** 500,000

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year* 50,448,911

* For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group.
Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

Percentage of the allocation of capital deduction . . . . . %

Allocation of capital deduction for the period before July 1, 2006 . . . . . **400**

Allocation of capital deduction for the period after June 30, 2006 . . . . . **450**

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Allocation of total dividend allowance *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . .

Dividend allowance allocated **140**

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated CCPC's to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? **N/A for filing corporation** ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of prior taxation year 1,808,272

Reduced business limit of current taxation year . . . . . .

Reduced business limit of prior taxation year . . . . . .

Total expenditure limit . . . . . .

Expenditure limit allocated **400**

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario)) . . . . . ☒

Taxable capital employed in Canada for the year 52,490,657

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	100.000 %
Total assets in the prior calendar year	400	67,975,604
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	11,229,654
% of TND for the corporation		100.00000 %
Allocation of net deduction	600	15,000,000

Schedule 560 – Ontario interactive digital media tax credit

Total assets	70,191,897
Total revenue	11,642,034

Schedule 566 – Ontario innovation tax credit

The associated corporation is a qualifying corporation for OITC purpose ☐

Taxable income for the previous tax year (prior to any loss-carrybacks being applied) (see note 1) _____

Specified capital amount for the previous tax year (see note 2) _____

Expenditure limit (before the allocation) _____

Expenditure limit allocated _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the sum of the amounts from lines 565 and 570 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the amount of taxable paid-up capital from line 470 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Expenditure limit calculation for a taxation year that straddles February 26, 2008

Business limit calculation (before the allocation) = _____

Percentage of the business limit allocated x _____ %

Business limit allocated = _____

Taxable income of the preceding taxation year _____

Taxable paid-up capital in preceding taxation year (see note) _____

Note:

- Use **Ontario** adjusted taxable paid-up capital for the preceding taxation year, if the corporation is a financial institution other than a credit union or an insurance corporation.
- Use **Federal** taxable capital employed for the preceding taxation year as determined under Part I.3 of the federal *Income Tax Act*, if the corporation is a credit union or an insurance corporation.
- Use Ontario taxable paid-up capital for the preceding taxation year for all other corporations.

Expenditure limit that would have been determined in respect of the corporation for the taxation year under subsection 43.3(3.2) of the Corporations Tax Act if the taxation year commenced after May 4, 1999 and before February 26, 2008. _____ BBB

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation 310 _____

Related and Associated Corporations Workchart

T2 Data Connection

Location and name of the linked file \\NBAY-DCF\Data\Clients\DDecaire - 823\NB Hydro Holdings\2010\T2\North Bay Hydro

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Holdings Limited

Business Number
Canadian corporations only. Enter "NR" if a corporation is not registered. 86712 3580 RC0001

Select this check box if the corporation is a Canadian-controlled private corporation (CCPC)* [ ]

Relationship code . . . . . 1 Parent

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2010-01-01	2010-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year*	74,474	
Taxable capital employed in Canada for the year*	59,304	
Taxable capital employed in Canada		59,304

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (if other than Canada)	200		
Number of common shares owned	500		
Percentage of common shares owned	550		%
Number of preferred shares owned	600		
Percentage of preferred shares owned	650		%
Book value shares of capital stock	700		

Schedule 23 – Agreement among associated CCPC's to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

			Number of days		Number of days in the taxation year		
2003	225,000	$ x	(	÷	365)	=	
2004	250,000	$ x	(	÷	365)	=	
2005 and 2006	300,000	$ x	(	÷	365)	=	
2007 and 2008	400,000	$ x	(	÷	365)	=	
After 2008	500,000	$ x	(365	÷	365)	=	500,000

Business limit before allocation (for association codes 1 and 4) 500,000 | 500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** ☐

Percentage of business limit allocated . . . . . x **350** %

Allocated business limit = **400**

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year* 74,474

* For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group.
Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . %

Allocation of capital deduction for the period before July 1, 2006 . . . . . **400**

Allocation of capital deduction for the period after June 30, 2006 . . . . . **450**

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Allocation of total dividend allowance *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . .

Dividend allowance allocated **140** 500,000

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated CCPC's to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . .

Reduced business limit of current taxation year . . . . . .

Reduced business limit of the last taxation year ending in the preceding calendar year . . . . . .

Total expenditure limit 3,000,000

Expenditure limit allocated **400**

Schedule 501 – Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax: Ontario Small Business Deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2010-12-31
Adjusted taxable income in the last taxation year*		
Adjusted taxable income for the year*		782
Adjusted taxable income (if loss, enter "0")	400	782

* For more information, press F1.

Schedule 511 – Ontario Corporate Minimum Tax – Total Assets and Revenue for Associated Corporations

Total assets in the last taxation year*		19,586,275
Total assets for the year*		19,571,380
Total assets	400	19,571,380
Total revenue in the last taxation year*		1,540,450
Total revenue for the year*		1,966,591
Total revenue	500	1,966,591

* For more information, press F1.

Schedule 514 – Ontario Capital Tax on Financial Institutions

The corporation is a financial institution		☐
Taxable capital employed in Canada for the year		

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))		X
Taxable capital employed in Canada for the year		59,304

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	100.000 %
Total assets in the prior calendar year	400	19,586,275
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	3,235,677
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions

The corporation is a financial institution or an insurance corporation		☐
B. Share of capital stock or long term debt (see note)		
Ontario allocation factor (OAF) of the corporation in the last taxation year*		
Ontario allocation factor (OAF) of the corporation for the year*		
C. Ontario allocation factor (OAF) of the corporation*		
D. OAF of the filing corporation		
E. Investment allowance (B x C/D)		

Note:

– For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.

– For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* For more information, press F1.

Schedule 560 – Ontario interactive digital media tax credit

Total assets	19,571,380
Total revenue	1,966,591

Schedule 566 – Ontario Innovation Tax Credit

The associated corporation is a qualifying corporation for OITC purpose . . . . . ☐

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____
Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____
Expenditure limit (before the allocation) . . . . . _____
Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the sum of the amounts from lines 565 and 570 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the amount of taxable paid-up capital from line 470 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Expenditure limit calculation for a taxation year that straddles February 26, 2008

Business limit calculation (before the allocation) . . . . . = _____
Percentage of the business limit allocated . . . . . x _____ %
Business limit allocated = _____
Taxable income of the last taxation year ending in the preceding calendar year . . . . . _____
Taxable paid-up capital in preceding taxation year (see note) . . . . . _____

Note:

- Use **Ontario** adjusted taxable paid-up capital for the preceding taxation year, if the corporation is a financial institution other than a credit union or an insurance corporation.
- Use **Federal** taxable capital employed for the preceding taxation year as determined under Part I.3 of the federal *Income Tax Act*, if the corporation is a credit union or an insurance corporation.
- Use Ontario taxable paid-up capital for the preceding taxation year for all other corporations.

Expenditure limit that would have been determined in respect of the corporation for the taxation year under subsection 43.3(3.2) of the Corporations Tax Act if the taxation year commenced after May 4, 1999 and before February 26, 2008. . . . . _____ BBB

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation **310** 20,000,000

Related and Associated Corporations Workchart

T2 Data Connection

Location and name of the linked file \\NBAY-DCF\Data\Clients\DDecaire - 823\NB Hydro Servic - 800014169\2010\T2\North E

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Services Inc

Business Number
Canadian corporations only. Enter "NR" if a corporation is not registered. 86450 3511 RC0001

Select this check box if the corporation is a Canadian-controlled private corporation (CCPC)* [ ]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2010-01-01	2010-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year*	2,764,922	
Taxable capital employed in Canada for the year*	3,069,035	
Taxable capital employed in Canada		3,069,035

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (if other than Canada)	200		
Number of common shares owned	500		
Percentage of common shares owned	550		%
Number of preferred shares owned	600		
Percentage of preferred shares owned	650		%
Book value shares of capital stock	700		

Schedule 23 – Agreement among associated CCPC's to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

			Number of days		Number of days in the taxation year		
2003	225,000	$ x	(	÷	365)	=	
2004	250,000	$ x	(	÷	365)	=	
2005 and 2006	300,000	$ x	(	÷	365)	=	
2007 and 2008	400,000	$ x	(	÷	365)	=	
After 2008	500,000	$ x	(365	÷	365)	=	500,000

Business limit before allocation (for association codes 1 and 4) 500,000 | 500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** ☐

Percentage of business limit allocated . . . . . x **350** %

Allocated business limit = **400**

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year* 2,764,922

* For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group.
Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . %

Allocation of capital deduction for the period before July 1, 2006 . . . . . **400**

Allocation of capital deduction for the period after June 30, 2006 . . . . . **450**

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Allocation of total dividend allowance *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . .

Dividend allowance allocated **140**

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated CCPC's to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year 116,782

Reduced business limit of current taxation year . . . . . .

Reduced business limit of the last taxation year ending in the preceding calendar year . . . . . .

Total expenditure limit . . . . . .

Expenditure limit allocated **400**

Schedule 501 – Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax: Ontario Small Business Deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2010-12-31
Adjusted taxable income in the last taxation year*		116,782
Adjusted taxable income for the year*		833,941
Adjusted taxable income (if loss, enter "0")	400	833,941

* For more information, press F1.

Schedule 511 – Ontario Corporate Minimum Tax – Total Assets and Revenue for Associated Corporations

Total assets in the last taxation year*		3,236,366
Total assets for the year*		3,226,788
Total assets	400	3,226,788
Total revenue in the last taxation year*		1,108,283
Total revenue for the year*		2,130,747
Total revenue	500	2,130,747

* For more information, press F1.

Schedule 514 – Ontario Capital Tax on Financial Institutions

The corporation is a financial institution	☐
Taxable capital employed in Canada for the year	

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))	X
Taxable capital employed in Canada for the year	3,069,035

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	100.000 %
Total assets in the prior calendar year	400	3,236,366
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	534,652
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions

The corporation is a financial institution or an insurance corporation	☐
B. Share of capital stock or long term debt (see note)	
Ontario allocation factor (OAF) of the corporation in the last taxation year*	
Ontario allocation factor (OAF) of the corporation for the year*	
C. Ontario allocation factor (OAF) of the corporation*	
D. OAF of the filing corporation	
E. Investment allowance (B x C/D)	

Note:

– For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.

– For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* For more information, press F1.

Schedule 560 – Ontario interactive digital media tax credit

Total assets	3,226,788
Total revenue	2,130,747

Schedule 566 – Ontario Innovation Tax Credit

The associated corporation is a qualifying corporation for OITC purpose . . . . . ☐

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____
Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____
Expenditure limit (before the allocation) . . . . . _____
Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the sum of the amounts from lines 565 and 570 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the amount of taxable paid-up capital from line 470 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Expenditure limit calculation for a taxation year that straddles February 26, 2008

Business limit calculation (before the allocation) . . . . . = _____
Percentage of the business limit allocated . . . . . x _____ %
Business limit allocated = _____
Taxable income of the last taxation year ending in the preceding calendar year . . . . . _____
Taxable paid-up capital in preceding taxation year (see note) . . . . . _____

Note:

- Use **Ontario** adjusted taxable paid-up capital for the preceding taxation year, if the corporation is a financial institution other than a credit union or an insurance corporation.
- Use **Federal** taxable capital employed for the preceding taxation year as determined under Part I.3 of the federal *Income Tax Act*, if the corporation is a credit union or an insurance corporation.
- Use Ontario taxable paid-up capital for the preceding taxation year for all other corporations.

Expenditure limit that would have been determined in respect of the corporation for the taxation year under subsection 43.3(3.2) of the Corporations Tax Act if the taxation year commenced after May 4, 1999 and before February 26, 2008. . . . . _____ BBB

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . **310** _____

Related and Associated Corporations Workchart

T2 Data Connection

Location and name of the linked file H:\Clients\DDecaire - 823\NB Hydro Generation\2010\T2\NB Hydro Generation (123120:

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Generation Limited

Business Number
Canadian corporations only. Enter "NR" if a corporation is not registered. 89117 4401 RC0001

Select this check box if the corporation is a Canadian-controlled private corporation (CCPC)* [X]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2010-01-01	2010-12-31

Select this check box if there are two taxation years in the same calendar year [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year*	100	
Taxable capital employed in Canada for the year*	156	
Taxable capital employed in Canada		156

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (if other than Canada)	200		
Number of common shares owned	500		
Percentage of common shares owned	550		%
Number of preferred shares owned	600		
Percentage of preferred shares owned	650		%
Book value shares of capital stock	700		

Schedule 23 – Agreement among associated CCPC's to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

			Number of days		Number of days in the taxation year		
2003	225,000	$ x	(	÷	365)	=	
2004	250,000	$ x	(	÷	365)	=	
2005 and 2006	300,000	$ x	(	÷	365)	=	
2007 and 2008	400,000	$ x	(	÷	365)	=	
After 2008	500,000	$ x	(365	÷	365)	=	500,000

Business limit before allocation (for association codes 1 and 4) 500,000 | 500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** ☐

Percentage of business limit allocated . . . . . x **350** %

Allocated business limit = **400**

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year* 100

* For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group.
Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . %

Allocation of capital deduction for the period before July 1, 2006 . . . . . **400**

Allocation of capital deduction for the period after June 30, 2006 . . . . . **450**

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Allocation of total dividend allowance *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . .

Dividend allowance allocated **140** 500,000

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated CCPC's to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . .

Reduced business limit of current taxation year . . . . . .

Reduced business limit of the last taxation year ending in the preceding calendar year . . . . . .

Total expenditure limit . . . . . .

Expenditure limit allocated **400**

Schedule 501 – Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax: Ontario Small Business Deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2010-12-31
Adjusted taxable income in the last taxation year*		
Adjusted taxable income for the year*		
Adjusted taxable income (if loss, enter "0")	400	

* For more information, press F1.

Schedule 511 – Ontario Corporate Minimum Tax – Total Assets and Revenue for Associated Corporations

Total assets in the last taxation year*		100
Total assets for the year*		156
Total assets	400	156
Total revenue in the last taxation year*		
Total revenue for the year*		
Total revenue	500	

* For more information, press F1.

Schedule 514 – Ontario Capital Tax on Financial Institutions

The corporation is a financial institution	☐
Taxable capital employed in Canada for the year	

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))	X
Taxable capital employed in Canada for the year	156

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	100.000 %
Total assets in the prior calendar year	400	100
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	17
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions

The corporation is a financial institution or an insurance corporation	☐
B. Share of capital stock or long term debt (see note)	
Ontario allocation factor (OAF) of the corporation in the last taxation year*	
Ontario allocation factor (OAF) of the corporation for the year*	
C. Ontario allocation factor (OAF) of the corporation*	
D. OAF of the filing corporation	
E. Investment allowance (B x C/D)	

Note:

– For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.

– For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* For more information, press F1.

Schedule 560 – Ontario interactive digital media tax credit

Total assets	156
Total revenue	

Schedule 566 – Ontario Innovation Tax Credit

The associated corporation is a qualifying corporation for OITC purpose . . . . . ☐

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____
Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____
Expenditure limit (before the allocation) . . . . . _____
Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the sum of the amounts from lines 565 and 570 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the amount of taxable paid-up capital from line 470 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Expenditure limit calculation for a taxation year that straddles February 26, 2008

Business limit calculation (before the allocation) . . . . . = _____
Percentage of the business limit allocated . . . . . x _____ %
Business limit allocated = _____
Taxable income of the last taxation year ending in the preceding calendar year . . . . . _____
Taxable paid-up capital in preceding taxation year (see note) . . . . . _____

Note:

- Use **Ontario** adjusted taxable paid-up capital for the preceding taxation year, if the corporation is a financial institution other than a credit union or an insurance corporation.
- Use **Federal** taxable capital employed for the preceding taxation year as determined under Part I.3 of the federal *Income Tax Act*, if the corporation is a credit union or an insurance corporation.
- Use Ontario taxable paid-up capital for the preceding taxation year for all other corporations.

Expenditure limit that would have been determined in respect of the corporation for the taxation year under subsection 43.3(3.2) of the Corporations Tax Act if the taxation year commenced after May 4, 1999 and before February 26, 2008. . . . . _____ BBB

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation **310** 20,000,000

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal *Income Tax Act*.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
Totals		008	009			010

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110 757,464	115		270,022	120 487,442
Reserve for undelivered goods and services not rendered ☐	130 710,053	135	355,422		140 1,065,475
Reserve for prepaid rent ☐	150	155			160
Reserve for December 31, 1995 income ☐	170	175			180
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Other tax reserves ☐	230	235			240
Totals	270 1,467,517	275	355,422	270,022	280 1,552,917

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.
The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

T2 SCH 13 E (99)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefit	4,269,035			60,996	4,208,039
2	Reserve for doubtful debt	757,464			270,022	487,442
3	Reserve for undelivered goods	710,053		355,422		1,065,475
4						
	Reserves from Part 2 of Schedule 13					
	Totals	5,736,552		355,422	331,018	5,760,956

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . 025 — Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 — Year: 2010

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 — 1 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	North Bay Hydro Distribution Limited	88246 3128 RC0001	1	500,000	100.0000	500,000
2	North Bay Hydro Holdings Limited	86712 3580 RC0001	1	500,000		
3	North Bay Hydro Services Inc	86450 3511 RC0001	1	500,000		
4	North Bay Hydro Generation Limited	89117 4401 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09)

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 33

TAXABLE CAPITAL EMPLOYED IN CANADA – LARGE CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If you are filing a provincial capital tax return with your *T2 Corporation Income Tax Return*, also file a completed Schedule 33 with the return no later than six months from the end of the tax year.
- This schedule may contain changes that had not yet become law at the time of publishing.

If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	11,548,108	
Capital stock (or members' contributions if incorporated without share capital)	103	19,511,601	
Retained earnings	104	5,280,404	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	23,429,617	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		59,769,730 ▶	59,769,730 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121	7,279,073	
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal		7,279,073 ▶	7,279,073 B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		52,490,657

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined for lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Do not include amounts owing to the member or to other corporations that are members of the partnership.
- Amounts are determined at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		52,490,657 C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	52,490,657

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 52,490,657 x (Taxable income earned in Canada / Taxable income) 610 2,552,975 / 2,552,975 = **Taxable capital employed in Canada** 690 52,490,657

Notes:

1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	701	

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712	
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713	
Total deductions (add lines 711, 712, and 713)	▶	E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")	790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.00225)		I

Enter this amount at line 415 of the T2 return

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

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) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social insurance number **300**	Trust number **350**	Percentage common shares **400**	Percentage preferred shares **500**
1	North Bay Hydro Holdings Limited (corporation)	89999 9999 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

On: 2010-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the I*ncome Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Corporations that wound-up a subsidiary . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year	100	2,912,159	A
Taxable income for the year (DICs enter "0") *	110	2,552,975	B
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140		
Subtotal (**add** lines 120, 130, and 140)			C
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")	150	2,552,975	
After-tax income (line 150 x general rate factor for the tax year ** 0.69)	190	1,761,553	D
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (**add** lines 200 and 210)			E
GRIP addition:			
Becoming a CCPC (line PP from Part 4)	220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240		
Subtotal (**add** lines 220, 230, and 240)	290		F
Subtotal (**add** lines A, D, E, and F)		4,673,712	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.			
Subtotal (line 300 **minus** line 310)			H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)	490	4,673,712	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560		
GRIP at the end of the tax year (line 490 **minus** line 560)	590	4,673,712	

Enter this amount on line 160 of Schedule 55.

***** For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

****** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2009-12-31

Taxable income before specified future tax consequences from the current tax year	1,808,272	J1	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)		K1	
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less		L1	
Aggregate investment income (line 440 of the T2 return)		M1	
Subtotal (**add** lines K1, L1, and M1)		N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")	1,808,272		O1 1,808,272

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (**add** lines Q1, R1, and S1) ▶ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ▶ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.68) **500**

Second previous tax year 2008-12-31

Taxable income before specified future tax consequences from the current tax year 2,474,315 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L2

Aggregate investment income (line 440 of the T2 return) M2

Subtotal (**add** lines K2, L2, and M2) ▶ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 2,474,315 ▶ 2,474,315 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R2

Aggregate investment income (line 440 of the T2 return) S2

Subtotal (**add** lines Q2, R2, and S2) ▶ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ▶ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.68) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2007-12-31

Taxable income before specified future tax consequences from the current tax year 2,654,002 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ L3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ M3

Subtotal (**add** lines K3, L3, and M3) _____ ▶ _____ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 2,654,002 ▶ 2,654,002 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . . _____ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ R3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ S3

Subtotal (**add** lines Q3, R3, and S3) _____ ▶ _____ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") _____ ▶ _____ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") _____ V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(line V3 **multiplied by** the general rate factor for the tax year 0.68) . . . . . **540** _____

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . . _____ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . . _____ AA

Eligible dividends paid by the corporation in its last tax year . . . . . _____ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . _____ CC

Subtotal (line BB **minus** line CC) _____ ▶ _____ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

(line AA **minus** line DD) . . . . . _____ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . . FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . . GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . .
Net capital losses . . . . .
Farm losses . . . . .
Restricted farm losses . . . . .
Limited partnership losses . . . . .

Subtotal ▶ HH

Subtotal (**add** lines FF, GG, and HH) II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . . JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . . KK

All the corporation's reserves deducted in its previous/last tax year LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . . MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . . NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ▶ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . . PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year. Calculate your results to four decimal places.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year		365	. . . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year	365	365	. . . . . =	0.6900	RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year		365	. . . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year		365	. . . . . =		TT

General rate factor for the tax year (total of lines QQ to TT) . . . . . 0.6900 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation,* or Schedule 54, *Low Rate Income Pool Calculation (LRIP)*; whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- Parts, subsections, and paragraphs mentioned in this schedule refer to the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 .

Taxable dividends paid in the tax year **included** in Schedule 3 . . . 1,350,000

Total taxable dividends paid in the tax year **100** 1,350,000

Total eligible dividends paid in the tax year **150**

GRIP at the end of the year (line 590 on Schedule 53) (if negative, enter "0") **160** 4,673,712

Excessive eligible dividend designation (line 150 **minus** line 160) . . . . . A

Part III.1 tax on excessive eligible dividend designations – CCPC or DIC
(line A **multiplied** by 20%) . . . . . x 20 % **190**

Enter the amount from line 190 at line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 .

Taxable dividends paid in the tax year **included** in Schedule 3 . . .

Total taxable dividends paid in the tax year **200**

Total excessive eligible dividend designations in the tax year (line A of Schedule 54) . . . . . B

Part III.1 tax on excessive eligible dividend designations – Other corporations
(line B **multiplied** by 20%) . . . . . x 20 % **290**

Enter the amount from line 290 at line 710 of the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 500

ONTARIO CORPORATION TAX CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- 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.
- References to subsections and paragraphs are from the federal *Income Tax Act*.
- 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 / Number of days in the tax year	181 / 365	x	14.00 %	=	6.94247 %	A1
Number of days in the tax year after June 30, 2010, and before July 1, 2011 / Number of days in the tax year	184 / 365	x	12.00 %	=	6.04932 %	A2
Number of days in the tax year after June 30, 2011, and before July 1, 2012 / Number of days in the tax year	/ 365	x	11.50 %	=	%	A3
Number of days in the tax year after June 30, 2012, and before July 1, 2013 / Number of days in the tax year	/ 365	x	11.00 %	=	%	A4
Number of days in the tax year after June 30, 2013 / Number of days in the tax year	/ 365	x	10.00 %	=	%	A5

Ontario basic rate of tax for the year (total of rates A1 to A5) 12.99179 ▶ 12.99179 % A6

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . . 2,552,975 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A6 from Part 1) . . . . . 331,677 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)					2,558,975	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)					2,552,975	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 (line 4 on page 4 of the T2 return)	=	500,000	3
Enter the least of amounts 1, 2, and 3					500,000	D
Ontario domestic factor: Ontario taxable income * / taxable income earned in all provinces and territories **	2,552,975.00 / 2,552,975	=			1.00000	E
Ontario small business income (amount D **multiplied** by amount E)					500,000	F

Number of days in the tax year before July 1, 2010 / Number of days in the tax year	181 / 365	x	8.50 %	=	4.21507 %	G1
Number of days in the tax year after June 30, 2010, and before July 1, 2011 / Number of days in the tax year	184 / 365	x	7.50 %	=	3.78082 %	G2
Number of days in the tax year after June 30, 2011, and before July 1, 2012 / Number of days in the tax year	/ 365	x	7.00 %	=	%	G3
Number of days in the tax year after June 30, 2012, and before July 1, 2013 / Number of days in the tax year	/ 365	x	6.50 %	=	%	G4
Number of days in the tax year after June 30, 2013 / Number of days in the tax year	/ 365	x	5.50 %	=	%	G5
OSBD rate for the year (total of rates G1 to G5)					7.99589 %	G6
Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G6)					39,979	H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

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

Part 4 – 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 *	2,552,975	I	
Adjusted taxable income of all associated corporations (amount from line 500 of Schedule 501)	834,723	J	
Aggregate adjusted taxable income (amount I **plus** amount J)	3,387,698 ▶		3,387,698 K
Deduct:			
Ontario business limit			500,000
Subtotal (amount K **minus** Ontario business limit) (if negative, enter "0" on this line and on line P)			2,887,698 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 = 181 / 365 x 4.25 % = 2.10753 % M

Amount L x % on line M = 60,859 N

Amount N 60,859 x Ontario small business income (amount F from Part 3) / 500,000 = 500,000 / 500,000 = 60,859 O

Surtax re Ontario small business deduction: lesser of amount O and OSBD (amount H from Part 3) 39,979 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.

Amount D from Part 3 500,000 Q

Surtax payable (amount P from Part 4) 39,979 = 499,987 R
Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G6 from Part 3) 7.99589 % 0.07996

Note: 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") 13 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)	7.99589 %	
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.

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SCHEDULE 501

ONTARIO ADJUSTED TAXABLE INCOME OF ASSOCIATED CORPORATIONS TO DETERMINE SURTAX RE ONTARIO SMALL BUSINESS DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- For use by Canadian-controlled private corporations (CCPCs) to report the adjusted taxable income of all corporations (Canadian and foreign) with which the filing corporation was associated at any time during the tax year.
- Include the adjusted taxable income for the tax year of the associated corporation that ends at or before the date of the filing corporation's tax year-end.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations* **100**	Business number of associated corporations** **200**	Tax year-end **300**	Adjusted taxable income *** (if loss, enter "0") **400**
1	North Bay Hydro Holdings Limited	86712 3580 RC0001	2010-12-31	782
2	North Bay Hydro Services Inc	86450 3511 RC0001	2010-12-31	833,941
3	North Bay Hydro Generation Limited	89117 4401 RC0001	2010-12-31	
			Total **500**	834,723

Enter the total adjusted taxable income from line 500 on line J in Part 4 of Schedule 500, *Ontario Corporation Tax Calculation.*

* Subsection 256(2) of the federal *Income Tax Act* may deem the filing corporation to be associated with another corporation, because both corporations are associated with a third corporation. If so, do not list the other corporation, nor the third corporation if it is not a CCPC or has elected under subsection 256(2) of the federal Act not to be associated for purposes of section 125 of the federal Act.

** Enter "NR" if a corporation is not registered.

*** **Rules for adjusted taxable income:**

- If the associated corporation's tax year ends after December 31, 2008, its adjusted taxable income is equal to its taxable income or taxable income earned in Canada **plus** its adjusted Crown royalties **minus** its notional resource allowance for the year.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's adjusted taxable income by 365 and **divide** by the number of days in the associated corporation's tax year.
- If the associated corporation has two or more tax years ending in the filing corporation's tax year, enter the last tax year-end date on line 300 and, for the entry on line 400, **multiply** the sum of the adjusted taxable income for each of those tax years by 365, and **divide** by the total number of days in all of those tax years.

T2 SCH 501 E (10)

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SCHEDULE 515

ONTARIO CAPITAL TAX ON OTHER THAN FINANCIAL INSTITUTIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- Complete this schedule for a corporation with a permanent establishment in Ontario at any time in the tax year and that is a corporation other than a financial institution. The Ontario capital tax on other than financial institutions is levied under section 64 of the *Taxation Act, 2007* (Ontario).
- The Ontario capital tax is eliminated effective July 1, 2010. You do not have to complete this schedule if the corporation's tax year begins after June 30, 2010. For businesses mainly engaged in qualifying manufacturing and resource activities in Ontario, the capital tax is eliminated effective January 1, 2007.
- To complete this schedule, you have to complete Schedule 33, *Part I.3 Tax on Large Corporations* (renamed *Taxable Capital Employed in Canada – Large Corporations* for 2010 and later tax years). File completed copies of both schedules with the *T2 Corporation Income Tax Return* within six months of the end of the tax year.
- A corporation is exempt from Ontario capital tax if it was one of the following:
  1) a corporation that is liable to the special additional tax according to section 74 of the *Corporations Tax Act* (Ontario);
  2) a credit union;
  3) a deposit insurance corporation according to section 137.1 of the federal *Income Tax Act*;
  4) a family farm corporation for the year as defined by subsection 64(3) of the *Taxation Act*, 2007 (Ontario), other than a corporation for which a determination has been made under subsection 31(2) of the federal Act;
  5) a family fishing corporation, as defined by subsection 64(3) of the *Taxation Act, 2007* (Ontario); or
  6) a corporation exempt from income tax according to section 149 of the federal Act.

Part 1 – Taxable capital of a corporation resident in Canada other than a financial institution

Amount A from Part 1 of Schedule 33	100	59,769,730		
Add:				
Accumulated other comprehensive income at the end of the year	105			
Subtotal		59,769,730 ▶	59,769,730	A
Deduct:				
Amount B from Part 1 of Schedule 33	110	7,279,073		
Amount on line 490 from Part 2 of Schedule 33	115			
Subtotal		7,279,073 ▶	7,279,073	B
Taxable capital (amount A **minus** amount B) (if negative, enter "0")	120		52,490,657	

Part 2 – Capital deduction

Complete this part only if the corporation is associated.

Are you electing under subsection 83(2) of the *Taxation Act, 2007* (Ontario)? 190 1 Yes ☐ 2 No ☒

If you answered **no** to the question at line 190, complete line 220. If you answered **yes** to the question at line 190, complete line 305 by using Schedule 516, *Capital Deduction Election of Associated Group for the Allocation of Net Deduction*, to calculate the amount to be entered on line 300.

Taxable capital (from line 120) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (from line 790 in Part 4 of Schedule 33) — 200: 52,490,657

Taxable capital or taxable capital employed in Canada of every corporation with a permanent establishment in Canada and associated for the last tax year * — 210: 55,619,152

x 15,000,000 $ = **Capital deduction** 220: 14,156,272

* This amount includes the filing corporation's taxable capital or taxable capital employed in Canada. Do not include an amount from a financial institution or corporation that is exempt from capital tax under Division E of the *Taxation Act, 2007* (Ontario) or Part III of the *Corporations Tax Act* (Ontario).

Allocation of net deduction (from line 600 for the filing corporation from Schedule 516) — 300: _____

Ontario allocation factor (OAF) (amount I in Part 3)

= **Capital deduction** 305: _____

Part 3 – Ontario capital tax payable

Taxable capital (enter amount from line 120 in Part 1) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (enter amount from line 790 in Part 4 of Schedule 33), whichever applies **320** 52,490,657

Deduct:

Capital deduction (Enter $15,000,000 if the corporation is not associated. Otherwise, enter the amount from line 220 or line 305, whichever applies, from Part 2) . . . . . 14,156,272 B

Net amount (line 320 **minus** amount B) (if negative, enter "0") . . . . . 38,334,385 C

Note: For days in the tax year after June 30, 2010, the Ontario capital tax rate is 0%.

Amount C 38,334,385 x (Number of days in the tax year before January 1, 2010 / Number of days in the tax year) ____ / 365 x 0.00225 = ____ D

Amount C 38,334,385 x (Number of days in the tax year after December 31, 2009 and before July 1, 2010 / Number of days in the tax year) 181 / 365 x 0.00150 = 28,514 E

Subtotal (amount D **plus** amount E) 28,514 F

Amount F 28,514 x OAF (amount on line I) 1.00000 = ... 28,514 G

Amount G 28,514 x (Number of days in the tax year * / 365) 365 / 365 = ... 28,514 H

Deduct:

Capital tax credit for manufacturers (enter amount J from Part 4) . . . . . **350** ____

Ontario capital tax payable (amount H **minus** line 350) (if negative, enter "0") **400** 28,514

Enter amount from line 400 on line 282 of Schedule 5, *Tax Calculation Supplementary - Corporations*.

* Enter either 365 if there are at least 51 weeks in the tax year, or the number of days in the year, whichever applies.

Calculation of the Ontario allocation factor (OAF)

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line I.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation and enter the result on line I:

(Ontario taxable income ** / Taxable income ***) ____ = ____

Ontario allocation factor . . . . . 1.00000 I

** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

*** Enter the taxable income amount from line 360 or line Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

Part 4 – Capital tax credit for manufacturers

(Ontario manufacturing labour cost* / Total Ontario labour cost**) **405** / **410** ____ x 100 = ... **420** ____ %

If the percentage on line 420 is 20% or less, enter "0" on line J.

If the percentage on line 420 is at least 50%, enter amount H from Part 3 on line J.

If the percentage on line 420 is more than 20% but less than 50%, complete the following calculation and enter the result on line J:

(percentage from line 420) – 20% / 30% ____ % / 30.000 % x 28,514 Amount H from Part 3 = ____

Capital tax credit for manufacturers . . . . . ____ J

Enter amount J on line 350 in Part 3

* As defined in subsection 83.1(4) of the *Taxation Act, 2007* (Ontario)

** As defined in subsection 83.1(5) of the *Taxation Act, 2007* (Ontario)

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
North Bay Hydro Distribution Limited

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-12-10	1390858

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
74	Commerce Court	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 3240

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
North Bay	ON	CA	P1B 8Y5

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 [1] If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Tennant (Last name) **451** Cindy (First name)

454 _____ (Middle name(s))

460 [2] Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 ☐ Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number | **530** Street name/Rural route/Lot and Concession number | **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) | **570** Province/state | **580** Country | **590** Postal/zip code

Part 6 – Language of preference

600 ☐ Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
Cindy Tennant	(705) 474-8100

Is the claim filed for a CETC earned through a partnership?* . . . . . 150 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . 160 _____

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . 170 _____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . 200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . 210 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 3,476,898

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\% - \left[5\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300 } \textbf{minus } \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	**B** Name of qualifying co-operative education program **405**
1.	Canadore College	Northern Ontario College Co-op Business Program

	C Name of student **410**	**D** Start date of WP (see note 1 below) **430**	**E** End date of WP (see note 2 below) **435**
1.	Nicole Van Amelsfoort	2010-05-03	2010-08-27

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	4,498	25.000 %		17

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	1,125	3,000	1,125		1,125

Ontario co-operative education tax credit (total of amounts in column K) **500** 1,125 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L _____ x percentage on line 170 in Part 1 _____ % = ... **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

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SCHEDULE 552

ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2010-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009 or* the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information	120 Telephone number including area code
Cindy Tennant	(705) 474-8100

Is the claim filed for an ATTC earned through a partnership? * . . . . . 150 1 Yes ☐ 2 No ☒

If **yes** to the question at line 150, what is the name of the partnership? . . . . . 160 _____

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . 170 _____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . 200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . 210 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 3,476,898

For eligible expenditures incurred before March 27, 2009:
- If line 300 is $400,000 or less, enter 30% on line 310.
- If line 300 is $600,000 or more, enter 25% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:
- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code 400	B Apprenticeship program/ trade name 405	C Name of apprentice 410
1.	434a	Powerline Technician	[redacted]
2.	434a	Powerline Technician	[redacted]
3.	434a	Powerline Technician	[redacted]
4.	434a	Powerline Technician	[redacted]
5.	434a	Powerline Technician	[redacted]
6.			

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435
1.	d12834	2007-01-15	2010-01-01	2010-12-31
2.	pa6205	2007-04-11	2010-01-01	2010-12-31
3.	pa6239	2007-04-11	2010-01-01	2010-12-31
4.	pa6205	2007-04-08	2010-01-01	2010-12-09
5.	pa3452	2008-05-05	2010-01-08	2010-12-31
6.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) 442	H3 Number of days employed as an apprentice in the tax year (column H1 **plus** column H2) 440	I Maximum credit amount for the tax year (see note 2 below) 445
1.		365	365	10,000
2.		365	365	10,000
3.		365	365	10,000
4.		343	343	9,397
5.		357	357	9,781
6.				

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) 451	J2 Eligible expenditures after March 26, 2009 (see note 3 below) 452	J3 Eligible expenditures for the tax year (column J1 **plus** column J2) 450	K Eligible expenditures **multiplied** by specified percentage (see note 4 below) 460
1.		79,633	79,633	27,872
2.		74,406	74,406	26,042
3.		58,183	58,183	20,364
4.		66,381	66,381	23,233
5.		60,036	60,036	21,013
6.				

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5 below) 480	N ATTC for each apprentice (column L or column M, whichever applies) 490
1.	10,000		10,000
2.	10,000		10,000
3.	10,000		10,000
4.	9,397		9,397
5.	9,781		9,781
6.			

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 49,178 **O**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = ... _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = ($5,000 x H1/365*) + ($10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.

For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . . North Bay Hydro Distribution Limited

Taxation Year . . . . . 2010-01-01 to 2010-12-31

Jurisdiction . . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	X	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . . Y

Corporation is related . . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* 150,453

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income	2,558,975
Taxable income	2,552,975
Donations	6,000
Calculation of income from an active business carried on in Canada	2,558,975
Dividends paid	1,350,000
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	2,912,159
Balance of the general rate income pool at the end of the year	4,673,712
Part I tax (base amount)	970,131

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	459,535	ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	618,970
Investment tax credits		Other*		Surtax credit	
Abatement/Other*	510,596	Provincial or territorial tax	309,888	Other*	

Balance due/refund (–) 150,453

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryback amounts

Investment tax credits	
Non-capital losses	
Capital losses	
Farm losses	
Restricted farm losses	
Part I tax credit (Schedule 42)	
Federal foreign non-business income tax credit	

Carryforward balances

RDTOH	
Charitable donations	
Gifts to Canada, a province or a territory	

Summary of federal carryforward/carryback information (continued)

Gifts of certified cultural property	
Gifts of certified ecologically sensitive land	
Gifts of medicine	
Investment tax credits	
Non-capital losses that can be carried forward over 7 years	
Non-capital losses that can be carried forward over 10 years	
Non-capital losses that can be carried forward over 20 years	
Capital losses/L.P.P.	
Farm losses that can be carried forward over 10 years	
Farm losses that can be carried forward over 20 years	
Restricted farm losses that can be carried forward over 10 years	
Restricted farm losses that can be carried forward over 20 years	
Current year's balance of SR&ED expenditures (T661)	
Foreign business tax credit	
Unused surtax credit (Schedule 37)	
Capital dividend amount	
Part I tax credit (Schedule 42)	
Cumulative eligible capital	
Capital gains reserves	
Financial statement reserve	5,760,956
Other reserves	1,552,917
Balance of patronage dividends	
Continuity of exemption of accumulated income	

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	2,558,975		
Taxable income	2,552,975		
% Allocation	100.00		
Attributed taxable income	2,552,975		
Surtax	39,979	N/A	N/A
Tax payable before deduction*	331,677		
Deductions and credits	39,979		
Net tax payable	331,677		
Attributed taxable capital	52,490,657		N/A
Capital tax payable**	28,514		N/A
Total tax payable***	360,191		
Instalments and refundable credits	50,303		
Balance due/Refund (-)	309,888		

* For Québec, this includes special taxes and logging operations.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial information – provincial income tax payable (continued)

	British Columbia	Saskatchewan	Manitoba
% Allocation			
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Tax payable or refundable credit			
Attributed taxable capital			
Capital tax payable**			
Instalments and refundable credits			
Balance due/Refund (-)			

* For British Columbia, this includes the Logging Tax Payable.

** For Manitoba, this includes the Outstanding Balance Excluding Instalments.

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Tax payable or refundable credit				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits				
Balance due/Refund (-)*				

* Only applies in the case of bank, a loan corporation or a trust corporation.

	Yukon	Northwest Territories	Nunavut
% Allocation			
Attributed taxable income			
Tax payable before deduction			
Deductions and credits			
Tax payable or refundable credit			

Summary of provincial carryforward amounts

	Québec	Alberta
Non-capital losses that can be carried forward over 7 years		
Non-capital losses that can be carried forward over 10 years		
Non-capital losses that can be carried forward over 20 years		
Net capital losses/Listed personal property losses		
Farm losses that can be carried forward over 10 years		
Farm losses that can be carried forward over 20 years		
Restricted farm losses that can be carried forward over 10 years		
Restricted farm losses that can be carried forward over 20 years		
Donations		
Capital gains reserves		
Financial statement reserves		
Other reserves		
Eligible capital		

Other carryforward amounts

Ontario

Transitional tax credit – Schedule 506	
Ontario research and development tax credit – Schedule 508	
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	
Corporate minimum tax credit that can be carried forward over 10 years – Schedule 510	
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510	
Corporate minimum tax loss that can be carried forward over 10 years – Schedule 510	
Ontario political contributions tax credit that can be carried forward over 20 years – Schedule 525	

Québec

R&D expenditures not deducted at the end of the year – RD-222	
Tax credit for fees and dues paid to a research consortium – RD-1029.8.9.03	
Foreign non-business income tax credits – CO-17S.39	
Non-refundable tax credit for resources – 1029.8.36.EM	
Investment Tax Credit – CO-1029.8.36.IN	
Development work expenses – FM220.3	
Excess development work expenses – FM220.3	
Balance of patronage dividends – CO-786	

Alberta

Unclaimed SR&ED expenditure pool deduction balance – A16	

British Columbia

Scientific research and experimental development – Schedule 425	
Manufacturing and processing – Schedule 426	

Manitoba

Research and development – Schedule 380	
Manufacturing investment – Schedule 381	
Co-op education and apprenticeship – Schedule 384	
Odour control – Schedule 385	
Community enterprise investment – Schedule 387	

Saskatchewan

Royalty tax rebate – Schedule 400	
Manufacturing and processing investment – Schedule 402	
Research and development – Schedule 403	

Summary of provincial carryforward amounts (continued)

Newfoundland and Labrador

Direct equity tax – Schedule 303 . . . . . _____

Prince Edward Island

Investment – Schedule 321 . . . . . _____

Nova Scotia

Energy efficiency tax credit – Schedule 342 . . . . . _____

Manufacturing and processing investment – Schedule 344 . . . . . _____

New Brunswick

Research and development – Schedule 360 . . . . . _____

Nunavut

Investment – Schedule 480 . . . . . _____

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
Net income	2,558,975	1,814,272	2,480,315	2,660,002	1,466,285
Taxable income	2,552,975	1,808,272	2,474,315	2,654,002	1,466,285
Active business income	2,558,975	1,814,272	2,480,315	2,660,002	1,466,285
Dividends paid	1,350,000	1,332,950	1,000,000		
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	2,912,159	1,682,534			
GRIP – end of the year	4,673,712	2,912,159	1,682,534		
Donations	6,000	6,000	6,000	6,000	
Balance due/refund (-)	150,453	-175,452	482,491	587,066	-1,000,000
Federal taxes					
Part I before surtax	459,535	339,354	482,491	557,341	
Surtax				29,725	
Part I.3					
Part IV					
Part I & Surtax	459,535	339,354	482,491	587,066	
Part III.1					
Other*					
Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit		4,218			
Abatement/other*	510,596	343,571	457,749	451,180	
Refunds/credits					
ITC refund					
Dividend refund					
Instalments	618,970	822,572			
Surtax credit					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
Net income	2,558,975	1,814,272	2,480,315		
Taxable income	2,552,975	1,808,272	2,474,315		
% Allocation	100.00	100.00	100.00		
Attributed taxable income	2,552,975	1,808,272	2,474,315	2,654,002	
Surtax	39,979	42,500	42,500		
Income tax payable before deduction	331,677	253,158	346,404	371,560	
Income tax deductions /credits	39,979	42,500	42,500	20,877	
Net income tax payable	331,677	253,158	346,404	350,683	
Taxable capital	52,490,657	50,448,911	50,338,428	49,397,625	
Capital tax payable	28,514	81,558	81,028	106,673	
Total tax payable*	360,191	334,716	427,432	457,356	
Instalments and refundable credits	50,303	26,950	893,299	840,000	
Balance due/refund**	309,888	307,766	-465,867	-382,644	

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Diagnostics : All

Type	Group	Jurisdiction	Diagnostic	Annotation
Filing	GIFI	Federal	F1 — Please attach a copy of the notes to the financial statements together with the printed federal bar codes.	
Possible input error	GIFI	Federal	V3 — Schedule 2008/2009 - Enter as positive to credit the assets.	
Review	CCH	Federal	O103 — Overridden data - You can see the list by using the "Overridden data" filter in Xpress.	
Possible input error	CCH	Federal	E746 — Schedule 1 - Verify if the amount of $4218 for the apprenticeship job creation tax credit claimed last year on Schedule 31 must be added to the current year income in the "Miscellaneous other additions" section of Schedule 1.	
Possible input error	CCH	Federal	E1250 — Schedule 43 - The allocation for dividend allowance between corporations is higher than the dividend allowance amount calculated on line 115.	
Possible input error	CCH	Federal	E1327 — Schedule 200 - The amount enclosed is not equal to the balance due.	

APPENDIX 4-K NBHDL ANNUAL TAX RETURNS 2011

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
Fax: (705) 495-2001

October 2, 2014

PERSONAL AND CONFIDENTIAL

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Mrs. Tennant,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

Federal corporate income tax returns will be electronically transmitted to the CRA. In order for us to electronically file the corporation's corporate income tax return, a signed copy of Form T183CORP, *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the company's corporate income tax return until we receive a signed T183CORP form.

Signature

✍ Form T183CORP, *Information Return for Corporations Filing Electronically*, should be completed and signed.

Mailing

✉ A copy of the signed T183CORP form should be returned to us in the self-addressed envelope as soon as possible in order to have the corporation's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to at (705) 495-2001.

Refund

A refund of $**317,130** is claimed and therefore no amount is payable for the 2011 taxation year.

Federal tax instalments (monthly)

Due date	Amount
2012-01-31	$67,247
2012-02-29	$67,247
2012-03-31	$57,527
2012-04-30	$57,527
2012-05-31	$57,527
2012-06-30	$57,527
2012-07-31	$57,527
2012-08-31	$57,527
2012-09-30	$57,527
2012-10-31	$57,527
2012-11-30	$57,527
2012-12-31	$57,519
2013-01-31	$59,147
2013-02-28	$59,147
Total	$828,050

BDO Canada LLP

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2012-12-31

Business number 88246 3128 RC0001

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2012-01-31	67,247				67,247
2012-02-29	67,247				67,247
2012-03-31	57,527				57,527
2012-04-30	57,527				57,527
2012-05-31	57,527				57,527
2012-06-30	57,527				57,527
2012-07-31	57,527				57,527
2012-08-31	57,527				57,527
2012-09-30	57,527				57,527
2012-10-31	57,527				57,527
2012-11-30	57,527				57,527
2012-12-31	57,519				57,519
2013-01-31					59,147
2013-02-28					59,147
Totals	709,756				828,050

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.

All legislative references on this return are to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business number (BN) 001 88246 3128 RC0001

Corporation's name
002 North Bay Hydro Distribution Limited

Address of head office
Has this address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 74 Commerce Court
012 P.O. Box 3240
City: 015 North Bay
Province, territory, or state: 016 ON
Country (other than Canada): 017 CA
Postal code/Zip code: 018 P1B 8Y5

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022 74 Commerce Court
023 P.O. Box 3240
City: 025 North Bay
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal code/Zip code: 028 P1B 8Y5

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 [X]
(If **yes**, complete lines 031 to 038.)
031 74 Commerce Court
032 P.O. Box 3240
City: 035 North Bay
Province,territory, or state: 036 ON
Country (other than Canada): 037 CA
Postal code/Zip code: 038 P1B 8Y5

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change 043 ____ (YYYY MM DD)

To which tax year does this return apply?
Tax year start: 060 2011-01-01 (YYYY MM DD)
Tax year-end: 061 2011-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? 063 1 Yes [ ] 2 No [X]
If **yes**, provide the date control was acquired 065 ____ (YYYY MM DD)

Is the date on line 061 a deemed tax year-end according to:
subparagraph 88(2)(a)(iv)? 064 1 Yes [ ] 2 No [X]
subsection 249(3.1)? 066 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

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

Is the corporation a resident of Canada?
080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081 ____

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes	2 No X
Is the corporation inactive?	280	1 Yes	2 No X

What is the corporation's main revenue-generating business activity? 221119 Other Electric Power Generation

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity Distribution	285	99.000 %
286	Other	287	1.000 %
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the tax year?	292	1 Yes	2 No X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes	2 No
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 (YYYY MM DD)	294		
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes	2 No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.		300		2,705,681	A
Deduct: Charitable donations from Schedule 2		311	19,600		
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			19,600	19,600	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				2,686,081	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions		355			D
Taxable income (amount C **plus** amount D)		360		2,686,081	
Income exempt under paragraph 149(1)(t)		370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				2,686,081	Z

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8. Use 3.2 for tax years ending before 2012.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 2,705,681 A

Taxable income from line 360 on page 3, **minus** 100/28* 3.37312 of the amount on line 632** on page 7, **minus** 1/(0.38 - X***) 3.77358 times the amount on line 636**** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** 2,686,081 B

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:

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

Business limit reduction:

Amount C 500,000 x **415** ***** 102,643 / 11,250 D = ... 4,561,911 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** F

Small business deduction

Amount A, B, C, or F, whichever is the least x 17 % = ... **430** G

Enter amount G on line 1 on page 7.

***** 10/3 for tax years ending before November 1, 2011. The result of the multiplication by line 632 has to be pro-rated based on the number of days in the tax year that are in each period: before November 1, 2011, and after October 31, 2011.

****** 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 based on the number of days in the tax year that are in each calendar year. See page 5.

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

******* Large corporations**

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3*			2,686,081 A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27			B
Amount QQ from Part 13 of Schedule 27			C
Personal service business income**	432		D
Amount used to calculate the credit union deduction (amount F from Schedule 17)			E
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least			F
Aggregate investment income from line 440 on page 6***			G
Total of amounts B to G		▶	H
Amount A **minus** amount H (if negative, enter "0")			2,686,081 I

Amount I 2,686,081 x (Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year) 365/365 x 11.5 % = 308,899 J

Amount I 2,686,081 x (Number of days in the tax year after December 31, 2011 / Number of days in the tax year) ___/365 x 13 % = ___ K

General tax reduction for Canadian-controlled private corporations – Amount J **plus** amount K . . . . . 308,899 L

Enter amount L on line 638 on page 7.

* For tax years ending after October 31, 2011, line 360 or amount Z, whichever applies.

** For tax years beginning after October 31, 2011.

*** 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)			M
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27			N
Amount QQ from Part 13 of Schedule 27			O
Personal service business income*	434		P
Amount used to calculate the credit union deduction (amount F from Schedule 17)			Q
Total of amounts N to Q		▶	R
Amount M **minus** amount R (if negative, enter "0")			S

Amount S ___ x (Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year) 365/365 x 11.5 % = ___ T

Amount S ___ x (Number of days in the tax year after December 31, 2011 / Number of days in the tax year) ___/365 x 13 % = ___ U

General tax reduction – Amount T **plus** amount U V

Enter amount V on line 639 on page 7.

* For tax years beginning after October 31, 2011.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . . **440** _____ x 26 2 / 3 % = ... _____ A

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

Deduct:

Foreign investment income from Schedule 7 . . . . . **445** _____ x 9 1 / 3 % = _____ C

(if negative, enter "0") _____ ▶ _____ D

Amount A **minus** amount D (if negative, enter "0") . . . . . _____ E

Taxable income from line 360 on page 3 . . . . . 2,686,081 F

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____ G

Foreign non-business income tax credit from line 632 on page 7 . . . _____ x 25/9* 25 / 9 = _____ H

Foreign business income tax credit from line 636 on page 7 . . . . . _____ x 1(0.38 - X**) 3.77358 = _____ I

Subtotal _____ ▶ _____ J

2,686,081 K

x 26 2 / 3 % = 716,288 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . . 443,204 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . . **450** _____ N

* 100/35 for tax years beginning after October 31, 2011.

** General rate reduction percentage for the tax year. It has to be pro-rated based on the number of days in the tax year that are in each calendar year. See page 5.

Refundable dividend tax on hand

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

Deduct: Dividend refund for the previous tax year . . . . . **465** _____

_____ ▶ _____ O

Add the total of:

Refundable portion of Part I tax from line 450 above . . . . . _____ P

Total Part IV tax payable from Schedule 3 . . . . . _____ Q

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

_____ ▶ _____ R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R . . . . . **485** _____

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 . . . . . 691,131 x 1 / 3 = 230,377 S

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . . _____ T

Dividend refund – Amount S or T, whichever is less (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** 1,020,711 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 2,686,081

Deduct:
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . .

Net amount . . . . . 2,686,081 ▶ 2,686,081 ii

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

Subtotal (**add** amounts A to C) 1,020,711 D

Deduct:

Small business deduction from line 430 on page 4			1
Federal tax abatement	608	268,608	
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 L on page 5	638	308,899	
General tax reduction from amount V 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	577,507 ▶	577,507 E

Part I tax payable – Amount D **minus** amount E . . . . . 443,204 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	443,204
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		443,204

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	266,552	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.) Total provincial tax		266,552 ▶	266,552
Total tax payable	770		709,756 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	1,026,886	
Total credits	890	1,026,886 ▶	1,026,886 B

Refund code 894 1 Overpayment 317,130

Balance (amount A **minus** amount B) -317,130

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

Direct deposit request

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

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920

Certification

I, 950 Tennant (Last name (print)) 951 Cindy (First name (print)) 954 Manager, Finance (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 2014-10-02 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation 956 (705) 474-8100 (Telephone number)

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

958 Name (print) 959 Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Schedule of Instalment Remittances

Name of corporation contact
Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2011-03-31		55,000
2011-05-31		205,000
2011-08-31		200,000
2011-09-30		200,000
2011-10-31		166,886
2011-12-31		200,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 1,026,886 **A**

Total instalments credited to the taxation year per T9 1,026,886 **B**

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	21,229,620	20,611,795
	Total tangible capital assets	2008	+	94,748,096	86,605,519
	Total accumulated amortization of tangible capital assets	2009	–	51,556,264	48,981,463
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	12,593,289	11,956,046
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	77,014,741	70,191,897
Liabilities					
	Total current liabilities	3139	+	12,619,194	8,458,158
	Total long-term liabilities	3450	+	37,040,286	36,941,734
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	49,659,480	45,399,892
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	27,355,261	24,792,005
	Total liabilities and shareholder equity	3640	=	77,014,741	70,191,897
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	7,843,660	5,280,404

***** Generic item

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
Fax: (705) 495-2001

October 2, 2014

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Notice to Reader

Statement of income

The corporation's income statement on December 31, 2011 has been prepared solely for income tax purposes based on information provided by North Bay Hydro Distribution Limited without audit or review.

Readers are cautioned that these statements may not be appropriate for their purposes.

Signed in North Bay on October 2, 2014,

_____

Signature
BDO Canada LLP

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

Income statement information

Description	GIFI

Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
Income statement information					
	Total sales of goods and services	8089	+	12,207,754	11,645,606
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	12,207,754	11,645,606
	Cost of sales	8518	+		
	Total operating expenses	9367	+	9,499,939	8,789,630
	Total expenses (mandatory field)	9368	=	9,499,939	8,789,630
	Total revenue (mandatory field)	8299	+	13,464,057	11,642,034
	Total expenses (mandatory field)	9368	–	9,499,939	8,789,630
	Net non-farming income	9369	=	3,964,118	2,852,404
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	3,964,118	2,852,404
	Total other comprehensive income	9998	=		
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	709,731	734,285
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	3,254,387	2,118,119

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes checklist

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 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. 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.
- 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.

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

Does the accountant have a professional designation?	095	1 Yes	X	2 No	
Is the accountant connected* with the corporation?	097	1 Yes		2 No	X

* 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	X
Completed a review engagement report	2	
Conducted a compilation engagement	3	

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	X

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	
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	

Were notes to the financial statements prepared?	101	1 Yes	X	2 No	

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

Are subsequent events mentioned in the notes?	104	1 Yes	X	2 No	
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes		2 No	X
Is contingent liability information mentioned in the notes?	106	1 Yes	X	2 No	
Is information regarding commitments mentioned in the notes?	107	1 Yes	X	2 No	
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes		2 No	X

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	**210**		**211**	
Intangible assets	**215**		**216**	
Investment property	**220**			
Biological assets	**225**			
Financial instruments	**230**		**231**	
Other	**235**		**236**	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **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: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2011-01-01
Tax Year End: 2011-12-31

1. Cash and Cash Equivalents

Cash and cash equivalents includes $2,441,938 (2010 $2,421,099) in short term investments with maturities of less than 90 days. These amounts are investments in fixed income assets bearing interest at effective rates between 0.5 and 2% per annum.

The interest rate on the bank account is prime less 1.75%.

2. Investment Subject to Restrictions

As security for the letter of credit provided to the IESO to secure its hydro purchase obligations (see Note 14), the company has provided it's financial institution with an assignment in the amount of $2,000,000 of it's short term investments.

3. Accounts Receivable

	2011	2010
Electrical energy	$ 5,201,622	$ 6,054,782
Street lighting	135,774	56,103
Sundry	849,724	832,751
Allowance for doubtful accounts	(705,714)	(487,442)
	$ 5,481,406	$ 6,456,194

The company's accounts receivables are made up of a large number of small balances from residential customers and commercial customers in a number of different industries.

4. Property, Plant and Equipment

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2011-01-01

Tax Year End: 2011-12-31

	2011			2010	
	Estimated useful life (yrs)	Cost)	Accumulated Amortization	Cost	Accumulated) Amortization
Electrical Distribution Assets					
Land		$ 446,493	$ -	$ 440,188	$ -
Buildings	30 50	769,641	306,963	769,641	293,474
Substation equipment	25 30	11,844,406	4,156,526	9,391,662	3,887,377
Poles, towers and fixtures	25	18,921,361	10,904,838	17,775,889	10,338,245
Overhead conductor and devices	25	14,818,361	8,332,106	14,004,544	7,876,482
Underground conduit and conductor	25	7,522,233	4,563,580	7,075,206	4,302,340
Distribution transformers	25	15,372,657	8,975,516	14,725,760	8,525,252
Overhead and underground services	25	16,921,975	6,143,321	16,033,280	5,532,292
Distribution meters	25	4,010,477	2,619,365	3,865,453	2,504,910
Total electrical distribution assets		90,627,604			

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2011-01-01

Tax Year End: 2011-12-31

46,002,215 84,081,623 43,260,372

General Assets

Land 86,551 - 86,551 -

Buildings 30 50 2,182,429 1,186,395
2,039,691 1,118,842

Office equipment 10 339,217 288,404
315,127 281,247

Computer equipment 5 1,847,047 1,527,478
1,618,849 1,444,300

Transportation equipment 5 8 2,395,854 1,371,589
2,364,816 1,492,514

Small tools and miscellaneous
equipment 10 1,401,099 1,156,726
1,329,852 1,117,856

Load management controls 6 622,142 590,717
622,142 588,671

System supervisory equipment 15 1,294,866 1,011,760
1,243,680 963,524

Total general assets 10,169,205 7,133,069
9,620,708 7,006,954

Work in Process

Merrick landfill project 1,512,229 - -
-

	102,309,038	53,135,284	93,702,331	50,267,326
Less: Contributions in aid of construction	25	7,560,942	1,579,020	7,096,812	1,285,863
	$ 94,748,096	$ 51,556,264	$ 86,605,519	$ 48,981,463
Net book value	$ 43,191,832	$ 37,624,056		

5. Regulatory Assets and Liabilities

All amounts deferred as regulatory assets are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators, at which time any resulting change would be reflected in the financial statements. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the company has recorded the following amounts expected to be recovered by customers (returned to customers) in future periods and as such regulatory assets (liabilities) are comprised of:

	Remaining recovery period (years)	2011	2010
Regulatory Assets			

Connection (i)	3	$	466,125	$	320,707
Network (i)	2	4	879,279		590,978
Rural rate assistance (i)	2	4	9,312		9,747
Power (i)	2	4	628,777		505,332
Low voltage (i)	2	4	36,600		30,070
Carrying charges power (ii)	2	4	22,110		9,360
Carrying charges other (ii)	2	4	274,146		334,575
Carrying charges 2010 recovery (ii)	1		699,055		697,028
Smart meter initiatives (vi)	2	4	1,885,501		1,993,697
2008 HONI regulatory Asset	1		994		995
Deferred payments in lieu of taxes (iii)	2		554,291		-
IFRS (viii)	4		42,850		67,064
Special purpose assessment (ix)	1		6,809		86,626
Conservation and demand initiatives (x)	2	4	34,098		30,793
		$	5,539,947	$	4,676,972

5. Regulatory Assets and Liabilities (continued)

Regulatory Liabilities

	Remaining recovery period (years)	2011	2010

Wholesale market services (i)	2	4	(1,367,583)	(759,586)
Deferred payments in lieu of taxes (iii)	2		(197)	(690,149)
Retail cost variances (v)	2	4	(281,503)	(229,080)
2006 storm costs (vii)	2	4	(1,868)	(1,865)
Disposition/recovery 2010 (xi)	1		(664,619)	(515,837)
Smart grid initiatives (xii)	4		(31,769)	(9,031)
Hydro One regulatory asset recovery (xiii)	2	4	(3,642)	(1,288)
Tax savings (xiv)	2	4	(16,285)	-
Future income taxes (xv)	5	25	(7,053,341)	(7,279,073)
			(9,420,807)	(9,485,909)
Net Regulatory (Liabilities) Assets			$ (3,880,860)	$ (4,808,937)

In the absence of rate regulation, these rate regulated assets and liabilities would be recognized in income in the year in which they relate. As a result, the net effect on income would be a decrease to net income for the period of $928,077 (2010 increase to net income of $479,756).

i. Post market opening retail settlement variances

Post market opening retail settlement variances represent the amounts that

have accumulated since Market Opening and are comprised of variances between amounts charged by the Independent Electric Service Organization (IESO) for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges and the amounts collected from customers by the company based on the OEB approved wholesale market service rate. Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook. The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2011 would have been higher by $44,738 (2010 lower by $634,483, excluding the write off below). As a component of the yearly IRM, "Group 1" account balances (which are composed of Low Voltage, Wholesale Market, Network, Connection and Power) are reviewed and will qualify for disposition if balances, including carrying charges, exceed a preset threshold per kWh.

5. Regulatory Assets and Liabilities (continued)

ii. Carrying charges

Carrying charges are calculated monthly on the opening balance of the applicable variance account using a specific interest rate as outlined by the OEB. The company did not recognize carrying charge income related to the retail settlement variance accounts for external reporting purposes prior to December 31, 2003. In the absence of rate regulation, the net of other revenues and interest expense would have been lower by $99,205 (2010 $14,426).

iii. Deferred payments in lieu of taxes (PILs)

Deferred payments in lieu of taxes variance account tracks and records the

variances that result from the differences between the OEB approved PILs amount and the amount of actual billings that relates to the recovery of PILs. On June 24, 2011 the OEB released a combined proceeding decision that established guiding principles for the determination of the amount of variance account and its subsequent disposition. The OEB advised hydro distribution companies in Ontario to include the disposition of the variance account as part of the 2012 IRM application process following the methodology set out in the combined proceeding. Following the established methodology, the Company had requested the disposition of $1,776,381, including $523,419 in carrying charges. On April 4, 2012 the OEB released its decision in the Company's proceeding and deemed a portion of the application not recoverable. As a result of the decision, the Company has recorded a $554,291 regulatory asset related to PILs, and carrying charges of $238,855. The result of this change in methodology has resulted in an increase to net income of $1,224,278 and a reduction of $78,702 related to carrying charges.

iv. Other regulatory assets

Other regulatory assets consist of miscellaneous rebate costs, OEB assessment differences and pension contribution amounts. In 2004 the OEB authorized entities to record the variance between the OEB annual cost assessment fees previously captured in 2001 rates and amounts charged in 2004 and subsequent years. Pension contribution amounts consist of cash pension costs associated with the OMERS pension plan for the year. In the absence of rate regulation, net income would have been lower in 2011 by $Nil (2010 higher by $257,372).

5. Regulatory Assets and Liabilities (continued)

v. Retail cost variances

Retail cost variances were established to record the difference between the amount billed and the incremental costs of providing retail services and to

record the difference between the amount billed in relation to a service transaction request and the incremental costs of providing the initial screening and actual processing services for the service transaction request.
Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook.
The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2011 would have been higher by $52,423 (2010 lower by $2,807). The deferred balance for unapproved settlement variances continues to be calculated in accordance with the OEB's direction. The manner and timing of disposition of the variance has not been determined by the OEB.
vi. Smart Meter Initiatives
During 2006, the OEB adopted recommendations on smart meters with regard to cost recovery during the phase in period of this equipment. The OEB stated that given the increased need for electricity and the importance of conservation, specific funding for smart meters should be included in 2006 rates by all Ontario electric LDC. Variance accounts were established to track revenues collected with respect to smart meters and associated costs of the initiatives.
In connection with its smart meter initiatives, the company has incurred costs amounting to $311,703 for the year ended December 31, 2011 (2010 $511,368). As at December 31, 2011, smart meter capital expenditures, net of accumulated depreciation, totalling $2,410,024 have been recorded to regulatory assets (December 31, 2010 $2,467,324). These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been higher in 2011 by $50,895 (2010 higher by $156,686)

and net capital assets would have been lower by $57,301 (2010 higher by $237,905).

vii. 2006 Storm Costs

During 2006 the company was affected by a significant storm which disrupted services in the area for approximately one week. The company applied for rate approval to recover costs associated with this disruption. Accordingly, the company has deferred these costs against which, future revenues will be applied. In the absence of rate regulation, net income would have been higher in 2011 by $3 (2010 higher by $73,113).

5. Regulatory Assets and Liabilities (continued)

viii. IFRS

During 2008, the OEB consultation process (EB 2008 0408) was set up to determine the effect of IFRS on LDC companies. The consultation concluded that prudently incurred administrative costs directly related to IFRS transition would be recoverable from ratepayers on the same basis as other administrative costs. The Board then established a deferral account for the distributors for incremental one time administrative costs related to the transition to IFRS. Accordingly, the company has deferred an additional $25,786 (2010 $52,859) of incremental one time administrative costs. The Board, in determining the disposition of the account, will consider the criteria of causation, materiality and prudence. In the 2010 cost of service application, the Company was approved to recover $100,000 over four years in distribution rates. In the absence of rate regulation, net income would have been lower in 2011 by $24,214 (2010 lower by $52,859).

ix. Special purpose assessment

On April 9, 2010, the OEB informed electricity distributors of a Special Purpose Charge ["SPC"] assessment under Section 26.1 of the Ontario Energy

Board Act, 1998, for the Ministry of Energy and Infrastructure conservation and renewable energy program costs. The OEB has assessed the company the amount of $221,575 for its apportioned share of the total provincial amount of the SPC of $53,695,000 in accordance with the rules set out in Ontario Regulation 66/10 [the "SPC Regulation"]. In accordance with Section 9 of the SPC Regulation, the company will be allowed to recover this balance. The recovery is to be achieved over a one year period, starting May 1, 2010.

This variance account relates to the difference between the amount remitted to the Ministry of Finance for the company's SPC assessment, and the amounts recovered from customers, which commenced on May 1, 2011. Carrying charges shall apply to the monthly opening balance in the variance account. The SPC Regulation states that the company shall apply to the OEB no later than April 15, 2012 for an order authorizing the disposition of any remaining debit or credit balance in the SPC variance account. The Company applied for disposition in it's 2012 IRM application for the balance owing as at December 31, 2011. As at December 31, 2011, the account consists of the company's assessment offset by twelve months of recoveries. In the absence of rate regulation, net income would have been lower by $6,809 (2010 lower by $86,626).

5. Regulatory Assets and Liabilities (continued)

x. Conservation and demand initiatives

On September 16, 2010, the OEB issued the Conservation and Demand Management ("CDM") Code for Electricity Distributors. The new code requires all LDCs to achieve preset conservation targets as a condition of its license. In addition, LDCs were required to file a CDM strategy with the OEB for approval. Accordingly, the company filed its strategy with the OEB and received a

letter of acknowledgement on January 24, 2011.

Per OEB FAQ guidelines, costs related to Board Approved CDM programs are to be tracked in this variance account; disposition shall be made at the time specified by the Board and in the manner specified by the Board. Carrying charges following the OEB prescribed methodology and related rates are applicable. In the absence of rate regulation, net income would have been lower by $3,305 (2010 lower by $30,793).

xi. Disposition/recovery 2010

On October 26, 2009, the company filed a Cost of Service application for 2010 distribution rates with the OEB which included a request seeking disposition of the balances for regulatory assets and liabilities for a net disposition of $456,003. On April 8, 2010, the OEB approved the disposition of net regulatory assets of $2,559,106 and net regulatory liabilities of $2,103,102 over a one year period commencing May 1, 2010 and ending April 30, 2011.

xii. Smart grid initiatives

In its April 8, 2010 decision on 2010 distribution rates, the OEB approved the company's proposal to charge customers a fixed monthly funding adder for spending related to two Real Time Operating Pilot programs; both a Residential and Industrial pilot program. The spending and funding adder are to be tracked in a deferral account. Spending will take place over 2010 and through the IRM period until the next Cost of Service application up to a maximum approved amount of $100,000. Upon request for disposition, the OEB will consider the prudence of the company's expenditures and make a determination at that time of whether recovery will be approved.

In connection with its smart grid initiatives, the company has incurred costs amounting to $124 for the year ended December 31, 2011 (2010 $6,730). As at

December 31, 2011, smart grid capital expenditures, net of accumulated depreciation, totaling $125 (2010 $2,465) have been recorded to regulatory liabilities; the company has collected $22,861 (2010 $15,761) from the funding adder to offset spending which has resulted in a liability. These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been higher in 2011 by $22,861 (2010 $11,496) and net capital assets would have been higher by $2,589 (2010 $2,465).

5. Regulatory Assets and Liabilities (continued)

xiii. Hydro One regulatory asset recovery

The Hydro One RAR consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through rate riders billed to all Hydro One customers. The RAR is subject to carrying charges following the OEB prescribed methodology and related rates. The OEB approved the disposition (EB 2009 0096) over a 20 month period beginning May 2010, expiring December 2011. In the absence of rate regulation, net income would have been higher in 2011 by $2,354 (2010 $1,288).

xiv. Tax Savings

In its supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors dated September 17, 2008, the OEB determined that a 50/50 sharing of the impact of currently known legislative changes, as applied to the tax level reflected in the Board approved base rates for a distributor, is appropriate for the 3rd Generation IRM applications. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% if the total change from those taxes included in the most recent cost of

service base distribution rates.

In the Company's 2011 IRM application, the OEB issued decision (OEB 2010 010) and found that a 50/50 sharing of changes from the tax level reflected in the Board approved base rates to the currently known legislated tax level for 2011 is appropriate. The OEB ordered the Company to record the tax sharing refund amount of $16,285 in variance account 1595 as the amount was deemed immaterial. In the absence of rate regulation, net income would have been higher in 2011 by $16,285.

xv. Future Income Taxes

As a result of amendments to the CICA Handbook, the removal of a temporary exemption in Handbook Section 1100 pertaining to the application of that section resulted in the recognition and measurement of assets and liabilities arising from rate regulation. This change required the recognition of future income tax liabilities and assets in accordance with Handbook Section 3465 as well as a separate regulatory asset or liability balance for the amount of future income taxes expected to be included in future rates and recovered from or paid to customers, and retain existing requirements to disclose the effects of rate regulation. As a result of these changes, the company has recorded a regulatory liability in connection with its future tax asset in the amount of $7,053,341 (2010 $7,279,073).

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate setting purposes. Management continually assesses the likelihood of recovery of regulatory assets and realization of regulatory liabilities. If recovery and realization through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

6. Accounts Payable and Accrued Liabilities

	2011	2010
Power	$ 4,985,633	$ 4,207,180
Trade payables and accruals	4,735,326	3,200,325
Customer credit balances	838,754	725,474
	$ 10,559,713	$ 8,132,979

7. Employee Future Benefits

The company has a defined benefit life insurance and health care plan covering substantially all unionized employees and most retirees. Information about the company's defined benefit life insurance and health care plan is as follows:

	2011	2010
Prepaid benefit liability, beginning of year	$ 4,208,039	$ 4,269,035
Expense for the year	453,050	244,923
Benefits paid during the year	(339,491)	(305,919)
Prepaid benefit liability, end of year	$ 4,321,598	$ 4,208,039
Fair value of plan assets	$ -	$ -

	2011	2010
Prepaid benefit liability, end of year	$ 4,321,598	$ 4,208,039
Unamortized net actuarial losses	1,877,272	1,820,433
Projected accrued benefit obligation, end of year	$ 6,198,870	$ 6,028,472

Included in wages and employee benefits is a net benefit expense as follows:

	2011	2010
Total service cost of the plan for the year	$ 84,155	$ 43,243
Interest on average liabilities	267,430	227,042
Amortization of net actuarial gains/losses	101,465	-
Settlement	-	(25,362)
	$ 453,050	$ 244,923

Actual payments during the year were $339,491 (2010 $305,919).

7. Employee Future Benefits (continued)

The main actuarial assumptions employed for the valuations are as follows:

Expected average remaining service life of active employees	7

years

a. General Inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.0% per annum (2010 2.0%).

b. Interest (Discount) Rate

The obligation at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 4.25% (2010 4.5%). The discount rate for 2011 reflects the assumed long term yield on high quality bonds as at January 1, 2010 (most recent valuation date). The next valuation is expected to be completed for fiscal 2013.

c. Salary Levels

Future general salary and wage levels were assumed to increase at 3.3% (2010 3.3%) based on expected CPI adjusted for productivity, merit and promotion as at January 1, 2010.

d. Medical Costs

Medical costs were assumed to increase 8% in 2010, 9.0% in 2011, 7.63% in 2012, 7.25% in 2013, 6.88% in 2014 and 6.5% thereafter.

e. Dental Costs

Dental costs were assumed to increase at 5.0% annually.

8. Long term Debt

a. Payable to Corporation of the City of North Bay

The balance payable to the Corporation of the City of North Bay bears interest at 5% per year, and is payable upon twelve month's written notice.

The fair value and future expected repayment schedules for these amounts has not been disclosed due to the fact that the cash flow streams are not determinable.

b. Ontario Infrastructure Projects Corporation

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2011-01-01
Tax Year End: 2011-12-31

The company negotiated a loan with the Ontario Infrastructure Projects Corporation to provide funding for the Smart Meter project. The loan is a 10 year serial loan at an interest rate of 3.90% calculated on a semi annual basis. The loan will be repaid in 120 monthly installments which will include both principal and interest. The loan balance at the end of the year was $3,266,667, of which $350,000 is repayable within one year (2010 $2,785,974).

The company's agreement with the Ontario Infrastructure Projects Corporation requires a debt service coverage ratio of 1:1, a debt to capital ratio lower than 60%, and a current ratio of 1.1:1 or higher. The agreement also prevents the company from making loans or paying dividends that would cause the violation of these covenants. As at December 31, 2011 the company's debt service coverage ratio calculated under the terms of the agreement was 0.95:1, the debt to capital ratio was 54%, and the current ratio was 1.68:1. As part of the financing proposal, the OIPC agreed to waive the debt service coverage ratio violation if working capital surplus was greater than the loan amount. As at December 31, 2011 the working capital surplus calculated under the terms of the contract was $5,329,556 greater than the loan amount.
Principal repayments for the next five years and thereafter are as follows:

2012	350,000
2013	350,000
2014	350,000
2015	350,000
2016	350,000
Thereafter	1,516,667
	$ 3,266,667

9. Contingent Liabilities

The company belongs to the Municipal Electrical Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a self insurance plan that pools the risks of all of its members. Any losses experienced by MEARIE are shared amongst its members. As at December 31, 2011, the company has not been made aware of any assessments for losses. The company has one claim outstanding against it and expects that any potential liability under this claim to be covered under the MEARIE liability policy.

10. Commitments

On October 9, 2009 the company entered into a 15 year contract with Sensus Metering Systems Inc. to maintain and further develop the AMI system that meets the MEU functional specifications related to the Smart Meter Project. The contract contains 3 renewal terms of 5 years each. The company elected to have the monthly fees billed in USD, instead of having the currency rate set on an annual basis in October of each year. Termination penalties apply if the company cancels the contract without cause, the related fees are based on a sliding scale for the year this takes place and the fees associated with the service option selected.

11. Share Capital

Authorized:

Unlimited Common shares

The issued share capital is as follows:

2011	2010				
1,001	Common shares	$	19,511,601	$	

19,511,601

12. Distribution Revenue

	2011	2010
Customer billings for electricity and distribution service charges	$ 64,067,720	$ 59,369,024
Less: Pass through charges billed by the company for:		
Electricity charges	(39,461,790)	(35,834,625)
Network and connection	(5,635,297)	(5,215,898)
Wholesale market service charges	(3,205,998)	(3,199,425)
Debt retirement charges	(4,054,633)	(3,894,509)
Less: Regulatory asset recovery	(148,782)	(73,113)
Less: Smart meter rider recovery	(419,906)	(430,154)
Less: Smart grid rider recovery	(22,864)	-
	$ 11,118,450	$ 10,721,300

13. Related Party Transactions

The Corporation of the City of North Bay (the "City") is the 100% owner of North Bay Hydro Holdings Inc. which is the parent company of North Bay Hydro

Distribution Limited and North Bay Hydro Services Inc.

The company provides electricity and services to the City. A summary of the amounts charged by the company to the City is as follows:

	2011	2010
Electrical energy	$ 1,918,511	$ 1,450,209
Street light energy	764,610	520,542
Construction activity	62,344	147,828
Street light maintenance	158,299	143,416

At December 31, 2011, accounts payable and accrued liabilities include $155,942 due to the City (2010 $148,317) and accounts receivable include $335,125 due from the City (2010 $350,047). The company purchased goods and services from the City totaling $234,970 in 2011 (2010 $201,120). In 2011, the company also provided CDM incentives to the City of North Bay totalling $400 (2010 $59,942).

Electrical energy is sold to the City at the same prices and terms as other electricity customers consuming equivalent amounts of electricity.

Streetlight maintenance services are provided at rates determined in relation to other service providers. Other construction services are provided at cost.

During the year, the company paid municipal taxes to the City in the amount of $58,586 (2010 $60,827).

The company is also indebted to the City for a $19,511,601 (2010 $19,511,601) promissory note (see Note 8). Included in interest expense for the year is interest paid on this promissory note in the amount of $975,580 (2010 $975,580).

The company provides administrative and other services to an affiliated company, North Bay Hydro Services Inc ("Services"). Administrative fees charged for 2011 were $38,660 (2010 $38,048). Salaries charged to Services

were $175,224 (2010 $166,666) and contracted services totalling $82,509 were also charged to Services in 2011 (2010 $86,986). In 2011 the company paid annual fibre rental of $Nil (2010 $12,658). Pursuant to the OEB's decision and order with respect to joint use pole attachment rates the company charges North Bay Hydro Services Inc joint use pole rental in the amount of $22.35 per attachment which amounted to $12,520 (2010 $12,520).
The above transactions are in the normal course of operations and are measured at exchange amounts.

14. Credit Facility / Letters of Credit

The company has an authorized line of credit under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is $1,000,000. At year end the company had drawn $NIL (2010 $NIL) under this facility.
The company has available a revolving term facility to a maximum draw of $1,000,000 to finance the purchase of capital assets. At year end the company had drawn $NIL under this facility.
The company has a $2.5 million letter of credit with its bank provided to the IESO to secure the company's hydro purchase obligations (see Note 2). The company has provided it's financial institution with an assignment in the amount of $2,000,000 of its investments as security for this obligation (see Note 2). The fair value of these investments approximates their carrying value given the short term maturity of these investments.
The company's general banking agreements which encompass the line of credit, revolving term facility and the letter of credit contains financial covenants which include a debt to capital ratio lower than 60% and a debt service coverage ratio of not less than 1.2:1. As at December 31, 2011, the company's debt to capital ratio was 54% and the debt service coverage ratio calculated

under the terms of the agreement was 3:1.

15. Pension Agreements

The company makes contributions to the OMERS, which is a multi employer pension plan, on behalf of all full time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 409,000 active and retired members and approximately 931 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2011. The results of this valuation disclosed an actuarial deficit of $7,290 million. Because OMERS is a multi employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the company does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2011 was $265,827 (2010 $235,734).

16. Net Change in Non cash Working Capital Balances

The net change in non cash working capital balances consists of:

	2011	2010
Accounts receivable	$ 974,788	$ (175,743)

Unbilled service revenue	(1,177,268)	(630,630)
Inventory	27,640	10,387
Prepaid expenses	152,257	(477,637)
Accounts payable and accrued liabilities	2,426,300	(1,179,937)
Payments in lieu of taxes	(317,609)	318,400
Deferred revenue	158,518	-
Payable to North Bay Hydro Services Inc	62,743	43,511
	$ 2,307,369	$ (2,091,649)

Supplementary cash flow information consists of the following:

	2011	2010
Cash paid during the year for:		
Interest	$ 1,146,402	$ 1,028,552
Payments in lieu of taxes	$ 1,027,339	$ 618,970
Cash received during the year for:		
Interest	$ 103,554	$ 77,335
Payments in lieu of taxes	$ -	$ 173,571

17. Payments in Lieu of Corporate Income Taxes, Capital Taxes, and Future Income Taxes

a. Expense

The company's provision for PILs is calculated as follows:

	2011	2010

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2011-01-01
Tax Year End: 2011-12-31

Income before provision for income taxes and other item	$ 3,964,118	$ 2,852,404
Regulatory assets added (deducted) for tax purposes	(822,626)	194,681
Net change in reserves	113,609	(60,996)
Capital cost allowance (greater than) less than amortization expense	(623,427)	(469,051)
Other items	57,844	37,751
Gain on disposal of assets	(3,647)	(950)
Income for tax purposes	2,685,871	2,553,839
Statutory Canadian federal and provincial tax rate	28.25%	31.00%
Provision for PILs	758,759	791,690
Ontario co op and apprenticeship tax credits	(49,028)	(57,405)
Total current provision	$ 709,731	$ 734,285

b. Future Taxes

As the end of the year, the significant component's of the company's future taxes are as follows:

	2011	2010
Future Income Tax Asset		
Property, plant and equipment	$ 5,544,790	$ 5,642,613

Employee future benefits	1,508,551	1,636,460
Total future tax assets	$ 7,053,341	$ 7,279,073

18. Financial Instruments

a. Fair Values

The company's financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, customer deposits, long term debt, payable to North Bay Hydro Services Inc and payable to the Corporation of the City of North Bay.

Cash and cash equivalents is reported at fair value on the balance sheet. Accounts receivable, accounts payable and accrued liabilities, payable to North Bay Hydro Services Inc. and customer deposits are reported at amortized cost which approximates fair value due to their short term nature.

The fair value of the long term debt, payable to the Corporation of the City of North Bay have not been determined as disclosed in Notes 8.

b. Risks arising from Financial Instruments

Credit Risk

The company's cash and cash equivalents are all held at a single major financial institution and the company is therefore exposed to credit risk from this concentration of cash and cash equivalents. The company also maintains cash and cash equivalents with it's financial institution in excess of federally insured limits and is therefore exposed to the credit risk from this concentration of cash and cash equivalents.

The company's accounts receivables are made up of a large number of small balances from residential customers and commercial customers in a number of different industries. The company is exposed to credit risk as a result of

its accounts receivable through the possibility of customer default on these accounts. The company monitors its exposure to and attempts to limit this credit risk exposure on a continuous basis.

In accordance with directions provided by the OEB, the company collects deposits from its customers and as at December 31, 2011 held customer deposits in the amount of $977,156 (2010 $1,065,475).

The company provides for its credit risk through the use of an allowance whereby customer accounts greater than 90 days in age are provided for. Any change in this provision from one year to the next and any future recoveries of accounts that had previously been allowed for are recognized in the statement of operations.

18. Financial Instruments (continued)

The credit risk associated with accounts receivable is as follows:

	2011	2010
Total accounts receivable	$ 6,187,120	$ 6,943,636
Less: allowance for doubtful accounts	(705,714)	(487,442)
Accounts receivable, net	$ 5,481,406	$ 6,456,194
Aged as follows:		
Less than 29 days	$ 4,862,896	$ 5,891,375
30 to 89 days	479,241	356,595
90 days and older	844,983	695,667
Less: allowance for doubtful accounts	(705,714)	

(487,442)

Accounts receivable, net	$ 5,481,406	$ 6,456,195

The company's maximum credit risk exposure is equal to the carrying value of its financial assets.

Interest Rate Risk

The company manages its investments, as included in cash and cash equivalents, based on its cash flow needs and with a view to optimizing its interest income. The company has invested excess cash balances in Canadian money market instruments which exposes it to fluctuations in short term interest rates. These fluctuations will impact the amount of interest income earned by the company, however this is not expected to significantly impact income from operations.

The company has access to short term borrowings under its credit facility agreement (Note 14). If the company were to utilize this facility it would be exposed to fluctuations in short term interest rates.

The company is exposed to interest rate risk on its long term debt and its payable to the Corporation of the City of North Bay (Note 8). The interest rates on these financial instruments are fixed and therefore the company is not exposed to fluctuations in short term interest rates. However, with respect to its payable to the Corporation of the City of North Bay, if short term interest rates fall below the fixed rate of this instrument the company would incur greater interest expense than it would had it borrowed these funds using other means. Alternatively, should short term interest rates rise above these fixed rates, the company would incur lower interest expense than it would had it borrowed these funds using other means.

18. Financial Instruments (continued)

Liquidity Risk

The company strives to maintain a liquidity level that allows for sufficient funds to meet operational requirements so that obligations can be met as they become due while minimizing interest expense. The company monitors cash balances regularly and has access to short term borrowings, should they be required, under its credit facility agreement (Note 14).

Accounts payable and accrued liabilities are all due within one year from the balance sheet date. The company is exposed to liquidity risk on its payable to the City (Note 8) as this balance is payable upon twelve month's written notice. Management does not expect that this note will be called within the foreseeable future.

Currency Risks

The company is exposed to the changing values of foreign currencies. The company has entered into a contract for the purchase of goods and services related primarily to the Smart Meter project, which is payable in US dollars. The company is exposed to the fluctuations in currency prices when it purchases US dollars to meet the payable commitments. The impact on these transactions in 2011 was a foreign exchange gain of $8,378 (2010 loss $4,522).

Other Risks

The company is not exposed to any other significant risks as it has not entered into any hedging or derivative contracts.

19. Capital Disclosures

The company considers its capital to comprise its common share capital, accumulated retained earnings and amounts due to related parties. There have been no changes in what the company considers to be capital since the previous

year.

In managing its capital, the company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and through the payment of periodic dividends to its common shareholders. The company also seeks to ensure that access to funding is available in order to maintain and improve the equipment used in operations and maintain financial ratios within the recommended guidelines as prescribed by the OEB. In order to achieve these objectives, the company develops detailed annual operating budgets and seeks to maintain distribution revenue levels and control costs to enable the company to meet its working capital requirements and strategic investment needs. In making decisions to adjust its capital structure to achieve these objectives, the company considers both its short term position and long term operational and strategic objectives.

As at December 31, 2011 the company is party to debt agreements that contain various covenants (Note 8b and 14) and is restricted from offering loans or paying dividends that would cause a violation of those covenants.

20. Loan Payable

During the year, the City of North Bay authorized a loan of up to $4,800,000 for the development of the Merrick Landfill Methane Gas Generation Project. The terms of the resolution detail the advance to be payable on demand with interest being incurred on the interim advances and added to the principle, until such time as the final amount is known, at which time the loan shall be amortized over a twenty year period payable in blended payments of principle and interest bearing at 4.9% per annum. As at December 31, 2011, $1,314,110 had been borrowed against this facility.

21. Subsequent Events

Merrick Loan

Subsequent to year end, the Company was advanced a further $2,188,262 under the terms discussed in Note 13.

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)
North Bay Hydro Distribution Limited	88246 3128 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*.
- All legislative references are to the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125				3,254,387 A
Add:				
Provision for income taxes – current	101	709,731		
Amortization of tangible assets	104	2,956,995		
Charitable donations and gifts from Schedule 2	112	19,600		
Non-deductible meals and entertainment expenses	121	7,711		
Other reserves on lines 270 and 275 from Schedule 13	125	1,552,917		
Reserves from financial statements – balance at the end of the year	126	6,162,986		
Subtotal of additions		11,409,940 ▶		11,409,940
Other additions:				
Miscellaneous other additions:				
603 Apprentice Tax Credit- fed and provincial		50,303		
Total	293	50,303		
604 carrying charges related accounting gains		105,541		
Total	294	105,541		
Subtotal of other additions	199	155,844 ▶		155,844
Total additions	500	11,565,784 ▶		11,565,784 B
Amount A **plus** amount B				14,820,171
Deduct:				
Gain on disposal of assets per financial statements	401	3,647		
Capital cost allowance from Schedule 8	403	3,580,422		
Other reserves on line 280 from Schedule 13	413	1,841,388		
Reserves from financial statements – balance at the beginning of the year	414	5,760,956		
Subtotal of deductions		11,186,413 ▶		11,186,413
Other deductions:				
Miscellaneous other deductions:				
700 Change in reg assets	390	862,975		
701 change in reg liabilities	391	65,102		
704				
Total	394			
Subtotal of other deductions	499	928,077 ▶		928,077
Total deductions	510	12,114,490 ▶		12,114,490
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				2,705,681

T2 SCH 1 E (12)

Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- For use by corporations to claim any of the following:
  - charitable donations to qualified donees;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the federal *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- The eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- A gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
NORTH BAY GENERAL HOSPITAL FOUNDATION	5,000
Low Income People Involvement	14,550
Subtotal	19,550
Add: Total donations of less than $100 each	50
Total donations in current tax year	19,600

		Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the tax year	240		B		
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210	19,600		19,600	19,600
Subtotal (line 250 **plus** line 210)		19,600	C	19,600	19,600
Subtotal (amount B **plus** amount C)		19,600	D	19,600	19,600
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255				
Total charitable donations available (amount D **minus** amount on line 255)		19,600	E	19,600	19,600
Deduct: Amount applied against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260	19,600		19,600	19,600
Charitable donations closing balance (amount E **minus** amount on line 260)	280				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2010-12-31			
2nd prior year	2009-12-31			
3rd prior year	2008-12-31			
4th prior year	2007-12-31			
5th prior year	2006-12-31			
6th prior year*	2005-12-31			
7th prior year	2004-12-31			
8th prior year	2003-12-31			
9th prior year	2002-12-31			
10th prior year	2001-12-31			
11th prior year	2000-12-31			
12th prior year	1999-12-31			
13th prior year	1998-12-31			
14th prior year	1997-12-31			
15th prior year	1996-12-31			
16th prior year	1995-12-31			
17th prior year	1994-12-31			
18th prior year	1993-12-31			
19th prior year	1992-12-31			
20th prior year	1991-12-31			
21st prior year*	1990-12-31			
Total (to line A)				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes * **multiplied** by 75 % . . . . . 2,029,261 F

Taxable capital gains arising in respect of gifts of capital property included in Part 1 ** . . . . . **225** G

Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) . . . . . **227** H

The amount of the recapture of capital cost allowance in respect of charitable gifts **230**

Proceeds of disposition, less outlays and expenses ** I

Capital cost ** . . . . . J

Amount I or J, whichever is less **235**

Amount on line 230 or 235, whichever is less . . . . . K

Subtotal (**add** amounts G, H, and K) L

Amount L **multiplied** by 25 % M

Subtotal (amount F **plus** amount M) 2,029,261 N

Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less) . . . . . 19,600 O

***** For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

****** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year . . . . . A

Deduct: Gifts to Canada, a province, or a territory expired after five tax years 339

Gifts to Canada, a province, or a territory at the beginning of the tax year . . . . . 340 B

Add:

Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary 350

Total current-year gifts made to Canada, a province, or a territory * 310

Subtotal (line 350 **plus** line 310) ▶ C

Subtotal (amount B **plus** amount C) D

Deduct:

Adjustment for an acquisition of control (for gifts made after March 22, 2004) 355

Amount applied against taxable income (enter this amount on line 312 of the T2 return) 360

Subtotal (line 355 **plus** line 360) ▶ E

Gifts to Canada, a province, or a territory closing balance (amount D **minus** amount E) 380

***** Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			F		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the tax year	440		G		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450				
Total current-year gifts of certified cultural property	410				
Subtotal (line 450 **plus** line 410)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455				
Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			J		
Gifts of certified cultural property closing balance (amount I **minus** amount J)	480				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2010-12-31			
2nd prior year	2009-12-31			
3rd prior year	2008-12-31			
4th prior year	2007-12-31			
5th prior year	2006-12-31			
6th prior year*	2005-12-31			
7th prior year	2004-12-31			
8th prior year	2003-12-31			
9th prior year	2002-12-31			
10th prior year	2001-12-31			
11th prior year	2000-12-31			
12th prior year	1999-12-31			
13th prior year	1998-12-31			
14th prior year	1997-12-31			
15th prior year	1996-12-31			
16th prior year	1995-12-31			
17th prior year	1994-12-31			
18th prior year	1993-12-31			
19th prior year	1992-12-31			
20th prior year	1991-12-31			
21st prior year*	1990-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			K		
Deduct: Gifts of certified ecologically sensitive land expired after five tax years	539				
Gifts of certified ecologically sensitive land at the beginning of the tax year	540		L		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land	510				
Subtotal (line 550 **plus** line 510)			M		
Subtotal (amount L **plus** amount M)			N		
Deduct:					
Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555				
Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			O		
Gifts of certified ecologically sensitive land closing balance (amount N **minus** amount O)	580				

***** For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Québec	Alberta
1st prior year	2010-12-31			
2nd prior year	2009-12-31			
3rd prior year	2008-12-31			
4th prior year	2007-12-31			
5th prior year	2006-12-31			
6th prior year*	2005-12-31			
7th prior year	2004-12-31			
8th prior year	2003-12-31			
9th prior year	2002-12-31			
10th prior year	2001-12-31			
11th prior year	2000-12-31			
12th prior year	1999-12-31			
13th prior year	1998-12-31			
14th prior year	1997-12-31			
15th prior year	1996-12-31			
16th prior year	1995-12-31			
17th prior year	1994-12-31			
18th prior year	1993-12-31			
19th prior year	1992-12-31			
20th prior year	1991-12-31			
21st prior year*	1990-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 6 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			P		
Deduct: Additional deduction for gifts of medicine expired after five tax years	639				
Additional deduction for gifts of medicine at the beginning of the tax year	640		Q		
Add:					
Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine for the current year:					
Proceeds of disposition	602		1		1
Cost of gifts of medicine	601		2		2
Subtotal (line 1 **minus** line 2)			3		3
Line 3 **multiplied** by 50 %			4		4
Eligible amount of gifts	600		5		5

Federal

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year **610** _____

Québec

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year _____

Alberta

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year _____

where:

a is the **lesser** of line 2 and line 4

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

Subtotal (line 650 **plus** line 610)			R	
Subtotal (amount Q **plus** amount R)			S	
Deduct:				
Adjustment for an acquisition of control	655			
Amount applied against taxable income (enter this amount on line 315 of the T2 return)	660			
Subtotal (line 655 **plus** line 660)			T	
Additional deduction for gifts of medicine closing balance (amount S **minus** amount T)	680			

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2010-12-31			
2nd prior year	2009-12-31			
3rd prior year	2008-12-31			
4th prior year	2007-12-31			
5th prior year	2006-12-31			
6th prior year*	2005-12-31			
Total				

***** These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2010-12-31	
2nd prior year	2009-12-31	
3rd prior year	2008-12-31	
4th prior year	2007-12-31	
5th prior year	2006-12-31	
6th prior year*	2005-12-31	
7th prior year	2004-12-31	
8th prior year	2003-12-31	
9th prior year	2002-12-31	
10th prior year	2001-12-31	
11th prior year	2000-12-31	
12th prior year	1999-12-31	
13th prior year	1998-12-31	
14th prior year	1997-12-31	
15th prior year	1996-12-31	
16th prior year	1995-12-31	
17th prior year	1994-12-31	
18th prior year	1993-12-31	
19th prior year	1992-12-31	
20th prior year	1991-12-31	
21st prior year*	1990-12-31	
Total		

***** These gifts expired in the current year.

T2 SCH 2 E (13)

Canada

Canada Revenue Agency / Agence du revenu du Canada

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

		Complete if payer corporation is connected			
Name of payer corporation (from which the corporation received the dividend) 200	**A**	**B** Enter 1 if payer corporation is connected 205	**C** Business Number of connected corporation 210	**D** Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note) 220	**E** Non-taxable dividend under section 83 230
				Total (enter on line 402 of Schedule 1)	

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.
For more details, consult the Help.

				Complete if payer corporation is connected		
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* 240	**F1** Eligible dividends (included in column F)	**F2**	**F3**	**G** Total taxable dividends paid by connected payer corporation (for tax year in column D) 250	**H** Dividend refund of the connected payer corporation (for tax year in column D)** 260	**I** Part IV tax before deductions F x 1 / 3 *** 270
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . . . _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax . . . . . **320** _____

Subtotal _____

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax . . . . . **330** _____

Non-capital losses from previous years claimed to reduce Part IV tax . . . . . **335** _____

Current-year farm loss claimed to reduce Part IV tax . . . . . **340** _____

Farm losses from previous years claimed to reduce Part IV tax . . . . . **345** _____

Total losses applied against Part IV tax _____ x 1 / 3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) . . . . . **360** _____

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A	B	C	D	D1
	Name of connected recipient corporation **400**	Business Number **410**	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note) **420**	Taxable dividends paid to connected corporations **430**	Eligible dividends (included in column D)
1	North Bay Hydro Holdings Limited	89999 9999 RC0001	2011-12-31	691,131	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 691,131

Total taxable dividends paid in the tax year to other than connected corporations . . . . . **450** _____

Eligible dividends (included in line 450) . . . . . 450a _____

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450) **460** 691,131

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 691,131

Other dividends paid in the tax year (total of 510 to 540) . . . . . _____

Total dividends paid in the tax year **500** 691,131

Deduct:

Dividends paid out of capital dividend account . . . . . **510** _____

Capital gains dividends . . . . . **520** _____

Dividends paid on shares described in subsection 129(1.2) . . . . . **530** _____

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year . . . . . **540** _____

Subtotal _____ ▶ _____

Total taxable dividends paid in the tax year that qualify for a dividend refund 691,131

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Schedule 5

TAX CALCULATION SUPPLEMENTARY – CORPORATIONS

Corporation's name	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 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 Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes ☐	103		143		
Newfoundland and Labrador offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☐	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	127		167		
Total		129 G		169 H		

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

** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
2,686,081		2,686,081	279,319

Ontario basic income tax (from Schedule 500) **270** 315,559

Deduct: Ontario small business deduction (from Schedule 500) **402** 36,240

Subtotal 279,319 ▶ 279,319 A6

Add:

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

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

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

Subtotal ▶ B6

Subtotal (amount A6 **plus** amount B6) 279,319 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**

Ontario tax credit for the purchase of vehicles that use natural gas as a fuel . . . . . .

Subtotal ▶ D6

Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") 279,319 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") 279,319 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") 279,319 G6

Add:

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

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

Subtotal ▶ H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) 279,319 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** 12,767

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 12,767 ▶ 12,767 J6

Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) **290** 266,552 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.

Net provincial and territorial tax payable or refundable credits **255** 266,552

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 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) **200**	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) **201**	3 Cost of acquisitions during the year (new property must be available for use)* **203**	4 Net adjustments** **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** **211**	7 Reduced undepreciated capital cost	8 CCA rate % **** **212**	9 Recapture of capital cost allowance (line 107 of Schedule 1) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ***** **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1		31,853,596	142,738		0	71,369	31,924,965	4	0	0	1,276,999	30,719,335
2.	8		385,483	146,523		0	73,262	458,744	20	0	0	91,749	440,257
3.	10		624,433	363,462		8,281	177,591	802,023	30	0	0	240,607	739,007
4.	10		9,435			0		9,435	30	0	0	2,831	6,604
5.	1		1,292,501			0		1,292,501	4	0	0	51,700	1,240,801
6.	45		22,921			0		22,921	45	0	0	10,314	12,607
7.	47		19,824,612	6,237,180		0	3,118,590	22,943,202	8	0	0	1,835,456	24,226,336
8.	50		14,567	228,197		0	114,099	128,665	55	0	0	70,766	171,998
		Totals	54,027,548	7,118,100		8,281	3,554,911	57,582,456				3,580,422	57,556,945

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 straignt-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

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		7,118,100	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
Construction in process $1,512,229 - other $1,776	+	1,510,453	
Total additions per books	=	8,628,553 ▶	8,628,553
Proceeds up to original cost – Schedule 8 regular classes		8,281	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
reg assets capitalized but not figured into NBV figure of FS	+	105,453	
Total proceeds per books	=	113,734 ▶	113,734
Depreciation and amortization per accounts – Schedule 1			– 2,956,995
Loss on disposal of fixed assets per accounts			–
Gain on disposal of fixed assets per accounts			+ 3,647
Net change per tax return			= 5,561,471

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		42,658,788
Opening net book value	–	37,097,317
Net change per financial statements	=	5,561,471

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	North Bay Hydro Holdings Limited		86712 3580 RC0001	1					
2.	North Bay Hydro Services Inc		86450 3511 RC0001	3					
3.	North Bay Hydro Generation Limitec		89117 4401 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

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SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on an amalgamation or the wind-up of a subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
	Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110 487,442	115	218,272		120 705,714
Reserve for undelivered goods and services not rendered ☐	130 1,065,475	135	158,518	88,319	140 1,135,674
Reserve for prepaid rent ☐	150	155			160
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Other tax reserves ☐	230	235			240
Totals	270 1,552,917	275	376,790	88,319	280 1,841,388

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

T2 SCH 13 E (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefit	4,208,039		113,559		4,321,598
2	Reserve for doubtful debt	487,442		218,272		705,714
3	Reserve for undelivered goods	1,065,475			88,319	977,156
4	Reserve for Deferred Revenue			158,518		158,518
5						
	Reserves from Part 2 of Schedule 13					
	Totals	5,760,956		490,349	88,319	6,162,986

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)

2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction

3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)

4 – Associated non-CCPC

5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . 025 — Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 — Year: 2011

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 — 1 Yes [ ] 2 No [X]

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	North Bay Hydro Distribution Limited	88246 3128 RC0001	1	500,000	100.0000	500,000
2	North Bay Hydro Holdings Limited	86712 3580 RC0001	1	500,000		
3	North Bay Hydro Services Inc	86450 3511 RC0001	1	500,000		
4	North Bay Hydro Generation Limited	89117 4401 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09)

Canada

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 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) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social insurance number **300**	Trust number **350**	Percentage common shares **400**	Percentage preferred shares **500**
1	North Bay Hydro Holdings Limited (corporation)	89999 9999 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

On: 2011-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the I*ncome Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	4,673,712 A
Taxable income for the year (DICs enter "0") *		110 2,686,081 B		
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶	C	
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")		150 2,686,081		
After-tax income (line 150 x general rate factor for the tax year ** 0.7)			190	1,880,257 D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (**add** lines 200 and 210)		▶		E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)	220			
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230			
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)		▶	290	F
Subtotal (**add** lines A, D, E, and F)				6,553,969 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)	▶		H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)		490	6,553,969
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)		560	
GRIP at the end of the tax year (line 490 **minus** line 560)		590	6,553,969

Enter this amount on line 160 of Schedule 55.

***** For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

****** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2010-12-31

Taxable income before specified future tax consequences from the current tax year	2,552,975 J1		
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (**add** lines K1, L1, and M1)	▶	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")	2,552,975 ▶		2,552,975 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (**add** lines Q1, R1, and S1) ▶ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ▶ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.7) **500**

Second previous tax year 2009-12-31

Taxable income before specified future tax consequences from the current tax year 1,808,272 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L2

Aggregate investment income (line 440 of the T2 return) M2

Subtotal (**add** lines K2, L2, and M2) ▶ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 1,808,272 ▶ 1,808,272 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R2

Aggregate investment income (line 440 of the T2 return) S2

Subtotal (**add** lines Q2, R2, and S2) ▶ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ▶ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.7) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2008-12-31

Taxable income before specified future tax consequences from the current tax year 2,474,315 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L3

Aggregate investment income (line 440 of the T2 return) M3

Subtotal (**add** lines K3, L3, and M3) ▶ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 2,474,315 ▶ 2,474,315 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R3

Aggregate investment income (line 440 of the T2 return) S3

Subtotal (**add** lines Q3, R3, and S3) ▶ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") ▶ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(line V3 **multiplied by** the general rate factor for the tax year 0.7) **540**

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . . W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . . AA

Eligible dividends paid by the corporation in its last tax year . . . . . BB

Excessive eligible dividend designations made by the corporation in its last tax year CC

Subtotal (line BB **minus** line CC) ▶ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

(line AA **minus** line DD) . . . . . EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . . FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . . GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . .
Net capital losses . . . . .
Farm losses . . . . .
Restricted farm losses . . . . .
Limited partnership losses . . . . .

Subtotal ▶ HH

Subtotal (**add** lines FF, GG, and HH) II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . . JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . . KK

All the corporation's reserves deducted in its previous/last tax year LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . . MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . . NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ▶ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . . PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year		365	. . . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year		365	. . . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year	365	365	. . . . . =	0.700000000	SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year		365	. . . . . =		TT

General rate factor for the tax year (total of lines QQ to TT) . . . . . 0.70000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3		691,131	
Total taxable dividends paid in the tax year	100	691,131	
Total eligible dividends paid in the tax year	150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160	6,553,969	B
Excessive eligible dividend designation (line 150 **minus** line 160)			C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	180		D
Subtotal (amount C **minus** amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3			
Total taxable dividends paid in the tax year	200		
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)			G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	280		H
Subtotal (amount G **minus** amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 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 are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

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

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	181 / 365	x	12.00 %	=	5.95068 % A1	
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	184 / 365	x	11.50 %	=	5.79726 % A2	
Ontario basic rate of tax for the year (rate A1 **plus** A2)					11.74794 ▶	11.74794 % A3

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . . 2,686,081 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A3 from Part 1) . . . . . 315,559 C

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

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

Part 3 – Ontario small business deduction (OSBD)

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

Income from active business carried on in Canada (amount from line 400 of the T2 return)	2,705,681	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	2,686,081	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3
Enter the least of amounts 1, 2, and 3	500,000	D

Ontario domestic factor: Ontario taxable income * / Taxable income earned in all provinces and territories ** = 2,686,081.00 / 2,686,081 = 1.00000 E

Amount D x factor E	500,000	a
Ontario taxable income (amount B from Part 2)	2,686,081	b

Ontario small business income (lesser of amount a and amount b) 500,000 F

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	181 / 365	x	7.50 %	=	3.71918 % G1
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	184 / 365	x	7.00 %	=	3.52877 % G2

OSBD rate for the year (rate G1 **plus** G2) 7.24795 % G3

Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G3) 36,240 H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

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

Part 4 – Ontario adjusted small business income

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

Ontario adjusted small business income (lesser of amount D and amount b from Part 3) 500,000 I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

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

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

Deduct:

Ontario adjusted small business income (amount I from Part 4) . . . . . K

Subtotal (amount J **minus** amount K) (if negative, enter "0") L

OSBD rate for the year (rate G3 from Part 3) . . . . . 7.24795 %

Amount L **multiplied** by the OSBD rate for the year . . . . . M

Ontario domestic factor (factor E from Part 3) . . . . . 1.00000 N

Ontario credit union tax reduction (amount M **multiplied** by factor N) . . . . . O

Enter amount O on line 410 of Schedule 5.

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
North Bay Hydro Distribution Limited

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-12-10	1390858

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
74	Commerce Court	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 3240

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
North Bay	ON	CA	P1B 8Y5

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 [1] If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Tennant (Last name) **451** Cindy (First name)

454 _____ (Middle name(s))

460 [2] Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 ☐ Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number | **530** Street name/Rural route/Lot and Concession number | **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) | **570** Province/state | **580** Country | **590** Postal/zip code

Part 6 – Language of preference

600 ☐ Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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SCHEDULE 552

ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2011-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009 or* the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information	120 Telephone number including area code
Cindy Tennant	(705) 474-8100

Is the claim filed for an ATTC earned through a partnership? * . . . . . 150 1 Yes ☐ 2 No ☒

If **yes** to the question at line 150, what is the name of the partnership? . . . . . 160 _____

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . 170 _____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . 200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . 210 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 3,729,030

For eligible expenditures incurred before March 27, 2009:
- If line 300 is $400,000 or less, enter 30% on line 310.
- If line 300 is $600,000 or more, enter 25% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:
- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code **400**	B Apprenticeship program/ trade name **405**	C Name of apprentice **410**
1.	434a	Powerline Technician	[redacted]
2.	434a	Powerline Technician	[redacted]

	D Original contract or training agreement number **420**	E Original registration date of apprenticeship contract or training agreement (see note 1 below) **425**	F Start date of employment as an apprentice in the tax year (see note 2 below) **430**	G End date of employment as an apprentice in the tax year (see note 3 below) **435**
1.	pa6239	2007-04-11	2011-01-01	2011-04-11
2.	pa3452	2008-05-05	2011-01-01	2011-12-31

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) 442	H3 Number of days employed as an apprentice in the tax year (column H1 **plus** column H2) 440	I Maximum credit amount for the tax year (see note 2 below) 445
1.		101	101	2,767
2.		365	365	10,000

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) 451	J2 Eligible expenditures after March 26, 2009 (see note 3 below) 452	J3 Eligible expenditures for the tax year (column J1 **plus** column J2) 450	K Eligible expenditures **multiplied** by specified percentage (see note 4 below) 460
1.		20,821	20,821	7,287
2.		78,393	78,393	27,438

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5 below) 480	N ATTC for each apprentice (column L or column M, whichever applies) 490
1.	2,767		2,767
2.	10,000		10,000

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 12,767 **O**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = ... _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = ($5,000 x H1/365*) + ($10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.
For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . . North Bay Hydro Distribution Limited

Taxation Year . . . . . 2011-01-01 to 2011-12-31

Jurisdiction . . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	X	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . . Y

Corporation is related . . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . . -317,130

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		2,705,681
Taxable income		2,686,081
Donations		19,600
Calculation of income from an active business carried on in Canada		2,705,681
Dividends paid		691,131
Dividends paid – Regular	691,131	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		4,673,712
Balance of the general rate income pool at the end of the year		6,553,969
Part I tax (base amount)		1,020,711

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	443,204	ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	1,026,886
Investment tax credits		Other*		Surtax credit	
Abatement/Other*	577,507	Provincial or territorial tax	266,552	Other*	

Balance due/refund (–) -317,130

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Financial statement reserve	6,162,986
Other reserves	1,841,388

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	2,705,681		
Taxable income	2,686,081		
% Allocation	100.00		
Attributed taxable income	2,686,081		
Tax payable before deduction*	315,559		
Deductions and credits	36,240		
Net tax payable	279,319		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	279,319		
Instalments and refundable credits	12,767		
Balance due/Refund (-)	266,552		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
North Bay Hydro Distribution Limited	52,490,657	52,490,657	49,973,446	49,973,446
North Bay Hydro Holdings Limited	59,304	59,304		
North Bay Hydro Services Inc	3,069,035	3,069,035	1,499,562	1,499,562
North Bay Hydro Generation Limited	156	156		
Total	55,619,152	55,619,152	51,473,008	51,473,008

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Taxable capital used to calculate the Nova Scotia capital deduction on large corporations (Schedule 343)
Total		

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	2011-12-31	2010-12-31	2009-12-31	2008-12-31	2007-12-31
Net income	2,705,681	2,558,975	1,814,272	2,480,315	2,660,002
Taxable income	2,686,081	2,552,975	1,808,272	2,474,315	2,654,002
Active business income	2,705,681	2,558,975	1,814,272	2,480,315	2,660,002
Dividends paid	691,131	1,350,000	1,332,950	1,000,000	
Dividends paid – Regular	691,131	1,350,000			
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	4,673,712	2,912,159	1,682,534		
GRIP – end of the year	6,553,969	4,673,712	2,912,159	1,682,534	
Donations	19,600	6,000	6,000	6,000	6,000
Balance due/refund (-)	-317,130	150,453	-175,452	482,491	587,066
Loss carrybacks requested in prior years					
Taxable income before loss carrybacks	N/A	N/A	1,808,272	2,474,315	2,654,002
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	1,808,272	2,474,315	2,654,002
Losses in the current year carried back to previous years (according to Schedule 4)					
Adjusted taxable income before current year loss carrybacks*	N/A	2,552,975	1,808,272	2,474,315	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	2,552,975	1,808,272	2,474,315	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Federal taxes

Part I before surtax	443,204	459,535	339,354	482,491	557,341
Surtax					29,725
Part IV					
Part I & Surtax	443,204	459,535	339,354	482,491	587,066
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Small business deduction						
M&P deduction						
Foreign tax credit						
Political contribution						
Investment tax credit				4,218		
Abatement/other*	577,507	510,596	343,571	457,749	451,180	

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

ITC refund						
Dividend refund						
Instalments	1,026,886	618,970	822,572			
Surtax credit						
Other*						

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2011-12-31	2010-12-31	2009-12-31	2008-12-31	2007-12-31
Net income	2,705,681	2,558,975	1,814,272	2,480,315	
Taxable income	2,686,081	2,552,975	1,808,272	2,474,315	
% Allocation	100.00	100.00	100.00	100.00	
Attributed taxable income	2,686,081	2,552,975	1,808,272	2,474,315	2,654,002
Surtax		39,979	42,500	42,500	
Income tax payable before deduction	315,559	331,677	253,158	346,404	371,560
Income tax deductions /credits	36,240	39,979	42,500	42,500	20,877
Net income tax payable	279,319	331,677	253,158	346,404	350,683
Taxable capital		52,490,657	50,448,911	50,338,428	49,397,625
Capital tax payable		28,514	81,558	81,028	106,673
Total tax payable*	279,319	360,191	334,716	427,432	457,356
Instalments and refundable credits	12,767	50,303	26,950	893,299	840,000
Balance due/refund**	266,552	309,888	307,766	-465,867	-382,644

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

APPENDIX 4-L NBHDL ANNUAL TAX RETURNS 2012

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
Fax: (705) 495-2001

May 23, 2013

PERSONAL AND CONFIDENTIAL

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Mrs. Tennant,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

Federal corporate income tax returns will be electronically transmitted to the CRA. In order for us to electronically file the corporation's corporate income tax return, a signed copy of Form T183CORP, *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the company's corporate income tax return until we receive a signed T183CORP form.

Signature

✍ Form T183CORP, *Information Return for Corporations Filing Electronically*, should be completed and signed.

Mailing

✉ A copy of the signed T183CORP form should be returned to us in the self-addressed envelope as soon as possible in order to have the corporation's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to at (705) 495-2001.

Payment

✉ A cheque in the amount of $**26,306,** payable to the Receiver General, must be sent to the CRA as soon as possible to minimize interest charges. You should

write the corporation's federal business number on the back of the cheque and the taxation year for which the payment is made, i.e. the 2012 taxation year. Alternatively, you may make the payment at any chartered bank branch.

If the corporation is paying by cheque, then the payment and a completed remittance form should be sent to:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Federal tax instalments (monthly)

Due date	Amount
2013-01-31	$60,211
2013-02-28	$60,211
2013-03-31	$40,933
2013-04-30	$40,933
2013-05-31	$40,933
2013-06-30	$40,933
2013-07-31	$40,933
2013-08-31	$40,933
2013-09-30	$40,933
2013-10-31	$40,933
2013-11-30	$40,933
2013-12-31	$40,930
2014-01-31	$44,146
2014-02-28	$44,146
Total	$618,041

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2013-12-31

Business number 88246 3128 RC0001

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date		Monthly tax instalments	Instalments paid	Cumulative difference	Instalments payable
2013-01-31		60,211			60,211
2013-02-28		60,211			60,211
2013-03-31		40,933			40,933
2013-04-30		40,933			40,933
2013-05-31		40,933			40,933
2013-06-30		40,933			40,933
2013-07-31		40,933			40,933
2013-08-31		40,933			40,933
2013-09-30		40,933			40,933
2013-10-31		40,933			40,933
2013-11-30		40,933			40,933
2013-12-31		40,930			40,930
2014-01-31					44,146
2014-02-28					44,146
	Total	529,749			618,041

Corporate Identification and Other Information

Internal information for the preparer

Tax Preparer's Profile used BDO T2

Personalized identification number _____ **Client code** _____

Partner _____ **Date needed** _____

Preparer _____ **Delivery method** _____

Reviewer _____ **Other** _____

Assigned to _____

CCH Practice

Client ID _____ **Engagement** _____

These fields are automatically updated if the tax return is linked with CCH Practice (Time & Billing software). To get more information about integration with CCH Practice, please consult the online help by pressing F1.

Import GIFI data

To import GIFI data from an accounting software application proceed as follows: on the **File** menu, click **Import Data**, then click **GIFI File**.

Transfer GIFI data

Once you have completed the GIFI schedules or imported the GIFI data, you can transfer specific amounts from the GIFI to the applicable return and schedules by answering "**Yes**" to the question:

Do you want to transfer GIFI amounts to the applicable return and schedules? . . . . . [X] Yes [ ] No

Note 1: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

Note 2: For more details see the *List of Data Transferred to the Return and Schedules*.

Identification

Corporation's name (Legal name) . . . . . **002** North Bay Hydro Distribution Limited

Abbreviated name . . . . . North Bay Hydro Distribution Limited

(If the legal name exceeds the viewable portion, enter an abbreviated name, otherwise, it will be truncated for print and display purposes)

Corporate residence

Provincial or territorial jurisdiction . . . . . **750** ON Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
[ ]	[ ]	[ ]	[ ]	[X]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

Is the corporation a resident of Canada? . . . . . **080** [X] Yes [ ] No

If **no**, give the country of residence and **complete and attach** Schedule 97. . . . . **081** _____ _____

Is the non-resident corporation claiming an exemption under an income tax treaty? If **yes**, complete and attach Schedule 91. . . . . **082** [ ] Yes [X] No

Tax year information

Tax year start	060	2012-01-01
Tax year end	061	2012-12-31
Number of days in tax year (maximum of **371** days)		366
If the taxation year exceeds 365 days and no taxation year ends in the preceding calendar year, is the taxation year deemed under subsection 249(3) ITA to end the last day of the preceding calendar year*?		☐ Yes ☒ No
Is the tax year a full year with a floating year-end?		☐ Yes ☒ No
Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year?	063	☐ Yes ☒ No
If **yes**, provide the date control was acquired	065	
Is the date on line 061 a deemed tax year-end according to:		
subparagraph 88(2)(a)(iv)?	064	☐ Yes ☒ No
subsection 249(3.1)?	066	☐ Yes ☒ No
Is this the first year of filing after: Incorporation?	070	☐ Yes ☒ No
Date of incorporation		1999-12-10
Is this the first year of filing after: Amalgamation?	071	☐ Yes ☒ No
Date of amalgamation		
Has there been a wind-up of a subsidiary under section 88 during the current tax year? If **yes**, complete and attach Schedule 24.	072	☐ Yes ☒ No
Is this the final tax year before: Amalgamation?	076	☐ Yes ☒ No
Date of amalgamation		
Is this the final return: Up to dissolution?	078	☐ Yes ☒ No
Date of dissolution		
If an election was made under section 261, state the functional currency used	079	
Relevant spot rate for the first day of the particular taxation year		
Jurisdiction incorporated		
Federal		☐
Province		ON Ontario
Other (please specify):		

* For more information, press F1 to consult the Help.

Amended tax return

For more details, press F1 to consult the Help.

Is this an amended federal tax return? 997 ☐ Yes ☒ No

If **yes**, complete Form Line 996 – *Amended Tax Return – Description of Changes*.

Go to form Line 996

Is this an amended Alberta tax return? ☐ Yes ☒ No

Is this an amended Québec tax return? ☐ Yes ☒ No

If **yes**, Complete Form CO-17.R, *Request for an Adjustment to a Corporation Income Tax Return*.

Go to form CO-17.R

Account numbers

Federal	**Business Number (BN)**	**001**	88246 3128 RC0001
British Columbia	Account number		
Alberta	Account number (CAN)		
Saskatchewan	Account number		
Manitoba	Account number		
Ontario	Corporation Number (MGS)		1390858
Québec	Québec enterprise number (NEQ)		
	Identification number		
New Brunswick	Account number		
Nova Scotia	Account number		
Prince Edward Island	Account number		

General information

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

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify): _____

Did the type of corporation change during the tax year*?		[ ] Yes	[X] No
If the type of corporation changed during the tax year, provide the effective date of the change	043	_____	
Is the corporation a professional corporation that is a member of a partnership*?	067	[ ] Yes	[X] No
Has the corporation made an election under subsection 89(11) not to be a CCPC in the current year*?	266	[ ] Yes	[X] No
Has the corporation made an election under subsection 89(11) not to be a CCPC in a prior year and this election has not been revoked*?		[ ] Yes	[ ] No
Has the corporation revoked any previous election made under subsection 89(11) in the current year*?	267	[ ] Yes	[X] No
Has the corporation revoked any previous election made under subsection 89(11) in the previous year*?		[ ] Yes	[ ] No
Is this a deposit insurance corporation as defined in subsection 137.1(5) ITA*?		[ ] Yes	[X] No
Was the corporation a deposit insurance corporation in the preceding year*?		[ ] Yes	[X] No
If the corporation is other than a CCPC, is it eligible for SBD*?		[X] Yes	[ ] No
Is this a corporation subject to Part IV tax (other than a private corporation) or a mutual fund corporation deemed to be a private corporation for the purpose of Part IV tax under section 131(5) ITA*?		[ ] Yes	[X] No
Was the corporation associated with another corporation for purposes of the allocation of the business limit in the preceding year (subsection 125 ITA)*?		[X] Yes	[ ] No
Is the corporation a mortgage investment corporation (s.130.1)*?		[ ] Yes	[X] No
Is this an investment corporation*? (public corporation – see definition at 130(3))		[ ] Yes	[X] No
Is this a non-resident-owned investment corporation*?		[ ] Yes	[X] No
Is this a corporation trading in securities*?		[ ] Yes	[X] No
Is this a financial institution prescribed by Regulation*?		[ ] Yes	[X] No
Is this a bank*?		[ ] Yes	[X] No
Is this a loan or trust corporation*?		[ ] Yes	[X] No
Is this a cooperative corporation*? (136(2) ITA)		[ ] Yes	[X] No
If yes, is it a cooperative corporation that is a CCPC for the purpose of the general tax reduction and the small business deduction (136(1) ITA*)?		[ ] Yes	[X] No
Was the corporation a cooperative that is a CCPC for the purpose of the general tax reduction and the small business deduction (136(1) ITA) in the preceding year*?		[ ] Yes	[X] No
Is this a mutual fund corporation*?		[ ] Yes	[X] No
Is this an insurance corporation*?		[ ] Yes	[X] No
If insurance corporation, did corporation carry on life insurance business*?		[ ] Yes	[X] No
Is the corporation a credit union*?		[ ] Yes	[X] No
If yes, do you want the investment income (line 440 of Schedule 200) to be deducted from the calculation of the general tax reduction for CCPCs*?		[ ] Yes	[X] No
Is this an oil refining corporation (QTA 771.1)*?		[ ] Yes	[X] No
Is the corporation a registered charity under paragraph 149(1)f) ITA*?		[ ] Yes	[X] No
Is the corporation subject to the reporting requirements of the U.S. Securities and Exchange Commission?		[ ] Yes	[X] No

* For more information, press F1 to consult the Help.

Exempt Corporation

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

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

If *Yes*, heading on page 1 of federal and provincial jackets _____

Corporate addresses

Address of head office

Has this address changed since the last time we were notified?	010	☐ Yes	☒ No
Address – line 1	011	74 Commerce Court	
Address – line 2	012	P.O. Box 3240	
City	015	North Bay	
Province, territory, or state	016	ON	Ontario
Country (other than Canada)	017	CA	Canada
Postal Code	018	P1B 8Y5	
Zip Code or Foreign postal code	018		

Mailing address (if different from head office address)

Use address of preparer		☐ Yes	☒ No
Has this address changed since the last time we were notified?	020	☐ Yes	☒ No
c/o	021		
Address – line 1	022	74 Commerce Court	
Address – line 2	023	P.O. Box 3240	
City	025	North Bay	
Province, territory, or state	026	ON	Ontario
Country (other than Canada)	027	CA	Canada
Postal Code	028	P1B 8Y5	
Zip Code or Foreign postal code	028		

Location of books and records

Use address of preparer		☐ Yes	☒ No
Use address of head office		☒ Yes	☐ No
Has the location of books and records changed since the last time we were notified?	030	☐ Yes	☒ No
Address – line 1	031	74 Commerce Court	
Address – line 2	032	P.O. Box 3240	
City	035	North Bay	
Province, territory, or state	036	ON	Ontario
Country (other than Canada)	037	CA	Canada
Postal Code	038	P1B 8Y5	
Zip Code or Foreign postal code	038		

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	☐ Yes	☒ No
Is the corporation inactive?	280	☐ Yes	☒ No

What is the corporation's main revenue-generating business activity?
For more details, consult the Help.

221119 Other Electric Power Generation US

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.

		Product or service		%
1	284	Electricity Distribution	285	99.000
2	286	Other	287	1.000
3	288		289	

Did the corporation immigrate to Canada during the tax year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the tax year?	292	1 Yes ☐	2 No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes ☐	2 No ☐
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		
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes ☐	2 No ☐

Instalment paid

Federal	Schedule 200, line 840	Go to form T7B-1
Manitoba	MCT1	
Saskatchewan	SCT1 and SCT B1	
Alberta	AT1, line 082	
British Columbia	BCS, line E	
	FIN 542, line A	
Québec	CO-17, line 440	Go to form CO-1027
	COZ-1179, line 81	
Prince Edward Island	PE-Capital tax	
Nova Scotia	NS-Capital tax	
New Brunswick	NB-Capital tax	
Newfoundland and Labrador	NL-Capital tax	

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 ☒

Was an amount deducted under section 125 ITA in computing the corporation's tax payable for its preceding taxation year? Yes ☐ No ☒

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

Certification

Authorized signing officer

Title: Mrs Other:
Last name **950**: Tennant
First name **951**: Cindy
Position, office, or rank **954**: Manager, Finance
Date of signing (see note): 2013-05-23
Telephone number **956**: (705) 474-8100
Is the contact person the same as the authorized signing officer? **957** ☒ Yes ☐ No
Is the contact person the preparer? ☐ Yes ☒ No

Contact person if different from authorized signing officer **958**:
Telephone number **959**:

Additional information

Fax number:
Email address:
Cellular or pager number:
Foreign phone number:

Note: The current date is displayed by default. It is tranferred to all forms to sign where it can be overriden for the requirements of a particular form.

By overriding the date all the dates will be modified accordingly. It is also possible to modify all the dates that were not overridden from the print dialog box.

Language of correspondence – Langue de correspondance

990 Indicate your language of correspondence of your choice.
Indiquez la langue de correspondance de votre choix. English

Filing information

Disclaimer:

To appear on the last page of the T2 return . . . . . ☐

To appear on the last page of each GIFI forms . . . . . ☐

To appear on the last page of the T661 form (Schedule 32) . . . . . ☐

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

User-defined cells for reporting purposes

Description	Amount	Date

Canada Revenue Agency / Agence du revenu du Canada

INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Revenue Agency. You have to complete this return for each tax year.
- By completing part B and signing part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy for yourself. Under the Act, you have to keep your copy for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

This return is for your records. Do not send it to us unless we ask for it.

Part A – Identification

Name of corporation			
North Bay Hydro Distribution Limited			
Business Number	Tax year ▶	From Y M D	To Y M D
88246 3128 RC0001		2012-01-01	2012-12-31

Part B – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (line 300)	2,146,629
Part I tax payable (line 700)	319,669
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	206,637
Provincial tax on large corporations (line 765)	

Part C – Certification and authorization

I, Tennant (Last name in block letters) Cindy (First name in block letters) Manager, Finance (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information 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.

I authorize the transmitter identified in Part D to electronically file the corporation income tax return identified in Part A. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2013-05-23 (Date (yyyy/mm/dd)) _____ (Signature of an authorized signing officer of the corporation) (705) 474-8100 (Telephone number)

Part D – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part A.

Name of person or firm: BDO Canada LLP Electronic filer number: A3562

Privacy Act, Personal Information Bank number CRA PPU 047

Canada

EFILE Information

Corporate information

Corporate name	Business number (BN)
North Bay Hydro Distribution Limited	88246 3128 RC0001

EFILE

Status	Date	Confirmation number
Accepted		
Rejected		
The return has been modified since it was accepted.	☐	

Error codes (EFILE)

The program will display the EFILE error code(s) and description(s) in this section, where applicable.

Alberta Net File

Status	Date	Confirmation number
Accepted		
Rejected		
The return has been modified since it was accepted.	☐	

Error codes (Alberta Net File)

The program will display the Alberta Net File error code(s) and description(s) in this section, where applicable.

NetFile Québec or Clic Revenu

Status	Date	Confirmation number	Transmission service used
Accepted			
Rejected			
The return has been modified since it was accepted.	☐		

Error codes (NetFile Québec or Clic Revenu)

The program will display the NetFile Québec or Clic Revenu error code(s) and description(s) in this section, where applicable.

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.

All legislative references on this return are to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 Do not use this area

Identification

Business number (BN) 001 88246 3128 RC0001

Corporation's name
002 North Bay Hydro Distribution Limited

Address of head office
Has this address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 74 Commerce Court
012 P.O. Box 3240
City: 015 North Bay | Province, territory, or state: 016 ON
Country (other than Canada): 017 CA | Postal code/Zip code: 018 P1B 8Y5

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022 74 Commerce Court
023 P.O. Box 3240
City: 025 North Bay | Province, territory, or state: 026 ON
Country (other than Canada): 027 CA | Postal code/Zip code: 028 P1B 8Y5

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 [X]
(If **yes**, complete lines 031 to 038.)
031 74 Commerce Court
032 P.O. Box 3240
City: 035 North Bay | Province,territory, or state: 036 ON
Country (other than Canada): 037 CA | Postal code/Zip code: 038 P1B 8Y5

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

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

To which tax year does this return apply?
Tax year start: 060 2012-01-01 YYYY MM DD
Tax year-end: 061 2012-12-31 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 [X]
If **yes**, provide the date control was acquired 065 _____ YYYY MM DD

Is the date on line 061 a deemed tax year-end according to:
subparagraph 88(2)(a)(iv)? 064 1 Yes [ ] 2 No [X]
subsection 249(3.1)? 066 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

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

Is the corporation a resident of Canada?
080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081 _____

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	———
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates 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	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes	2 No X
Is the corporation inactive?	280	1 Yes	2 No X

What is the corporation's main revenue-generating business activity? 221119 Other Electric Power Generation US

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity Distribution	285	99.000 %
286	Other	287	1.000 %
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the tax year?	292	1 Yes	2 No X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes	2 No
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 (YYYY MM DD)	294		
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes	2 No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.		300		2,146,629 A
Deduct: Charitable donations from Schedule 2		311	15,500	
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			15,500 ▶	15,500 B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				2,131,129 C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions		355		D
Taxable income (amount C **plus** amount D)		360		2,131,129
Income exempt under paragraph 149(1)(t)		370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				2,131,129 Z

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8. Use 3.2 for tax years ending before 2012.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 2,146,629 A

Taxable income from line 360 on page 3, **minus** 100/28* 3.57143 of the amount on line 632** on page 7, **minus** 1/(0.38 - X***) 4 times the amount on line 636**** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** 2,131,129 B

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:

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

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** ***** 89,940 / 11,250 D = ... 3,997,333 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** F

Small business deduction

Amount A, B, C, or F, whichever is the least x 17 % = ... **430** G

Enter amount G on line 1 on page 7.

* 10/3 for tax years ending before November 1, 2011. The result of the multiplication by line 632 has to be pro-rated based on the number of days in the tax year that are in each period: before November 1, 2011, and after October 31, 2011.

** 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 based on the number of days in the tax year that are in each calendar year. See page 5.

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

***** **Large corporations**

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3*			2,131,129 A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27			B
Amount QQ from Part 13 of Schedule 27			C
Personal service business income**	432		D
Amount used to calculate the credit union deduction from Schedule 17			E
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least			F
Aggregate investment income from line 440 on page 6***			G
Total of amounts B to G		▶	H
Amount A **minus** amount H (if negative, enter "0")			2,131,129 I

Amount I	2,131,129	x	Number of days in the tax year before January 1, 2011 / Number of days in the tax year	366	x	10 %	=	J
Amount I	2,131,129	x	Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year	366	x	11.5 %	=	K
Amount I	2,131,129	x	Number of days in the tax year after December 31, 2011 / Number of days in the tax year	366 / 366	x	13 %	=	277,047 L

General tax reduction for Canadian-controlled private corporations – Total of amounts J to L . . . . . 277,047 M
Enter amount M on line 638 on page 7.

* For tax years ending after October 31, 2011, line 360 or amount Z, whichever applies.
** For tax years beginning after October 31, 2011.
*** 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
Personal service business income*	434		Q
Amount used to calculate the credit union deduction from Schedule 17			R
Total of amounts O to R		▶	S
Amount N **minus** amount S (if negative, enter "0")			T

Amount T		x	Number of days in the tax year before January 1, 2011 / Number of days in the tax year	366	x	10 %	=	U
Amount T		x	Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year	366	x	11.5 %	=	V
Amount T		x	Number of days in the tax year after December 31, 2011 / Number of days in the tax year	366 / 366	x	13 %	=	W

General tax reduction – Total of amounts U to W X
Enter amount X on line 639 on page 7.

* For tax years beginning after October 31, 2011.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . . **440** _____ x 26 2 / 3 % = ... _____ A

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

Deduct:

Foreign investment income from Schedule 7 . . . . . **445** _____ x 9 1 / 3 % = _____
(if negative, enter "0") _____ ▶ _____ B

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

Taxable income from line 360 on page 3 2,131,129

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____

Foreign non-business income tax credit from line 632 on page 7 . . . _____ x 25/9* / 100 / 35 = _____

Foreign business income tax credit from line 636 on page 7 . . . . . _____ x 1(0.38 - X**) / 4 = _____

_____ ▶ _____

2,131,129

x 26 2 / 3 % = 568,301 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . . 319,669 E

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

* 100/35 for tax years beginning after October 31, 2011.

** General rate reduction percentage for the tax year. It has to be pro-rated based on the number of days in the tax year that are in each calendar year. See page 5.

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 . . . . . 618,676 x 1 / 3 206,225 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** 809,829 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 2,131,129

Deduct:
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . .

Net amount . . . . . 2,131,129 ▶ 2,131,129 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) 809,829 D

Deduct:

Small business deduction from line 430 on page 4 1

Federal tax abatement **608** 213,113

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** 277,047

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 490,160 ▶ 490,160 E

Part I tax payable – Line D **minus** line E . . . . . 319,669 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	319,669
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		319,669

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	206,637	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 2012.)		206,637 ▶	206,637
Total tax payable	770		526,306 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	500,000	
Total credits	890	500,000 ▶	500,000 B

Refund code 894 Overpayment

Balance (line A **minus** line B) 26,306

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 26,306

Enclosed payment 898

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 ☒

Certification

I, 950 Tennant (Last name (print)) 951 Cindy (First name (print)) 954 Manager, Finance (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 2013-05-23 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation 956 (705) 474-8100 (Telephone number)

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

958 Name (print) 959 Telephone number

Language of correspondence – Langue de correspondance

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

990 1

Schedule of Instalment Remittances

Name of corporation contact _____
Telephone number _____

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2012-03-31		150,000
2012-07-31		150,000
2012-08-31		50,000
2012-10-05		50,000
2012-10-19		50,000
2012-11-21		50,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 500,000 **A**

Total instalments credited to the taxation year per T9 500,000 **B**

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	22,238,560	21,229,620
	Total tangible capital assets	2008	+	101,389,834	94,748,096
	Total accumulated amortization of tangible capital assets	2009	–	53,399,207	51,556,264
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	10,086,053	12,593,289
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	80,315,240	77,014,741
Liabilities					
	Total current liabilities	3139	+	10,786,722	12,619,194
	Total long-term liabilities	3450	+	40,604,361	37,040,286
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	51,391,083	49,659,480
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	28,924,157	27,355,261
	Total liabilities and shareholder equity	3640	=	80,315,240	77,014,741
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	9,412,556	7,843,660

***** Generic item

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
Cash and deposits					
	* Cash and deposits	1000		7,602,718	6,321,661
	Cash and deposits		+	7,602,718	6,321,661
Accounts receivable					
	* Accounts receivable	1060		5,776,761	5,481,406
	Holdbacks receivable	1068		7,740,920	7,890,803
	Accounts receivable		+	13,517,681	13,372,209
Inventories					
	* Inventories	1120		579,637	758,471
	Inventories		+	579,637	758,471
Other current assets					
	Taxes recoverable/refundable	1483			174,261
	Prepaid expenses	1484		538,524	603,018
	Other current assets		+	538,524	777,279
	Total current assets	1599	=	22,238,560	21,229,620

***** Generic item

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
Land							
	* Land	1600	+	533,116			533,044
	Total			533,116			
Buildings							
	* Buildings	1680	+	4,142,263			2,952,070
	*Accumulated amortization of buildings	1681			–	1,595,655	1,493,358
	Total			4,142,263		1,595,655	
Machinery, equipment, furniture and fixtures							
	* Machinery, equipment, furniture, and fixtures	1740	+	370,268			339,217
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	298,271	288,404
	Tools and dies	1744	+	1,470,534			1,401,099
	Accumulated amortization of tools and dies	1745			–	1,204,298	1,156,726
	Computer equipment/software	1774	+	3,384,755			3,141,913
	Accumulated amortization of computer equipment/software	1775			–	2,693,658	2,539,238
	Transportation equipment	1783	+	2,623,313			2,395,854
	Accumulated amortization of transportation equipment	1784			–	1,616,558	1,371,589
	Other machinery and equipment	1785	+	96,477,174			90,033,612
	Accumulated amortization of other machinery and equipment	1786			–	47,748,915	46,285,969
	Total			104,326,044		53,561,700	
Other tangible capital assets							
	* Other tangible capital assets	1900	+	-8,236,870			-7,560,942
	*Accumulated amortization of other tangible capital assets	1901			–	-1,758,148	-1,579,020
	Other capital assets under construction	1920	+	625,281			1,512,229
	Total			-7,611,589		-1,758,148	
	Total tangible capital assets	2008	=	101,389,834			94,748,096
	Total accumulated amortization of tangible capital assets	2009			=	53,399,207	51,556,264

***** Generic item

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
	Other long-term assets				
	* Other long-term assets	2420		3,713,424	5,539,948
	Future (deferred) income taxes	2421		6,372,629	7,053,341
	Other long-term assets		+	10,086,053	12,593,289
	Total long-term assets	2589	=	10,086,053	12,593,289

***** Generic item

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
	Amounts payable and accrued liabilities				
	* Amounts payable and accrued liabilities	2620		9,811,963	10,559,713
	Amounts payable and accrued liabilities		+	9,811,963	10,559,713
	* Taxes payable	2680	+	26,306	
	Due to related parties				
	* Due to related parties	2860		235,517	129,310
	Interest payable to related parties	2862			8,064
	Advances due to related parties	2863			1,306,046
	Due to related parties		+	235,517	1,443,420
	* Current portion of long-term liability	2920	+	350,000	350,000
	Other current liabilities				
	* Other current liabilities	2960		275,247	158,518
	Deposits received	2961		87,689	107,543
	Other current liabilities		+	362,936	266,061
	Total current liabilities	3139	=	10,786,722	12,619,194

***** Generic item

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
Long-term debt					
	* Long-term debt	3140		2,566,667	2,916,667
	Long-term debt		+	2,566,667	2,916,667
Due to shareholder(s)/director(s)					
	* Due to shareholder(s)/director(s)	3260		23,365,398	19,511,601
	Due to shareholder(s)/director(s)		+	23,365,398	19,511,601
Other long-term liabilities					
	* Other long-term liabilities	3320		14,672,296	14,612,018
	Other long-term liabilities		+	14,672,296	14,612,018
	Total long-term liabilities	3450	=	40,604,361	37,040,286

***** Generic item

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	19,511,601	19,511,601
	* Retained earnings/deficit	3600	+	9,412,556	7,843,660
	Total shareholder equity	3620	=	28,924,157	27,355,261

***** Generic item

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	7,843,660	5,280,404
	* Net income/loss	3680	+	2,187,572	3,254,387
Dividends declared					
	* Dividends declared	3700		618,676	691,131
	Dividends declared		–	618,676	691,131
	Retained earnings/deficit – end	3849	=	9,412,556	7,843,660

***** Generic item

Financial Statements – Five Years

This form is the result of the compilation of the data entered in the GIFI forms. This form is provided as a complement of information and do not replace in any ways the traditional financial statements.

This form reproduces the financial statements as they appear in the *CCH Profit Driver* program further to the export process. Consult the context-sensitive help to learn more about *CCH Profit Driver* and about how to export the data towards this program.

Model Properties

Corporation's name	North Bay Hydro Distribution Limited
Group name	
Business number	88246 3128 RC0001
Industry code	
Industry type	Electricity Distribution
Legal form	
Primary contact	Cindy Tennant
Contact number	(705) 474-8100
Contact email	
Address	
Street address	74 Commerce Court P.O. Box 3240
City	North Bay
Province/State	ON
Postal code	P1B8Y5
Country	CA

Information about the preparer

Partner		Manager	
Analyst		Auditor	

Income Statement

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Revenue	12,548,286	12,207,754	11,645,606	10,846,023	11,353,062
Revenue	12,548,286	12,207,754	11,645,606	10,846,023	11,353,062
Returns and allowances (-)					
COGS					
COGS					
Depreciation (tangible assets)					
Gross Profit	12,548,286	12,207,754	11,645,606	10,846,023	11,353,062
Operating expenses	3,425,451	4,269,136	3,885,912	3,678,651	3,606,825
Operating expenses	1,340,969	1,312,141	1,096,379	1,097,439	1,283,857
Amortization (intangible assets)			2,789,533	2,581,212	2,322,968
Depreciation (tangible assets)	2,084,482	2,956,995			
Bad debts written off					
Salaries and wages					
Officer compensation					
Lease/rent expense					

Income Statement (continued)

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Other expense (income)	5,144,746	3,974,500	4,907,290	6,989,137	5,686,644
Other expenses	5,492,298	5,230,803	4,908,240	6,994,419	5,677,321
Interest income (-)					
Other income (-)		-1,252,656			
(Gain)/Loss disp. of assets	-347,552	-3,647	-950	-5,282	9,323
Gain on derivatives (-)					
Loss on derivatives					
Income from subs/other (-)					
Non cash income (-)					
Non cash expenses					
EBIT	3,978,089	3,964,118	2,852,404	178,235	2,059,593
Interest expense					
Interest expense					
Deferred interest					
Capitalized interest (-)					
Profit before tax	3,978,089	3,964,118	2,852,404	178,235	2,059,593
Taxes	657,946	709,731	734,285	81,634	643,734
Taxes	533,438	709,731			
Future (def) income tax	124,508		734,285	81,634	643,734
Income tax credit (-)					
Non-Tax (income)/expenses					
Non-Tax (income)/expenses					
Extraordinary items					
Minority interest					
Net income	3,320,143	3,254,387	2,118,119	96,601	1,415,859
Dividends	618,676	691,131	1,350,000	1,332,950	1,000,000
Dividends	618,676	691,131	1,350,000	1,332,950	1,000,000
Withdrawals					
Dividends – Stock					
Adjustments			501,772		1,823,165
Adjustments			501,772		1,823,165
Currency adjustment					
Retained earnings	2,701,467	2,563,256	266,347	-1,236,349	-1,407,306

Balance Sheet

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Cash and equivalents	7,602,718	6,321,661	5,900,680	9,398,403	12,212,777
Cash and equivalents	7,602,718	6,321,661	5,900,680	9,398,403	12,212,777
Short term liquid deposits					
Marketable securities					
Acc receivable	13,517,681	13,372,209	13,169,729	12,538,408	11,021,030
Acc receivable	13,517,681	13,372,209	13,169,729	12,538,408	11,021,030
Allow. – Doubt. accts (-)					
Inventory	579,637	758,471	786,111	796,498	762,697
Inventory	579,637	758,471	786,111	796,498	762,697
Raw materials					
Work in progress					
Finished goods					
Prov. slow moving/obs (-)					
Other curr assets	538,524	777,279	755,275	277,638	226,075
Other curr assets					
Tax receivable		174,261			
Notes receivable					
Non trade receivables					
Prepaid expenses	538,524	603,018	755,275	277,638	226,075
Loans to rel. parties – CP					
Future (def) income tax – CP					
Due from rel. parties – CP					
Costs in excess of billings					
Derivative assets – CP					
Non op current assets					
Current assets	22,238,560	21,229,620	20,611,795	23,010,947	24,222,579
Fixed assets	47,990,627	43,191,832	37,624,056	34,327,570	30,515,241
Fixed assets	-7,611,589	-6,048,713	-7,096,812	-6,191,811	-5,267,808
Land	533,116	533,044	526,739	455,113	398,727
Buildings	4,142,263	2,952,070	2,809,332	2,796,676	2,658,406
Leasehold improvements					
Equipment	104,326,044	97,311,695	90,366,260	83,539,255	76,655,396
Vehicles					
Furniture and fixtures					
Capital leases					
Capital work in progress					
Accumulated depn (-)	-53,399,207	-51,556,264	-48,981,463	-46,271,663	-43,929,480
Investments					
Investments					
Investment in subs					

Balance Sheet (continued)

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Other non curr assets	10,086,053	12,593,289	11,956,046	10,637,087	3,533,285
Other non curr assets	3,713,424	5,539,948	4,676,973	5,206,289	2,171,824
Intangibles					
Notes receivable					
Future (def) income tax	6,372,629	7,053,341	7,279,073	5,430,798	
Loans to rel. parties – NC					1,332,950
Prepaid/deferred exps – NC . . .					28,511
Cash value life insurance					
Derivative assets – NC					
Non op non curr assets					
Non curr assets	58,076,680	55,785,121	49,580,102	44,964,657	34,048,526
Total assets	80,315,240	77,014,741	70,191,897	67,975,604	58,271,105

Balance Sheet (continued)

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Short term debt	350,000	350,000	115,264	117,861	72,364
Short term debt					
Current maturity LTD	350,000	350,000	115,264	117,861	72,364
Capital leases – CP					
Subordinated debt – CP					
Overdraft – Book					
Overdraft – Financing					
Line of credit					
Loans payable other					
Accounts payable	9,811,963	10,559,713	8,132,979	9,312,916	7,905,209
Accounts payable	9,811,963	10,559,713	8,132,979	9,312,916	7,905,209
Other curr liabilities	624,759	1,709,481	209,915	23,056	5,003,140
Other curr liabilities	275,247	158,518			
Accruals					
Tax payable	26,306		143,348		45,143
Dividends payable					
Interest payable					
Provisions					4,264,214
Due to rel. parties – CP	235,517	1,443,420	66,567	23,056	
Non trade creditors					
Billings in excess of costs	87,689	107,543			693,783
Future (def) income tax – CP					
Loans from rel. comp. – CP					
Derivative liabilities – CP					
Non operating curr liabs					
Current liabilities	10,786,722	12,619,194	8,458,158	9,453,833	12,980,713
Long term debt	2,566,667	2,916,667	2,785,974	1,911,280	
Long term debt	2,566,667	2,916,667	2,785,974	1,911,280	
Long term capital lease					
LT subordinated debt					
Deferred debt					
Deferred interest					
Other non current liabs	38,037,694	34,123,619	34,155,760	32,084,833	19,528,385
Other non current liabs	14,672,296	14,612,018	14,644,159	12,573,232	
Future (def) income tax – NC					
Due to rel. parties – NC					16,784
Provisions					
Minority interest					
Deferred revenue					
Loans from related Co – NC	23,365,398	19,511,601	19,511,601	19,511,601	19,511,601
Derivative liabilities – NC					
Non op non curr liabs					
Non current liabilities	40,604,361	37,040,286	36,941,734	33,996,113	19,528,385
Total liabilities	51,391,083	49,659,480	45,399,892	43,449,946	32,509,098

Balance Sheet (continued)

	Current year 2012-12-31	1st prior year 2011-12-31	2nd prior year 2010-12-31	3rd prior year 2009-12-31	4th prior year 2008-12-31
Stockholding	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Stockholding					
Preferred stock					
Common stock	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Paid in capital					
Other equity					
Other equity					
Stockholders loans					
Minority interest					
Reserves					
Treasury stock (-)					
Subordinated debt – Equity					
Accumulated OCI					
Currency adjustment					
Accumulated R/E	10,545,127	7,843,660	5,280,404	5,014,057	6,250,406
Retained earnings from I/S	2,701,467	2,563,256	266,347	-1,236,349	-1,407,306
Previous balance	7,843,660	5,280,404	5,014,057	6,250,406	7,657,712
Adjustments					
Equity	30,056,728	27,355,261	24,792,005	24,525,658	25,762,007
Liabilities & Equity	81,447,811	77,014,741	70,191,897	67,975,604	58,271,105

BDO Canada LLP
142 Main Street West
North Bay ON P1B 2T5
Tel.: (705) 495-2000
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May 23, 2013

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Notice to Reader

Statement of income

The corporation's income statement on December 31, 2012 has been prepared solely for income tax purposes based on information provided by North Bay Hydro Distribution Limited without audit or review.

Readers are cautioned that these statements may not be appropriate for their purposes.

Signed in North Bay on May 23, 2013,

_____

Signature
BDO Canada LLP

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

Income statement information

Description	GIFI

Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
Income statement information					
	Total sales of goods and services	8089	+	12,548,286	12,207,754
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	12,548,286	12,207,754
	Cost of sales	8518	+		
	Total operating expenses	9367	+	8,913,689	9,499,939
	Total expenses (mandatory field)	9368	=	8,913,689	9,499,939
	Total revenue (mandatory field)	8299	+	11,759,207	13,464,057
	Total expenses (mandatory field)	9368	–	8,913,689	9,499,939
	Net non-farming income	9369	=	2,845,518	3,964,118
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	2,845,518	3,964,118
	Total other comprehensive income	9998	=		
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	533,438	709,731
	Future (deferred) income tax provision	9995	–	124,508	
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,187,572	3,254,387

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	12,548,286	12,207,754
	Total sales of goods and services	8089	=	12,548,286	12,207,754
Realized gains/losses on disposal of assets					
	* Realized gains/losses on disposal of assets	8210		347,552	3,647
	Realized gains/losses on disposal of assets		+	347,552	3,647
Other revenue					
	* Other revenue	8230		-1,132,571	1,244,278
	Foreign exchange gains/losses	8231		-4,060	8,378
	Other revenue		+	-1,136,631	1,252,656
	Total revenue	8299	=	11,759,207	13,464,057

***** Generic item

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
Advertising and promotion					
	Donations	8522		15,550	107,153
	Advertising and promotion		+	15,550	107,153
	* Amortization of tangible assets	8670	+	2,084,482	2,956,995
Interest paid (financial institutions)					
	* Interest paid (financial institutions)	8740		1,268,236	1,146,402
	Interest paid (financial institutions)		+	1,268,236	1,146,402
	* Property taxes	9180	+	57,183	58,586
Other expenses					
	* Other expenses	9270		5,488,238	5,230,803
	Other expenses		+	5,488,238	5,230,803
	Total operating expenses	9367	=	8,913,689	9,499,939

***** Generic item

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 141

NOTES CHECKLIST

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- 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	X	2 No	
Is the accountant connected* with the corporation?	097	1 Yes		2 No	X

* 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	X
Completed a review engagement report	2	
Conducted a compilation engagement	3	

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	X

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	
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	

Were notes to the financial statements prepared?	101	1 Yes	X	2 No	

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

Are subsequent events mentioned in the notes?	104	1 Yes	X	2 No	
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes		2 No	X
Is contingent liability information mentioned in the notes?	106	1 Yes	X	2 No	
Is information regarding commitments mentioned in the notes?	107	1 Yes	X	2 No	

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

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	**210**		**211**	
Intangible assets	**215**		**216**	
Investment property	**220**			
Biological assets	**225**			
Financial instruments	**230**		**231**	
Other	**235**		**236**	

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: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2012-01-01

Tax Year End: 2012-12-31

1. Cash and Cash Equivalents

Cash and cash equivalents includes $Nil (2011 $2,441,938) in short term investments with maturities of less than 90 days. The interest rate on the bank account is prime less 1.75%.

2. Accounts Receivable

	2012	2011
Electrical energy	$ 5,364,419	$ 5,201,622
Street lighting	247,164	135,774
Landfill gas	205,313	-
Sundry	710,751	849,724
Allowance for doubtful accounts	(750,886)	(705,714)
	$ 5,776,761	$ 5,481,406

The company's accounts receivables are made up of a large number of small balances from residential customers and commercial customers in a number of different industries.

3. Property, Plant and Equipment

	2012			2011	
	Estimated useful life (yrs)	Cost)	Accumulated Amortization	Cost	Accumulated) Amortization
Electrical Distribution Assets					
Land		$ 446,565	$ -	$ 446,493	$ -
Buildings	30 50	1,728,007	333,314		

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2012-01-01

Tax Year End: 2012-12-31

769,641	306,963						
Substation equipment	40	50	11,016,436	4,215,467	11,844,406	4,156,526	
Poles, towers and fixtures	45		20,054,943	11,176,939	18,921,361	10,904,838	
Overhead conductor and devices	60		15,639,134	8,529,292	14,818,361	8,332,106	
Underground conduit and conductor	40	50	7,709,548	4,665,118	7,522,233	4,563,580	
Distribution transformers	40		16,002,784	9,195,390	15,372,657	8,975,516	
Overhead and underground services	40	60	17,526,406	6,528,200	16,921,975	6,143,321	
Distribution meters	10	25	4,079,350	2,742,039	4,010,477	2,619,365	
Total electrical distribution assets			94,203,173				
47,385,759	90,627,604	46,002,215					
General Assets							
Land	86,551	-	86,551	-			
Buildings	25	50	2,414,256	1,262,341	2,182,429	1,186,395	
Office equipment	10		370,268	298,271			

339,217 288,404

Computer equipment 5 2,040,190 1,626,621

1,847,047 1,527,478

Transportation equipment 5 8 2,623,313 1,616,558

2,395,854 1,371,589

Small tools and miscellaneous

equipment 10 1,470,534 1,204,298

1,401,099 1,156,726

Load management controls 6 622,142 592,346

622,142 590,717

System supervisory

equipment 15 20 1,342,401 1,064,873

1,294,866 1,011,760

Total general assets 10,969,655 7,665,308

10,169,205 7,133,069

Sub total $ 105,172,828 $ 55,051,067 $

100,796,809 $ 53,135,284

3. Property, Plant and Equipment (continued)

Sub total (from previous page) $ 105,172,828 $

55,051,067 $ 100,796,809 $ 53,135,284

Electrical Generation Assets

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2012-01-01
Tax Year End: 2012-12-31

Merrick Landfill Project	5	15	3,828,595	106,288	-	-
Work in Process						
Electrical Distribution Assets			625,281	-	-	-
Merrick landfill project			-	-	1,512,229	-
Total Work in Process			625,281	-	1,512,229	-
			109,626,704	55,157,355	102,309,038	53,135,284
Less: Contributions in aid of construction	25	60	8,236,870	1,758,148	7,560,942	1,579,020
			$ 101,389,834	$ 53,399,207	$ 94,748,096	$ 51,556,264
Net book value			$ 47,990,627	$ 43,191,832		

4. Regulatory Assets and Liabilities

All amounts deferred as regulatory assets are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators, at which time any resulting change would be reflected in the financial

statements. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the company has recorded the following amounts expected to be recovered by customers (returned to customers) in future periods and as such regulatory assets (liabilities) are comprised of:

	Remaining recovery period (years)		2012	2011
Regulatory Assets				
Connection (i)	2	4	$ 215,740	$ 466,125
Network (i)	2	4	372,064	879,279
Rural rate assistance (i)	2	4	(2,688)	9,312
Power (i)	2	4	23,872	628,777
Low voltage (i)	2	4	21,893	36,600
Carrying charges power (ii)	2	4	(1,972)	22,110
Carrying charges other (ii)	2	4	59,245	274,146
Carrying charges 2010 recovery (ii)	1		-	699,055
Carrying charges 2012 recovery (ii)	2		969,176	-
Disposition/recovery 2010 (xi)	1		1,445	-
Disposition/recovery 2012 (xvi)	2		155,012	-
Smart meter initiatives (vi)	2	4	1,824,097	1,885,501

2008 HONI regulatory Asset	1	994	994
Deferred payments in lieu of taxes (iii)	2	-	554,291
IFRS (viii)	4	38,789	42,850
Special purpose assessment (ix)	1	1,659	6,809
Conservation and demand initiatives (x)	2 4	34,098	34,098
		$ 3,713,424	$ 5,539,947

4. Regulatory Assets and Liabilities (continued)

Regulatory Liabilities

	Remaining recovery period (years)	2012	2011
Wholesale market services (i)	2 4	(1,344,857)	(1,367,583)
Deferred payments in lieu of taxes (iii)	2	(197)	(197)
Retail cost variances (v)	2 4	(321,566)	(281,503)
2006 storm costs (vii)	2 4	(1,839)	(1,868)
Disposition/recovery 2010 (xi)	1	-	(664,619)
Smart grid initiatives (xii)	4	(35,179)	(31,769)
Hydro One regulatory asset recovery (xiii)	2 4	(3,668)	(3,642)

Tax savings (xiv)	2	4	(46,209)	(16,285)
CGAAP changes (iv)	2	4	(1,132,571)	-
Future income taxes (xv)	5	25	(6,497,137)	(7,053,341)
			(9,383,223)	(9,420,807)
Net Regulatory Liabilities			$ (5,669,799)	$ (3,880,860)

In the absence of rate regulation, these rate regulated assets and liabilities would be recognized in income in the year in which they relate. As a result, the net effect on income would be a decrease to net income for the period of $1,788,939 (2011 increase to net income of $928,077).

i. Post market opening retail settlement variances

Post market opening retail settlement variances represent the amounts that have accumulated since Market Opening and are comprised of variances between amounts charged by the Independent Electric Service Organization (IESO) for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges and the amounts collected from customers by the company based on the OEB approved wholesale market service rate. Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook. The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2012 would have been higher by $1,366,486 (2011 higher by $44,738, excluding the write off below). As a component of the

yearly IRM, "Group 1" account balances (which are composed of Low Voltage, Wholesale Market, Network, Connection and Power) are reviewed and will qualify for disposition if balances, including carrying charges, exceed a preset threshold per kWh.

4. Regulatory Assets and Liabilities (continued)

ii. Carrying charges

Carrying charges are calculated monthly on the opening balance of the applicable variance account using a specific interest rate as outlined by the OEB. The company did not recognize carrying charge income related to the retail settlement variance accounts for external reporting purposes prior to December 31, 2003. In the absence of rate regulation, the net of other revenues and interest expense would have been lower by $31,136 (2011 lower by $45,651).

iii. Deferred payments in lieu of taxes (PILs)

Deferred payments in lieu of taxes variance account tracks and records the variances that result from the differences between the OEB approved PILs amount and the amount of actual billings that relates to the recovery of PILs. On June 24, 2011 the OEB released a combined proceeding decision that established guiding principles for the determination of the amount of variance account and its subsequent disposition. The OEB advised hydro distribution companies in Ontario to include the disposition of the variance account as part of the 2012 IRM application process following the methodology set out in the combined proceeding. Following the established methodology, the company had requested the disposition of $1,776,381, including $523,419 in carrying charges. On April 4, 2012 the OEB released its decision in the company's proceeding and deemed a portion of the application not recoverable. As a result of the decision, the company has recorded a $554,291 regulatory asset

related to PILs, and carrying charges of $238,855. The result of this change in methodology has resulted in an increase to net income of $1,224,278 and a reduction of $78,702 related to carrying charges. The OEB approved the disposition of net regulatory assets and liabilities over a two year period commencing May 1, 2012 and ending April 30, 2014 (Note 4xvi).

4. Regulatory Assets and Liabilities (continued)

iv. Canadian Generally Accepted Accounting Principles (CGAAP) Changes

On July 8, 2010, the OEB released a depreciation study for use by electricity distributors in the transition to IFRS. The results of this study were released in a report by a 3rd party consultant, Kinetrics, and provided information and guidance that the OEB expected LDCs to consider as asset service lives were determined under IFRS. Though the company has elected to defer transition to IFRS until mandatory, the release of this study provided the company with new information with regards to the estimates used for depreciation purposes. On July 17, 2012 the OEB released a further letter providing guidance to LDCs with regards to regulatory accounting policy direction for changes to depreciation expense and capitalization for companies deferring IFRS transition but seeking to make changes to depreciation and capitalization. The Board has approved variance Account 1576, Accounting Changes Under CGAAP, for distributors to record the financial differences arising as a result of the election to make accounting changes to depreciation; the difference is a reflection of the revised depreciation expense in comparison to the depreciation that would have been recorded under previous service life terms and thus included in rates charged to customers.

The cumulative variance in this account will be refunded to ratepayers in the year of the company's next cost of service application through an adjustment

to depreciation expense over an approved amortization period pending review and approval by the OEB.

v. Retail cost variances

Retail cost variances were established to record the difference between the amount billed and the incremental costs of providing retail services and to record the difference between the amount billed in relation to a service transaction request and the incremental costs of providing the initial screening and actual processing services for the service transaction request. Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook.

The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2012 would have been higher by $40,063 (2011 higher by $52,423). The deferred balance for unapproved settlement variances continues to be calculated in accordance with the OEB's direction. The manner and timing of disposition of the variance has not been determined by the OEB.

4. Regulatory Assets and Liabilities (continued)

vi. Smart Meter Initiatives

During 2006, the OEB adopted recommendations on smart meters with regard to cost recovery during the phase in period of this equipment. The OEB stated that given the increased need for electricity and the importance of conservation, specific funding for smart meters should be included in 2006 rates by all Ontario electric LDC. Variance accounts were established to track revenues collected with respect to smart meters and associated costs of the initiatives.

In connection with its smart meter initiatives, the company has incurred costs

amounting to $79,086 for the year ended December 31, 2012 (2011 $311,703). As at December 31, 2012, smart meter capital expenditures, net of accumulated depreciation, totalling $2,283,783 have been recorded to regulatory assets (December 31, 2011 $2,410,024). These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been higher in 2012 by $64,836 (2011 higher by $50,895) and net capital assets would have been lower by $126,240 (2011 lower by $57,301).

vii. 2006 Storm Costs

During 2006 the company was affected by a significant storm which disrupted services in the area for approximately one week. The company applied for rate approval to recover costs associated with this disruption. Accordingly, the company has deferred these costs against which, future revenues will be applied. In the absence of rate regulation, net income would have been higher in 2012 by $29 (2011 higher by $3).

viii. IFRS

During 2008, the OEB consultation process (EB 2008 0408) was set up to determine the effect of IFRS on LDC companies. The consultation concluded that prudently incurred administrative costs directly related to IFRS transition would be recoverable from ratepayers on the same basis as other administrative costs. The Board then established a deferral account for the distributors for incremental one time administrative costs related to the transition to IFRS. Accordingly, the company has deferred an additional $20,939 (2011 $25,786) of incremental one time administrative costs. The Board, in determining the disposition of the account, will consider the criteria of causation, materiality and prudence. In the 2010 cost of service application, the Company was approved to recover $100,000 over four years in

distribution rates. In the absence of rate regulation, net income would have been lower in 2012 by $4,061 (2011 lower by $24,214).

4. Regulatory Assets and Liabilities (continued)

ix. Special purpose assessment

On April 9, 2010, the OEB informed electricity distributors of a Special Purpose Charge ["SPC"] assessment under Section 26.1 of the Ontario Energy Board Act, 1998, for the Ministry of Energy and Infrastructure conservation and renewable energy program costs. The OEB has assessed the company the amount of $221,575 for its apportioned share of the total provincial amount of the SPC of $53,695,000 in accordance with the rules set out in Ontario Regulation 66/10 [the "SPC Regulation"]. In accordance with Section 9 of the SPC Regulation, the company will be allowed to recover this balance. The recovery is to be achieved over a one year period, starting May 1, 2010.
This variance account relates to the difference between the amount remitted to the Ministry of Finance for the company's SPC assessment, and the amounts recovered from customers, which commenced on May 1, 2011. Carrying charges shall apply to the monthly opening balance in the variance account. The SPC Regulation states that the company shall apply to the OEB no later than April 15, 2012 for an order authorizing the disposition of any remaining debit or credit balance in the SPC variance account. The company applied for disposition in it's 2012 IRM application for the balance owing as at December 31, 2011. The OEB approved the disposition of the SPC variance account for the balance as of April 30, 2011 in the amount of $5,139 plus carrying charges to April 30, 2012 (Note 4xvi). As at December 31, 2012, the account consists of the additional billing that occurred between May 1, 2011 and December 31, 2011. In the absence of rate regulation, net income would have been lower by $1,659 (2011 lower by $6,809).

x. Conservation and demand initiatives

On September 16, 2010, the OEB issued the Conservation and Demand Management ("CDM") Code for Electricity Distributors. The new code requires all LDCs to achieve preset conservation targets as a condition of its license. In addition, LDCs were required to file a CDM strategy with the OEB for approval. Accordingly, the company filed its strategy with the OEB and received a letter of acknowledgement on January 24, 2011.

Per OEB FAQ guidelines, costs related to Board Approved CDM programs are to be tracked in this variance account; disposition shall be made at the time specified by the Board and in the manner specified by the Board. Carrying charges following the OEB prescribed methodology and related rates are applicable. In the absence of rate regulation, net income would have been lower by $Nil (2011 lower by $3,305).

xi. Disposition/recovery 2010

On October 26, 2009, the company filed a Cost of Service application for 2010 distribution rates with the OEB which included a request seeking disposition of the balances for regulatory assets and liabilities for a net disposition of $456,003. On April 8, 2010, the OEB approved the disposition of net regulatory assets of $2,559,106 and net regulatory liabilities of $2,103,102 over a one year period commencing May 1, 2010 and ending April 30, 2011.

4. Regulatory Assets and Liabilities (continued)

xii. Smart grid initiatives

In its April 8, 2010 decision on 2010 distribution rates, the OEB approved the company's proposal to charge customers a fixed monthly funding adder for spending related to two Real Time Operating Pilot programs; both a Residential and Industrial pilot program. The spending and funding adder are to be

tracked in a deferral account. Spending will take place over 2010 and through the IRM period until the next Cost of Service application up to a maximum approved amount of $100,000. Upon request for disposition, the OEB will consider the prudence of the company's expenditures and make a determination at that time of whether recovery will be approved.

In connection with its smart grid initiatives, the company has incurred costs amounting to $19,477 for the year ended December 31, 2012 (2011 $124). As at December 31, 2012, smart grid capital expenditures, net of accumulated depreciation, totaling $Nil (2011 $125) have been recorded to regulatory liabilities; the company has collected $22,888 (2011 $22,861) from the funding adder to offset spending which has resulted in a liability. These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been higher in 2012 by $3,411 (2011 $22,861) and net capital assets would have been higher by $2,589 (2011 $2,589).

xiii. Hydro One regulatory asset recovery

The Hydro One RAR consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through rate riders billed to all Hydro One customers. The RAR is subject to carrying charges following the OEB prescribed methodology and related rates. The OEB approved the disposition (EB 2009 0096) over a 20 month period beginning May 2010, expiring December 2011. In the absence of rate regulation, net income would have been higher in 2012 by $26 (2011 $2,354).

4. Regulatory Assets and Liabilities (continued)

xiv. Tax Savings

In its supplemental Report of the Board on 3rd Generation Incentive Regulation

for Ontario's Electricity Distributors dated September 17, 2008, the OEB determined that a 50/50 sharing of the impact of currently known legislative changes, as applied to the tax level reflected in the Board approved base rates for a distributor, is appropriate for the 3rd Generation IRM applications. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% if the total change from those taxes included in the most recent cost of service base distribution rates.

In the company's 2012 IRM application, the OEB issued decision (OEB 2011 0187) and found that a 50/50 sharing of changes from the tax level reflected in the Board approved base rates to the currently known legislated tax level for 2012 is appropriate. The OEB ordered the company to record the tax sharing refund amount of $56,285 in variance account 1595 and dispose over the period of May 1, 2012 to April 30, 2013. In the company's 2011 IRM application, the OEB issued its decision (EB 2010 010) and ordered the company to record the tax sharing refund amount of $16,285 in variance account 1595 as the amount was deemed immaterial. In the absence of rate regulation, net income would have been higher in 2012 by $29,924 (2011 - higher by $16,285).

xv. Future Income Taxes

As a result of amendments to the CICA Handbook, the removal of a temporary exemption in Handbook Section 1100 pertaining to the application of that section resulted in the recognition and measurement of assets and liabilities arising from rate regulation. This change required the recognition of future income tax liabilities and assets in accordance with Handbook Section 3465 as well as a separate regulatory asset or liability balance for the amount of future income taxes expected to be included in future rates and recovered from or paid to customers, and retain existing requirements to disclose the effects of rate regulation. As a result of these changes, the company has recorded a

regulatory liability in connection with its future tax asset in the amount of $6,497,137 (2011 $7,053,341).

4. Regulatory Assets and Liabilities (continued)

xvi. Disposition/recovery 2012

On October 14, 2011, the company filed a Cost of Service application for 2012 distribution rates (EB 2011 0187) with the OEB which included a request seeking disposition of the balances for regulatory assets and liabilities. On April 4, 2012, the OEB approved the disposition of net regulatory assets of $3,056,941 and net regulatory liabilities of $1,501,141 over a two year period commencing May 1, 2012 and ending April 30, 2014. The net disposition balance of $1,555,800 included deferred PILs in the amount of $795,863 (Note 4iii), SPC of $6,178 (Note 4ix) and group 1 balances of $753,760. The amounts consisted of principal balances as of December 31, 2010 with carrying charges projected to April 30, 2012.

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate setting purposes. Management continually assesses the likelihood of recovery of regulatory assets and realization of regulatory liabilities. If recovery and realization through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

5. Accounts Payable and Accrued Liabilities

	2012	2011
Power	$ 5,321,221	$ 4,985,633

Trade payables and accruals	3,755,481	4,735,326
Customer credit balances	735,260	838,754
	$ 9,811,962	$ 10,559,713

6. Employee Future Benefits

The company has a defined benefit life insurance and health care plan covering substantially all unionized employees and most retirees. Information about the company's defined benefit life insurance and health care plan is as follows:

	2012	2011
Prepaid benefit liability, beginning of year	$ 4,321,598	$ 4,208,039
Expense for the year	464,928	453,050
Benefits paid during the year	(380,544)	(339,491)
Prepaid benefit liability, end of year	$ 4,405,982	$ 4,321,598
Fair value of plan assets	$ -	$ -

	2012	2011
Prepaid benefit liability, end of year	$ 4,405,982	$ 4,321,598
Unamortized net actuarial losses	1,763,801	1,877,272

Projected accrued benefit obligation, end of year $ 6,169,783 $ 6,198,870

Included in wages and employee benefits is a net benefit expense as follows:

	2012	2011
Total service cost of the plan for the year	$ 91,372	$ 84,155
Interest on average liabilities	259,248	267,430
Amortization of net actuarial gains/losses	114,308	101,465
	$ 464,928	$ 453,050

Actual payments during the year were $380,544 (2011 $339,491).

6. Employee Future Benefits (continued)

The main actuarial assumptions employed for the valuations are as follows:

Expected average remaining service life of active employees 7 years

a. General Inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.0% per annum (2011 2.0%).

b. Interest (Discount) Rate

The obligation at year end, of the present value of future liabilities

and the expense for the year ended, were determined using a discount rate of 3.75% (2011 4.25%). The discount rate for 2012 reflects the assumed long term yield on high quality bonds as at January 1, 2010 (most recent valuation date). The next valuation is expected to be completed for fiscal 2013.

c. Salary Levels

Future general salary and wage levels were assumed to increase at 3.3% (2011 3.3%) based on expected CPI adjusted for productivity, merit and promotion as at January 1, 2010.

d. Medical Costs

Medical costs were assumed to increase 8% in 2010, 9.0% in 2011, 7.63% in 2012, 7.25% in 2013, 6.88% in 2014 and 6.5% thereafter.

e. Dental Costs

Dental costs were assumed to increase at 5.0% annually.

7. Long term Debt

a. Payable to Corporation of the City of North Bay Promissory Note

The balance payable to the Corporation of the City of North Bay bears interest at 5% per year, and is payable upon twelve month's written notice.

The fair value and future expected repayment schedules for this debt has not been disclosed due to the fact that the cash flow streams are not determinable.

b. Ontario Infrastructure Projects Corporation

The company negotiated a loan with the Ontario Infrastructure Projects Corporation to provide funding for the Smart Meter project. The loan is a 10 year serial loan at an interest rate of 3.90% calculated on a semi annual basis. The loan will be repaid in 120 monthly installments which will include both principal and interest. The loan balance at the end of the year was $2,916,667 (2011 $3,266,667), of which $350,000 is repayable within one

year.

The company's agreement with the Ontario Infrastructure Projects Corporation requires a debt service coverage ratio of 1:1, a debt to capital ratio lower than 60%, and a current ratio of 1.1:1 or higher. The agreement also prevents the company from making loans or paying dividends that would cause the violation of these covenants. As at December 31, 2012 the company's debt service coverage ratio calculated under the terms of the agreement was 1.32:1, the debt to capital ratio was 54%, and the current ratio was 2.07:1. As part of the financing proposal, the OIPC agreed to waive any debt service coverage ratio violation if working capital surplus was greater than the loan amount. As at December 31, 2012 the working capital surplus calculated under the terms of the contract was $11,541,218 greater than the loan amount.

c. Loan Payable to Corporation of the City of North Bay - Merrick Landfill

The company negotiated a loan with the City of North Bay to provide funding for the Merrick Landfill project. The loan is a 20 year serial loan at an interest rate of 4.90% calculated on a monthly basis. The loan will be repaid in 240 monthly installments which will include both principal and interest. The loan balance at the end of the year was $3,987,134, of which $133,336 is repayable within one year.

7. Long term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

	Ontario Infrastructure Projects Corporation	Loan Payable to the City of North Bay Merrick Landfill	Total
2013	$ 350,000	$ 133,336	$ 483,336

2014	350,000	128,981	478,981
2015	350,000	135,445	485,445
2016	350,000	142,233	492,233
2017	350,000	149,361	499,361
Thereafter	1,166,667	3,297,777	4,464,444
	$ 2,916,667	$ 3,987,133	$ 6,903,800

8. Contingencies

The company belongs to the Municipal Electrical Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a self insurance plan that pools the risks of all of its members. Any losses experienced by MEARIE are shared amongst its members. As at December 31, 2012, the company has not been made aware of any assessments for losses. The company has one claim outstanding against it and expects that any potential liability under this claim will be covered under the MEARIE liability policy.

9. Commitments

On October 9, 2009 the company entered into a 15 year contract with Sensus Metering Systems Inc. to maintain and further develop the AMI system that meets the MEU functional specifications related to the Smart Meter Project. The contract contains 3 renewal terms of 5 years each. The company elected to have the monthly fees billed in USD, instead of having the currency rate set on an annual basis in October of each year. Termination penalties apply if the company cancels the contract without cause, the related fees are based on a sliding scale for the year this takes place and the fees associated with the service option selected.

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2012-01-01
Tax Year End: 2012-12-31

10. Share Capital

Authorized:

Unlimited Common shares

The issued share capital is as follows:

2012		2011
1,001	Common shares	$ 19,511,601	$ 19,511,601

11. Cost of Power and Other Pass Throughs

2012		2011
Pass through charges billed by the company for:		
Electricity charges	$ 41,414,241	$ 39,461,790
Network and connection	6,086,266	5,635,297
Wholesale market service charges	2,912,108	3,205,998
Debt retirement charges	4,223,302	4,054,633
Regulatory asset recovery	435,601	148,782
Smart meter rider recovery	140,493	419,906
Smart grid rider recovery	22,917	22,864
Shared tax savings refund	(26,361)	-
	$ 55,208,567	$ 52,949,270

12. Related Party Transactions

The Corporation of the City of North Bay (the "City") is the 100% owner of North Bay Hydro Holdings Inc. which is the parent company of North Bay Hydro Distribution Limited and North Bay Hydro Services Inc.

At December 31, 2012, accounts payable and accrued liabilities includes $397,726 due to North Bay Hydro Holdings for payment of a 2012 dividend.

The company provides electricity and services to the City. A summary of the amounts charged by the company to the City is as follows:

	2012	2011
Electrical energy	$ 2,510,679	$ 2,428,415
Street light energy	856,557	764,610
Construction activity	12,330	62,344
Street light maintenance	506,064	158,299

At December 31, 2012, accounts payable and accrued liabilities includes $173,780 due to the City (2011 $155,942) and accounts receivable include $588,240 due from the City (2011 $335,125). The company purchased goods and services from the City totaling $371,589 in 2012 (2011 $234,970). In 2012, the company also provided CDM incentives to the City of North Bay totalling $4,425 (2011 $400). In 2012, the company began to generate power for sale into the grid. The company was charged $0.45 / kwh by the City for the use of the gas produced by its landfill site to generate this power for a total cost of power under this initiative paid to the City in the amount of $223,973 (2011 $Nil).

Electrical energy is sold to the City at the same prices and terms as other electricity customers consuming equivalent amounts of electricity.

Streetlight maintenance services are provided at rates determined in relation to other service providers. Other construction services are provided at cost.

During the year, the company paid municipal taxes to the City in the amount of $57,183 (2011 $58,586).

The company is also indebted to the City for a $19,511,601 (2011 $19,511,601) promissory note (see Note 7a). Included in interest expense for the year is interest paid on this promissory note in the amount of $975,580 (2011 $975,580).

The company provides administrative and other services to an affiliated company, North Bay Hydro Services Inc ("Services"). Administrative fees charged for 2012 were $49,354 (2011 $38,660). Salaries charged to Services were $234,637 (2011 $175,224) and contracted services totalling $68,342 were also charged to Services in 2012 (2011 $65,935). Rent charged to Services was $16,200 (2011 $11,100) and equipment charges was $9,836 (2011 $5,474). The intercompany accounts payable at year end was $102,176 (2011 $129,307). With regards to the Merrick Landfill Project, in 2012 the company was charged $77,142 (2011 $Nil) by Services for expenses related to this project, including an administration fee.

The above transactions are in the normal course of operations and are measured at exchange amounts.

13. Credit Facility / Letters of Credit

The company has an authorized line of credit under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is $1,000,000. At year end the company had drawn $Nil (2011 $Nil) under this facility.

The company has available a revolving term facility to a maximum draw of $1,000,000 to finance the purchase of capital assets. At year end the company had drawn $Nil (2011 $Nil) under this facility.

The company has a $2.5 million letter of credit with its bank provided to the

IESO to secure the company's hydro purchase obligations. The company has provided it's financial institution with a General Security Agreement as security for this obligation. In the prior year, the company had provided it's financial institution with an assignment in the amount of $2,000,000 of it's short term investments as security for the letter of credit provided to the IESO to secure its hydro purchase obligations. In the current year the banking agreement changed such that the investments were released as security and a General Security Agreement (GSA) has been put in its place.
The company's general banking agreements which encompass the line of credit, revolving term facility and the letter of credit contains financial covenants which include a debt to capital ratio lower than 60% and a debt service coverage ratio of not less than 1.2:1. As at December 31, 2012, the company's debt to capital ratio was 36% and the debt service coverage ratio calculated under the terms of the agreement was 2.45:1.

14. Pension Agreements

The company makes contributions to the OMERS, which is a multi employer pension plan, on behalf of all full time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 428,947 active and retired members and approximately 968 employers.
Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members

have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2012. The results of this valuation disclosed total actuarial liabilities of $69,122 million in respect of benefits accrued for service with actuarial assets at that date of $59,198 million indicating an actuarial deficit of $9,924 million. Because OMERS is a multi employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the company does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2012 was $328,200 (2011 $265,827).

15. Net Change in Non cash Working Capital Balances

The net change in non cash working capital balances consists of:

	2012	2011
Accounts receivable	$ (295,355)	$ 974,788
Unbilled service revenue	149,881	(1,177,268)
Inventory	178,834	27,640
Prepaid expenses	64,496	152,257
Accounts payable and accrued liabilities	(747,751)	2,426,300
Payments in lieu of taxes	179,594	(317,609)
Deferred revenue	116,729	158,518
Payable to North Bay Hydro Services Inc	(27,129)	62,743
	$ (380,701)	$ 2,307,369

Supplementary cash flow information consists of the following:

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2012-01-01
Tax Year End: 2012-12-31

	2012	2011
Cash paid during the year for:		
Interest	$ 1,268,236	$ 1,146,402
Payments in lieu of taxes	$ 1,027,339	$ 1,027,339
Cash received during the year for:		
Interest	$ 159,111	$ 103,554

16. Payments in Lieu of Corporate Income Taxes, Capital Taxes, and Future Income Taxes

a. Expense

The company's provision for PILs is calculated as follows:

	2012	2011
Income before provision for income taxes and other item	$ 2,845,518	$ 3,964,116
Regulatory assets added (deducted) for tax purposes	1,788,939	(822,626)
Net change in reserves	84,384	113,609
Capital cost allowance (greater than) less than amortization expense related to regulatory assets	(1,877,763)	(623,427)
Other items	28,299	57,844
Gain on disposal of assets	(347,552)	(3,647)
Income for tax purposes	2,521,825	2,685,869
Statutory Canadian federal and provincial tax rate	26.50%	

28.25%

Provision for PILs	668,284	758,758
Ontario small business deduction	(35,000)	(35,000)
Ontario co op and apprenticeship tax credits	(3,443)	(14,027)
Prior year over provision	7,132	-
Total tax provision	$ 636,973	$ 709,731

b. Future Taxes

As the end of the year, the significant component's of the company's future taxes are as follows:

	2012	2011
Future Income Tax Asset		
Property, plant and equipment	$ 4,784,078	$ 5,544,790
Employee future benefits	1,588,551	1,508,551
Total future tax assets	$ 6,372,629	$ 7,053,341

17. Financial Instruments

a. Fair Values

The company's financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities,

customer deposits, long term debt, payable to North Bay Hydro Services Inc and payable to the Corporation of the City of North Bay.

Cash and cash equivalents is reported at fair value on the balance sheet. Accounts receivable, accounts payable and accrued liabilities, payable to North Bay Hydro Services Inc. and customer deposits are reported at amortized cost which approximates fair value due to their short term nature.

The fair value of the long term debt, payable to the Corporation of the City of North Bay have not been determined as disclosed in Note 7.

b. Risks arising from Financial Instruments

Credit Risk

The company's cash and cash equivalents are all held at a single major financial institution and the company is therefore exposed to credit risk from this concentration of cash and cash equivalents. The company also maintains cash and cash equivalents with it's financial institution in excess of federally insured limits and is therefore exposed to the credit risk from this concentration of cash and cash equivalents.

The company's accounts receivables are made up of a large number of small balances from residential customers and commercial customers in a number of different industries. The company is exposed to credit risk as a result of its accounts receivable through the possibility of customer default on these accounts. The company monitors its exposure to and attempts to limit this credit risk exposure on a continuous basis.

In accordance with directions provided by the OEB, the company collects deposits from its customers and as at December 31, 2012 held customer deposits in the amount of $970,780 (2011 $977,156).

The company provides for its credit risk through the use of an allowance whereby customer accounts greater than 90 days in age are provided for. Any change in this provision from one year to the next and any future recoveries

of accounts that had previously been allowed for are recognized in the statement of operations.

17. Financial Instruments (continued)

The credit risk associated with accounts receivable is as follows:

	2012	2011
Total accounts receivable	$ 6,527,647	$ 6,187,120
Less: allowance for doubtful accounts	(750,886)	(705,714)
Accounts receivable, net	$ 5,776,761	$ 5,481,406
Aged as follows:		
Less than 29 days	$ 4,906,569	$ 4,862,896
30 to 89 days	694,178	479,241
90 days and older	926,900	844,983
Less: allowance for doubtful accounts	(750,886)	(705,714)
Accounts receivable, net	$ 5,776,761	$ 5,481,406

The company's maximum credit risk exposure is equal to the carrying value of its financial assets.

Interest Rate Risk

The company has access to short term borrowings under its credit facility agreement (Note 13). If the company were to utilize this facility it would be

exposed to fluctuations in short term interest rates.

The company is exposed to interest rate risk on its long term debt and its payable to the Corporation of the City of North Bay (Note 7). The interest rates on these financial instruments are fixed and therefore the company is not exposed to fluctuations in short term interest rates. However, with respect to its payable to the Corporation of the City of North Bay, if short term interest rates fall below the fixed rate of this instrument the company would incur greater interest expense than it would had it borrowed these funds using other means. Alternatively, should short term interest rates rise above these fixed rates, the company would incur lower interest expense than it would had it borrowed these funds using other means.

17. Financial Instruments (continued)

Liquidity Risk

The company strives to maintain a liquidity level that allows for sufficient funds to meet operational requirements so that obligations can be met as they become due while minimizing interest expense. The company monitors cash balances regularly and has access to short term borrowings, should they be required, under its credit facility agreement (Note 13).

Accounts payable and accrued liabilities are all due within one year from the balance sheet date. The company is exposed to liquidity risk on its payable to the City (Note 7) as this balance is payable upon twelve month's written notice. Management does not expect that this note will be called within the foreseeable future.

Currency Risks

The company is exposed to the changing values of foreign currencies. The company has entered into a contract for the purchase of goods and services related primarily to the Smart Meter project, which is payable in US dollars.

The company is exposed to the fluctuations in currency prices when it purchases US dollars to meet the payable commitments. The impact on these transactions in 2012 was a foreign exchange loss of $4,060 (2011 gain $8,378).

Other Risks

The company is not exposed to any other significant risks as it has not entered into any hedging or derivative contracts.

18. Capital Disclosures

The company considers its capital to comprise its common share capital, accumulated retained earnings and amounts due to related parties. There have been no changes in what the company considers to be capital since the previous year.

In managing its capital, the company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and through the payment of periodic dividends to its common shareholders. The company also seeks to ensure that access to funding is available in order to maintain and improve the equipment used in operations and maintain financial ratios within the recommended guidelines as prescribed by the OEB. In order to achieve these objectives, the company develops detailed annual operating budgets and seeks to maintain distribution revenue levels and control costs to enable the company to meet its working capital requirements and strategic investment needs. In making decisions to adjust its capital structure to achieve these objectives, the company considers both its short term position and long term operational and strategic objectives.

As at December 31, 2012 the company is party to debt agreements that contain various covenants (Notes 7b and 13) and is restricted from offering loans or

paying dividends that would cause a violation of those covenants.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

Assets – lines 1000 to 2599

1000	7,602,718	1060	5,776,761	1068	7,740,920
1120	579,637	1484	538,524	1599	22,238,560
1600	533,116	1680	4,142,263	1681	-1,595,655
1740	370,268	1741	-298,271	1744	1,470,534
1745	-1,204,298	1774	3,384,755	1775	-2,693,658
1783	2,623,313	1784	-1,616,558	1785	96,477,174
1786	-47,748,915	1900	-8,236,870	1901	1,758,148
1920	625,281	2008	101,389,834	2009	-53,399,207
2420	3,713,424	2421	6,372,629	2589	10,086,053
2599	80,315,240				

Liabilities – lines 2600 to 3499

2620	9,811,963	2680	26,306	2860	235,517
2920	350,000	2960	275,247	2961	87,689
3139	10,786,722	3140	2,566,667	3260	23,365,398
3320	14,672,296	3450	40,604,361	3499	51,391,083

Shareholder equity – lines 3500 to 3640

3500	19,511,601	3600	9,412,556	3620	28,924,157
3640	80,315,240				

Retained earnings – lines 3660 to 3849

3660	7,843,660	3680	2,187,572	3700	-618,676
3849	9,412,556				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

Description

Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	12,548,286	8089	12,548,286	8210	347,552
8230	-1,132,571	8231	-4,060	8299	11,759,207

Cost of sales – lines 8300 to 8519

8519	12,548,286

Operating expenses – lines 8520 to 9369

8522	15,550	8670	2,084,482	8740	1,268,236
9180	57,183	9270	5,488,238	9367	8,913,689
9368	8,913,689	9369	2,845,518		

Extraordinary items and taxes – lines 9970 to 9999

9970	2,845,518	9990	533,438	9995	124,508
9999	2,187,572				

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
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

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

Amount calculated on line 9999 from Schedule 125				2,187,572 A
Add:				
Provision for income taxes – current	101	533,438		
Provision for income taxes – deferred	102	124,508		
Amortization of tangible assets	104	2,084,482		
Charitable donations and gifts from Schedule 2	112	15,500		
Non-deductible meals and entertainment expenses	121	12,089		
Other reserves on lines 270 and 275 from Schedule 13	125	1,841,388		
Reserves from financial statements – balance at the end of the year	126	6,402,895		
Subtotal of additions		11,014,300 ▶		11,014,300
Other additions:				
Resource amounts deducted	232			
Miscellaneous other additions:				
600 Change in reg assets	290	1,826,523		
603 Apprentice Tax Credit- fed and provincial 12,767				
Total 12,767	293	12,767		
604 carrying charges related accounting gains 82,589				
Total 82,589	294	82,589		
Subtotal of other additions	199	1,921,879 ▶		1,921,879
Total additions	500	12,936,179 ▶		12,936,179 B
Amount A **plus** amount B				15,123,751
Deduct:				
Gain on disposal of assets per financial statements	401	347,552		
Capital cost allowance from Schedule 8	403	4,432,087		
Other reserves on line 280 from Schedule 13	413	1,996,913		
Reserves from financial statements – balance at the beginning of the year	414	6,162,986		
Subtotal of deductions		12,939,538 ▶		12,939,538
Other deductions:				
Miscellaneous other deductions:				
701 change in reg liabilities	391	37,584		
704				
Total	394			
Subtotal of other deductions	499	37,584 ▶		37,584
Total deductions	510	12,977,122 ▶		12,977,122
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				2,146,629

T2 SCH 1 E (12)

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 2

CHARITABLE DONATIONS AND GIFTS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
City of North Bay Summer in the Park	1,000
North Bay & District Hospital	14,500
Subtotal	15,500
Add: Total donations of less than $100 each	
Total donations in current tax year	15,500

		Federal	Québec	Alberta
Charitable donations at the end of the previous tax year				
Deduct: Charitable donations expired after five tax years*	239			
Charitable donations at the beginning of the tax year	240			
Add:				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250			
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210 15,500			
Subtotal (line 250 **plus** line 210)		15,500	15,500	15,500
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255			
Total charitable donations available		15,500 A	15,500	15,500
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	15,500	15,500	15,500
Charitable donations closing balance	280			

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2011-12-31			
2nd prior year	2010-12-31			
3rd prior year	2009-12-31			
4th prior year	2008-12-31			
5th prior year	2007-12-31			
6th prior year*	2006-12-31			
7th prior year	2005-12-31			
8th prior year	2004-12-31			
9th prior year	2003-12-31			
10th prior year	2002-12-31			
11th prior year	2001-12-31			
12th prior year	2000-12-31			
13th prior year	1999-12-31			
14th prior year	1998-12-31			
15th prior year	1997-12-31			
16th prior year	1996-12-31			
17th prior year	1995-12-31			
18th prior year	1994-12-31			
19th prior year	1993-12-31			
20th prior year	1992-12-31			
21st prior year*	1991-12-31			
Total (to line A)				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes*** multiplied** by 75 % . . . . . 1,609,972 B

Taxable capital gains arising in respect of gifts of capital property included in Part 1** . . . . . 225 C

Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) . . . . . 227 D

The amount of the recapture of capital cost allowance in respect of charitable gifts 230

Proceeds of disposition, less outlays and expenses** . . . . . E

Capital cost** . . . . . F

Amount E or F, whichever is less 235

Amount on line 230 or 235, whichever is less . . . . . G

Subtotal (**add** amounts C, D, and G) H

Amount H **multiplied** by 25 % I

Subtotal (amount B **plus** amount I) 1,609,972 J

Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less) . . . . . 15,500 K

***** For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

****** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year			
Deduct: Gifts to Canada, a province, or a territory expired after five tax years	339		
Gifts to Canada, a province, or a territory at the beginning of the tax year	340		▶
Add: Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current-year gifts made to Canada, a province, or a territory*	310		
Subtotal (line 350 **plus** line 310)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	355		
Total gifts to Canada, a province, or a territory available			
Deduct: Amount applied against taxable income (enter this amount on line 312 of the T2 return).	360		
Gifts to Canada, a province, or a territory closing balance	380		

***** Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year				
Deduct: Gifts of certified cultural property expired after five tax years*	439			
Gifts of certified cultural property at the beginning of the tax year	440			
Add: Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450			
Total current-year gifts of certified cultural property	410			
Subtotal (line 450 **plus** line 410)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455			
Total gifts of certified cultural property available				
Deduct: Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460			
Gifts of certified cultural property closing balance	480			

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2011-12-31			
2nd prior year	2010-12-31			
3rd prior year	2009-12-31			
4th prior year	2008-12-31			
5th prior year	2007-12-31			
6th prior year*	2006-12-31			
7th prior year	2005-12-31			
8th prior year	2004-12-31			
9th prior year	2003-12-31			
10th prior year	2002-12-31			
11th prior year	2001-12-31			
12th prior year	2000-12-31			
13th prior year	1999-12-31			
14th prior year	1998-12-31			
15th prior year	1997-12-31			
16th prior year	1996-12-31			
17th prior year	1995-12-31			
18th prior year	1994-12-31			
19th prior year	1993-12-31			
20th prior year	1992-12-31			
21st prior year*	1991-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year				
Deduct: Gifts of certified ecologically sensitive land expired after five tax years*	539			
Gifts of certified ecologically sensitive land at the beginning of the tax year	540			
Add: Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land	510			
Subtotal (line 550 **plus** line 510)				
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555			
Total gifts of certified ecologically sensitive land available				
Deduct: Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560			
Gifts of certified ecologically sensitive land closing balance	580			

***** For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Québec	Alberta
1st prior year	2011-12-31			
2nd prior year	2010-12-31			
3rd prior year	2009-12-31			
4th prior year	2008-12-31			
5th prior year	2007-12-31			
6th prior year*	2006-12-31			
7th prior year	2005-12-31			
8th prior year	2004-12-31			
9th prior year	2003-12-31			
10th prior year	2002-12-31			
11th prior year	2001-12-31			
12th prior year	2000-12-31			
13th prior year	1999-12-31			
14th prior year	1998-12-31			
15th prior year	1997-12-31			
16th prior year	1996-12-31			
17th prior year	1995-12-31			
18th prior year	1994-12-31			
19th prior year	1993-12-31			
20th prior year	1992-12-31			
21st prior year*	1991-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 6 – Additional deduction for gifts of medicine

		Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year				
Deduct: Additional deduction for gifts of medicine expired after five tax years	639			
Additional deduction for gifts of medicine at the beginning of the tax year	640			
Add: Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650			
Additional deduction for gifts of medicine for the current year:				
Proceeds of disposition	602	1	1	1
Cost of gifts of medicine	601	2	2	2
Subtotal (line 1 **minus** line 2)		3	3	3
Line 3 **multiplied** by 50 %		4	4	4
Eligible amount of gifts	600	5	5	5

Federal: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year **610** _____

Québec: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year _____

Alberta: A _____ x (B _____ / C) = Additional deduction for gifts of medicine for the current year _____

where:

A is the **lesser** of line 2 and line 4

B is the eligible amount of gifts (line 600)

C is the proceeds of disposition (line 602)

		Federal	Québec	Alberta
Subtotal (line 650 **plus** line 610)				
Deduct: Adjustment for an acquisition of control	655			
Total additional deduction for gifts of medicine available				
Deduct: Amount applied against taxable income (enter this amount on line 315 of the T2 return)	660			
Additional deduction for gifts of medicine closing balance	680			

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2011-12-31			
2nd prior year	2010-12-31			
3rd prior year	2009-12-31			
4th prior year	2008-12-31			
5th prior year	2007-12-31			
6th prior year*	2006-12-31			
Total				

***** These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2011-12-31	
2nd prior year	2010-12-31	
3rd prior year	2009-12-31	
4th prior year	2008-12-31	
5th prior year	2007-12-31	
6th prior year*	2006-12-31	
7th prior year	2005-12-31	
8th prior year	2004-12-31	
9th prior year	2003-12-31	
10th prior year	2002-12-31	
11th prior year	2001-12-31	
12th prior year	2000-12-31	
13th prior year	1999-12-31	
14th prior year	1998-12-31	
15th prior year	1997-12-31	
16th prior year	1996-12-31	
17th prior year	1995-12-31	
18th prior year	1994-12-31	
19th prior year	1993-12-31	
20th prior year	1992-12-31	
21st prior year*	1991-12-31	
Total		

***** These gifts expired in the current year.

Canada Revenue Agency / Agence du revenu du Canada

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- Enter in column F1, the amount of dividends received reported in column 240 that are eligible.
- Under column F2, enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

		Complete if payer corporation is connected			
Name of payer corporation (from which the corporation received the dividend) **200**	**A**	**B** Enter 1 if payer corporation is connected **205**	**C** Business Number of connected corporation **210**	**D** Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note) **220**	**E** Non-taxable dividend under section 83 **230**
				Total (enter on line 402 of Schedule 1)	

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.
For more details, consult the Help.

			Complete if payer corporation is connected			
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* **240**	**F1** Eligible dividends (included in column F)	**F2**	**G** Total taxable dividends paid by connected payer corporation (for tax year in column D) **250**	**H** Dividend refund of the connected payer corporation (for tax year in column D)** **260**	**I** Part IV tax before deductions F x 1 / 3 *** **270**	
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . . . _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax . . . . . 320 _____

Subtotal _____

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax . . . . . 330 _____

Non-capital losses from previous years claimed to reduce Part IV tax . . . . . 335 _____

Current-year farm loss claimed to reduce Part IV tax . . . . . 340 _____

Farm losses from previous years claimed to reduce Part IV tax . . . . . 345 _____

Total losses applied against Part IV tax _____ x 1 / 3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) . . . . . 360 _____

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A Name of connected recipient corporation 400	B Business Number 410	C Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note) 420	D Taxable dividends paid to connected corporations 430	D1 Eligible dividends (included in column D)
1	North Bay Hydro Holdings Limited	89999 9999 RC0001	2012-12-31	618,676	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 618,676

Total taxable dividends paid in the tax year to other than connected corporations . . . . . 450 _____

Eligible dividends (included in line 450) . . . . . 450a _____

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450) 460 618,676

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 618,676

Other dividends paid in the tax year (total of 510 to 540) . . . . . _____

Total dividends paid in the tax year 500 618,676

Deduct:

Dividends paid out of capital dividend account . . . . . 510 _____

Capital gains dividends . . . . . 520 _____

Dividends paid on shares described in subsection 129(1.2) . . . . . 530 _____

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year . . . . . 540 _____

Subtotal _____ ▶ _____

Total taxable dividends paid in the tax year that qualify for a dividend refund 618,676

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
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

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

Part 1 – Allocation of taxable income

100 _____ Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes ☐	103		143		
Newfoundland and Labrador offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☐	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	127		167		
Total		129 G		169 H		

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

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

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
2,131,129		2,131,129	210,080

Ontario basic income tax (from Schedule 500) **270** 245,080

Deduct: Ontario small business deduction (from Schedule 500) **402** 35,000

Subtotal 210,080 ▶ 210,080 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) 210,080 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") 210,080 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") 210,080 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") 210,080 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) 210,080 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** 3,443

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 3,443 ▶ 3,443 J6

Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) **290** 206,637 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.

Net provincial and territorial tax payable or refundable credits **255** 206,637

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.

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 1 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) 101 ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		4.00	4.00	4.00	
UCC (opening)	201		30,719,335	30,719,335	30,719,335	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	30,719,335	30,719,335	30,719,335	8
1/2 of net additions	211	–				9
Balance for CCA		=	30,719,335	30,719,335	30,719,335	10
Maximum allowable CCA			1,228,773	1,228,773	1,228,773	11
CCA claimed	217		1,228,773	1,228,773	1,228,773	12
UCC (closing) line 8 minus line 12	220		29,490,562	29,490,562	29,490,562	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 8 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) 101 ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		20.00	20.00	20.00	
UCC (opening)	201		440,257	440,257	440,257	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	379,848	379,848	379,848	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	820,105	820,105	820,105	8
1/2 of net additions	211	–	189,924	189,924	189,924	9
Balance for CCA		=	630,181	630,181	630,181	10
Maximum allowable CCA			126,036	126,036	126,036	11
CCA claimed	217		126,036	126,036	126,036	12
UCC (closing) line 8 minus line 12	220		694,069	694,069	694,069	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 10 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) 101 ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201		739,007	739,007	739,007	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	254,425	254,425	254,425	5
Additions (full year rule)	203	+				6
Disposals	207	–	3,150	3,150	3,150	7
Balance before CCA		=	990,282	990,282	990,282	8
1/2 of net additions	211	–	125,638	125,638	125,638	9
Balance for CCA		=	864,644	864,644	864,644	10
Maximum allowable CCA			259,393	259,393	259,393	11
CCA claimed	217		259,393	259,393	259,393	12
UCC (closing) line 8 minus line 12	220		730,889	730,889	730,889	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 10 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201		6,604	6,604	6,604	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	6,604	6,604	6,604	8
1/2 of net additions	211	–				9
Balance for CCA		=	6,604	6,604	6,604	10
Maximum allowable CCA			1,981	1,981	1,981	11
CCA claimed	217		1,981	1,981	1,981	12
UCC (closing) line 8 minus line 12	220		4,623	4,623	4,623	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 1 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) 101 ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		4.00	4.00	4.00	
UCC (opening)	201		1,240,801	1,240,801	1,240,801	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	1,240,801	1,240,801	1,240,801	8
1/2 of net additions	211	–				9
Balance for CCA		=	1,240,801	1,240,801	1,240,801	10
Maximum allowable CCA			49,632	49,632	49,632	11
CCA claimed	217		49,632	49,632	49,632	12
UCC (closing) line 8 minus line 12	220		1,191,169	1,191,169	1,191,169	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 45 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		45.00	45.00	45.00	
UCC (opening)	201		12,607	12,607	12,607	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	12,607	12,607	12,607	8
1/2 of net additions	211	–				9
Balance for CCA		=	12,607	12,607	12,607	10
Maximum allowable CCA			5,673	5,673	5,673	11
CCA claimed	217		5,673	5,673	5,673	12
UCC (closing) line 8 minus line 12	220		6,934	6,934	6,934	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 47 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		8.00	8.00	8.00	
UCC (opening)	201		24,226,336	24,226,336	24,226,336	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	3,381,030	3,381,030	3,381,030	5
Additions (full year rule)	203	+				6
Disposals	207	–	440,748	440,748	440,748	7
Balance before CCA		=	27,166,618	27,166,618	27,166,618	8
1/2 of net additions	211	–	1,470,141	1,470,141	1,470,141	9
Balance for CCA		=	25,696,477	25,696,477	25,696,477	10
Maximum allowable CCA			2,055,718	2,055,718	2,055,718	11
CCA claimed	217		2,055,718	2,055,718	2,055,718	12
UCC (closing) line 8 minus line 12	220		25,110,900	25,110,900	25,110,900	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 50 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss? ☐ Yes ☒ No

Resource asset? ☐ Yes ☒ No

Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment) 101 ☐ Yes ☒ No

If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties? ☐ Yes ☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		55.00	55.00	55.00	
UCC (opening)	201		171,998	171,998	171,998	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	195,308	195,308	195,308	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	367,306	367,306	367,306	8
1/2 of net additions	211	–	97,654	97,654	97,654	9
Balance for CCA		=	269,652	269,652	269,652	10
Maximum allowable CCA			148,309	148,309	148,309	11
CCA claimed	217		148,309	148,309	148,309	12
UCC (closing) line 8 minus line 12	220		218,997	218,997	218,997	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 43.1 Description . . . . . Merrick Landfill

CCA other than classes 10.1, 13 and 14

Terminal loss?			☐ Yes	☒ No
Resource asset?			☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101		☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?			☐ Yes	☒ No
If yes, specify the property to be linked in order to transfer data:				

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201					1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	3,710,478	3,710,478	3,710,478	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	3,710,478	3,710,478	3,710,478	8
1/2 of net additions	211	–	1,855,239	1,855,239	1,855,239	9
Balance for CCA		=	1,855,239	1,855,239	1,855,239	10
Maximum allowable CCA			556,572	556,572	556,572	11
CCA claimed	217		556,572	556,572	556,572	12
UCC (closing) line 8 minus line 12	220		3,153,906	3,153,906	3,153,906	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

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) **200**	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) **201**	3 Cost of acquisitions during the year (new property must be available for use)* **203**	4 Net adjustments** **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** **211**	7 Reduced undepreciated capital cost	8 CCA rate % **212**	9 Recapture of capital cost allowance (line 107 of Schedule 1) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1		30,719,335			0		30,719,335	4	0	0	1,228,773	29,490,562
2.	8		440,257	379,848		0	189,924	630,181	20	0	0	126,036	694,069
3.	10		739,007	254,425		3,150	125,638	864,644	30	0	0	259,393	730,889
4.	10		6,604			0		6,604	30	0	0	1,981	4,623
5.	1		1,240,801			0		1,240,801	4	0	0	49,632	1,191,169
6.	45		12,607			0		12,607	45	0	0	5,673	6,934
7.	47		24,226,336	3,381,030		440,748	1,470,141	25,696,477	8	0	0	2,055,718	25,110,900
8.	50		171,998	195,308		0	97,654	269,652	55	0	0	148,309	218,997
9.	43.1	Merrick Landfill		3,710,478		0	1,855,239	1,855,239	30	0	0	556,572	3,153,906
		Totals	57,556,945	7,921,089		443,898	3,738,596	61,295,540				4,432,087	60,602,049

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 straignt-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

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		7,921,089	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
other	+	21,508	
Total additions per books	=	7,942,597 ▶	7,942,597
Proceeds up to original cost – Schedule 8 regular classes		443,898	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
reg assets capitalized but not figured into NBV figure of FS	+	76,098	
Change in WIP	+	886,948	
Total proceeds per books	=	1,406,944 ▶	1,406,944
Depreciation and amortization per accounts – Schedule 1			2,084,482
Loss on disposal of fixed assets per accounts			
Gain on disposal of fixed assets per accounts			347,552
Net change per tax return			4,798,723

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		47,457,511
Opening net book value		42,658,788
Net change per financial statements	=	4,798,723

If the amounts from the tax return and the financial statements differ, explain why below.

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	North Bay Hydro Holdings Limited		86712 3580 RC0001	1					
2.	North Bay Hydro Services Inc		86450 3511 RC0001	3					
3.	North Bay Hydro Generation Limitec		89117 4401 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Related and Associated Corporations Workchart

T2 data connection

Enable T2 Data Connection [X]

When you select this check box, a link creation will automatically be prompted for all new copies. Furthermore, for existing copies, the **Always keep the link and offer to restore it when in error** check box will be activated by default.

Note: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

There are three main functionalities for the T2 Data Connection. Depending on your situation, it may not be practical or even necessary to use all of these features. To determine which features might be applicable to you and find out the suggested methodology, press F1.

Here are the main functionalities:

1) Data transfer from one client file to an R&A workchart (see the *Create Links* help topic).
2) Tables allowing you to visualise the result of allocation scenarios (see the *Calculate Allocation Scenarios* help topic).
3) Importing data found in the R&A workcharts, including links to other returns (if any) and allocations, from one return to another (see the *Import Data from Other Group Returns* help topic).

General information – Filing corporation

This workchart allows the tax preparer to input common information for the filing corporation on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the corporation North Bay Hydro Distribution Limited

Name of the Related/Associated Corporation Group

By entering a meaningful name for the related/associated corporation group in this field, you will be able to identify the corporations that are part of the same group in the Client Manager.

Business Number 88246 3128 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [X]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the corporation	2012-01-01	2012-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada for the year 61,093,748

Taxable income of prior taxation year* 2,686,081

Reduced business limit of prior taxation year* . . . . .

* For more information, press F1.

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year		
After 2008	$ 500,000	x (366	÷	366)	=	500,000
Business limit before allocation (for association codes 1, 3, 4, and 5)						500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year* . . . . . ☐

Percentage of business limit allocated . . . . . x **350** 100.0000 %

Allocated business limit = **400** 500,000

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year** 49,973,446

* If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

Percentage of the allocation of capital deduction . . . . . %

Allocation of capital deduction **450**

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . .

Dividend allowance allocated **140** 500,000

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? **N/A for filing corporation** ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of prior taxation year 2,686,081

Total expenditure limit . . . . . .

Expenditure limit allocated **400**

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario)) . . . . . ☒

Taxable capital employed in Canada for the year 61,093,748

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	**300**	100.000 %
Total assets in the prior calendar year	**400**	77,014,741
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	**500**	15,000,000
% of TND for the corporation		100.00000 %
Allocation of net deduction	**600**	15,000,000

Schedule 560 – Ontario interactive digital media tax credit *

Total assets	80,315,240
Total revenue	11,759,207

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. ☐

Taxable income for the previous tax year (prior to any loss-carrybacks being applied) (see note 1)	
Specified capital amount for the previous tax year (see note 2)	
Expenditure limit (before the allocation)	
Expenditure limit allocated	

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation	310	20,000,000

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Holdings Limited

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 86712 3580 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [ ]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 1 Parent

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2012-01-01	2012-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . .

Taxable capital employed in Canada for the year . . . . .

Taxable capital employed in Canada . . . . .

Taxable income of the last taxation year ending in the preceding calendar year* 49,973,446

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . .

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) 200

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x (366	÷	366)	=	500,000	
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of business limit allocated . . . . . x **350** _____ %

Allocated business limit = **400** _____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . _____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . _____ %

Allocation of capital deduction . . . . . **450** _____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . _____

Dividend allowance allocated . . . . . **140** _____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year 49,973,446

Total expenditure limit . . . . . _____

Expenditure limit allocated . . . . . **400** _____

Schedule 501 – Ontario adjusted taxable income of associated corporations to determine surtax re Ontario small business deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2012-12-31
Adjusted taxable income in the last taxation year		
Adjusted taxable income for the year		
Adjusted taxable income (if loss, enter "0")	400	

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year		
Total assets for the year		
Total assets	400	
Total revenue in the last taxation year		
Total revenue for the year		
Total revenue	500	

Schedule 514 – Ontario capital tax on financial institutions *

The corporation is a financial institution	☐
Taxable capital employed in Canada for the year	

* This schedule is available if the **Specialized information** module is installed.

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))	X
Taxable capital employed in Canada for the year	

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	%
Total assets in the prior calendar year	400	
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions *

The corporation is a financial institution or an insurance corporation	☐
B. Share of capital stock or long term debt (see note)	
Ontario allocation factor (OAF) of the corporation in the last taxation year	
Ontario allocation factor (OAF) of the corporation for the year	
C. Ontario allocation factor (OAF) of the corporation	
D. OAF of the filing corporation	
E. Investment allowance (B x C/D)	

Note:

- For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.
- For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* This schedule is available if the **Specialized information** module is installed.

Schedule 560 – Ontario interactive digital media tax credit *

Total assets	
Total revenue	

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. X

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) 49,973,446

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) . . . . . _____

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . 310 _____

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Services Inc

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 86450 3511 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [ ]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2012-01-01	2012-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . . _____

Taxable capital employed in Canada for the year . . . . . _____

Taxable capital employed in Canada . . . . . _____

Taxable income of the last taxation year ending in the preceding calendar year* . . . . . _____

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . . _____

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) . . . . . 200 _____ _____

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x (366	÷	366)	=	500,000	
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of business limit allocated . . . . . x **350** ____ %

Allocated business limit = **400** ____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . ____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . ____ %

Allocation of capital deduction . . . . . **450** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . ____

Dividend allowance allocated . . . . . **140** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . ____

Total expenditure limit . . . . . ____

Expenditure limit allocated . . . . . **400** ____

Schedule 501 – Ontario adjusted taxable income of associated corporations to determine surtax re Ontario small business deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2012-12-31
Adjusted taxable income in the last taxation year		
Adjusted taxable income for the year		
Adjusted taxable income (if loss, enter "0")	400	

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year		
Total assets for the year		
Total assets	400	
Total revenue in the last taxation year		
Total revenue for the year		
Total revenue	500	

Schedule 514 – Ontario capital tax on financial institutions *

The corporation is a financial institution	☐
Taxable capital employed in Canada for the year	

* This schedule is available if the **Specialized information** module is installed.

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))	X
Taxable capital employed in Canada for the year	

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	%
Total assets in the prior calendar year	400	
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions *

The corporation is a financial institution or an insurance corporation	☐
B. Share of capital stock or long term debt (see note)	
Ontario allocation factor (OAF) of the corporation in the last taxation year	
Ontario allocation factor (OAF) of the corporation for the year	
C. Ontario allocation factor (OAF) of the corporation	
D. OAF of the filing corporation	
E. Investment allowance (B x C/D)	

Note:

- For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.
- For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* This schedule is available if the **Specialized information** module is installed.

Schedule 560 – Ontario interactive digital media tax credit *

Total assets	
Total revenue	

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. X

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) . . . . . _____

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . 310 _____

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Generation Limited

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 89117 4401 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [X]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2012-01-01	2012-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . . _____

Taxable capital employed in Canada for the year . . . . . _____

Taxable capital employed in Canada . . . . . _____

Taxable income of the last taxation year ending in the preceding calendar year* . . . . . _____

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . . _____

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) . . . . . 200 _____ _____

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x (366	÷	366)	=	500,000	
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of business limit allocated . . . . . x **350** ____ %

Allocated business limit = **400** ____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . ____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . ____ %

Allocation of capital deduction . . . . . **450** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . ____

Dividend allowance allocated . . . . . **140** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Note: A CCPC calculating a refundable ITC for tax years ending after March 22, 2004, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares in the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Does the corporation satisfy the conditions for an exception previously mentioned? ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . ____

Total expenditure limit . . . . . ____

Expenditure limit allocated . . . . . **400** ____

Schedule 501 – Ontario adjusted taxable income of associated corporations to determine surtax re Ontario small business deduction

Complete this section only if the filing corporation is claiming the Ontario small business deduction.

Tax year-end	300	2012-12-31
Adjusted taxable income in the last taxation year		
Adjusted taxable income for the year		
Adjusted taxable income (if loss, enter "0")	400	

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year		
Total assets for the year		
Total assets	400	
Total revenue in the last taxation year		
Total revenue for the year		
Total revenue	500	

Schedule 514 – Ontario capital tax on financial institutions *

The corporation is a financial institution	☐
Taxable capital employed in Canada for the year	

* This schedule is available if the **Specialized information** module is installed.

Schedule 515 – Ontario capital tax on other than financial institutions

The corporation is an eligible corporation (under subsection 83(3) of the *Taxation Act, 2007* (Ontario))	X
Taxable capital employed in Canada for the year	

Schedule 516 – Capital deduction election of associated group for the allocation of net deduction

Ontario allocation factor in the prior calendar year	300	%
Total assets in the prior calendar year	400	
Net deduction $15 million x line 300 x (line 400 ÷ line 700)	500	
% of TND for the corporation		%
Allocation of net deduction	600	

Schedule 517 – Calculation of Ontario capital tax investment allowance for financial institutions *

The corporation is a financial institution or an insurance corporation	☐
B. Share of capital stock or long term debt (see note)	
Ontario allocation factor (OAF) of the corporation in the last taxation year	
Ontario allocation factor (OAF) of the corporation for the year	
C. Ontario allocation factor (OAF) of the corporation	
D. OAF of the filing corporation	
E. Investment allowance (B x C/D)	

Note:

- For a financial institution resident in Canada, enter the carrying value of the asset at the end of the year in respect of a share of the capital stock or long-term debt of a related financial institution or related insurance corporation.
- For an authorized foreign bank, enter the amount of qualifying investment which is an asset that is a share of the capital stock or long-term debt of a related financial institution that has a permanent establishment in Ontario, which is not exempt from capital tax or a related insurance corporation that has a permanent establishment in Ontario.

* This schedule is available if the **Specialized information** module is installed.

Schedule 560 – Ontario interactive digital media tax credit *

Total assets	
Total revenue	

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. X

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) . . . . . _____

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . 310 _____

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on an amalgamation or the wind-up of a subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
	Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110 705,714	115	45,172		120 750,886
Reserve for undelivered goods and services not rendered ☐	130 1,135,674	135	110,353		140 1,246,027
Reserve for prepaid rent ☐	150	155			160
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Other tax reserves ☐	230	235			240
Totals	270 1,841,388	275	155,525		280 1,996,913

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

T2 SCH 13 E (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefit	4,321,598		84,384		4,405,982
2	Reserve for doubtful debt	705,714		45,172		750,886
3	Reserve for undelivered goods	977,156			6,376	970,780
4	Reserve for Deferred Revenue	158,518		116,729		275,247
5						
	Reserves from Part 2 of Schedule 13					
	Totals	6,162,986		246,285	6,376	6,402,895

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . 025 — Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 — Year: 2012

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 — 1 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	North Bay Hydro Distribution Limited	88246 3128 RC0001	1	500,000	100.0000	500,000
2	North Bay Hydro Holdings Limited	86712 3580 RC0001	1	500,000		
3	North Bay Hydro Services Inc	86450 3511 RC0001	1	500,000		
4	North Bay Hydro Generation Limited	89117 4401 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09)

Canada

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

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) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social insurance number **300**	Trust number **350**	Percentage common shares **400**	Percentage preferred shares **500**
1	North Bay Hydro Holdings Limited (corporation)	89999 9999 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

On: 2012-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the I*ncome Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Corporations that wound-up a subsidiary . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	6,553,969 A
Taxable income for the year (DICs enter "0") *		110 2,131,129 B		
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶	C	
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")		150 2,131,129		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	1,534,413 D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (**add** lines 200 and 210)		▶		E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)	220			
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230			
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)		▶	290	F
Subtotal (**add** lines A, D, E, and F)				8,088,382 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)	▶		H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)	490	8,088,382	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560		
GRIP at the end of the tax year (line 490 **minus** line 560)	590	8,088,382	

Enter this amount on line 160 of Schedule 55.

***** For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

****** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year	2,686,081 J1		
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (**add** lines K1, L1, and M1)	▶	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")	2,686,081 ▶	2,686,081 O1	

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (**add** lines Q1, R1, and S1) ▶ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ▶ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) **500**

Second previous tax year 2010-12-31

Taxable income before specified future tax consequences from the current tax year 2,552,975 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L2

Aggregate investment income (line 440 of the T2 return) M2

Subtotal (**add** lines K2, L2, and M2) ▶ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 2,552,975 ▶ 2,552,975 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R2

Aggregate investment income (line 440 of the T2 return) S2

Subtotal (**add** lines Q2, R2, and S2) ▶ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ▶ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2009-12-31

Taxable income before specified future tax consequences from the current tax year 1,808,272 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ L3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ M3

Subtotal (**add** lines K3, L3, and M3) _____ ▶ _____ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 1,808,272 ▶ 1,808,272 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . . _____ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ R3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ S3

Subtotal (**add** lines Q3, R3, and S3) _____ ▶ _____ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") _____ ▶ _____ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") _____ V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(line V3 **multiplied by** the general rate factor for the tax year 0.72) . . . . . **540** _____

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . . _____ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . . _____ AA

Eligible dividends paid by the corporation in its last tax year . . . . . _____ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . _____ CC

Subtotal (line BB **minus** line CC) _____ ▶ _____ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

(line AA **minus** line DD) . . . . . _____ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . . FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . . GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . .
Net capital losses . . . . .
Farm losses . . . . .
Restricted farm losses . . . . .
Limited partnership losses . . . . .

Subtotal ▶ HH

Subtotal (**add** lines FF, GG, and HH) II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . . JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . . KK

All the corporation's reserves deducted in its previous/last tax year LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . . MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . . NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ▶ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . . PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year		366	. . . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year		366	. . . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year		366	. . . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	366	366	. . . . . =	0.72000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3		618,676	
Total taxable dividends paid in the tax year	100	618,676	
Total eligible dividends paid in the tax year	150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160	8,088,382	B
Excessive eligible dividend designation (line 150 **minus** line 160)			C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	180		D
Subtotal (amount C **minus** amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3			
Total taxable dividends paid in the tax year	200		
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)			G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	280		H
Subtotal (amount G **minus** amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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SCHEDULE 500

ONTARIO CORPORATION TAX CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only 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 / Number of days in the tax year		366	x	14.00 %	=	% A1
Number of days in the tax year after June 30, 2010, and before July 1, 2011 / Number of days in the tax year		366	x	12.00 %	=	% A2
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	366	366	x	11.50 %	=	11.50000 % A3

Ontario basic rate of tax for the year (total of rates A1 to A3) 11.50000 ▶ 11.50000 % A4

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . . 2,131,129 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A4 from Part 1) . . . . . 245,080 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)	2,146,629	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	2,131,129	2
Federal business limit before the application of subsection 125(5.1) * (amount from line 410 of the T2 return)	500,000	3
Enter the least of amounts 1, 2, and 3 (line 4 on page 4 of the T2 return)	500,000	D
Ontario domestic factor: Ontario taxable income ** / taxable income earned in all provinces and territories *** = 2,131,129.00 / 2,131,129	1.00000	E

Amount D x amount E: 500,000 a

Ontario taxable income (amount B from Part 2): 2,131,129 b

Ontario small business income (lesser of amount a and amount b) . . . . . 500,000 F

Number of days in the tax year before July 1, 2010 / Number of days in the tax year	/ 366	x	8.50 %	=	% G1
Number of days in the tax year after June 30, 2010, and before July 1, 2011 / Number of days in the tax year	/ 366	x	7.50 %	=	% G2
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	366 / 366	x	7.00 %	=	7.00000 % G3

OSBD rate for the year (total of rates G1 to G3) . . . . . 7.00000 % G4

Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G4) . . . . . 35,000 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. Otherwise, complete the calculation for this line.

** 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

Deduct:

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 = ____ / 366 x 4.25 % = % M

Amount L **multiplied by** % on line M = ... N

Amount N ____ x Ontario small business income (amount F from Part 3) / 500,000 = ____ / 500,000 . . . . O

Surtax re Ontario small business deduction: 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 . . . . . 500,000 Q

Surtax payable (amount P from Part 4) / Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G4 from Part 3) 7.00000 % = ____ / 0.07000 R

Note: 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") . . . . . 500,000 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 G4 from Part 3) . . . . . 7.00000 %

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.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
North Bay Hydro Distribution Limited

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-12-10	1390858

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
74	Commerce Court	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 3240

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
North Bay	ON	CA	P1B 8Y5

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 [1] If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Tennant (Last name) **451** Cindy (First name)

454 _____ (Middle name(s))

460 [2] Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 ☐ Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number | **530** Street name/Rural route/Lot and Concession number | **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) | **570** Province/state | **580** Country | **590** Postal/zip code

Part 6 – Language of preference

600 ☐ Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 552

ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2012-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009 or* the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information	120 Telephone number including area code
Cindy Tennant	(705) 474-8100

Is the claim filed for an ATTC earned through a partnership? * . . . . . 150 1 Yes ☐ 2 No ☒

If **yes** to the question at line 150, what is the name of the partnership? . . . . . 160 _____

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . 170 _____ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . 200 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . 210 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 3,680,402

For eligible expenditures incurred before March 27, 2009:
- If line 300 is $400,000 or less, enter 30% on line 310.
- If line 300 is $600,000 or more, enter 25% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:
- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \frac{\text{amount on line 300 } \textbf{minus } 400{,}000}{200{,}000} \right]$$

Specified percentage . . . . . **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code 400	B Apprenticeship program/ trade name 405	C Name of apprentice 410
1.	434a	Powerline Technician	[redacted]
2.			

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435
1.	pa3452	2008-05-05	2012-01-01	2012-05-05
2.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) 442	H3 Number of days employed as an apprentice in the tax year (column H1 **plus** column H2) 440	I Maximum credit amount for the tax year (see note 2 below) 445
1.		126	126	3,443
2.				

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) 451	J2 Eligible expenditures after March 26, 2009 (see note 3 below) 452	J3 Eligible expenditures for the tax year (column J1 **plus** column J2) 450	K Eligible expenditures **multiplied** by specified percentage (see note 4 below) 460
1.		26,654	26,654	9,329
2.				

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5 below) 480	N ATTC for each apprentice (column L or column M, whichever applies) 490
1.	3,443		3,443
2.			

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 3,443 **O**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = ... _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = ($5,000 x H1/365*) + ($10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.
For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . . North Bay Hydro Distribution Limited

Taxation Year . . . . . 2012-01-01 to 2012-12-31

Jurisdiction . . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	X	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . . Y

Corporation is related . . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* 26,306

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income	2,146,629
Taxable income	2,131,129
Donations	15,500
Calculation of income from an active business carried on in Canada	2,146,629
Dividends paid	618,676
Dividends paid – Regular	618,676
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	6,553,969
Balance of the general rate income pool at the end of the year	8,088,382
Part I tax (base amount)	809,829

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	319,669	ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	500,000
Investment tax credits		Other*		Surtax credit	
Abatement/Other*	490,160	Provincial or territorial tax	206,637	Other*	

Balance due/refund (–) 26,306

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Financial statement reserve	6,402,895
Other reserves	1,996,913

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	2,146,629		
Taxable income	2,131,129		
% Allocation	100.00		
Attributed taxable income	2,131,129		
Surtax		N/A	N/A
Tax payable before deduction*	245,080		
Deductions and credits	35,000		
Net tax payable	210,080		
Attributed taxable capital			N/A
Capital tax payable**			N/A
Total tax payable***	210,080		
Instalments and refundable credits	3,443		
Balance due/Refund (-)	206,637		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
North Bay Hydro Distribution Limited	49,973,446	49,973,446	61,093,748	61,093,748
North Bay Hydro Holdings Limited				
North Bay Hydro Services Inc				
North Bay Hydro Generation Limited				
Total	49,973,446	49,973,446	61,093,748	61,093,748

Québec

Corporate name	Paid-up capital used to calculate the deduction relating to income-averaging for forest producers (CO-726.30)	Paid-up capital used to calculate the exemption for small and medium-sized manufacturing businesses (CO-737.18.18)	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total					

Ontario

Corporate name	Taxable capital used to calculate the capital deduction – Ontario capital tax on financial institutions (Schedule 514)	Taxable capital used to calculate the capital deduction – Ontario capital tax on other than financial institutions (Schedule 515)	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total			

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Taxable capital used to calculate the Nova Scotia capital deduction on large corporations (Schedule 343)	Net paid up capital – BC capital tax on financial institutions (FIN 689)	BC paid up capital – BC capital tax on financial institutions (FIN 689)
Total				

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2012-12-31	2011-12-31	2010-12-31	2009-12-31	2008-12-31
Net income	2,146,629	2,705,681	2,558,975	1,814,272	2,480,315
Taxable income	2,131,129	2,686,081	2,552,975	1,808,272	2,474,315
Active business income	2,146,629	2,705,681	2,558,975	1,814,272	2,480,315
Dividends paid	618,676	691,131	1,350,000	1,332,950	1,000,000
Dividends paid – Regular	618,676	691,131	1,350,000		
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	6,553,969	4,673,712	2,912,159	1,682,534	
GRIP – end of the year	8,088,382	6,553,969	4,673,712	2,912,159	1,682,534
Donations	15,500	19,600	6,000	6,000	6,000
Balance due/refund (-)	26,306	-317,130	150,453	-175,452	482,491
Federal taxes					
Part I before surtax	319,669	443,204	459,535	339,354	482,491
Surtax					
Part I.3					
Part IV					
Part I & Surtax	319,669	443,204	459,535	339,354	482,491
Part III.1					
Other*					
Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit				4,218	
Abatement/other*	490,160	577,507	510,596	343,571	457,749
Refunds/credits					
ITC refund					
Dividend refund					
Instalments	500,000	1,026,886	618,970	822,572	
Surtax credit					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2012-12-31	2011-12-31	2010-12-31	2009-12-31	2008-12-31
Net income	2,146,629	2,705,681	2,558,975	1,814,272	2,480,315
Taxable income	2,131,129	2,686,081	2,552,975	1,808,272	2,474,315
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	2,131,129	2,686,081	2,552,975	1,808,272	2,474,315
Surtax			39,979	42,500	42,500
Income tax payable before deduction	245,080	315,559	331,677	253,158	346,404
Income tax deductions /credits	35,000	36,240	39,979	42,500	42,500
Net income tax payable	210,080	279,319	331,677	253,158	346,404
Taxable capital			52,490,657	50,448,911	50,338,428
Capital tax payable			28,514	81,558	81,028
Total tax payable*	210,080	279,319	360,191	334,716	427,432
Instalments and refundable credits	3,443	12,767	50,303	26,950	893,299
Balance due/refund**	206,637	266,552	309,888	307,766	-465,867

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Diagnostics : All

Type	Group	Jurisdiction	Diagnostic	Annotation
Error	GIFI	Federal	G214 — Schedule 100 - The accumulated amortization amount on line 1901 cannot exceed the cost of tangible capital assets on line 1900.	√
Possible input error	GIFI	Federal	V3 — Schedule 2008/2009 - Enter as positive to credit the assets.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M252 — Schedule 511 - Please verify if the associated corporations total assets and total revenue should be entered.	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the associated corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year ."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the associated corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year ."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the associated corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year ."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the associated corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year ."	
Possible input error	CCH	Federal	E19 — Identification - Year end of the corporation is after the release date of this version. Verify for any tax changes after 2012-11-15.	
Review	CCH	Federal	O103 — Overridden data - You can see the list by using the "Overridden data" filter in Xpress.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	
Possible input error	CCH	Federal	E1323 — Schedule 552 - Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.	

APPENDIX 4-M NBHDL ANNUAL TAX RETURNS 2013

BDO Canada LLP
101 McIntyre Street West
Suite 301
North Bay ON P1B 2Y5
Tel.: (705) 495-2000
Fax: (705) 495-2001

April 8, 2014

PERSONAL AND CONFIDENTIAL

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Mrs. Tennant,

Corporate Tax Return Filing Instructions

T2 - CORPORATION INCOME TAX RETURN (FEDERAL)

Federal corporate income tax returns will be electronically transmitted to the CRA. In order for us to electronically file the corporation's corporate income tax return, a signed copy of Form T183CORP, *Information Return for Corporations Filing Electronically* must be returned to us. Please note that we will not electronically file the company's corporate income tax return until we receive a signed T183CORP form.

Signature

✍ Form T183CORP, *Information Return for Corporations Filing Electronically*, should be completed and signed.

Mailing

✉ A copy of the signed T183CORP form should be returned to us in the self-addressed envelope as soon as possible in order to have the corporation's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to at (705) 495-2001.

Payment

✉ A cheque in the amount of $**108,632,** payable to the Receiver General, must be

sent to the CRA as soon as possible to minimize interest charges. You should write the corporation's federal business number on the back of the cheque and the taxation year for which the payment is made, i.e. the 2013 taxation year. Alternatively, you may make the payment at any chartered bank branch.

If the corporation is paying by cheque, then the payment and a completed remittance form should be sent to:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Federal tax instalments (monthly)

Due date	Amount
2014-01-31	$44,146
2014-02-28	$44,146
2014-03-31	$57,123
2014-04-30	$57,123
2014-05-31	$57,123
2014-06-30	$57,123
2014-07-31	$57,123
2014-08-31	$57,123
2014-09-30	$57,123
2014-10-31	$57,123
2014-11-30	$57,123
2014-12-31	$57,120
2015-01-31	$54,960
2015-02-28	$54,960
Total	$769,439

BDO Canada LLP

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2014-12-31

Business number 88246 3128 RC0001

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2014-01-31	44,146				44,146
2014-02-28	44,146				44,146
2014-03-31	57,123				57,123
2014-04-30	57,123				57,123
2014-05-31	57,123				57,123
2014-06-30	57,123				57,123
2014-07-31	57,123				57,123
2014-08-31	57,123				57,123
2014-09-30	57,123				57,123
2014-10-31	57,123				57,123
2014-11-30	57,123				57,123
2014-12-31	57,120				57,120
2015-01-31					54,960
2015-02-28					54,960
Totals	659,519				769,439

Corporate Identification and Other Information

Internal information for the preparer

Tax Preparer's Profile used . . . . . BDO T2

Personalized identification number . . . . . **Client code** . . . . . .

Partner **Date needed** . . . . .

Preparer **Delivery method** . . .

Reviewer **Other**

Assigned to

To access the list of the accounting firm staff . . . . . ☐

Do not display prior version data . . . . . ☐

Prior version data

Partner . . . . .

Preparer . . . . .

Reviewer . . . . .

Assigned to . . . . .

CCH Practice

Client ID **Engagement**

These fields are automatically updated if the tax return is linked with CCH Practice (Time & Billing software). To get more information about integration with CCH Practice, please consult the online help by pressing F1.

Import GIFI data

To import GIFI data from an accounting software application proceed as follows: on the **File** menu, click **Import Data**, then click **GIFI File**.

Transfer GIFI data

Once you have completed the GIFI schedules or imported the GIFI data, you can transfer specific amounts from the GIFI to the applicable return and schedules by answering "**Yes**" to the question:

Do you want to transfer GIFI amounts to the applicable return and schedules? . . . . . ☒ Yes ☐ No

Note 1: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

Note 2: For more details see the *List of Data Transferred to the Return and Schedules*.

Identification

Corporation's name (Legal name) . . . . . **002** North Bay Hydro Distribution Limited

Abbreviated name . . . . . North Bay Hydro Distribution Limited

(If the legal name exceeds the viewable portion, enter an abbreviated name, otherwise, it will be truncated for print and display purposes)

Corporate residence

Provincial or territorial jurisdiction . . . . . **750** ON Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Is the corporation a resident of Canada? . . . . . **080** ☒ Yes ☐ No

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

Is the non-resident corporation claiming an exemption under an income tax treaty? If **yes**, complete and attach Schedule 91. . . . . **082** ☐ Yes ☒ No

Tax year information

Tax year start	060	2013-01-01
Tax year end	061	2013-12-31
Number of days in tax year (maximum of **371** days)		365
If the taxation year exceeds 365 days and no taxation year ends in the preceding calendar year, is the taxation year deemed under subsection 249(3) ITA to end the last day of the preceding calendar year*?		☐ Yes ☒ No
Is the tax year a full year with a floating year-end?		☐ Yes ☒ No
Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060?	063	☐ Yes ☒ No
If **yes**, provide the date control was acquired	065	
Is the date on line 061 a deemed tax year-end according to:		
subparagraph 88(2)(a)(iv)?	064	☐ Yes ☒ No
subsection 249(3.1)?	066	☐ Yes ☒ No
Is this the first year of filing after: Incorporation?	070	☐ Yes ☒ No
Date of incorporation		1999-12-10
Is this the first year of filing after: Amalgamation?	071	☐ Yes ☒ No
Date of amalgamation		
Has there been a wind-up of a subsidiary under section 88 during the current tax year? If **yes**, complete and attach Schedule 24.	072	☐ Yes ☒ No
Is this the final tax year before: Amalgamation?	076	☐ Yes ☒ No
Date of amalgamation		
Is this the final return: Up to dissolution?	078	☐ Yes ☒ No
Date of dissolution		
If an election was made under section 261, state the functional currency used	079	
Relevant spot rate for the first day of the particular taxation year		
Jurisdiction incorporated		
Federal		☐
Province		ON Ontario
Other (please specify):		

* For more information, press F1 to consult the Help.

Amended tax return

For more details, press F1 to consult the Help.

Is this an amended federal tax return? **997** ☐ Yes ☒ No

If **yes**, complete Form Line 996 – *Amended Tax Return – Description of Changes*.

Go to form Line 996

Is this an amended Alberta tax return? ☐ Yes ☒ No

Is this an amended Québec tax return? ☐ Yes ☒ No

If **yes**, Complete Form CO-17.R, *Request for an Adjustment to a Corporation Income Tax Return*.

Go to form CO-17.R

Account numbers

Federal	**Business Number (BN)**	**001**	88246 3128 RC0001
British Columbia	Account number		
Alberta	Account number (CAN)		
Saskatchewan	Account number		
Manitoba	Account number		
Ontario	Corporation Number (MGS)		1390858
Québec	Québec enterprise number (NEQ)		
	Identification number		
New Brunswick	Account number		
Nova Scotia	Account number		
Prince Edward Island	Account number		

General information

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

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify): _____

Did the type of corporation change during the tax year*?		[ ] Yes	[X] No
If the type of corporation changed during the tax year, provide the effective date of the change	**043**		
Is the corporation a professional corporation that is a member of a partnership*?	**067**	[ ] Yes	[X] No
Has the corporation made an election under subsection 89(11) not to be a CCPC in the current year*?	**266**	[ ] Yes	[X] No
Has the corporation made an election under subsection 89(11) not to be a CCPC in a prior year and this election has not been revoked*?		[ ] Yes	[ ] No
Has the corporation revoked any previous election made under subsection 89(11) in the current year*?	**267**	[ ] Yes	[X] No
Has the corporation revoked any previous election made under subsection 89(11) in the previous year*?		[ ] Yes	[ ] No
Is this a deposit insurance corporation as defined in subsection 137.1(5) ITA*?		[ ] Yes	[X] No
Was the corporation a deposit insurance corporation in the preceding year*?		[ ] Yes	[X] No
If the corporation is other than a CCPC, is it eligible for SBD*?		[X] Yes	[ ] No
Is this a corporation subject to Part IV tax (other than a private corporation) or a mutual fund corporation deemed to be a private corporation for the purpose of Part IV tax under section 131(5) ITA*?		[ ] Yes	[X] No
Was the corporation associated with another corporation for purposes of the allocation of the business limit in the preceding year (subsection 125 ITA)*?		[X] Yes	[ ] No
Is the corporation a mortgage investment corporation (s.130.1)*?		[ ] Yes	[X] No
Is this an investment corporation*? (public corporation – see definition at 130(3))		[ ] Yes	[X] No
Is this a non-resident-owned investment corporation*?		[ ] Yes	[X] No
Is this a corporation trading in securities*?		[ ] Yes	[X] No
Is this a financial institution prescribed by Regulation*?		[ ] Yes	[X] No
Is this a bank*?		[ ] Yes	[X] No
Is this a loan or trust corporation*?		[ ] Yes	[X] No
Is this a cooperative corporation*? (136(2) ITA)		[ ] Yes	[X] No
If yes, is it a cooperative corporation that is a CCPC for the purpose of the general tax reduction and the small business deduction (136(1) ITA*)?		[ ] Yes	[X] No
Was the corporation a cooperative that is a CCPC for the purpose of the general tax reduction and the small business deduction (136(1) ITA) in the preceding year*?		[ ] Yes	[X] No
Is this a mutual fund corporation*?		[ ] Yes	[X] No
Is this an insurance corporation*?		[ ] Yes	[X] No
If insurance corporation, did corporation carry on life insurance business*?		[ ] Yes	[X] No
Is the corporation a credit union*?		[ ] Yes	[X] No
If yes, do you want the investment income (line 440 of Schedule 200) to be deducted from the calculation of the general tax reduction for CCPCs*?		[ ] Yes	[X] No
Is this an oil refining corporation (QTA 771.1)*?		[ ] Yes	[X] No
Is the corporation a registered charity under paragraph 149(1)f) ITA*?		[ ] Yes	[X] No
Is the corporation subject to the reporting requirements of the U.S. Securities and Exchange Commission*?		[ ] Yes	[X] No

* For more information, press F1 to consult the Help.

Exempt Corporation

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

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

If *Yes*, heading on page 1 of federal and provincial jackets _____

Corporate addresses

Address of head office

Has this address changed since the last time we were notified?	010	☐ Yes ☒ No
Address – line 1	011	74 Commerce Court
Address – line 2	012	P.O. Box 3240
City	015	North Bay
Province, territory, or state	016	ON Ontario
Country (other than Canada)	017	CA Canada
Postal Code	018	P1B 8Y5
Zip Code or Foreign postal code	018	

Mailing address (if different from head office address)

Use address of preparer		☐ Yes ☒ No
Has this address changed since the last time we were notified?	020	☐ Yes ☒ No
c/o	021	
Address – line 1	022	74 Commerce Court
Address – line 2	023	P.O. Box 3240
City	025	North Bay
Province, territory, or state	026	ON Ontario
Country (other than Canada)	027	CA Canada
Postal Code	028	P1B 8Y5
Zip Code or Foreign postal code	028	

Location of books and records

Use address of preparer		☐ Yes ☒ No
Use address of head office		☒ Yes ☐ No
Has the location of books and records changed since the last time we were notified?	030	☐ Yes ☒ No
Address – line 1	031	74 Commerce Court
Address – line 2	032	P.O. Box 3240
City	035	North Bay
Province, territory, or state	036	ON Ontario
Country (other than Canada)	037	CA Canada
Postal Code	038	P1B 8Y5
Zip Code or Foreign postal code	038	

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	☐ Yes ☒ No
Is the corporation inactive?	280	☐ Yes ☒ No

What is the corporation's main revenue-generating business activity?
For more details, consult the Help.

221119 Other Electric Power Generation

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.

		Product or service		%
1	284	Electricity Distribution	285	99.000
2	286	Other	287	1.000
3	288		289	

Did the corporation immigrate to Canada during the tax year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the tax year?	292	1 Yes ☐	2 No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes ☐	2 No ☐
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		
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes ☐	2 No ☐

Instalment paid

Federal	Schedule 200, line 840	Go to form T7B-1
Manitoba	MCT1	
Saskatchewan	SCT1 and SCT B1	
Alberta	AT1, line 082	
British Columbia	FIN 542, line A	
Québec	CO-17, line 440	Go to form CO-1027
	COZ-1179, line 81	
Prince Edward Island	PE-Capital tax	
Nova Scotia	NS-Capital tax	
New Brunswick	NB-Capital tax	
Newfoundland and Labrador	NL-Capital tax	

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 ☒

Was an amount deducted under section 125 ITA in computing the corporation's tax payable for its preceding taxation year? Yes ☐ No ☒

Alberta
Does the corporation qualify for the one-month extension following the balance-due day under section 38 of the *Alberta Corporate Tax Act*? Yes ☐ No ☒

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

Certification

Authorized signing officer

Title: Mrs Other:
950 Last name: Tennant
951 First name: Cindy
954 Position, office, or rank: Manager, Finance
Date of signing*: 2014-04-08
956 Telephone number**: (705) 474-8100
957 Is the contact person the same as the authorized signing officer? ☒ Yes ☐ No
Is the contact person the preparer? ☐ Yes ☒ No

Contact person if different from authorized signing officer **958**
Telephone number **959**

Additional information

Fax number
Email address
Cellular or pager number
Foreign phone number

* The current date is displayed by default. It is tranferred to all forms to sign where it can be overriden for the requirements of a particular form.
By overriding the date all the dates will be modified accordingly. It is also possible to modify all the dates that were not overridden from the print dialog box.

** If the telephone number is **not** from Canada or the USA, see the examples provided in the Help (F1) on how to enter it.

Language of correspondence – Langue de correspondance

990 Indicate your language of correspondence of your choice.
Indiquez la langue de correspondance de votre choix. English

Filing information

Disclaimer:

To appear on the last page of the T2 return . . . . . ☐

To appear on the last page of each GIFI forms . . . . . ☐

To appear on the last page of the T661 form (Schedule 32) . . . . . ☐

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Was this return prepared by a tax preparer for a fee? (T2 line 920) . . . . . ☒ Yes ☐ No

User-defined cells for reporting purposes

Description	Amount	Date

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.

All legislative references on this return are to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

055 **Do not use this area**

Identification

Business number (BN) 001 88246 3128 RC0001

Corporation's name
002 North Bay Hydro Distribution Limited

Address of head office
Has this address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 74 Commerce Court
012 P.O. Box 3240
City: 015 North Bay
Province, territory, or state: 016 ON
Country (other than Canada): 017 CA
Postal code/Zip code: 018 P1B 8Y5

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022 74 Commerce Court
023 P.O. Box 3240
City: 025 North Bay
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal code/Zip code: 028 P1B 8Y5

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 [X]
(If **yes**, complete lines 031 to 038.)
031 74 Commerce Court
032 P.O. Box 3240
City: 035 North Bay
Province,territory, or state: 036 ON
Country (other than Canada): 037 CA
Postal code/Zip code: 038 P1B 8Y5

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change 043 ____ YYYY MM DD

To which tax year does this return apply?
Tax year start: 060 2013-01-01 YYYY MM DD
Tax year-end: 061 2013-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? 063 1 Yes [ ] 2 No [X]
If **yes**, provide the date control was acquired 065 ____ YYYY MM DD

Is the date on line 061 a deemed tax year-end according to:
subparagraph 88(2)(a)(iv)? 064 1 Yes [ ] 2 No [X]
subsection 249(3.1)? 066 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

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

Is the corporation a resident of Canada?
080 1 Yes [X] 2 No [ ] If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081 ____

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	———
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes	2 No X
Is the corporation inactive?	280	1 Yes	2 No X

What is the corporation's main revenue-generating business activity? 221119 Other Electric Power Generation

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity Distribution	285	99.000 %
286	Other	287	1.000 %
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the tax year?	292	1 Yes	2 No X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes	2 No
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 (YYYY MM DD)	294		
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes	2 No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.		300		2,641,878 A
Deduct: Charitable donations from Schedule 2		311	21,050	
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			21,050 ▶	21,050 B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				2,620,828 C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions		355		D
Taxable income (amount C **plus** amount D)		360		2,620,828
Income exempt under paragraph 149(1)(t)		370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				2,620,828 Z

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8. Use 3.2 for tax years ending before 2012.

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . **400** 2,641,878 A

Taxable income from line 360 on page 3, **minus** 100/28* 3.57143 of the amount on line 632** on page 7, **minus** 1/(0.38 - X***) 4 times the amount on line 636**** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . **405** 2,620,828 B

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:

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

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** ***** 114,961 / 11,250 D = ... 5,109,378 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . **425** F

Small business deduction

Amount A, B, C, or F, whichever is the least x 17 % = ... **430** G

Enter amount G on line 1 on page 7.

***** 10/3 for tax years ending before November 1, 2011. The result of the multiplication by line 632 has to be pro-rated based on the number of days in the tax year that are in each period: before November 1, 2011, and after October 31, 2011.

****** 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 based on the number of days in the tax year that are in each calendar year. See page 5.

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

******* Large corporations**

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3*			2,620,828 A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27			B
Amount QQ from Part 13 of Schedule 27			C
Personal service business income**	432		D
Amount used to calculate the credit union deduction (amount F from Schedule 17)			E
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least			F
Aggregate investment income from line 440 on page 6***			G
Total of amounts B to G		▶	H
Amount A **minus** amount H (if negative, enter "0")			2,620,828 I

Amount I 2,620,828 x (Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year 365) x 11.5 % = J

Amount I 2,620,828 x (Number of days in the tax year after December 31, 2011 365 / Number of days in the tax year 365) x 13 % = 340,708 K

General tax reduction for Canadian-controlled private corporations – Amount J **plus** amount K 340,708 L

Enter amount L on line 638 on page 7.

* For tax years ending after October 31, 2011, line 360 or amount Z, whichever applies.

** For tax years beginning after October 31, 2011.

*** 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)			M
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27			N
Amount QQ from Part 13 of Schedule 27			O
Personal service business income*	434		P
Amount used to calculate the credit union deduction (amount F from Schedule 17)			Q
Total of amounts N to Q		▶	R
Amount M **minus** amount R (if negative, enter "0")			S

Amount S x (Number of days in the tax year after December 31, 2010, and before January 1, 2012 / Number of days in the tax year 365) x 11.5 % = T

Amount S x (Number of days in the tax year after December 31, 2011 365 / Number of days in the tax year 365) x 13 % = U

General tax reduction – Amount T **plus** amount U V

Enter amount V on line 639 on page 7.

* For tax years beginning after October 31, 2011.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . . **440** _____ x 26 2 / 3 % = ... _____ A

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

Deduct:

Foreign investment income from Schedule 7 . . . . . **445** _____ x 9 1 / 3 % = _____ C

(if negative, enter "0") _____ ▶ _____ D

Amount A **minus** amount D (if negative, enter "0") . . . . . _____ E

Taxable income from line 360 on page 3 . . . . . 2,620,828 F

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____ G

Foreign non-business income tax credit from line 632 on page 7 . . . _____ x 25/9* 100 / 35 = _____ H

Foreign business income tax credit from line 636 on page 7 . . . . . _____ x 1(0.38 - X**) 4 = _____ I

Subtotal _____ ▶ _____ J

2,620,828 K

x 26 2 / 3 % = 698,887 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . . 393,124 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . . **450** _____ N

* 100/35 for tax years beginning after October 31, 2011.

** General rate reduction percentage for the tax year. It has to be pro-rated based on the number of days in the tax year that are in each calendar year. See page 5.

Refundable dividend tax on hand

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

Deduct: Dividend refund for the previous tax year . . . . . **465** _____

_____ ▶ _____ O

Add the total of:

Refundable portion of Part I tax from line 450 above . . . . . _____ P

Total Part IV tax payable from Schedule 3 . . . . . _____ Q

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

_____ ▶ _____ R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R . . . . . **485** _____

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 . . . . . 636,549 x 1 / 3 = 212,183 S

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . . _____ T

Dividend refund – Amount S or T, whichever is less (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** 995,915 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 2,620,828

Deduct:
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . .

Net amount . . . . . 2,620,828 ▶ 2,620,828 ii

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

Subtotal (**add** amounts A to C) 995,915 D

Deduct:

Small business deduction from line 430 on page 4			1
Federal tax abatement	608	262,083	
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 L on page 5	638	340,708	
General tax reduction from amount V 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		602,791 ▶	602,791 E

Part I tax payable – Amount D **minus** amount E . . . . . 393,124 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	393,124
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		393,124

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	266,395	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.) Total provincial tax		266,395	266,395
Total tax payable	770		659,519 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	550,887	
Total credits	890	550,887	550,887 B

Refund code 894 1 Overpayment

Balance (amount A **minus** amount B) 108,632

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 108,632

Enclosed payment 898

Direct deposit request

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

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 A3562

Certification

I, 950 Tennant (Last name (print)) 951 Cindy (First name (print)) 954 Manager, Finance (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 2014-04-08 (Date (yyyy/mm/dd)) Signature of the authorized signing officer of the corporation 956 (705) 474-8100 (Telephone number)

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

958 Name (print) 959 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact North Bay Hydro Distribution
Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2013-03-14	Instalment	50,000
2013-04-23	Instalment	50,000
2013-04-30	Instalment	
2013-05-15	Instalment	50,000
2013-05-31	Instalment	
2013-06-19	Instalment	50,000
2013-06-28	Instalment	
2013-07-17	Instalment	50,000
2013-08-01	Instalment	50,000
2013-08-12	Instalment	75,087
2013-08-27	Instalment	58,600
2013-09-12	Instalment	58,600
2013-09-27	Instalment	58,600
	Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	550,887 **A**
	Total instalments credited to the taxation year per T9	550,887 **B**

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
Assets					
	Total current assets	1599	+	24,783,851	22,238,560
	Total tangible capital assets	2008	+	102,840,294	101,389,834
	Total accumulated amortization of tangible capital assets	2009	–	55,271,309	53,399,207
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	10,913,362	10,086,053
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	83,266,198	80,315,240
Liabilities					
	Total current liabilities	3139	+	14,783,028	10,786,722
	Total long-term liabilities	3450	+	37,970,070	40,604,361
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	52,753,098	51,391,083
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	30,513,100	28,924,157
	Total liabilities and shareholder equity	3640	=	83,266,198	80,315,240
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	11,001,499	9,412,556

***** Generic item

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI		Current year	Prior year
Cash and deposits					
	* Cash and deposits	1000		7,588,784	7,602,718
	Cash and deposits		+	7,588,784	7,602,718
Accounts receivable					
	* Accounts receivable	1060		8,404,151	5,776,761
	Holdbacks receivable	1068		7,733,424	7,740,920
	Accounts receivable		+	16,137,575	13,517,681
Inventories					
	* Inventories	1120		448,742	579,637
	Inventories		+	448,742	579,637
Other current assets					
	Prepaid expenses	1484		608,750	538,524
	Other current assets		+	608,750	538,524
	Total current assets	1599	=	24,783,851	22,238,560

***** Generic item

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI		Tangible capital assets		Accumulated amortization	Prior year
Land							
	* Land	1600	+	533,116			533,116
	Total			533,116			
Buildings							
	* Buildings	1680	+	4,344,828			4,142,263
	*Accumulated amortization of buildings	1681			–	1,699,855	1,595,655
	Total			4,344,828		1,699,855	
Machinery, equipment, furniture and fixtures							
	* Machinery, equipment, furniture, and fixtures	1740	+	376,560			370,268
	*Accumulated amortization of machinery, equipment, furniture, and fixtures	1741			–	309,761	298,271
	Tools and dies	1744	+	1,592,953			1,470,534
	Accumulated amortization of tools and dies	1745			–	1,255,105	1,204,298
	Computer equipment/software	1774	+	3,526,064			3,384,755
	Accumulated amortization of computer equipment/software	1775			–	2,876,862	2,693,658
	Transportation equipment	1783	+	2,682,228			2,623,313
	Accumulated amortization of transportation equipment	1784			–	1,854,506	1,616,558
	Other machinery and equipment	1785	+	98,557,234			96,477,174
	Accumulated amortization of other machinery and equipment	1786			–	49,232,782	47,748,915
	Total			106,735,039		55,529,016	
Other tangible capital assets							
	* Other tangible capital assets	1900	+	-9,298,809			-8,236,870
	*Accumulated amortization of other tangible capital assets	1901			–	-1,957,562	-1,758,148
	Other capital assets under construction	1920	+	526,120			625,281
	Total			-8,772,689		-1,957,562	
	Total tangible capital assets	2008	=	102,840,294			101,389,834
	Total accumulated amortization of tangible capital assets	2009			=	55,271,309	53,399,207

***** Generic item

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI		Current year	Prior year
Other long-term assets					
	* Other long-term assets	2420		4,838,306	3,713,424
	Future (deferred) income taxes	2421		6,075,056	6,372,629
	Other long-term assets		+	10,913,362	10,086,053
	Total long-term assets	2589	=	10,913,362	10,086,053

***** Generic item

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI		Current year	Prior year
Amounts payable and accrued liabilities					
	* Amounts payable and accrued liabilities	2620		13,452,110	9,811,963
	Amounts payable and accrued liabilities		+	13,452,110	9,811,963
	* Taxes payable	2680	+	108,634	26,306
Due to related parties					
	* Due to related parties	2860		177,325	235,517
	Due to related parties		+	177,325	235,517
	* Current portion of long-term liability	2920	+	350,000	350,000
Other current liabilities					
	* Other current liabilities	2960		614,896	275,247
	Deposits received	2961		80,063	87,689
	Other current liabilities		+	694,959	362,936
	Total current liabilities	3139	=	14,783,028	10,786,722

***** Generic item

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI		Current year	Prior year
Long-term debt					
	* Long-term debt	3140		2,216,667	2,566,667
	Long-term debt		+	2,216,667	2,566,667
Due to shareholder(s)/director(s)					
	* Due to shareholder(s)/director(s)	3260		19,511,601	23,365,398
	Due to shareholder(s)/director(s)		+	19,511,601	23,365,398
Other long-term liabilities					
	* Other long-term liabilities	3320		16,241,802	14,672,296
	Other long-term liabilities		+	16,241,802	14,672,296
	Total long-term liabilities	3450	=	37,970,070	40,604,361

***** Generic item

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI		Current year	Prior year
	* Common shares	3500	+	19,511,601	19,511,601
	* Retained earnings/deficit	3600	+	11,001,499	9,412,556
	Total shareholder equity	3620	=	30,513,100	28,924,157

***** Generic item

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI		Current year	Prior year
	* Retained earnings/deficit – start	3660	+	9,412,556	7,843,660
	* Net income/loss	3680	+	2,225,492	2,187,572
Dividends declared					
	* Dividends declared	3700		636,549	618,676
	Dividends declared		–	636,549	618,676
	Retained earnings/deficit – end	3849	=	11,001,499	9,412,556

***** Generic item

Financial Statements – Five Years

This form is the result of the compilation of the data entered in the GIFI forms. This form is provided as a complement of information and do not replace in any ways the traditional financial statements.

This form reproduces the financial statements as they appear in the *CCH Profit Driver* program further to the export process. Consult the context-sensitive help to learn more about *CCH Profit Driver* and about how to export the data towards this program.

Model Properties

Corporation's name	North Bay Hydro Distribution Limited
Group name	
Business number	88246 3128 RC0001
Industry code	
Industry type	Electricity Distribution
Legal form	
Primary contact	Cindy Tennant
Contact number	(705) 474-8100
Contact email	
Address	
Street address	74 Commerce Court P.O. Box 3240
City	North Bay
Province/State	ON
Postal code	P1B8Y5
Country	CA

Information about the preparer

Partner		Manager	
Analyst		Auditor	

Income Statement

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Revenue	13,007,376	12,548,286	12,207,754	11,645,606	10,846,023
Revenue	13,007,376	12,548,286	12,207,754	11,645,606	10,846,023
Returns and allowances (-)					
COGS					
COGS					
Depreciation (tangible assets)					
Gross Profit	13,007,376	12,548,286	12,207,754	11,645,606	10,846,023
Operating expenses	3,450,371	3,425,451	4,269,136	3,885,912	3,678,651
Operating expenses	1,314,499	1,340,969	1,312,141	1,096,379	1,097,439
Amortization (intangible assets)				2,789,533	2,581,212
Depreciation (tangible assets)	2,135,872	2,084,482	2,956,995		
Bad debts written off					
Salaries and wages					
Officer compensation					
Lease/rent expense					

Income Statement (continued)

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Other expense (income)	5,642,900	5,144,746	3,974,500	4,907,290	6,989,137
Other expenses	5,650,361	5,492,298	5,230,803	4,908,240	6,994,419
Interest income (-)					
Other income (-)			-1,252,656		
(Gain)/Loss disp. of assets	-7,461	-347,552	-3,647	-950	-5,282
Gain on derivatives (-)					
Loss on derivatives					
Income from subs/other (-)					
Non cash income (-)					
Non cash expenses					
EBIT	3,914,105	3,978,089	3,964,118	2,852,404	178,235
Interest expense					
Interest expense					
Deferred interest					
Capitalized interest (-)					
Profit before tax	3,914,105	3,978,089	3,964,118	2,852,404	178,235
Taxes	535,011	657,946	709,731	734,285	81,634
Taxes	659,519	533,438	709,731		
Future (def) income tax	-124,508	124,508		734,285	81,634
Income tax credit (-)					
Non-Tax (income)/expenses					
Non-Tax (income)/expenses					
Extraordinary items					
Minority interest					
Net income	3,379,094	3,320,143	3,254,387	2,118,119	96,601
Dividends	636,549	618,676	691,131	1,350,000	1,332,950
Dividends	636,549	618,676	691,131	1,350,000	1,332,950
Withdrawals					
Dividends – Stock					
Adjustments				501,772	
Adjustments				501,772	
Currency adjustment					
Retained earnings	2,742,545	2,701,467	2,563,256	266,347	-1,236,349

Balance Sheet

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Cash and equivalents	7,588,784	7,602,718	6,321,661	5,900,680	9,398,403
Cash and equivalents	7,588,784	7,602,718	6,321,661	5,900,680	9,398,403
Short term liquid deposits					
Marketable securities					
Acc receivable	16,137,575	13,517,681	13,372,209	13,169,729	12,538,408
Acc receivable	16,137,575	13,517,681	13,372,209	13,169,729	12,538,408
Allow. – Doubt. accts (-)					
Inventory	448,742	579,637	758,471	786,111	796,498
Inventory	448,742	579,637	758,471	786,111	796,498
Raw materials					
Work in progress					
Finished goods					
Prov. slow moving/obs (-)					
Other curr assets	608,750	538,524	777,279	755,275	277,638
Other curr assets					
Tax receivable			174,261		
Notes receivable					
Non trade receivables					
Prepaid expenses	608,750	538,524	603,018	755,275	277,638
Loans to rel. parties – CP					
Future (def) income tax – CP					
Due from rel. parties – CP					
Costs in excess of billings					
Derivative assets – CP					
Non op current assets					
Current assets	24,783,851	22,238,560	21,229,620	20,611,795	23,010,947
Fixed assets	47,568,985	47,990,627	43,191,832	37,624,056	34,327,570
Fixed assets	-8,772,689	-7,611,589	-6,048,713	-7,096,812	-6,191,811
Land	533,116	533,116	533,044	526,739	455,113
Buildings	4,344,828	4,142,263	2,952,070	2,809,332	2,796,676
Leasehold improvements					
Equipment	106,735,039	104,326,044	97,311,695	90,366,260	83,539,255
Vehicles					
Furniture and fixtures					
Capital leases					
Capital work in progress					
Accumulated depn (-)	-55,271,309	-53,399,207	-51,556,264	-48,981,463	-46,271,663
Investments					
Investments					
Investment in subs					

Balance Sheet (continued)

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Other non curr assets	10,913,362	10,086,053	12,593,289	11,956,046	10,637,087
Other non curr assets	4,838,306	3,713,424	5,539,948	4,676,973	5,206,289
Intangibles					
Notes receivable					
Future (def) income tax	6,075,056	6,372,629	7,053,341	7,279,073	5,430,798
Loans to rel. parties – NC					
Prepaid/deferred exps – NC					
Cash value life insurance					
Derivative assets – NC					
Non op non curr assets					
Non curr assets	58,482,347	58,076,680	55,785,121	49,580,102	44,964,657
Total assets	83,266,198	80,315,240	77,014,741	70,191,897	67,975,604

Balance Sheet (continued)

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Short term debt	350,000	350,000	350,000	115,264	117,861
Short term debt					
Current maturity LTD	350,000	350,000	350,000	115,264	117,861
Capital leases – CP					
Subordinated debt – CP					
Overdraft – Book					
Overdraft – Financing					
Line of credit					
Loans payable other					
Accounts payable	13,452,110	9,811,963	10,559,713	8,132,979	9,312,916
Accounts payable	13,452,110	9,811,963	10,559,713	8,132,979	9,312,916
Other curr liabilities	980,918	624,759	1,709,481	209,915	23,056
Other curr liabilities	614,896	275,247	158,518		
Accruals					
Tax payable	108,634	26,306		143,348	
Dividends payable					
Interest payable					
Provisions					
Due to rel. parties – CP	177,325	235,517	1,443,420	66,567	23,056
Non trade creditors					
Billings in excess of costs	80,063	87,689	107,543		
Future (def) income tax – CP					
Loans from rel. comp. – CP					
Derivative liabilities – CP					
Non operating curr liabs					
Current liabilities	14,783,028	10,786,722	12,619,194	8,458,158	9,453,833
Long term debt	2,216,667	2,566,667	2,916,667	2,785,974	1,911,280
Long term debt	2,216,667	2,566,667	2,916,667	2,785,974	1,911,280
Long term capital lease					
LT subordinated debt					
Deferred debt					
Deferred interest					
Other non current liabs	35,753,403	38,037,694	34,123,619	34,155,760	32,084,833
Other non current liabs	16,241,802	14,672,296	14,612,018	14,644,159	12,573,232
Future (def) income tax – NC					
Due to rel. parties – NC					
Provisions					
Minority interest					
Deferred revenue					
Loans from related Co – NC	19,511,601	23,365,398	19,511,601	19,511,601	19,511,601
Derivative liabilities – NC					
Non op non curr liabs					
Non current liabilities	37,970,070	40,604,361	37,040,286	36,941,734	33,996,113
Total liabilities	52,753,098	51,391,083	49,659,480	45,399,892	43,449,946

Balance Sheet (continued)

	Current year 2013-12-31	1st prior year 2012-12-31	2nd prior year 2011-12-31	3rd prior year 2010-12-31	4th prior year 2009-12-31
Stockholding	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Stockholding					
Preferred stock					
Common stock	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Paid in capital					
Other equity					
Other equity					
Stockholders loans					
Minority interest					
Reserves					
Treasury stock (-)					
Subordinated debt – Equity					
Accumulated OCI					
Currency adjustment					
Accumulated R/E	12,155,101	10,545,127	7,843,660	5,280,404	5,014,057
Retained earnings from I/S	2,742,545	2,701,467	2,563,256	266,347	-1,236,349
Previous balance	9,412,556	7,843,660	5,280,404	5,014,057	6,250,406
Adjustments					
Equity	31,666,702	30,056,728	27,355,261	24,792,005	24,525,658
Liabilities & Equity	84,419,800	81,447,811	77,014,741	70,191,897	67,975,604

BDO Canada LLP
101 McIntyre Street West
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North Bay ON P1B 2Y5
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April 8, 2014

Cindy Tennant
Manager, Finance
North Bay Hydro Distribution Limited
74 Commerce Court
P.O. Box 3240
North Bay ON P1B 8Y5
Canada

Notice to Reader

Statement of income

The corporation's income statement on December 31, 2013 has been prepared solely for income tax purposes based on information provided by North Bay Hydro Distribution Limited without audit or review.

Readers are cautioned that these statements may not be appropriate for their purposes.

Signed in North Bay on April 8, 2014,

_____

Signature
BDO Canada LLP

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

Income statement information

Description	GIFI

Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
Income statement information					
	Total sales of goods and services	8089	+	13,007,376	12,548,286
	Cost of sales	8518	–		
	Gross profit/loss	8519	=	13,007,376	12,548,286
	Cost of sales	8518	+		
	Total operating expenses	9367	+	9,100,732	8,913,689
	Total expenses (mandatory field)	9368	=	9,100,732	8,913,689
	Total revenue (mandatory field)	8299	+	11,861,235	11,759,207
	Total expenses (mandatory field)	9368	–	9,100,732	8,913,689
	Net non-farming income	9369	=	2,760,503	2,845,518
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	2,760,503	2,845,518
	Total other comprehensive income	9998	=		
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	659,519	533,438
	Future (deferred) income tax provision	9995	–	-124,508	124,508
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	2,225,492	2,187,572

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI		Current year	Prior year
	* Trade sales of goods and services	8000	+	13,007,376	12,548,286
	Total sales of goods and services	8089	=	13,007,376	12,548,286
Realized gains/losses on disposal of assets					
	* Realized gains/losses on disposal of assets	8210		7,461	347,552
	Realized gains/losses on disposal of assets		+	7,461	347,552
Other revenue					
	* Other revenue	8230		-1,164,967	-1,132,571
	Foreign exchange gains/losses	8231		11,365	-4,060
	Other revenue		+	-1,153,602	-1,136,631
	Total revenue	8299	=	11,861,235	11,759,207

***** Generic item

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI		Current year	Prior year
Advertising and promotion					
	Donations	8522		21,050	15,550
	Meals and entertainment	8523		16,706	
	Advertising and promotion		+	37,756	15,550
	* Amortization of tangible assets	8670	+	2,135,872	2,084,482
Interest paid (financial institutions)					
	* Interest paid (financial institutions)	8740		1,214,264	1,268,236
	Interest paid (financial institutions)		+	1,214,264	1,268,236
	* Property taxes	9180	+	62,479	57,183
Other expenses					
	* Other expenses	9270		5,650,361	5,488,238
	Other expenses		+	5,650,361	5,488,238
	Total operating expenses	9367	=	9,100,732	8,913,689

***** Generic item

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes checklist

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- 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. 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.
- 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.

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

Does the accountant have a professional designation?	095	1 Yes	X	2 No	
Is the accountant connected* with the corporation?	097	1 Yes		2 No	X

* 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	X
Completed a review engagement report	2	
Conducted a compilation engagement	3	

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	X

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	
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	

Were notes to the financial statements prepared?	101	1 Yes	X	2 No	

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

Are subsequent events mentioned in the notes?	104	1 Yes	X	2 No	
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes		2 No	X
Is contingent liability information mentioned in the notes?	106	1 Yes	X	2 No	
Is information regarding commitments mentioned in the notes?	107	1 Yes	X	2 No	
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes		2 No	X

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	**210**		**211**	
Intangible assets	**215**		**216**	
Investment property	**220**			
Biological assets	**225**			
Financial instruments	**230**		**231**	
Other	**235**		**236**	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **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: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2013-01-01

Tax Year End: 2013-12-31

1. Accounts Receivable

	2013	2012
Electrical energy	$ 7,594,369	$ 5,364,419
Street lighting	13,233	247,164
Landfill gas	-	205,313
Recoveries and other	1,600,765	710,751
Allowance for doubtful accounts	(804,216)	(750,886)
	$ 8,404,151	$ 5,776,761

2. Property, Plant and Equipment

	2013			2012	
	Estimated useful life (yrs)	Cost)	Accumulated Amortization	Cost	Accumulated) Amortization
Electrical Distribution Assets					
Land		$ 446,565	$ -	$ 446,565	$ -
Buildings	30 50	1,830,506	356,852	1,728,007	333,314
Substation equipment	40 50	13,013,503	4,423,215	11,016,436	4,215,467
Poles, towers and fixtures	45	21,394,561	11,472,695	20,054,943	11,176,939
Overhead conductor and devices	60	16,392,963	8,739,600		

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001

Tax Year Start: 2013-01-01

Tax Year End: 2013-12-31

			15,639,134		8,529,292		
Underground conduit and conductor	40	50	8,405,447		4,776,871	7,709,548	4,665,118
Distribution transformers	40		16,518,295		9,432,355	16,002,784	9,195,390
Overhead and underground services	40	60	18,018,316		6,925,189	17,526,406	6,528,200
Distribution meters	10	25	4,192,008		2,868,881	4,079,350	2,742,039
Total electrical distribution assets			100,212,164		48,995,658	94,203,173	47,385,759
General Assets							
Land			86,551	-	86,551	-	
Buildings	25	50	2,514,322		1,343,003	2,414,256	1,262,341
Office equipment	10		376,560		309,761	370,268	298,271
Computer equipment	5		2,142,299		1,760,822	2,040,190	1,626,621
Transportation equipment	5	8	2,682,228		1,854,506	2,623,313	1,616,558
Small tools and							

miscellaneous equipment	10	1,592,953	1,255,105	1,470,534	1,204,298		
Load management controls	6	622,142	593,976	622,142	592,346		
System supervisory equipment	15 20	1,383,765	1,116,039	1,342,401	1,064,873		
Total general assets		11,400,820	8,233,212	10,969,655	7,665,308		
Sub total		$ 111,612,984	$ 57,228,870	$ 105,172,828	$ 55,051,067		

2. Property, Plant and Equipment (continued)

Sub total (from previous page)		$ 111,612,984	$ 57,228,870	$ 105,172,828	$ 55,051,067		
Electrical Generation Assets							
Merrick Landfill Project	5 15	-	-	3,828,595	106,288		

Work in Process					
Electrical Distribution Assets		526,120	-	625,281	-
Total Work in Process		526,120	-	625,281	-
		112,139,104	57,228,870	109,626,704	55,157,355
Less: Contributions in aid of construction	25 60	9,298,809	1,957,561	8,236,870	1,758,148
		$ 102,840,295	$ 55,271,309	$ 101,389,834	$ 53,399,207
Net book value		$ 47,568,986		$ 47,990,627	

3. Regulatory Assets and Liabilities

All amounts deferred as regulatory assets are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators, at which time any resulting change would be reflected in the financial statements. Remaining recovery periods are those expected and the actual recovery or settlement periods could differ based on OEB approval. Due to previous, existing or expected future regulatory articles or decisions, the company has recorded the following amounts expected to be recovered by customers (returned to customers) in future periods and as such regulatory

assets (liabilities) are comprised of:

	Remaining recovery period (years)		2013	2012
Regulatory Assets				
Connection (i)	2	4	$ 375,270	$ 215,740
Network (i)	2	4	559,007	372,064
Rural rate assistance (i)	2	4	16,387	(2,688)
Power (i)	2	4	690,833	23,872
Low voltage (i)	2	4	35,447	21,893
Carrying charges power (ii)	2	4	(10,636)	(1,972)
Carrying charges other (ii)	2	4	95,879	59,245
Carrying charges 2012 recovery (ii)	2		969,500	969,176
Disposition/recovery 2010 (vii)	1		1,445	1,445
Disposition/recovery 2012 (xii)	2		(526,249)	155,012
Smart meter initiatives (v)	1		2,314,042	1,824,097
2008 HONI regulatory Asset	1		994	994
IFRS (vi)	4		13,789	38,789
Special purpose assessment	1		1,659	1,659
Conservation and demand initiatives	2	4	34,098	34,098
Smart meter entity charge (xiii)	5		18,051	-

LRAMVA (xiv)	2	4	242,429	-
			$ 4,831,945	$ 3,713,424

3. Regulatory Assets and Liabilities (continued)

Regulatory Liabilities

	Remaining recovery period (years)		2013	2012
Wholesale market services (i)	2	4	(1,739,644)	(1,344,857)
Deferred payments in lieu of taxes	2		(197)	(197)
Retail cost variances (iv)	2	4	(355,519)	(321,566)
2006 storm costs	2	4	(1,839)	(1,839)
Smart grid initiatives (viii)	4		(9,637)	(35,179)
Hydro One regulatory asset recovery (ix)	2	4	(3,668)	(3,668)
Tax savings (x)	2	4	(30,431)	(46,209)
CGAAP changes (iii)	2	4	(2,297,538)	(1,132,571)
Future income taxes (xi)	5	25	(6,075,056)	(6,497,137)
			(10,513,529)	(9,383,223)

Net Regulatory Liabilities	$	(5,681,584)	$	(5,669,799)

In the absence of rate regulation, these rate regulated assets and liabilities would be recognized in income in the year in which they relate. As a result, the net effect on income for the period as stated below.

i. Post market opening retail settlement variances

Post market opening retail settlement variances represent the amounts that have accumulated since Market Opening and are comprised of variances between amounts charged by the Independent Electric Service Organization (IESO) for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges and the amounts collected from customers by the company based on the OEB approved wholesale market service rate. Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook. The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2013 would have been lower by $651,276 (2012 higher by $1,366,486, excluding the write off below). As a component of the yearly IRM, "Group 1" account balances (which are composed of Low Voltage, Wholesale Market, Network, Connection and Power) are reviewed and will qualify for disposition if balances, including carrying charges, exceed a preset threshold per kWh.

3. Regulatory Assets and Liabilities (continued)

ii. Carrying charges

Carrying charges are calculated monthly on the opening balance of the applicable variance account using a specific interest rate as outlined by the OEB. The company did not recognize carrying charge income related to the retail settlement variance accounts for external reporting purposes prior to December 31, 2003. In the absence of rate regulation, the net of other revenues and interest expense would have been lower by $28,293 (2012 lower by $31,136).

iii. Canadian Generally Accepted Accounting Principles (CGAAP) Changes

On July 8, 2010, the OEB released a depreciation study for use by electricity distributors in the transition to IFRS. The results of this study were released in a report by a 3rd party consultant, Kinetrics, and provided information and guidance that the OEB expected LDCs to consider as asset service lives were determined under IFRS. Though the company has elected to defer transition to IFRS until mandatory, the release of this study provided the company with new information with regards to the estimates used for depreciation purposes. On July 17, 2012 the OEB released a further letter providing guidance to LDCs with regards to regulatory accounting policy direction for changes to depreciation expense and capitalization for companies deferring IFRS transition but seeking to make changes to depreciation and capitalization. The Board has approved variance Account 1576, Accounting Changes Under CGAAP, for distributors to record the financial differences arising as a result of the election to make accounting changes to depreciation; the difference is a reflection of the revised depreciation expense in comparison to the depreciation that would have been recorded under previous service life terms and thus included in rates charged to customers.

The cumulative variance in this account will be refunded to ratepayers in the year of the company's next cost of service application through an adjustment

to depreciation expense over an approved amortization period pending review and approval by the OEB.

iv. Retail cost variances

Retail cost variances were established to record the difference between the amount billed and the incremental costs of providing retail services and to record the difference between the amount billed in relation to a service transaction request and the incremental costs of providing the initial screening and actual processing services for the service transaction request. Under the OEB's direction, the company has deferred the settlement variances that have occurred since May 1, 2002. Accordingly, the company has deferred these recoveries in accordance with the AP Handbook.

The OEB allows the variances to be deferred which would normally be recorded as revenue for unregulated businesses under Canadian GAAP. In absence of rate regulation, revenues in 2013 would have been higher by $33,953 (2012 higher by $40,063). The deferred balance for unapproved settlement variances continues to be calculated in accordance with the OEB's direction. The manner and timing of disposition of the variance has not been determined by the OEB.

3. Regulatory Assets and Liabilities (continued)

v. Smart Meter Initiatives

During 2006, the OEB adopted recommendations on smart meters with regard to cost recovery during the phase in period of this equipment. The OEB stated that given the increased need for electricity and the importance of conservation, specific funding for smart meters should be included in 2006 rates by all Ontario electric LDC. Variance accounts were established to track revenues collected with respect to smart meters and associated costs of the initiatives.

In connection with its smart meter initiatives, the company has incurred costs

amounting to $489,967 for the year ended December 31, 2013 (2012 $79,086). As at December 31, 2013, smart meter capital expenditures, net of accumulated depreciation, totalling $2,552,008 have been recorded to regulatory assets (December 31, 2012 $2,283,783). These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been higher in 2013 by $221,719 (2012 higher by $64,836) and net capital assets would have been higher by $268,226 (2012 lower by $126,240).

On August 30, 2013, the company filed an IRM application for 2014 distribution rates (EB 2013 0157) with the OEB which included a request seeking the recovery of smart meter costs. On February 20, 2014, the OEB approved the recovery of $3,842,216 in capital and OM&A costs over a one year period commencing May 1, 2014 and ending April 30, 2015.

vi. IFRS

During 2008, the OEB consultation process (EB 2008 0408) was set up to determine the effect of IFRS on LDC companies. The consultation concluded that prudently incurred administrative costs directly related to IFRS transition would be recoverable from ratepayers on the same basis as other administrative costs. The Board then established a deferral account for the distributors for incremental one time administrative costs related to the transition to IFRS. Accordingly, the company has deferred an additional $Nil in 2013 (2012 $20,939) of incremental one time administrative costs. The Board, in determining the disposition of the account, will consider the criteria of causation, materiality and prudence. In the 2010 cost of service application, the Company was approved to recover $100,000 over four years in distribution rates. In the absence of rate regulation, net income would have been lower in 2013 by $25,000 (2012 higher by $4,061).

3. Regulatory Assets and Liabilities (continued)

vii. Disposition/recovery 2010

On October 26, 2009, the company filed a Cost of Service application for 2010 distribution rates with the OEB which included a request seeking disposition of the balances for regulatory assets and liabilities for a net disposition of $456,003. On April 8, 2010, the OEB approved the disposition of net regulatory assets of $2,559,106 and net regulatory liabilities of $2,103,102 over a one year period commencing May 1, 2010 and ending April 30, 2011.

viii. Smart grid initiatives

In its April 8, 2010 decision on 2010 distribution rates, the OEB approved the company's proposal to charge customers a fixed monthly funding adder for spending related to two Real Time Operating Pilot programs; both a Residential and Industrial pilot program. The spending and funding adder are to be tracked in a deferral account. Spending will take place over 2010 and through the IRM period until the next Cost of Service application up to a maximum approved amount of $100,000. Upon request for disposition, the OEB will consider the prudence of the company's expenditures and make a determination at that time of whether recovery will be approved.

In connection with its smart grid initiatives, the company has incurred costs amounting to $33,216 for the year ended December 31, 2013 (2012 $19,477). As at December 31, 2013, smart grid capital expenditures, net of accumulated depreciation, totaling $Nil (2012 $Nil) have been recorded to regulatory liabilities; the company has collected $7,673 (2012 $22,888) from the funding adder to offset spending which has resulted in a liability. These expenditures would otherwise have been recorded as property, plant and equipment and intangible assets under Canadian GAAP for unregulated businesses. In the absence of rate regulation, net income would have been

lower in 2013 by $25,543 (2012 higher by $3,411) and net capital assets would have been higher by $Nil (2012 $2,589).

ix. Hydro One regulatory asset recovery

The Hydro One RAR consists of balances of regulatory assets or regulatory liabilities approved for disposition by the OEB through rate riders billed to all Hydro One customers. The RAR is subject to carrying charges following the OEB prescribed methodology and related rates. The OEB approved the disposition (EB 2009 0096) over a 20 month period beginning May 2010, expiring December 2011. In the absence of rate regulation, net income would have been higher in 2013 by higher by $Nil (2012 higher by $26).

3. Regulatory Assets and Liabilities (continued)

x. Tax Savings

In its supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors dated September 17, 2008, the OEB determined that a 50/50 sharing of the impact of currently known legislative changes, as applied to the tax level reflected in the Board approved base rates for a distributor, is appropriate for the 3rd Generation IRM applications. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% if the total change from those taxes included in the most recent cost of service base distribution rates.

In the company's 2012 IRM application, the OEB issued decision (OEB 2011 0187) and found that a 50/50 sharing of changes from the tax level reflected in the Board approved base rates to the currently known legislated tax level for 2012 is appropriate. The OEB ordered the company to record the tax sharing refund amount of $56,285 in variance account 1595 and dispose over the period of May 1, 2012 to April 30, 2013. In the company's 2011 IRM application, the OEB

issued its decision (EB 2010 010) and ordered the company to record the tax sharing refund amount of $16,285 in variance account 1595 as the amount was deemed immaterial. In the absence of rate regulation, net income would have been lower in 2013 by $15,778 (2012 - higher by $29,924).

xi. Future Income Taxes

As a result of amendments to the CICA Handbook, the removal of a temporary exemption in Handbook Section 1100 pertaining to the application of that section resulted in the recognition and measurement of assets and liabilities arising from rate regulation. This change required the recognition of future income tax liabilities and assets in accordance with Handbook Section 3465 as well as a separate regulatory asset or liability balance for the amount of future income taxes expected to be included in future rates and recovered from or paid to customers, and retain existing requirements to disclose the effects of rate regulation. As a result of these changes, the company has recorded a regulatory liability in connection with its future tax asset in the amount of $6,075,056 (2012 $6,497,137).

xii. Disposition/recovery 2012

On October 14, 2011, the company filed a Cost of Service application for 2012 distribution rates (EB 2011 0187) with the OEB which included a request seeking disposition of the balances for regulatory assets and liabilities. On April 4, 2012, the OEB approved the disposition of net regulatory assets of $3,056,941 and net regulatory liabilities of $1,501,141 over a two year period commencing May 1, 2012 and ending April 30, 2014. The net disposition balance of $1,555,800 included deferred PILs in the amount of $795,863, SPC of $6,178 and group 1 balances of $753,760. The amounts consisted of principal balances as of December 31, 2010 with carrying charges projected to April 30, 2012.

3. Regulatory Assets and Liabilities (continued)

xiii. Smart Meter Entity Charge

In a Decision and Order that was issued on March 30, 2013, the OEB approved effective May 1, 2013, the Smart Metering Entity ("SME") charge to be levied and collected by LDCs from Residential and General Service <50kW customers from May 1, 2013 to October 31, 2018. The SME charge effectively covers the costs of the IESO in its role to manage the development of the meter data management/repository (MDM/R) to collect, manage, store and retrieve information related to the metering of customers' use of electricity.

The OEB approved three accounts for use by distributors for the Smart Metering Entity charge, including variance Account 1551, Smart Metering Entity Charge Variance Account which is used to record the variances arising from the Smart Metering Entity charge billed to the company from the Independent Electricity System Operator (IESO) and the amount billed to the company's customers for the Smart Metering Entity. In the absence of rate regulation, net income would have been lower in 2013 by $18,051 (2012 - $Nil).

xiv. Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)

On April 26, 2012 the OEB released the Guidelines for Electricity Distributor Conservation and Demand Management (EB 2012 0003) which included accounting direction on the treatment of lost revenues from forecasted/unforecasted Conservation and Demand Management (CDM) results on distribution revenue due to variances from forecasted throughput used to establish distribution rates.

The Board established an LRAM variance account ("LRAMVA") to capture the differences between the results of actual, verified impacts of authorized CDM activities undertaken by electricity distributors between 2011 2014 for both Board Approved CDM programs and OPA Contracted Province Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor's franchise area) and the level of CDM program activities included in the distributor's

load forecast (i.e. the level embedded into rates). At a minimum, distributors must apply for disposition of the balance in the LRAMVA the time of their Cost of Service rate applications.

In 2013, the company recorded LRAM for 2011 and 2012 OPA programs based on final results released by the OPA. In addition, the company recorded the preliminary estimate of 2013 program savings. In the absence of rate regulation, net income would have been lower in 2013 by $242,430 (2012 $Nil).

3. Regulatory Assets and Liabilities (continued)

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate setting purposes. Management continually assesses the likelihood of recovery of regulatory assets and realization of regulatory liabilities. If recovery and realization through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

4. Accounts Payable and Accrued Liabilities

	2013	2012
Power	$ 6,191,317	$ 5,321,221
Trade payables, accruals and other	6,937,920	3,755,481
Customer credit balances	676,828	735,260
Payable to North Bay Hydro Services	177,325	102,181

$ 13,983,390	$ 9,914,143

5. Employee Future Benefits

The company has a defined benefit life insurance and health care plan covering substantially all unionized employees and most retirees. Information about the company's defined benefit life insurance and health care plan is as follows:

	2013	2012
Prepaid benefit liability, beginning of year	$ 4,405,982	$ 4,321,598
Expense for the year	405,616	464,928
Benefits paid during the year	(300,205)	(380,544)
Prepaid benefit liability, end of year	$ 4,511,393	$ 4,405,982
Fair value of plan assets	$ -	$ -

	2013	2012
Prepaid benefit liability, end of year	$ 4,511,393	$ 4,405,982
Unamortized net actuarial (gains) losses	(205,022)	1,763,801
Projected accrued benefit obligation, end of year	$ 4,306,371	

$ 6,169,783

Included in wages and employee benefits is a net benefit expense as follows:

	2013	2012
Total service cost of the plan for the year	$ 94,421	$ 91,372
Interest on average liabilities	229,279	259,248
Amortization of net actuarial gains/losses	81,916	114,308
	$ 405,616	$ 464,928

Actual payments during the year were $300,205 (2012 $380,544).

5. Employee Future Benefits (continued)

The main actuarial assumptions employed for the valuations are as follows:

Expected average remaining service life of active employees 14 years

a. General Inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.0% per annum (2012 2.0%).

b. Interest (Discount) Rate

The obligation at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 4.6% (2012 3.75%). The discount rate for 2013 reflects the assumed long term yield on high quality bonds as at December 31, 2013 (most recent

valuation date).

c. Salary Levels

Future general salary and wage levels were assumed to increase at 3.3% (2012 3.3%) based on expected CPI adjusted for productivity, merit and promotion as at December 31, 2013.

d. Medical Costs

Medical costs were assumed to increase 7% in 2014, 6.7% in 2015, 6.4% in 2016, 6.1% in 2017, 5.8% in 2018, 5.5% in 2019, 5.2% in 2020, 4.9% in 2021 and 4.6% thereafter.

e. Dental Costs

Dental costs were assumed to increase at 4.6% (2012 5.0%) annually.

6. Long term Debt

a. Payable to Corporation of the City of North Bay Promissory Note

The balance payable to the Corporation of the City of North Bay bears interest at 5% per year, and is payable upon twelve month's written notice.

The fair value and future expected repayment schedules for this debt has not been disclosed due to the fact that the cash flow streams are not determinable.

b. Ontario Infrastructure Projects Corporation

The company negotiated a loan with the Ontario Infrastructure Projects Corporation to provide funding for the Smart Meter project. The loan is a 10 year serial loan at an interest rate of 3.90% calculated on a semi annual basis. The loan will be repaid in 120 monthly installments which will include both principal and interest. The loan balance at the end of the year was $2,566,667 (2012 $2,916,667), of which $350,000 is repayable within one year.

The company's agreement with the Ontario Infrastructure Projects

Corporation requires a debt service coverage ratio of 1:1, a debt to capital ratio lower than 60%, and a current ratio of 1.1:1 or higher. The agreement also prevents the company from making loans or paying dividends that would cause the violation of these covenants. As at December 31, 2013 the company's debt service coverage ratio calculated under the terms of the agreement was 1.19:1, the debt to capital ratio was 47%, and the current ratio was 1.64:1.
As part of the financing proposal, the OIPC agreed to waive any debt service coverage ratio violation if working capital surplus was greater than the loan amount. As at December 31, 2013 the working capital surplus calculated under the terms of the contract was $9,653,229.
Principal repayments for the next five years and thereafter are as follows:

	Ontario Infrastructure Projects Corporation
2014	$ 350,000
2015	350,000
2016	350,000
2017	350,000
2018	350,000
Thereafter	816,667
	$ 2,566,667

7. Contingencies

The company belongs to the Municipal Electrical Reciprocal Insurance Exchange

("MEARIE"). MEARIE is a self insurance plan that pools the risks of all of its members. Any losses experienced by MEARIE are shared amongst its members. As at December 31, 2013, the company has not been made aware of any assessments for losses. The company has two claims outstanding against it and expects that any potential liability under these claims will be covered under the MEARIE liability policy.

8. Commitments

On October 9, 2009 the company entered into a 15 year contract with Sensus Metering Systems Inc. to maintain and further develop the AMI system that meets the MEU functional specifications related to the Smart Meter Project. The contract contains 3 renewal terms of 5 years each. The company elected to have the monthly fees billed in USD, instead of having the currency rate set on an annual basis in October of each year. Termination penalties apply if the company cancels the contract without cause, the related fees are based on a sliding scale for the year this takes place and the fees associated with the service option selected. Annual fees in the amount of approximately $158,000 are expected to be incurred under this contract, however can flucutate based on several factors including performance..

9. Share Capital

Authorized:

Unlimited Common shares

The issued share capital is as follows:

2013		2012
1,001	Common shares	$ 19,511,601 $ 19,511,601

10. Cost of Power

	2013	2012
Pass through charges billed by the company for:		
Electricity charges	$ 46,527,935	$ 41,414,241
Network and connection	6,399,721	6,086,266
Wholesale market service charges	2,947,252	2,912,108
Smart meter entity charge	148,751	-
	$ 56,023,659	$ 50,412,615

11. Related Party Transactions

The Corporation of the City of North Bay (the "City") is the 100% owner of North Bay Hydro Holdings Inc. which is the parent company of North Bay Hydro Distribution Limited and North Bay Hydro Services Inc.

The company provides electricity and services to the City. A summary of the amounts charged by the company to the City is as follows:

	2013	2012
Electrical energy	$ 2,633,262	$ 2,510,679
Street light energy	870,944	856,557
Construction activity	215,739	12,330
Street light maintenance	213,116	506,064

At December 31, 2013, accounts payable and accrued liabilities includes

$135,696 due to the City (2012 $173,780) and accounts receivable include $539,799 due from the City (2012 $588,240). The company purchased goods and services from the City totaling $293,058 in 2013 (2012 $371,589). In 2013, the company also provided CDM incentives to the City of North Bay totalling $36,309 (2012 $4,425). In fiscal 2012 the company began to generate power for sale into the grid. The company was charged $0.045 / kwh by the City for the use of the gas produced by its landfill site to generate this power for a total cost of power under this initiative paid to the City in the amount of $133,291 (2012 $223,973).

Electrical energy is sold to the City at the same prices and terms as other electricity customers consuming equivalent amounts of electricity.

Streetlight maintenance services are provided at rates determined in relation to other service providers. Other construction services are provided at cost.

During the year, the company paid municipal taxes to the City in the amount of $62,479 (2012 $57,183).

The company is also indebted to the City for a $19,511,601 (2012 $19,511,601) promissory note (see Note 6a). Included in interest expense for the year is interest paid on this promissory note in the amount of $975,580 (2012 $975,580). In 2012 the 4.9% interest bearing loan payable to the City in the amount of $3,986,631 was repayable in monthly installments of principal and interest. In 2013, this loan was sold as part of the disposition of the company's gas collection and generation business, see below.

11. Related Party Transactions (continued)

The company provides administrative and other services to an affiliated company, North Bay Hydro Services Inc ("Services"). Administrative fees charged for 2013 were $66,994 (2012 $49,354). Salaries charged to Services

were $323,334 (2012 $234,637) and contracted services totalling $97,368 were also charged to Services in 2013 (2012 $68,342). Rent charged to Services was $16,200 (2012 $16,200) and equipment charges amounted to $15,404 (2012 $9,836). The intercompany accounts payable at year end was $177,325 (2012 $102,181). With regards to the Merrick Landfill Project, in 2013 the company was charged $37,873 (2012 $77,142) by Services for expenses related to this project, including an administrative fee.

The above transactions are in the normal course of operations and are measured at exchange amounts.

On May 1, 2013 the company sold its gas collection and generation business to Services, a company under common control, for a purchase price of $1. The transaction was measured at carrying values and included the transfer of cash in the amount of $249,999.

12. Credit Facility / Letters of Credit

The company has an authorized line of credit under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is $1,000,000. At year end the company had drawn $Nil (2012 $Nil) under this facility.

The company has available a revolving term facility to a maximum draw of $1,000,000 to finance the purchase of capital assets. At year end the company had drawn $Nil (2012 $Nil) under this facility.

The company has a $2.5 million letter of credit with its bank provided to the IESO to secure the company's hydro purchase obligations. The company has provided it's financial institution with a General Security Agreement as security for this obligation. In the prior year, the company had provided it's financial institution with an assignment in the amount of $2,000,000 of it's short term investments as security for the letter of credit provided to

the IESO to secure its hydro purchase obligations. In the current year the banking agreement changed such that the investments were released as security and a General Security Agreement (GSA) has been put in its place.
The company's general banking agreement which encompasses the line of credit, revolving term facility and the letter of credit contains financial covenants which include a debt to capital ratio lower than 60% and a debt service coverage ratio of not less than 1:1. As at December 31, 2013, the company's debt to capital ratio was 30% and the debt service coverage ratio calculated under the terms of the agreement was 2.87:1.

13. Pension Agreements

The company makes contributions to the OMERS, which is a multi employer pension plan, on behalf of all full time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 439,528 active and retired members and approximately 982 employers.
Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2013. The results of this valuation disclosed total actuarial liabilities of $73,004 million in respect of benefits accrued for service with actuarial assets at that date of $64,363 million indicating an actuarial deficit of $8,641 million. Because OMERS is a multi employer plan,

any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the company does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2013 was $394,754 (2012 $328,200).

14. Net Change in Non cash Working Capital Balances

The net change in non cash working capital balances consists of:

	2013	2012
Accounts receivable	$ (2,796,186)	$ (295,355)
Unbilled service revenue	7,496	149,881
Inventory	130,895	178,834
Prepaid expenses	(76,588)	64,496
Accounts payable and accrued liabilities	4,183,699	(774,880)
Payments in lieu of taxes	103,301	179,594
Deferred revenue	339,649	116,729
	$ 1,892,266	$ (380,701)

Supplementary cash flow information consists of the following:

	2013	2012
Cash paid during the year for:		
Interest	$ 1,214,264	$ 1,268,236
Payments in lieu of taxes	$ 550,887	$ 1,027,339
Cash received during the year for:		
Interest	$ 195,869	$ 159,111

T2 BAR CODE RETURN

Name: North Bay Hydro Distribution Limited

BN: 88246 3128 RC 0001
Tax Year Start: 2013-01-01
Tax Year End: 2013-12-31

15. Payments in Lieu of Corporate Income Taxes, Capital Taxes, and Future Income Taxes

a. Expense

The company's provision for PILs is calculated as follows:

	2013	2012
Income before provision for income taxes and other item	$ 2,760,504	$ 2,845,518
Regulatory assets/liabilities added (deducted) for tax purposes	1,325,937	1,788,943
Net change in reserves	105,410	84,384
Capital cost allowance (greater than) less than amortization expense related to regulatory assets	(1,385,148)	(2,347,605)
Other items	(178,414)	28,299
Gain on disposal of assets	(7,461)	(347,552)
Income for tax purposes	2,620,828	2,051,987
Statutory Canadian federal and provincial tax rate	26.50%	26.50%
Provision for PILs	694,519	543,776
Ontario small business deduction	(35,000)	(35,000)
Ontario co op and apprenticeship tax credits	-	(3,443)
Prior year over provision	20,973	7,132

Total tax provision	$ 680,492	$ 512,465

b. Future Taxes

As the end of the year, the significant component's of the company's future taxes are as follows:

	2013	2012
Future Income Tax Asset		
Property, plant and equipment	$ 4,448,499	$ 4,784,078
Employee future benefits	1,626,557	1,588,551
Total future tax assets	$ 6,075,056	$ 6,372,629

16. Financial Instruments

a. Fair Values

The company's financial instruments are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, customer deposits, long term debt, payable to North Bay Hydro Services Inc and payable to the Corporation of the City of North Bay.

Cash and cash equivalents is reported at fair value on the balance sheet. Accounts receivable, accounts payable and accrued liabilities, payable to North Bay Hydro Services Inc. and customer deposits are reported at amortized cost which approximates fair value due to their short term nature.

The fair value of the long term debt, payable to the Corporation of the City of North Bay have not been determined as disclosed in Note 6.

b. Risks arising from Financial Instruments

Credit Risk

The company's cash and cash equivalents are all held at a single major financial institution and the company is therefore exposed to credit risk from this concentration of cash and cash equivalents. The company also maintains cash and cash equivalents with it's financial institution in excess of federally insured limits and is therefore exposed to the credit risk from this concentration of cash and cash equivalents.

The company's accounts receivables are made up of a large number of small balances from residential customers and commercial customers in a number of different industries. The company is exposed to credit risk as a result of its accounts receivable through the possibility of customer default on these accounts. The company monitors its exposure to and attempts to limit this credit risk exposure on a continuous basis.

In accordance with directions provided by the OEB, the company collects deposits from its customers and as at December 31, 2013 held customer deposits in the amount of $942,988 (2012 $970,780).

The company provides for its credit risk through the use of an allowance whereby customer accounts greater than 90 days in age are provided for. Any change in this provision from one year to the next and any future recoveries of accounts that had previously been allowed for are recognized in the statement of operations.

16. Financial Instruments (continued)

The credit risk associated with accounts receivable is as follows:

	2013	2012
Total accounts receivable	$ 9,208,367	$ 6,527,647

Less: allowance for doubtful accounts	(804,216)	(750,886)
Accounts receivable, net	$ 8,404,151	$ 5,776,761
Aged as follows:		
Less than 29 days	$ 7,285,702	$ 4,906,569
30 to 89 days	715,599	694,178
90 days and older	1,207,065	926,900
Less: allowance for doubtful accounts	(804,216)	(750,886)
Accounts receivable, net	$ 8,404,150	$ 5,776,761

The company's maximum credit risk exposure is equal to the carrying value of its financial assets.

Interest Rate Risk

The company has access to short term borrowings under its credit facility agreement (Note 12). If the company were to utilize this facility it would be exposed to fluctuations in short term interest rates.

The company is exposed to interest rate risk on its long term debt and its payable to the Corporation of the City of North Bay (Note 6). The interest rates on these financial instruments are fixed and therefore the company is not exposed to fluctuations in short term interest rates. However, with respect to its payable to the Corporation of the City of North Bay, if short term interest rates fall below the fixed rate of this instrument the company would incur greater interest expense than it would had it borrowed

these funds using other means. Alternatively, should short term interest rates rise above these fixed rates, the company would incur lower interest expense than it would had it borrowed these funds using other means.

16. Financial Instruments (continued)

Liquidity Risk

The company strives to maintain a liquidity level that allows for sufficient funds to meet operational requirements so that obligations can be met as they become due while minimizing interest expense. The company monitors cash balances regularly and has access to short term borrowings, should they be required, under its credit facility agreement (Note 12).

Accounts payable and accrued liabilities are all due within one year from the balance sheet date. The company is exposed to liquidity risk on its payable to the City (Note 6) as this balance is payable upon twelve month's written notice. Management does not expect that this note will be called within the foreseeable future.

Currency Risks

The company is exposed to the changing values of foreign currencies. The company has entered into a contract for the purchase of goods and services related primarily to the Smart Meter project, which is payable in US dollars. The company is exposed to the fluctuations in currency prices when it purchases US dollars to meet the payable commitments. The impact on these transactions in 2013 was a foreign exchange gain of $11,365 (2012 loss $4,060).

Other Risks

The company is not exposed to any other significant risks as it has not entered into any hedging or derivative contracts.

17. Capital Disclosures

The company considers its capital to comprise its common share capital, accumulated retained earnings and amounts due to related parties. There have been no changes in what the company considers to be capital since the previous year.

In managing its capital, the company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and through the payment of periodic dividends to its common shareholders. The company also seeks to ensure that access to funding is available in order to maintain and improve the equipment used in operations and maintain financial ratios within the recommended guidelines as prescribed by the OEB. In order to achieve these objectives, the company develops detailed annual operating budgets and seeks to maintain distribution revenue levels and control costs to enable the company to meet its working capital requirements and strategic investment needs. In making decisions to adjust its capital structure to achieve these objectives, the company considers both its short term position and long term operational and strategic objectives.

As at December 31, 2013 the company is party to debt agreements that contain various covenants (Notes 6b and 12) and is restricted from offering loans or paying dividends that would cause a violation of those covenants.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

Assets – lines 1000 to 2599

1000	7,588,784	1060	8,404,151	1068	7,733,424
1120	448,742	1484	608,750	1599	24,783,851
1600	533,116	1680	4,344,828	1681	-1,699,855
1740	376,560	1741	-309,761	1744	1,592,953
1745	-1,255,105	1774	3,526,064	1775	-2,876,862
1783	2,682,228	1784	-1,854,506	1785	98,557,234
1786	-49,232,782	1900	-9,298,809	1901	1,957,562
1920	526,120	2008	102,840,294	2009	-55,271,309
2420	4,838,306	2421	6,075,056	2589	10,913,362
2599	83,266,198				

Liabilities – lines 2600 to 3499

2620	13,452,110	2680	108,634	2860	177,325
2920	350,000	2960	614,896	2961	80,063
3139	14,783,028	3140	2,216,667	3260	19,511,601
3320	16,241,802	3450	37,970,070	3499	52,753,098

Shareholder equity – lines 3500 to 3640

3500	19,511,601	3600	11,001,499	3620	30,513,100
3640	83,266,198				

Retained earnings – lines 3660 to 3849

3660	9,412,556	3680	2,225,492	3700	-636,549
3849	11,001,499				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

Description

Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	13,007,376	8089	13,007,376	8210	7,461
8230	-1,164,967	8231	11,365	8299	11,861,235

Cost of sales – lines 8300 to 8519

8519	13,007,376

Operating expenses – lines 8520 to 9369

8522	21,050	8523	16,706	8670	2,135,872
8740	1,214,264	9180	62,479	9270	5,650,361
9367	9,100,732	9368	9,100,732	9369	2,760,503

Extraordinary items and taxes – lines 9970 to 9999

9970	2,760,503	9990	659,519	9995	-124,508
9999	2,225,492				

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)
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

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

Amount calculated on line 9999 from Schedule 125				2,225,492 A
Add:				
Provision for income taxes – current	101	659,519		
Provision for income taxes – deferred	102	-124,508		
Interest and penalties on taxes	103	1,666		
Amortization of tangible assets	104	2,135,872		
Recapture of capital cost allowance from Schedule 8	107	481,205		
Charitable donations and gifts from Schedule 2	112	21,050		
Non-deductible meals and entertainment expenses	121	8,353		
Other reserves on lines 270 and 275 from Schedule 13	125	1,996,913		
Reserves from financial statements – balance at the end of the year	126	6,873,492		
Subtotal of additions		12,053,562 ▶		12,053,562
Other additions:				
Miscellaneous other additions:				
601 Net Change in Regulatory Liabilities (excluding Future Tax)	291	2,334,323		
602 Net Change in NBV of Smart Meters (Claimed in CCA Schedule)	292	110,138		
604				
Total	294			
Subtotal of other additions	199	2,444,461 ▶		2,444,461
Total additions	500	14,498,023 ▶		14,498,023 B
Amount A **plus** amount B				16,723,515
Deduct:				
Gain on disposal of assets per financial statements	401	7,461		
Capital cost allowance from Schedule 8	403	4,002,224		
Other reserves on line 280 from Schedule 13	413	2,362,100		
Reserves from financial statements – balance at the beginning of the year	414	6,402,895		
Subtotal of deductions		12,774,680 ▶		12,774,680
Other deductions:				
Miscellaneous other deductions:				
700 Net Change in Regulatory Assets	390	1,118,524		
702 Carrying charges from accounting gains	392	188,433		
704				
Total	394			
Subtotal of other deductions	499	1,306,957 ▶		1,306,957
Total deductions	510	14,081,637 ▶		14,081,637
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				2,641,878

T2 SCH 1 E (12)

Canada

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- For use by corporations to claim any of the following:
  - charitable donations to qualified donees;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the federal *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- The eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- A gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Low Income People Involvement	14,550
City of North Bay Summer in the Park	1,000
Rotary Club of North Bay	500
North Bay Santa Fund	5,000
Subtotal	21,050
Add: Total donations of less than $100 each	
Total donations in current tax year	21,050

			Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		A				
Deduct: Charitable donations expired after five tax years*	239					
Charitable donations at the beginning of the tax year	240	B				
Add:						
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250					
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210		21,050		21,050	21,050
Subtotal (line 250 **plus** line 210)		C	21,050		21,050	21,050
Subtotal (amount B **plus** amount C)		D	21,050		21,050	21,050
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255					
Total charitable donations available (amount D **minus** amount on line 255)		E	21,050		21,050	21,050
Deduct: Amount applied against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260		21,050		21,050	21,050
Charitable donations closing balance (amount E **minus** amount on line 260)	280					

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2012-12-31			
2nd prior year	2011-12-31			
3rd prior year	2010-12-31			
4th prior year	2009-12-31			
5th prior year	2008-12-31			
6th prior year*	2007-12-31			
7th prior year	2006-12-31			
8th prior year	2005-12-31			
9th prior year	2004-12-31			
10th prior year	2003-12-31			
11th prior year	2002-12-31			
12th prior year	2001-12-31			
13th prior year	2000-12-31			
14th prior year	1999-12-31			
15th prior year	1998-12-31			
16th prior year	1997-12-31			
17th prior year	1996-12-31			
18th prior year	1995-12-31			
19th prior year	1994-12-31			
20th prior year	1993-12-31			
21st prior year*	1992-12-31			
Total (to line A)				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes * **multiplied** by 75 % . . . . . 1,981,409 F

Taxable capital gains arising in respect of gifts of capital property included in Part 1 ** . . . . . 225 G

Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) . . . . . 227 H

The amount of the recapture of capital cost allowance in respect of charitable gifts 230

Proceeds of disposition, less outlays and expenses ** I

Capital cost ** . . . . . J

Amount I or J, whichever is less 235

Amount on line 230 or 235, whichever is less . . . . . K

Subtotal (**add** amounts G, H, and K) L

Amount L **multiplied** by 25 % M

Subtotal (amount F **plus** amount M) 1,981,409 N

Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less) . . . . . 21,050 O

***** For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

****** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year . . . . . A

Deduct: Gifts to Canada, a province, or a territory expired after five tax years 339

Gifts to Canada, a province, or a territory at the beginning of the tax year . . . . . 340 B

Add:

Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary 350

Total current-year gifts made to Canada, a province, or a territory * 310

Subtotal (line 350 **plus** line 310) ▶ C

Subtotal (amount B **plus** amount C) D

Deduct:

Adjustment for an acquisition of control (for gifts made after March 22, 2004) 355

Amount applied against taxable income (enter this amount on line 312 of the T2 return) 360

Subtotal (line 355 **plus** line 360) ▶ E

Gifts to Canada, a province, or a territory closing balance (amount D **minus** amount E) 380

***** Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			F		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the tax year	440		G		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450				
Total current-year gifts of certified cultural property	410				
Subtotal (line 450 **plus** line 410)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455				
Amount applied against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			J		
Gifts of certified cultural property closing balance (amount I **minus** amount J)	480				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2012-12-31			
2nd prior year	2011-12-31			
3rd prior year	2010-12-31			
4th prior year	2009-12-31			
5th prior year	2008-12-31			
6th prior year*	2007-12-31			
7th prior year	2006-12-31			
8th prior year	2005-12-31			
9th prior year	2004-12-31			
10th prior year	2003-12-31			
11th prior year	2002-12-31			
12th prior year	2001-12-31			
13th prior year	2000-12-31			
14th prior year	1999-12-31			
15th prior year	1998-12-31			
16th prior year	1997-12-31			
17th prior year	1996-12-31			
18th prior year	1995-12-31			
19th prior year	1994-12-31			
20th prior year	1993-12-31			
21st prior year*	1992-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			K	
Deduct: Gifts of certified ecologically sensitive land expired after five tax years	539			
Gifts of certified ecologically sensitive land at the beginning of the tax year	540		L	
Add:				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land	510			
Subtotal (line 550 **plus** line 510)			M	
Subtotal (amount L **plus** amount M)			N	
Deduct:				
Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555			
Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560			
Subtotal (line 555 **plus** line 560)			O	
Gifts of certified ecologically sensitive land closing balance (amount N **minus** amount O)	580			

***** For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Year of origin:		Federal	Québec	Alberta
1st prior year	2012-12-31			
2nd prior year	2011-12-31			
3rd prior year	2010-12-31			
4th prior year	2009-12-31			
5th prior year	2008-12-31			
6th prior year*	2007-12-31			
7th prior year	2006-12-31			
8th prior year	2005-12-31			
9th prior year	2004-12-31			
10th prior year	2003-12-31			
11th prior year	2002-12-31			
12th prior year	2001-12-31			
13th prior year	2000-12-31			
14th prior year	1999-12-31			
15th prior year	1998-12-31			
16th prior year	1997-12-31			
17th prior year	1996-12-31			
18th prior year	1995-12-31			
19th prior year	1994-12-31			
20th prior year	1993-12-31			
21st prior year*	1992-12-31			
Total				

***** For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 6 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			P		
Deduct: Additional deduction for gifts of medicine expired after five tax years	639				
Additional deduction for gifts of medicine at the beginning of the tax year	640		Q		
Add:					
Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine for the current year:					
Proceeds of disposition	602		1		1
Cost of gifts of medicine	601		2		2
Subtotal (line 1 **minus** line 2)			3		3
Line 3 **multiplied** by 50 %			4		4
Eligible amount of gifts	600		5		5

Federal

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year **610** _____

Québec

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year _____

Alberta

a _____ x (b _____ / c) = Additional deduction for gifts of medicine for the current year _____

where:

a is the **lesser** of line 2 and line 4

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

Subtotal (line 650 **plus** line 610)			R	
Subtotal (amount Q **plus** amount R)			S	
Deduct:				
Adjustment for an acquisition of control	655			
Amount applied against taxable income (enter this amount on line 315 of the T2 return)	660			
Subtotal (line 655 **plus** line 660)			T	
Additional deduction for gifts of medicine closing balance (amount S **minus** amount T)	680			

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:	Federal	Québec	Alberta
1st prior year 2012-12-31			
2nd prior year 2011-12-31			
3rd prior year 2010-12-31			
4th prior year 2009-12-31			
5th prior year 2008-12-31			
6th prior year* 2007-12-31			
Total			

***** These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2012-12-31	
2nd prior year	2011-12-31	
3rd prior year	2010-12-31	
4th prior year	2009-12-31	
5th prior year	2008-12-31	
6th prior year*	2007-12-31	
7th prior year	2006-12-31	
8th prior year	2005-12-31	
9th prior year	2004-12-31	
10th prior year	2003-12-31	
11th prior year	2002-12-31	
12th prior year	2001-12-31	
13th prior year	2000-12-31	
14th prior year	1999-12-31	
15th prior year	1998-12-31	
16th prior year	1997-12-31	
17th prior year	1996-12-31	
18th prior year	1995-12-31	
19th prior year	1994-12-31	
20th prior year	1993-12-31	
21st prior year*	1992-12-31	
Total		

***** These gifts expired in the current year.

T2 SCH 2 E (13)

Canada

Canada Revenue Agency / Agence du revenu du Canada

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

		Complete if payer corporation is connected			
Name of payer corporation (from which the corporation received the dividend) 200	A	B Enter 1 if payer corporation is connected 205	C Business Number of connected corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note) 220	E Non-taxable dividend under section 83 230
				Total (enter on line 402 of Schedule 1)	

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation.
For more details, consult the Help.

				Complete if payer corporation is connected		
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* 240	F1 Eligible dividends (included in column F)	F2	F3	G Total taxable dividends paid by connected payer corporation (for tax year in column D) 250	H Dividend refund of the connected payer corporation (for tax year in column D)** 260	I Part IV tax before deductions F x 1 / 3 *** 270
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1) . . . . . _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax . . . . . 320 _____

Subtotal _____

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax . . . . . 330 _____

Non-capital losses from previous years claimed to reduce Part IV tax . . . . . 335 _____

Current-year farm loss claimed to reduce Part IV tax . . . . . 340 _____

Farm losses from previous years claimed to reduce Part IV tax . . . . . 345 _____

Total losses applied against Part IV tax _____ x 1 / 3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) . . . . . 360 _____

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A Name of connected recipient corporation 400	B Business Number 410	C Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note) 420	D Taxable dividends paid to connected corporations 430	D1 Eligible dividends (included in column D)
1	North Bay Hydro Holdings Limited	89999 9999 RC0001	2013-12-31	636,549	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 636,549

Total taxable dividends paid in the tax year to other than connected corporations . . . . . 450 _____

Eligible dividends (included in line 450) . . . . . 450a _____

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450) 460 636,549

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 636,549

Other dividends paid in the tax year (total of 510 to 540) . . . . . _____

Total dividends paid in the tax year 500 636,549

Deduct:

Dividends paid out of capital dividend account . . . . . 510 _____

Capital gains dividends . . . . . 520 _____

Dividends paid on shares described in subsection 129(1.2) . . . . . 530 _____

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year . . . . . 540 _____

Subtotal _____ ▶ _____

Total taxable dividends paid in the tax year that qualify for a dividend refund 636,549

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
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

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

Part 1 – Allocation of taxable income

100 _____ Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes ☐	103		143		
Newfoundland and Labrador offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☐	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	127		167		
Total		129 G		169 H		

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

** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
2,620,828		2,620,828	266,395

Ontario basic income tax (from Schedule 500) 270 301,395

Deduct: Ontario small business deduction (from Schedule 500) 402 35,000

Subtotal 266,395 ▶ 266,395 A6

Add:

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

Ontario transitional tax debits (from Schedule 506) 276

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

Subtotal ▶ B6

Subtotal (amount A6 **plus** amount B6) 266,395 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

Ontario tax credit for the purchase of vehicles that use natural gas as a fuel . . . . .

Subtotal ▶ D6

Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") 266,395 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") 266,395 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") 266,395 G6

Add:

Ontario corporate minimum tax (from Schedule 510) 278

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

Subtotal ▶ H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) 266,395 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) 290 266,395 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.

Net provincial and territorial tax payable or refundable credits **255** 266,395

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.

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 1 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		4.00	4.00	4.00	
UCC (opening)	201		29,490,562	29,490,562	29,490,562	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	29,490,562	29,490,562	29,490,562	8
1/2 of net additions	211	–				9
Balance for CCA		=	29,490,562	29,490,562	29,490,562	10
Maximum allowable CCA			1,179,622	1,179,622	1,179,622	11
CCA claimed	217		1,179,622	1,179,622	1,179,622	12
UCC (closing) line 8 minus line 12	220		28,310,940	28,310,940	28,310,940	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 8 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		20.00	20.00	20.00	
UCC (opening)	201		694,069	694,069	694,069	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	128,710	128,710	128,710	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	822,779	822,779	822,779	8
1/2 of net additions	211	–	64,355	64,355	64,355	9
Balance for CCA		=	758,424	758,424	758,424	10
Maximum allowable CCA			151,685	151,685	151,685	11
CCA claimed	217		151,685	151,685	151,685	12
UCC (closing) line 8 minus line 12	220		671,094	671,094	671,094	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 10 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201		730,889	730,889	730,889	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	58,916	58,916	58,916	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	789,805	789,805	789,805	8
1/2 of net additions	211	–	29,458	29,458	29,458	9
Balance for CCA		=	760,347	760,347	760,347	10
Maximum allowable CCA			228,104	228,104	228,104	11
CCA claimed	217		228,104	228,104	228,104	12
UCC (closing) line 8 minus line 12	220		561,701	561,701	561,701	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 10 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201		4,623	4,623	4,623	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	4,623	4,623	4,623	8
1/2 of net additions	211	–				9
Balance for CCA		=	4,623	4,623	4,623	10
Maximum allowable CCA			1,387	1,387	1,387	11
CCA claimed	217		1,387	1,387	1,387	12
UCC (closing) line 8 minus line 12	220		3,236	3,236	3,236	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 1 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		4.00	4.00	4.00	
UCC (opening)	201		1,191,169	1,191,169	1,191,169	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	100,066	100,066	100,066	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	1,291,235	1,291,235	1,291,235	8
1/2 of net additions	211	–	50,033	50,033	50,033	9
Balance for CCA		=	1,241,202	1,241,202	1,241,202	10
Maximum allowable CCA			49,648	49,648	49,648	11
CCA claimed	217		49,648	49,648	49,648	12
UCC (closing) line 8 minus line 12	220		1,241,587	1,241,587	1,241,587	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 45 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		45.00	45.00	45.00	
UCC (opening)	201		6,934	6,934	6,934	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	6,934	6,934	6,934	8
1/2 of net additions	211	–				9
Balance for CCA		=	6,934	6,934	6,934	10
Maximum allowable CCA			3,120	3,120	3,120	11
CCA claimed	217		3,120	3,120	3,120	12
UCC (closing) line 8 minus line 12	220		3,814	3,814	3,814	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 47 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		8.00	8.00	8.00	
UCC (opening)	201		25,110,900	25,110,900	25,110,900	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	5,516,248	5,516,248	5,516,248	5
Additions (full year rule)	203	+				6
Disposals	207	–	19,170	19,170	19,170	7
Balance before CCA		=	30,607,978	30,607,978	30,607,978	8
1/2 of net additions	211	–	2,748,539	2,748,539	2,748,539	9
Balance for CCA		=	27,859,439	27,859,439	27,859,439	10
Maximum allowable CCA			2,228,755	2,228,755	2,228,755	11
CCA claimed	217		2,228,755	2,228,755	2,228,755	12
UCC (closing) line 8 minus line 12	220		28,379,223	28,379,223	28,379,223	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 50 Description . . . . . .

CCA other than classes 10.1, 13 and 14

Terminal loss?		☐ Yes	☒ No
Resource asset?		☐ Yes	☒ No
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101	☐ Yes	☒ No
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?		☐ Yes	☒ No

If yes, specify the property to be linked in order to transfer data:

			Federal	Québec	Alberta	
CCA rate	212		55.00	55.00	55.00	
UCC (opening)	201		218,997	218,997	218,997	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+	143,473	143,473	143,473	5
Additions (full year rule)	203	+				6
Disposals	207	–				7
Balance before CCA		=	362,470	362,470	362,470	8
1/2 of net additions	211	–	71,737	71,737	71,737	9
Balance for CCA		=	290,733	290,733	290,733	10
Maximum allowable CCA			159,903	159,903	159,903	11
CCA claimed	217		159,903	159,903	159,903	12
UCC (closing) line 8 minus line 12	220		202,567	202,567	202,567	13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Capital Cost Allowance (CCA) Workchart

Class number . . . . . 200 43.1 Description . . . . . Merrick Landfill

CCA other than classes 10.1, 13 and 14

Terminal loss?					☐ Yes ☒ No	
Resource asset?					☐ Yes ☒ No	
Is the corporation electing under reg. 1101(5q)? (to place this property in a separate class for rapidly depreciating electronic equipment)	101				☐ Yes ☒ No	
If it is rental property (under regulation 1100(11)), do you want to link this property to a Statement of real estate rental properties?					☐ Yes ☒ No	
If yes, specify the property to be linked in order to transfer data:						

			Federal	Québec	Alberta	
CCA rate	212		30.00	30.00	30.00	
UCC (opening)	201		3,153,906	3,153,906	3,153,906	1
ITC (prior year)	205	–				2
GST/PST rebate	205	–				3
Adjustments	205	+/-				4
Additions (1/2 year rule)	203	+				5
Additions (full year rule)	203	+				6
Disposals	207	–	3,635,111	3,635,111	3,635,111	7
Balance before CCA		=	-481,205	-481,205	-481,205	8
1/2 of net additions	211	–				9
Balance for CCA		=	-481,205	-481,205	-481,205	10
Maximum allowable CCA			-481,205	-481,205	-481,205	11
CCA claimed	217		-481,205	-481,205	-481,205	12
UCC (closing) line 8 minus line 12	220					13

Class property history

Description	Location	Investment tax credit code	Acquisition date	Adjusted cost base	Disposal date	Net proceeds	Lesser adjusted cost base or net proceeds
			Québec				
			Alberta				

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

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) **200**	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) **201**	3 Cost of acquisitions during the year (new property must be available for use)* **203**	4 Net adjustments** **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** **211**	7 Reduced undepreciated capital cost	8 CCA rate % **212**	9 Recapture of capital cost allowance (line 107 of Schedule 1) **213**	10 Terminal loss (line 404 of Schedule 1) **215**	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) **217**	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) **220**
1.	1		29,490,562			0		29,490,562	4	0	0	1,179,622	28,310,940
2.	8		694,069	128,710		0	64,355	758,424	20	0	0	151,685	671,094
3.	10		730,889	58,916		0	29,458	760,347	30	0	0	228,104	561,701
4.	10		4,623			0		4,623	30	0	0	1,387	3,236
5.	1		1,191,169	100,066		0	50,033	1,241,202	4	0	0	49,648	1,241,587
6.	45		6,934			0		6,934	45	0	0	3,120	3,814
7.	47		25,110,900	5,516,248		19,170	2,748,539	27,859,439	8	0	0	2,228,755	28,379,223
8.	50		218,997	143,473		0	71,737	290,733	55	0	0	159,903	202,567
9.	43.1	Merrick Landfill	3,153,906			3,635,111		-481,205	30	481,205	0		
		Totals	60,602,049	5,947,413		3,654,281	2,964,122	59,931,059		481,205		4,002,224	59,374,162

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 straignt-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

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		5,947,413		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
other	+	2,767		
Total additions per books	=	5,950,180	▶	5,950,180
Proceeds up to original cost – Schedule 8 regular classes		3,654,281		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
reg assets capitalized but not figured into NBV figure of FS	+	489,969		
Change in WIP	+	99,161		
Total proceeds per books	=	4,243,411	▶	4,243,411
Depreciation and amortization per accounts – Schedule 1			–	2,135,872
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	7,461
Net change per tax return			=	-421,642

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		47,035,869
Opening net book value	–	47,457,511
Net change per financial statements	=	-421,642

If the amounts from the tax return and the financial statements differ, explain why below.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	North Bay Hydro Holdings Limited		86712 3580 RC0001	1					
2.	North Bay Hydro Services Inc		86450 3511 RC0001	3					
3.	North Bay Hydro Generation Limitec		89117 4401 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada

Related and Associated Corporations Workchart

T2 data connection

Enable T2 Data Connection [X]

When you select this check box, a link creation will automatically be prompted for all new copies. Furthermore, for existing copies, the **Always keep the link and offer to restore it when in error** check box will be activated by default.

Note: This option applies to the active file only. To modify this option for all clients use the **Preparer Profiles** template.

There are three main functionalities for the T2 Data Connection. Depending on your situation, it may not be practical or even necessary to use all of these features. To determine which features might be applicable to you and find out the suggested methodology, press F1.

Here are the main functionalities:

1) Data transfer from one client file to an R&A workchart (see the *Create Links* help topic).
2) Tables allowing you to visualise the result of allocation scenarios (see the *Calculate Allocation Scenarios* help topic).
3) Importing data found in the R&A workcharts, including links to other returns (if any) and allocations, from one return to another (see the *Import Data from Other Group Returns* help topic).

General information – Filing corporation

This workchart allows the tax preparer to input common information for the filing corporation on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the corporation North Bay Hydro Distribution Limited

Name of the Related/Associated Corporation Group

By entering a meaningful name for the related/associated corporation group in this field, you will be able to identify the corporations that are part of the same group in the Client Manager.

Business Number 88246 3128 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [X]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the corporation	2013-01-01	2013-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada for the year 58,837,970

Taxable income of prior taxation year* 2,131,129

Reduced business limit of prior taxation year* . . . . .

* For more information, press F1.

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year		
After 2008	$ 500,000	x (365	÷	365)	=	500,000
Business limit before allocation (for association codes 1, 3, 4, and 5)						500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year* ☐

Percentage of the business limit	x	350	100.0000 %
Business limit allocated	=	400	500,000

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year** 61,093,748

* If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

Percentage of the allocation of capital deduction		%
Allocation of capital deduction	450	

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax		
Dividend allowance allocated	140	500,000

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Does the corporation satisfy the conditions for an exception of subsection 127(10.22) of the *Income tax Act*? (see note)
N/A for filing corporation ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC	300	1
Taxable income of prior taxation year		2,131,129
Total expenditure limit		
Expenditure limit allocated	400	

Note:

A CCPC that calculates SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Schedule 560 – Ontario interactive digital media tax credit *

Total assets	83,266,198
Total revenue	11,861,235

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. . . . . ☐

Taxable income for the previous tax year (prior to any loss-carrybacks being applied) (see note 1) . . . . . _____

Specified capital amount for the previous tax year (see note 2) . . . . . _____

Expenditure limit (before the allocation) . . . . . _____

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation **310** 20,000,000

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Holdings Limited

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 86712 3580 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [ ]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 1 Parent

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2013-01-01	2013-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . . _____

Taxable capital employed in Canada for the year . . . . . _____

Taxable capital employed in Canada . . . . . _____

Taxable income of the last taxation year ending in the preceding calendar year* . . . . . _____

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . . _____

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) . . . . . 200 _____ _____

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x	(365	÷	365)	=	500,000
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of the business limit . . . . . x **350** ____ %

Business limit allocated = **400** ____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . ____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . ____ %

Allocation of capital deduction . . . . . **450** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . ____

Dividend allowance allocated . . . . . **140** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Does the corporation satisfy the conditions for an exception of subsection 127(10.22) of the *Income tax Act*? (see note) . . . . . ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . ____

Total expenditure limit . . . . . ____

Expenditure limit allocated . . . . . **400** ____

Note:

A CCPC that calculates SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year . . . . . _____

Total assets for the year . . . . . _____

Total assets . . . . . **400** _____

Total revenue in the last taxation year . . . . . _____

Total revenue for the year . . . . . _____

Total revenue . . . . . **500** _____

Schedule 560 – Ontario interactive digital media tax credit *

Total assets . . . . . _____

Total revenue . . . . . _____

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. . . . . [X]

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) 3,000,000

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . **310** _____

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Services Inc

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 86450 3511 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [ ]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2013-01-01	2013-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . . _____

Taxable capital employed in Canada for the year . . . . . _____

Taxable capital employed in Canada . . . . . _____

Taxable income of the last taxation year ending in the preceding calendar year* . . . . . _____

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . . _____

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) . . . . . 200 _____ _____

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x	(365	÷	365)	=	500,000
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of the business limit . . . . . x **350** ____ %

Business limit allocated = **400** ____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . ____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . ____ %

Allocation of capital deduction . . . . . **450** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . ____

Dividend allowance allocated . . . . . **140** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Does the corporation satisfy the conditions for an exception of subsection 127(10.22) of the *Income tax Act*? (see note) . . . . . ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . ____

Total expenditure limit . . . . . ____

Expenditure limit allocated . . . . . **400** ____

Note:

A CCPC that calculates SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year . . . . . _____

Total assets for the year . . . . . _____

Total assets . . . . . **400** _____

Total revenue in the last taxation year . . . . . _____

Total revenue for the year . . . . . _____

Total revenue . . . . . **500** _____

Schedule 560 – Ontario interactive digital media tax credit *

Total assets . . . . . _____

Total revenue . . . . . _____

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. . . . . [X]

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) 3,000,000

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . **310** _____

Related and Associated Corporations Workchart

T2 data connection

Location and name of the linked file

To establish a link to a file, click the **browse** button above.

Always keep the link and offer to restore it when in error [X]

Any actions, on your part, on this check box will be kept. Therefore, the election made on the filing corporation's copy will have no impact on this check box. Note that clearing this box does not delete data imported for this corporation. Only the corporation's interaction in the allocation scenarios and the synchronization of its values with the source file will be lost.

General information – Related and associated corporations

This workchart allows the tax preparer to input common information for related and associated corporations on one screen. Right click to view a list of forms on this workchart. Press "F1" for further information on each schedule.

Name of the Related/Associated Corporation North Bay Hydro Generation Limited

Business Number
Canadian corporations only. Enter "NR" if the corporation is not registered or does not have a business number. 89117 4401 RC0001

Select the appropriate box:

The corporation is a Canadian-controlled private corporation (CCPC)* . . . . . [X]

The corporation is a cooperative or a credit union eligible for the SBD* . . . . . [ ]

Relationship code . . . . . 3 Associated

The relationship code represents the relationship that the corporation named above has to the filing corporation. For example, if the corporation named above is the parent corporation of the filing corporation, then indicate "1" as the relationship code.

Association code . . . 1 Associated for purposes of allocating the business limit (unless association code 5 applies)

	Taxation year start	Taxation year end
Taxation year of the related or associated corporation	2013-01-01	2013-12-31

Select this check box if there are two taxation years in the same calendar year . . . . . [ ]

Taxable capital employed in Canada

Taxable capital employed in Canada in the last taxation year . . . . .

Taxable capital employed in Canada for the year . . . . .

Taxable capital employed in Canada . . . . .

Taxable income of the last taxation year ending in the preceding calendar year* . . . . .

Reduced business limit of the last taxation year ending in the preceding calendar year* . . . . .

* For more information, press F1.

Schedule 9 – Related and associated corporations

Country of residence (other than Canada) 200

Number of common shares you own	500	
Percentage of common shares you own	550	%
Number of preferred shares you own	600	
Percentage of preferred shares you own	650	%
Book value shares of capital stock	700	

Schedule 23 – Agreement among associated Canadian-controlled private corporations to allocate the business limit

Complete this section to allocate the business limit for purposes of the small business deduction, determine the date the balance of tax is due and to calculate the business limit reduction.

Business limit before allocation

		Number of days		Number of days in the taxation year			
After 2008	$ 500,000	x	(365	÷	365)	=	500,000
Business limit before allocation (for association codes 1 and 4)*						500,000	500,000

Select this check box if the corporation elects not to be a CCPC under subsection 89(11) ITA for the current taxation year or a prior taxation year or if the corporation revokes this election in the current taxation year** . . . . . ☐

Percentage of the business limit . . . . . x **350** ____ %

Business limit allocated = **400** ____

Business limit reduction according to 125(5.1) ITA (tax on large corporations)

Taxable capital employed in Canada in the last taxation year ending in the preceding calendar year*** . . . . . ____

* For association code 4, only if the corporation is a cooperative or a credit union eligible for the SBD.

** If the corporation revoked its election in the current year when filing Form T2002, this election will still be valid for the current year, but will cease to apply as of the end of the year.

*** For more details on the rules concerning the business limit reduction according to section 125(5.1) of the ITA, press F1.

Schedule 39 – Agreement among related financial institutions – Part VI tax *

Complete this section to allocate deduction among members of the related group. Complete this section only if at least one of related financial institutions is liable to pay Part VI tax.

The corporation is a financial institution (other than an insurance corporation) . . . . . ☐

The corporation is a life insurance corporation . . . . . ☐

Percentage of the allocation of capital deduction . . . . . ____ %

Allocation of capital deduction . . . . . **450** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 43 – Calculation of parts IV.1 and VI.1 taxes *

Complete this section to allocate the total dividend allowance (Amount E of Schedule 43) among associated corporations.

Allocation of total dividend allowance

Taxable dividend paid for the previous taxation year for purposes of calculating Part VI.1 tax . . . . . ____

Dividend allowance allocated . . . . . **140** ____

* This schedule is available if the **Specialized information** module is installed.

Schedule 49 – Agreement among associated canadian-controlled private corporations to allocate the expenditure limit

Complete this section to allocate the annual expenditure limit among associated CCPC's in order to calculate the ITC eligible for the 35% rate on qualifying SR&ED expenditures.

Does the corporation satisfy the conditions for an exception of subsection 127(10.22) of the *Income tax Act*? (see note) . . . . . ☐

Type of corporation code: 1 = CCPC 2 = Non-CCPC **300** 1

Taxable income of the last taxation year ending in the preceding calendar year . . . . . ____

Total expenditure limit . . . . . ____

Expenditure limit allocated . . . . . **400** ____

Note:

A CCPC that calculates SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Schedule 511 – Ontario corporate minimum tax – Total assets and revenue for associated corporations

Total assets in the last taxation year . . . . . _____

Total assets for the year . . . . . _____

Total assets . . . . . **400** _____

Total revenue in the last taxation year . . . . . _____

Total revenue for the year . . . . . _____

Total revenue . . . . . **500** _____

Schedule 560 – Ontario interactive digital media tax credit *

Total assets . . . . . _____

Total revenue . . . . . _____

* This schedule is available if the **Specialized information** module is installed.

Schedule 566 – Ontario innovation tax credit

The corporation is an associated corporation for the purpose of the OITC calculations. . . . . [X]

Taxable income of the last taxation year ending in the preceding calendar year (see note 1) . . . . . _____

Specified capital amount of the last taxation year ending in the preceding calendar year (see note 2) . . . . . _____

Expenditure limit (before the allocation) 3,000,000

Expenditure limit allocated . . . . . _____

Note 1

- If any of the tax years referred to at line 400 or line 420 is less than 51 weeks, multiply the taxable income by 365 and divide by the number of days in the tax year.

Note 2

- If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35 or line 690 of Schedule 34, respectively.
- If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. Enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
- For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. Enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Schedule 568 – Ontario business-research institute tax credit

Portion of $20 million expenditures limit allocated to this corporation . . . . . **310** _____

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on an amalgamation or the wind-up of a subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
	Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110 750,886	115	53,330		120 804,216
Reserve for undelivered goods and services not rendered ☐	130 1,246,027	135	311,857		140 1,557,884
Reserve for prepaid rent ☐	150	155			160
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Other tax reserves ☐	230	235			240
Totals	270 1,996,913	275	365,187		280 2,362,100

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

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Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefit	4,405,982		105,410		4,511,392
2	Reserve for doubtful debt	750,886		53,330		804,216
3	Reserve for undelivered goods	970,780			27,792	942,988
4	Reserve for Deferred Revenue	275,247		339,649		614,896
5						
	Reserves from Part 2 of Schedule 13					
	Totals	6,402,895		498,389	27,792	6,873,492

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)

2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction

3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)

4 – Associated non-CCPC

5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . 025 — Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 — Year: 2013

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 — 1 Yes [ ] 2 No [X]

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	North Bay Hydro Distribution Limited	88246 3128 RC0001	1	500,000	100.0000	500,000
2	North Bay Hydro Holdings Limited	86712 3580 RC0001	1	500,000		
3	North Bay Hydro Services Inc	86450 3511 RC0001	1	500,000		
4	North Bay Hydro Generation Limited	89117 4401 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

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Canada

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

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) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social insurance number **300**	Trust number **350**	Percentage common shares **400**	Percentage preferred shares **500**
1	North Bay Hydro Holdings Limited (corporation)	89999 9999 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

On: 2013-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the I*ncome Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . ☐ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC . . . . . ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	8,088,382 A
Taxable income for the year (DICs enter "0") *	110	2,620,828 B		
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶	C	
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")	150	2,620,828		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	1,886,996 D
Eligible dividends received in the tax year	200			
Dividends deductible under section 113 received in the tax year	210			
Subtotal (**add** lines 200 and 210)		▶		E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)	220			
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230			
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240			
Subtotal (**add** lines 220, 230, and 240)		▶	290	F
Subtotal (**add** lines A, D, E, and F)				9,975,378 G
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)		▶		H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)			490	9,975,378
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)			560	
GRIP at the end of the tax year (line 490 **minus** line 560)			590	9,975,378

Enter this amount on line 160 of Schedule 55.

***** For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

****** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year	2,131,129 J1		
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (**add** lines K1, L1, and M1)	▶	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")	2,131,129 ▶		2,131,129 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (**add** lines Q1, R1, and S1) ▶ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ▶ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) **500**

Second previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year 2,686,081 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L2

Aggregate investment income (line 440 of the T2 return) M2

Subtotal (**add** lines K2, L2, and M2) ▶ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 2,686,081 ▶ 2,686,081 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R2

Aggregate investment income (line 440 of the T2 return) S2

Subtotal (**add** lines Q2, R2, and S2) ▶ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ▶ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2010-12-31

Taxable income before specified future tax consequences from the current tax year 2,552,975 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ L3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ M3

Subtotal (**add** lines K3, L3, and M3) _____ ▶ _____ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 2,552,975 ▶ 2,552,975 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . . _____ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . _____ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . _____ R3

Aggregate investment income (line 440 of the T2 return) . . . . . _____ S3

Subtotal (**add** lines Q3, R3, and S3) _____ ▶ _____ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") _____ ▶ _____ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") _____ V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(line V3 **multiplied by** the general rate factor for the tax year 0.72) . . . . . **540** _____

Total GRIP adjustment for specified future tax consequences to previous tax years:

(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . . _____ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . . _____ AA

Eligible dividends paid by the corporation in its last tax year . . . . . _____ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . _____ CC

Subtotal (line BB **minus** line CC) _____ ▶ _____ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

(line AA **minus** line DD) . . . . . _____ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . . ☐ Post wind-up . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . . FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . . GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . .
Net capital losses . . . . .
Farm losses . . . . .
Restricted farm losses . . . . .
Limited partnership losses . . . . .

Subtotal ▶ HH

Subtotal (**add** lines FF, GG, and HH) II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . . JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . . KK

All the corporation's reserves deducted in its previous/last tax year LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . . MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . . NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ▶ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . . PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year		365	. . . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year		365	. . . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year		365	. . . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	365	365	. . . . . =	0.720000000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3		636,549	
Total taxable dividends paid in the tax year	100	636,549	
Total eligible dividends paid in the tax year	150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160	9,975,378	B
Excessive eligible dividend designation (line 150 **minus** line 160)			C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	180		D
Subtotal (amount C **minus** amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3			
Total taxable dividends paid in the tax year	200		
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)			G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	280		H
Subtotal (amount G **minus** amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

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

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

Number of days in the tax year before July 1, 2011 / Number of days in the tax year ____ / 365 x 12.00 % = ____ % A1

Number of days in the tax year after June 30, 2011 / Number of days in the tax year 365 / 365 x 11.50 % = 11.50000 % A2

Ontario basic rate of tax for the year (rate A1 **plus** A2) 11.50000 ▶ 11.50000 % A3

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . . 2,620,828 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A3 from Part 1) . . . . . 301,395 C

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

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

Part 3 – Ontario small business deduction (OSBD)

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

Income from active business carried on in Canada (amount from line 400 of the T2 return)	2,641,878	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	2,620,828	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3
Enter the least of amounts 1, 2, and 3	500,000	D

Ontario domestic factor: Ontario taxable income * / Taxable income earned in all provinces and territories ** = 2,620,828.00 / 2,620,828 = 1.00000 E

Amount D x factor E	500,000	a
Ontario taxable income (amount B from Part 2)	2,620,828	b

Ontario small business income (lesser of amount a and amount b) . . . 500,000 F

Number of days in the tax year before July 1, 2011 / Number of days in the tax year = ____ / 365 x 7.50 % = ____ % G1

Number of days in the tax year after June 30, 2011 / Number of days in the tax year = 365 / 365 x 7.00 % = 7.00000 % G2

OSBD rate for the year (rate G1 **plus** G2) . . . 7.00000 % G3

Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G3) . . . 35,000 H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

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

Part 4 – Ontario adjusted small business income

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

Ontario adjusted small business income (lesser of amount D and amount b from Part 3) . . . 500,000 I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

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

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

Deduct:

Ontario adjusted small business income (amount I from Part 4) . . . . . K

Subtotal (amount J **minus** amount K) (if negative, enter "0") L

OSBD rate for the year (rate G3 from Part 3) . . . . . 7.00000 %

Amount L **multiplied** by the OSBD rate for the year . . . . . M

Ontario domestic factor (factor E from Part 3) . . . . . 1.00000 N

Ontario credit union tax reduction (amount M **multiplied** by factor N) . . . . . O

Enter amount O on line 410 of Schedule 5.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
North Bay Hydro Distribution Limited	88246 3128 RC0001	2013-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
North Bay Hydro Distribution Limited

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-12-10	1390858

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
74	Commerce Court	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 3240

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
North Bay	ON	CA	P1B 8Y5

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 [1] If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Tennant (Last name) **451** Cindy (First name)

454 _____ (Middle name(s))

460 [2] Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 ☐ Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number | **530** Street name/Rural route/Lot and Concession number | **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) | **570** Province/state | **580** Country | **590** Postal/zip code

Part 6 – Language of preference

600 ☐ Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . . North Bay Hydro Distribution Limited

Taxation Year . . . . . 2013-01-01 to 2013-12-31

Jurisdiction . . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
☐	☐	☐	☐	X	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . . Y

Corporation is related . . . . . Y

Number of associated corporations . . . 3

Type of corporation . . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* 108,632

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income	2,641,878
Taxable income	2,620,828
Donations	21,050
Calculation of income from an active business carried on in Canada	2,641,878
Dividends paid	636,549
Dividends paid – Regular	636,549
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	8,088,382
Balance of the general rate income pool at the end of the year	9,975,378
Part I tax (base amount)	995,915

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I	393,124	ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	550,887
Investment tax credits		Other*		Surtax credit	
Abatement/Other*	602,791	Provincial or territorial tax	266,395	Other*	

Balance due/refund (–) 108,632

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Financial statement reserve	6,873,492
Other reserves	2,362,100

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	2,641,878		
Taxable income	2,620,828		
% Allocation	100.00		
Attributed taxable income	2,620,828		
Tax payable before deduction*	301,395		
Deductions and credits	35,000		
Net tax payable	266,395		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	266,395		
Instalments and refundable credits			
Balance due/Refund (-)	266,395		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
North Bay Hydro Distribution Limited	61,093,748	61,093,748	58,837,970	58,837,970
North Bay Hydro Holdings Limited				
North Bay Hydro Services Inc				
North Bay Hydro Generation Limited				
Total	61,093,748	61,093,748	58,837,970	58,837,970

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Taxable capital used to calculate the Nova Scotia capital deduction on large corporations (Schedule 343)
Total		

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	2013-12-31	2012-12-31	2011-12-31	2010-12-31	2009-12-31
Net income	2,641,878	2,146,629	2,705,681	2,558,975	1,814,272
Taxable income	2,620,828	2,131,129	2,686,081	2,552,975	1,808,272
Active business income	2,641,878	2,146,629	2,705,681	2,558,975	1,814,272
Dividends paid	636,549	618,676	691,131	1,350,000	1,332,950
Dividends paid – Regular	636,549	618,676	691,131	1,350,000	
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	8,088,382	6,553,969	4,673,712	2,912,159	1,682,534
GRIP – end of the year	9,975,378	8,088,382	6,553,969	4,673,712	2,912,159
Donations	21,050	15,500	19,600	6,000	6,000
Balance due/refund (-)	108,632	26,306	-317,130	150,453	-175,452
Loss carrybacks requested in prior years					
Taxable income before loss carrybacks	N/A	N/A	2,686,081	2,552,975	1,808,272
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	2,686,081	2,552,975	1,808,272
Losses in the current year carried back to previous years (according to Schedule 4)					
Adjusted taxable income before current year loss carrybacks*	N/A	2,131,129	2,686,081	2,552,975	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	2,131,129	2,686,081	2,552,975	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Federal taxes

Part I before surtax	393,124	319,669	443,204	459,535	339,354
Surtax					
Part IV					
Part I & Surtax	393,124	319,669	443,204	459,535	339,354
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Small business deduction						
M&P deduction						
Foreign tax credit						
Political contribution						
Investment tax credit						4,218
Abatement/other*	602,791	490,160	577,507	510,596	343,571	

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

ITC refund						
Dividend refund						
Instalments	550,887	500,000	1,026,886	618,970	822,572	
Surtax credit						
Other*						

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2013-12-31	2012-12-31	2011-12-31	2010-12-31	2009-12-31
Net income	2,641,878	2,146,629	2,705,681	2,558,975	1,814,272
Taxable income	2,620,828	2,131,129	2,686,081	2,552,975	1,808,272
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	2,620,828	2,131,129	2,686,081	2,552,975	1,808,272
Surtax				39,979	42,500
Income tax payable before deduction	301,395	245,080	315,559	331,677	253,158
Income tax deductions /credits	35,000	35,000	36,240	39,979	42,500
Net income tax payable	266,395	210,080	279,319	331,677	253,158
Taxable capital				52,490,657	50,448,911
Capital tax payable				28,514	81,558
Total tax payable*	266,395	210,080	279,319	360,191	334,716
Instalments and refundable credits		3,443	12,767	50,303	26,950
Balance due/refund**	266,395	206,637	266,552	309,888	307,766

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Diagnostics : All

Type	Group	Jurisdiction	Diagnostic	Annotation
Error	GIFI	Federal	G214 — Schedule 100 - The accumulated amortization amount on line 1901 cannot exceed the cost of tangible capital assets on line 1900.	√
Possible input error	GIFI	Federal	V3 — Schedule 2008/2009 - Enter as positive to credit the assets.	√
Possible input error	GIFI	Federal	V5 — Schedule 140 - Enter as positive to debit the net income/net loss.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M252 — Schedule 511 - Please verify if the associated corporations total assets and total revenue should be entered.	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Possible input error	CCH	Federal	E19 — Identification - Year end of the corporation is after the release date of this version. Verify for any tax changes after 2013-11-15.	
Review	CCH	Federal	O103 — Overridden data - You can see the list by using the "Overridden data" filter in Xpress.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	
Possible input error	CCH	Federal	E799 — Schedule 9 Workchart - Ensure that the amount of taxable capital employed in Canada from the last taxation year has been entered. This amount is used in the calculation of the business limit reduction.	

APPENDIX 4-N NBHDL 2011-2013 LRAMVA

Strategic Solutions for a Changing World™

North Bay Hydro 2011-2013 LRAMVA



North Bay Hydro lost revenue related to Conservation and Demand Management

2011-2013



This document was prepared for North Bay Hydro by IndEco Strategic Consulting Inc.

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IndEco report B3863

7 October 2014

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Introduction

The Lost Revenue Adjustment Mechanism (LRAM) was developed to remove the disincentive to electricity local distribution companies (LDCs) from conservation and demand management (CDM) programs. CDM programs are designed to provide energy savings and peak demand reductions for the customers of LDCs, which would directly impact the LDC's revenue. The LRAM allows LDCs to be compensated for any lost revenue that may occur due to CDM programs in the LDC's service territory.

For the 2011-2014 CDM period, the Ontario Energy Board (OEB) has authorized LDCs to establish an LRAM variance account (LRAMVA) to capture the impact of CDM programs on the revenue of LDCs. The variance in the LRAMVA is between the lost revenue due to independently verified load impacts of CDM and the lost revenue from any CDM impacts an LDC may have included in the LDC's load forecast.[1]

North Bay Hydro has contracted with the Ontario Power Authority (OPA) to offer a suite of CDM programs to customers in a variety of rate classes for the 2011-2014 period. The CDM Guidelines (Appendix A) show that LDCs are entitled to claim lost revenues from 2013 programs and persisting losses from 2011 and 2012 programs as part of their 2015 IRM applications. North Bay Hydro did not submit a claim for lost revenues from 2011 or 2012 programs in its 2013 or 2014 Incentive Regulation Mechanism (IRM) application.

This report involves a determination of the variance account balance for the following revenue losses:

- Lost revenues in 2011 related to programs offered in 2011,
- Lost revenues in 2012 related to programs offered in 2011,
- Lost revenues in 2012 related to programs offered in 2012,
- Lost revenues in 2013 related to programs offered in 2011,
- Lost revenues in 2013 related to programs offered in 2012, and
- Lost revenues in 2013 related to programs offered in 2013.

The carrying charges on the above lost revenues through April 2015 are also reported.

[1] *Guidelines for Electricity Distributor Conservation and Demand Management*. Ontario Energy Board. April 26, 2012 (EB-2012-0003).

Methodology

In principle, the determination of lost revenues is a simple calculation:

LR = (CDM results – CDM results in the load forecast) * rate

In practice, it is somewhat more complicated than that because of the limitations of the information available to calculate CDM results, the different time periods of results data and the rate year, and the need to determine carrying charges on the lost revenues.

CDM results

From 2011 through 2013, North Bay Hydro offered provincial programs that were offered in partnership with the Ontario Power Authority (OPA). North Bay Hydro did not offer custom programs beyond the OPA programs.

OPA evaluation results

The OPA performs evaluations of all of its programs, which examine gross energy savings from the programs, and the net-to-gross ratio (NTGR), and then from those calculates net energy savings by initiative within program group (residential, business, industrial and low-income). Peak load reductions are also calculated, and reported in the same way.

Provincial results are allocated to individual LDCs based on their individual performance where possible, or through an allocation process.

The OPA reports energy savings and peak demand reductions, by initiative in the current year, adjustments to the previous year, based on updated validation, and contribution to total savings or reductions to the end of the 2011 to 2014 period. The savings and demand reductions for a particular year for a number of programs persist in the following years up to and including 2014. The savings and demand reductions for demand response programs do not persist beyond the year in which those particular savings and demand reductions occur.

For some programs, savings or demand reductions in a particular year persist into subsequent years, but do not persist fully through 2014. In these cases, the OPA was requested to provide estimates by year of the persistence of savings or reductions in each year.

These are the best, most definitive and defensible estimates of results associated with these programs, and incorporate the most appropriate estimates of results from the measures installed.

However, these data have some limitations, and require some adjustments for use in lost revenue calculations.

Allocating results to rate classes

The OPA reports results by 'program', within four main programs: residential, business, industrial and low-income. These only partially map onto rate classes. For initiatives that apply to more than one rate class, North Bay Hydro staff estimated the split by rate class, drawing on participant-specific information where available.

Adjustments for results that do not affect revenues

As previously mentioned, the OPA reports both energy savings and reductions in [system] peak demand. Depending on the rate class, distribution revenue is based on either kilowatt-hours used, or the customer's monthly peak kilowatt use. For rate classes where the customer is charged for distribution by energy use (kWh), the OPA-reported energy savings are directly relevant.

For customer classes where the LDC charges for distribution based on the customer's peak monthly demand (kW in the month), the system peak reductions are only partially relevant. For initiatives like lighting upgrades in businesses operating during normal business hours, the peak demand reductions are likely to be maintained throughout the year, including during the customer's monthly peaks, and so may be used to estimate lost revenue. For other programs, in particular demand response programs, the customer's monthly peak may not correspond to the system's peak. Further, even if they are coincident, if a demand response event is called, and the customer's monthly peak is shaved, it is likely that the customer's second highest peak in the month is only slightly less than their highest peak. Thus, the impact on distribution revenues of the demand response program is likely to be minimal, and is assumed to have zero impact on lost load.

Thus, no distribution revenues are estimated to be lost from large general service customers' participation in demand response programs.

Load reductions accounted for in the load forecast

In recent years, LDCs have tried to account for load losses due to CDM programs in their load forecasts, submitted as part of their Cost of Service applications. These forecasted reductions need to be deducted from load losses attributable to CDM programs, to determine the final impact of CDM on revenues. That is, the impact is the *variance* between the results accounted for in the load forecast and the results attributable to the programs.

Overall impact of CDM on load, by rate class

The overall impact of CDM energy savings and demand reductions on load is calculated from the OPA energy savings and peak demand reductions, allocated by rate class, and adjusted for differences between system peak reductions and customer monthly peak reduction. Finally the difference is calculated between the overall estimated

impact on loads and the load reductions attributable to CDM that were captured in the most recent load forecast.

Distribution rates

Lost revenues for the LDC associated with CDM arise from reductions in the volumetric distribution rate. Most other rate components (e.g. service charges, global adjustment, transmission charges) are either fixed charges, or are just pass-throughs for the utility, so do not affect the LDC's revenues. An exception is for certain rate riders related to taxes, and these are added to the volumetric distribution charges, where applicable.

For most electricity distribution utilities in Ontario, including North Bay Hydro, distribution rates are set for the period from 1 May to 30 April of the next year. CDM results are reported for the calendar year, so average rates for the calendar year need to be calculated. For simplicity, the average rate is estimated based on the rate being four twelfths of the previous year's rate (for January through April), and eight twelfths of the current year's rate (for May through December).

Lost revenues variance

Lost revenues in a particular rate class are the product of the savings or demand reductions in that class, less what was accounted for in the load forecast, multiplied by the average rate for that class in the calendar year for which the energy savings or demand reductions were reported.[2] The variance is the difference between these lost revenues and the quantity of CDM in the load forecast.

Because these revenues are lost throughout the year, and are only recovered through rate riders in subsequent years, the Ontario Energy Board has permitted the LDCs to claim carrying charges on these lost revenues at a rate prescribed by the OEB, and published on the Board's website. The carrying charges are simple interest, not compounded and are calculated on the monthly lost revenue balance. Because the OPA final results estimates are reported annually, and monthly estimates are not available, the incremental results are assumed to be equally distributed across the months. So 1/12 of the annual results are allocated to January, and 12/12 of the annual results to December.

Carrying charges accrue from the time of the results, until disposition.

These lost revenues are reported by the LDC in their financial statements in Account 1568, and the associated rate class-specific sub-accounts.

[2] Where distribution rates are monthly rates for the peak kW in that month, the annual loss of revenue is the monthly rate times the number of months it applies to – usually twelve.

Results

Following the methodology described above, lost revenues were calculated for North Bay Hydro.

CDM results

OPA evaluation results

CDM results reported by the OPA are in Appendix A. The Appendix consists of the following tables:

- The verified final 2011, 2012, and 2013 results for North Bay Hydro are shown in Table 1
- The adjustments to verified final 2011 and 2012 results for North Bay Hydro are shown in Table 2.[3]

The gross results were provided by the OPA, but are not included in this report, as only net results are relevant for the purposes of estimating lost revenues.

Table A-1 in Appendix A shows the estimated persistence of 2011 results into future years. Table A-2 in Appendix A shows the persistence of 2012 results into future years. Table A-3 in Appendix A shows the persistence of 2013 results through 2014. Table A-4 in Appendix A shows the persistence of 2011 adjustments into future years. Table A-5 in Appendix A shows the persistence of 2012 adjustments into future years. The OPA has provided LDCs with persistence data for all results and adjustments except for 2011 results. The persistence of 2011 results were estimated based on the contribution of 2011 results to 2014 targets reported by the OPA with the 2011 final results. Some 2011 program results were seen to not persist fully through 2014. For 2011 program results that persist into future years and do not persist fully through 2014, the results or adjustments are assumed to persist until the end of 2013. Any drop in persistence is assumed to occur in 2014.

Street lighting project

Between November 2011 and January 2014, the City of North Bay undertook at project under the Retrofit Program to retrofit streetlights to a more energy efficient light emitting diode (LED) technology. The retrofit was undertaken incrementally over the course of the project. North Bay Hydro worked with the City of North Bay to calculate the reduction in load from street lighting upgrades on a regular basis over the course of the project. The street lighting account is billed based on kilowatts (kW) of demand. The actual billed kW for each month and

[3] *North Bay Hydro OPA Annual CDM Report 2013 - Final Verified Results*. Ontario Power Authority. August 29, 2013.

the associated reduction from the October 2011 baseline value are show in Table A-6 in Appendix A.

The OPA has included the calculated kilowatt hours (kWh) of energy savings from the street lighting project in North Bay Hydro's 2013 results and 2012 adjustments. These values are included in the table below:

Year	Gross savings (kWh)	Net to gross ratio	Net savings (kWh)
2012	790,509	0.77	608,692
2013	458,444	0.68	311,742

As the street lighting rate class is billed by kW, the calculated kWh savings from the retrofit project do not impact North Bay Hydro's revenue. Thus, the calculated kWh of savings have been manually removed from the 2013 results and 2012 adjustments for lost revenue calculations. The actual lost revenue from the street lighting retrofit project have been calculated directed by multiplying the demand reduction from the project each month by the appropriate rate.

Allocating results to rate classes

North Bay Hydro provided information on the allocation of results to rate classes. In most cases, the allocation is straightforward. Initiatives that can span multiple rate classes include Retrofit, Building Commissioning, New Construction, Energy Audit, Demand Response 3, Process & Systems Upgrades, Monitoring & Targeting, Energy Manager, Electricity Retrofit Incentive Program and High Performance New Construction. No allocation was provided for programs for which North Bay Hydro has no program results.

North Bay Hydro bills customers in different rate classes using different volumetric units, either kilowatt hours (kWh), or customer peak monthly kilowatts (kW). The rate classes (and billing units) for North Bay Hydro are:

- Residential (kWh)
- GS <50 kW (kWh)
- GS 50 to 2,999 kW (kW)
- GS 3,000 TO 4,999 kW (kW)
- Unmetered Scattered Load (kWh)
- Sentinel Lighting (kW)
- Street Lighting (kW)
- Microfit generator (N/A)

Table B-1 in Appendix B shows the percentage allocation by rate class for 2011 results. Table B-2 in Appendix B shows the percentage allocation by rate class for 2012 results. Table B-3 in Appendix B shows the percentage allocation by rate class for 2013 results.

Adjustments for results that do not affect revenues

The only adjustments relate to rate classes that are billed by customer peak kilowatt in the month. The only initiative that is affected is the Demand Response 3 program, for which no lost revenues are attributed to the reported demand reductions.

Overall impact of CDM on load, by rate class

Multiplying the energy savings or demand reduction reported for North Bay Hydro for each program by the allocation by rate class provides the impact on load of that CDM program within the appropriate rate class. The sum of the energy savings and demand reductions for all of the programs for each rate class, with adjustments for results that do not affect revenue provides the overall impact of CDM on load by rate class.

Table B-4 in Appendix B shows the overall impact of CDM on load, by rate class for 2011.

Table B-5 in Appendix B shows the overall impact of CDM on load, by rate class for 2012.

Table B-6 in Appendix B shows the overall impact of CDM on load, by rate class for 2013.

Distribution rates

The distribution rates that impact lost revenue for each rate class for North Bay Hydro are shown in Table C-1 in Appendix C. The distribution rates for the period from 1 May of each year to 30 April of the next year are pro-rated by number of months to each calendar year in the 2011 to 2014 time period.

Lost revenues

The lost revenues for each year by rate class for North Bay Hydro calculated from final CDM program results are shown in Table C-2 in Appendix C. The lost revenue for 2011 is based on the CDM program results and adjustments to the 2011 results allocated by rate class and multiplied by the 2011 rate for that rate class. The lost revenue for 2012 is based on the 2012 CDM program results and adjustments to the 2012 results plus the persistence of the 2011 program results in 2012 allocated by rate class and multiplied by the 2012 rate for that rate class. The lost revenue for 2013 is based on the CDM program results plus the persistence of the 2011 and 2012 program results in 2013 allocated by rate class and multiplied by the 2013 rate for that rate class.

The lost revenue for 2011-2013 is based on final verified results provided by the OPA.

Carrying charges

The monthly carrying charges by rate class on North Bay Hydro's lost revenue variance are shown in Table C-3 in Appendix C. The carrying charges are reported monthly, from the time the lost revenues resulted, through to April 30, 2015.

Conclusions

The LRAMVA balance at the end of December 2013 for North Bay Hydro that includes results from 2011-2013 CDM programs and adjustments to 2011 and 2012 results is $221,923.85. The total carrying charges on this LRAMVA balance accumulated to April 30, 2015 are $7,712.48. These balances are attributable to individual rate classes according to the following table:

Rate class	LRAMVA	Carrying charges	Total
Residential	$40,679.88	$1,421.34	$42,101.23
GS < 50 kW	$73,706.70	$2,734.89	$76,441.59
GS 50 to 2,999 kW	$36,236.78	$1,338.23	$37,575.00
Street Lighting	$71,300.49	$2,218.02	$73,518.51

NOTE: There is no LRAMVA or carrying charge associated with rate classes not included in this table.

Appendix A. CDM results reported by the OPA

Table 1: North Bay Hydro Distribution Limited Initiative and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	252	127	105		16	7	7		106,705	50,114	44,140		29	664,734
Appliance Exchange	Appliances	21	3	17		3	0	4		4,047	782	6,280		6	30,529
HVAC Incentives	Equipment	148	180	154		67	47	37		133,752	90,414	70,397		151	947,042
Conservation Instant Coupon Booklet	Items	3,490	165	1,850		8	1	3		132,210	7,456	41,103		12	633,416
Bi-Annual Retailer Event	Items	5,078	5,658	5,038		9	8	6		156,717	142,821	91,616		23	1,238,561
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	0	0	0		0	0	0		0	0	0		0	0
Consumer Program Total						**101**	**64**	**57**		**533,430**	**291,587**	**253,536**		**221**	**3,514,282**
Business Program															
Retrofit	Projects	13	42	31		118	285	171		559,325	1,373,684	1,039,032		564	8,385,975
Direct Install Lighting	Projects	212	159	149		207	117	145		541,233	460,482	532,451		429	4,486,380
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	2	3	0		0	16	0		0	75,529	0		16	226,586
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	1	1	1		455	456	463		17,768	6,634	6,181		0	30,583
Business Program Total						**780**	**874**	**779**		**1,118,325**	**1,916,330**	**1,577,663**		**1,008**	**13,129,525**
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	1	0	0		11	0	0		70,290	0	0		11	281,159
Demand Response 3	Facilities	0	0	1		0	0	570		0	0	12,971		0	12,971
Industrial Program Total						**11**	**0**	**570**		**70,290**	**0**	**12,971**		**11**	**294,130**
Home Assistance Program															
Home Assistance Program	Homes	0	211	551		0	1	76		0	29,252	732,159		76	1,531,456
Home Assistance Program Total						**0**	**1**	**76**		**0**	**29,252**	**732,159**		**76**	**1,531,456**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	18	0	0		102	0	0		491,904	0	0		102	1,967,615
High Performance New Construction	Projects	1	0	0		27	1	0		139,326	584	0		28	559,055
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**129**	**1**	**0**		**631,229**	**584**	**0**		**129**	**2,526,669**
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Adjustments to 2011 Verified Results							**62**	**0**			**281,660**	**0**		**48**	**1,073,356**
Adjustments to 2012 Verified Results								**3**				**453,316**		**3**	**1,359,948**
Energy Efficiency Total						**566**	**483**	**450**		**2,335,507**	**2,231,118**	**2,557,178**		**1,446**	**20,952,508**
Demand Response Total (Scenario 1)						**455**	**456**	**1,033**		**17,768**	**6,634**	**19,152**		**0**	**43,554**
Adjustments to Previous Years' Verified Results Total						**0**	**62**	**3**		**0**	**281,660**	**453,316**		**50**	**2,433,303**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**1,021**	**1,002**	**1,485**		**2,353,275**	**2,519,412**	**3,029,646**		**1,496**	**23,429,366**
													Full OEB Target:	**5,050**	**26,100,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**29.6%**	**89.8%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Table 2: Adjustments to North Bay Hydro Distribution Limited Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-44	7			-15	1			-29,676	2,995		
Conservation Instant Coupon Booklet	Items	44	0			0	0			1,470	0		
Bi-Annual Retailer Event	Items	436	0			1	0			11,644	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	0	0			0	0			0	0		
Consumer Program Total						**-14**	**1**			**-16,563**	**2,995**		
Business Program													
Retrofit	Projects	3	1			64	0			251,219	446,170		
Direct Install Lighting	Projects	9	2			8	1			23,303	4,151		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	0	0			0	0			0	0		
Energy Audit	Audits	1	0			5	0			25,176	0		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						**77**	**1**			**299,698**	**450,321**		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	0			0	0			0	0		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						**0**	**0**			**0**	**0**		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						**0**	**0**			**0**	**0**		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	0	0			0	0			0	0		
High Performance New Construction	Projects	0	0			0	0			-1,476	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						**0**	**0**			**-1,476**	**0**		
Other													
Program Enabled Savings	Projects	0	0			0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						**0**	**0**			**0**	**0**		
Adjustments to 2011 Verified Results						**62**				**281,660**			
Adjustments to 2012 Verified Results							**3**				**453,316**		
Total Adjustments to Previous Years' Verified Results						**62**	**3**			**281,660**	**453,316**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table A-1: Estimated persistence of 2011 results into future years

		Persistence of 2011 results					
		2012		2013		2014	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program							
1	Appliance Retirement	16	106,705	16	106,705	15	105,998
2	Appliance Exchange	3	4,047	3	4,047	2	3,482
3	HVAC Incentives	67	133,752	67	133,752	67	133,752
4	Conservation Instant Coupon Booklet	8	132,210	8	132,210	8	132,210
5	Bi-Annual Retailer Event	9	156,717	9	156,717	9	156,717
6	Retailer Co-Op						
7	Residential Demand Response						
8	Residential Demand Response (IHD)						
9	Residential New Construction						
Business Program							
10	Retrofit	118	559,325	118	559,325	118	559,325
11	Direct Install Lighting	207	541,233	207	541,233	168	421,548
12	Building Commissioning						
13	New Construction						
14	Energy Audit						
15	Small Commercial Demand Response (switch/pstat)						
16	Small Commercial Demand Response (IHD)						
17	Demand Response 3						
Industrial Program							
18	Process & System Upgrades						
19	Monitoring & Targeting						
20	Energy Manager						
21	Retrofit	11	70,290	11	70,290	11	70,290
22	Demand Response 3						
Home Assistance Program							
23	Home Assistance Program						
Pre-2011 Programs completed in 2011							
24	Electricity Retrofit Incentive Program	102	491,904	102	491,904	102	491,904
25	High Performance New Construction	27	139,326	27	139,326	27	139,326

Note: Persistence is based on net incremental and program-to-date contributions to 2014 targets reported by the OPA. Some program results do not persist into future years and others persist equally into future years. For programs that have persistence into future years and persistence is not equal to the saving in the first year, the savings are assumed to persist until the end of 2013 and any drop in persistence is assumed to occur in 2014.

Table A-2: Persistence of 2012 results into future years

		Persistence of 2012 results			
		2013		2014	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program					
1	Appliance Retirement	7	50,114	7	50,114
2	Appliance Exchange	0	782	0	782
3	HVAC Incentives	47	90,414	47	90,414
4	Conservation Instant Coupon Booklet	1	7,456	1	7,456
5	Bi-Annual Retailer Event	8	142,821	8	142,821
6	Retailer Co-Op				
7	Residential Demand Response (switch/pstat)				
8	Residential Demand Response (IHD)				
9	Residential New Construction				
Business Program					
10	Retrofit	280	1,356,633	277	1,345,456
11	Direct Install Lighting	117	460,482	115	455,269
12	Building Commissioning				
13	New Construction				
14	Energy Audit	16	75,529	16	75,529
15	Small Commercial Demand Response (switch/pstat)				
16	Small Commercial Demand Response (IHD)				
17	Demand Response 3				
Industrial Program					
18	Process & System Upgrades				
19	Monitoring & Targeting				
20	Energy Manager				
21	Retrofit				
22	Demand Response 3				
Home Assistance Program					
23	Home Assistance Program	1	29,252	1	29,252
Pre-2011 Programs completed in 2011					
24	Electricity Retrofit Incentive Program				
25	High Performance New Construction	1	584	1	584

Note: Persistence of results is as reported by the OPA.

Table A-3: Persistence of 2013 results through 2014

		Persistence of 2013 results	
		2014	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program			
1	Appliance Retirement	7	44,140
2	Appliance Exchange	4	6,280
3	HVAC Incentives	37	70,397
4	Conservation Instant Coupon Booklet	3	41,103
5	Bi-Annual Retailer Event	6	91,616
6	Retailer Co-Op		
7	Residential Demand Response (switch/pstat)		
8	Residential Demand Response (IHD)		
9	Residential New Construction		
Business Program			
10	Retrofit	171	727,290
11	Direct Install Lighting	145	532,451
12	Building Commissioning		
13	New Construction		
14	Energy Audit		
15	Small Commercial Demand Response (switch/pstat)		
16	Small Commercial Demand Response (IHD)		
17	Demand Response 3		
Industrial Program			
18	Process & System Upgrades		
19	Monitoring & Targeting		
20	Energy Manager		
21	Retrofit		
22	Demand Response 3		
Home Assistance Program			
23	Home Assistance Program	76	732,159

Note: Persistence of results is as reported by the OPA.

Table A-4: Persistence of 2011 adjustments into future years

		Persistence of 2011 adjustments					
		2012		2013		2014	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program							
1	Appliance Retirement						
2	Appliance Exchange						
3	HVAC Incentives	-15	-29,676	-15	-29,676	-15	-29,676
4	Conservation Instant Coupon Booklet		1,470		1,470		1,470
5	Bi-Annual Retailer Event	1	11,644	1	11,644	1	11,644
6	Retailer Co-Op						
7	Residential Demand Response						
8	Residential Demand Response (IHD)						
9	Residential New Construction						
Business Program							
10	Retrofit	64	251,219	64	251,219	54	213,686
11	Direct Install Lighting	8	23,303	8	22,164	3	8,693
12	Building Commissioning						
13	New Construction						
14	Energy Audit	5	25,176	5	25,176	5	25,176
15	Small Commercial Demand Response (switch/pstat)						
16	Small Commercial Demand Response (IHD)						
17	Demand Response 3						
Industrial Program							
18	Process & System Upgrades						
19	Monitoring & Targeting						
20	Energy Manager						
21	Retrofit						
22	Demand Response 3						
Home Assistance Program							
23	Home Assistance Program						
Pre-2011 Programs completed in 2011							
24	Electricity Retrofit Incentive Program						
25	High Performance New Construction	0	-1,476	0	-1,476	0	-1,476

Note: Persistence of results is as reported by the OPA.

Table A-5: Persistence of 2012 adjustments into future years

		Persistence of 2012 adjustments			
		2013		2014	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program					
1	Appliance Retirement				
2	Appliance Exchange				
3	HVAC Incentives	1	2,995	1	2,995
4	Conservation Instant Coupon Booklet				
5	Bi-Annual Retailer Event				
6	Retailer Co-Op				
7	Residential Demand Response				
8	Residential Demand Response (IHD)				
9	Residential New Construction				
Business Program					
10	Retrofit		-162,522		-162,522
11	Direct Install Lighting	1	4,151	1	4,151
12	Building Commissioning				
13	New Construction				
14	Energy Audit				
15	Small Commercial Demand Response (switch/pstat)				
16	Small Commercial Demand Response (IHD)				
17	Demand Response 3				
Industrial Program					
18	Process & System Upgrades				
19	Monitoring & Targeting				
20	Energy Manager				
21	Retrofit				
22	Demand Response 3				
Home Assistance Program					
23	Home Assistance Program				

Note: Persistence of results is as reported by the OPA.

Table A-6: Load impact of City of North Bay street lighting project

Month	Billed kW	Gross kW reduction	NTG	Net kW reduction
Oct-11	764.38			
Nov-11	699.03	65.35	0.75	49.01
Dec-11	699.03	65.35	0.75	49.01
2011 total		**130.70**		**98.03**
Jan-12	699.03	65.35	0.77	50.32
Feb-12	699.03	65.35	0.77	50.32
Mar-12	666.44	97.94	0.77	75.41
Apr-12	666.45	97.93	0.77	75.41
May-12	666.45	97.93	0.77	75.41
Jun-12	666.45	97.93	0.77	75.41
Jul-12	666.45	97.93	0.77	75.41
Aug-12	631.11	133.27	0.77	102.62
Sep-12	631.11	133.27	0.77	102.62
Oct-12	624.96	139.42	0.77	107.35
Nov-12	624.96	139.42	0.77	107.35
Dec-12	599.40	164.98	0.77	127.03
2012 total		**1,330.72**		**1,024.65**
Jan-13	599.40	164.98	0.68	112.19
Feb-13	599.40	164.98	0.68	112.19
Mar-13	580.70	183.68	0.68	124.90
Apr-13	580.40	183.98	0.68	125.11
May-13	544.97	219.41	0.68	149.20
Jun-13	544.97	219.41	0.68	149.20
Jul-13	529.55	234.83	0.68	159.68
Aug-13	529.55	234.83	0.68	159.68
Sep-13	512.64	251.74	0.68	171.18
Oct-13	512.64	251.74	0.68	171.18
Nov-13	512.64	251.74	0.68	171.18
Dec-13	512.64	251.74	0.68	171.18
2013 total		**2,613.06**		**1,776.88**

Based on billing data for the City of North Bay. Project comenced in November 2011 and was completed by January 2014.

Appendix B. CDM results breakdown by rate class

Table B-1: Percentage allocation by rate class for 2011 results

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-op	100%							
7	Residential Demand Response	100%							
8	Residential New Construction	100%							
Business Program									
9	Efficiency: Equipment Replacement		20%	80%					
10	Direct Install Lighting		100%						
11	Existing Building Commissioning Incentive								
12	New Construction and Major Renovation Incentive								
13	Energy Audit			100%					
14	Commercial Demand Response (part of the Residential program schedule)								
15	Demand Response 3 (part of the Industrial program schedule)								
Industrial Program									
16	Process & System Upgrades								
17	Monitoring & Targeting								
18	Energy Manager								
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)		10%	90%					
20	Demand Response 3								
Home Assistance Program									
21	Home Assistance Program	100%							
Pre-2011 Programs completed in 2011									
22	Electricity Retrofit Incentive Program		25%	75%					
23	High Performance New Construction			100%					

Source: North Bay Hydro

Table B-2: Percentage allocation by rate class for 2012 results

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-Op	100%							
7	Residential Demand Response (switch/pstat)	100%							
8	Residential Demand Response (IHD)	100%							
9	Residential New Construction	100%							
Business Program									
10	Retrofit		18%	82%					
11	Direct Install Lighting		96%	4%					
12	Building Commissioning								
13	New Construction			100%					
14	Energy Audit			100%					
15	Small Commercial Demand Response (switch/pstat)		100%						
16	Small Commercial Demand Response (IHD)		100%						
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit			100%					
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	100%							
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program								
25	High Performance New Construction			100%					
26	Toronto Comprehensive								
27	Multifamily Energy Efficiency Rebates								
28	LDC Custom Programs								

Source: North Bay Hydro

Table B-3: Percentage allocation by rate class for 2013 results

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-Op	100%							
7	Residential Demand Response (switch/pstat)	100%							
8	Residential Demand Response (IHD)	100%							
9	Residential New Construction	100%							
Business Program									
10	Retrofit		10%	90%					
11	Direct Install Lighting		92%	8%					
12	Building Commissioning								
13	New Construction								
14	Energy Audit								
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	100%							

Source: North Bay Hydro

Table B-4: Impact of CDM on load, by rate class for 2011

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement	106,705							
2	Appliance Exchange	4,047							
3	HVAC Incentives	104,075							
4	Conservation Instant Coupon Booklet	133,680							
5	Bi-Annual Retailer Event	168,360							
6	Retailer Co-op								
7	Residential Demand Response								
8	Residential New Construction								
Business Program									
9	Efficiency: Equipment Replacement		162,109	1,744				131	
10	Direct Install Lighting		564,535						
11	Existing Building Commissioning Incentive								
12	New Construction and Major Renovation Incentive								
13	Energy Audit			62					
14	Commercial Demand Response (part of the Residential program schedule)								
15	Demand Response 3 (part of the Industrial program schedule)								
Industrial Program									
16	Process & System Upgrades								
17	Monitoring & Targeting								
18	Energy Manager								
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)		7,029	120					
20	Demand Response 3								
Home Assistance Program									
21	Home Assistance Program								
Pre-2011 Programs completed in 2011									
22	Electricity Retrofit Incentive Program		122,976	915					
23	High Performance New Construction			322					
	Total	**516,867**	**856,649**	**3,164**				**131**	

Note: impact on load is calculated from net incremental peak demand or net incremental savings on Table 1 from the OPA (Appendix A), depending on how that rate class is billed for distribution service, and the allocation of savings by rate class in Table B-1. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Table B-5: Impact of CDM on load, by rate class for 2012

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement	50,114							
2	Appliance Exchange	782							
3	HVAC Incentives	93,409							
4	Conservation Instant Coupon Booklet	7,456							
5	Bi-Annual Retailer Event	142,821							
6	Retailer Co-Op								
7	Residential Demand Response								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit		218,009	2,804				1,331	
11	Direct Install Lighting		446,048	57					
12	Building Commissioning								
13	New Construction								
14	Energy Audit			192					
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	29,252							
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program								
25	High Performance New Construction			12					
26	Toronto Comprehensive								
27	Multifamily Energy Efficiency Rebates								
28	LDC Custom Programs								
	Total	**323,834**	**664,057**	**3,065**				**1,331**	

Note: impact on load is calculated from net incremental peak demand or net incremental savings on Table 1 from the OPA (Appendix A), depending on how that rate class is billed for distribution service, and the allocation of savings by rate class in Table B-2. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Table B-6: Impact of CDM on load, by rate class for 2013

#	Initiative	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement	44,140							
2	Appliance Exchange	6,280							
3	HVAC Incentives	70,397							
4	Conservation Instant Coupon Booklet	41,103							
5	Bi-Annual Retailer Event	91,616							
6	Retailer Co-Op								
7	Residential Demand Response								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit		72,729	1,846				2,613	
11	Direct Install Lighting		489,855	140					
12	Building Commissioning								
13	New Construction								
14	Energy Audit								
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	732,159							
	Total	**985,696**	**562,583**	**1,986**				**2,613**	

Note: impact on load is calculated from net incremental peak demand or net incremental savings on Table 1 from the OPA (Appendix A), depending on how that rate class is billed for distribution service, and the allocation of savings by rate class in Table B-2. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Appendix C. Lost revenue

Table C-1: Distribution rates that impact lost revenue for each rate class

Rate class	Billing unit	2011	2012	2013	2014
Residential	kWh	0.0127	0.0127	0.0128	0.0129
GS < 50 kW	kWh	0.0169	0.0165	0.0164	0.0165
GS 50 to 2,999 kW	kW	2.1012	2.0575	2.0570	2.0708
GS 3,000 TO 4,999 kW	kW	0.8434	1.0416	1.0931	1.0974
Unmetered Scattered Load	kWh	0.0158	0.0157	0.0159	0.0160
Sentinel Lighting	kW	11.3671	14.3826	15.1406	15.2128
Street Lighting	kW	17.7864	23.4536	25.6208	25.7009
Microfit generator					

Notes: Distribution rates are from OEB approved rate schedules averaged from the rate year to the calendar year. Only the Distribution Volumetric Rate and the Rate Rider for Application of Tax Change are used.

Table C-2: Lost revenues for each year by rate class

Year		Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator	Total
	2011	$6,564.22	$14,448.81	$6,647.87				$1,743.52		$29,404.41
	2012	$10,676.91	$25,091.65	$12,815.80				$24,031.87		$72,616.22
	2013	$23,438.76	$34,166.24	$16,773.11				$45,525.11		$119,903.22
Total		**$40,679.88**	**$73,706.70**	**$36,236.78**				**$71,300.49**		**$221,923.85**

Note: Values are the product of the actual lost loads (Tables B-3 and B-4), and the rates (Table C-1) for each rate class.

Table C-3: Monthly carrying charges by rate class

Month	Residential	GS < 50 kW	GS 50 to 2,999 kW	GS 3,000 TO 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	Microfit generator	Total
Jan-11									
Feb-11	$0.67	$1.47	$0.68						$2.82
Mar-11	$1.34	$2.95	$1.36						$5.65
Apr-11	$2.01	$4.42	$2.04						$8.47
Total for Rate year 2010	**$4.02**	**$8.85**	**$4.07**						**$16.94**
May-11	$2.68	$5.90	$2.71						$11.29
Jun-11	$3.35	$7.37	$3.39						$14.12
Jul-11	$4.02	$8.85	$4.07						$16.94
Aug-11	$4.69	$10.32	$4.75						$19.77
Sep-11	$5.36	$11.80	$5.43						$22.59
Oct-11	$6.03	$13.27	$6.11						$25.41
Nov-11	$6.70	$14.75	$6.79						$28.24
Dec-11	$7.37	$16.22	$7.47				$1.07		$32.13
Jan-12	$8.04	$17.70	$8.14				$2.14		$36.02
Feb-12	$9.13	$20.26	$9.45				$3.58		$42.43
Mar-12	$10.22	$22.82	$10.76				$5.03		$48.83
Apr-12	$11.31	$25.38	$12.07				$7.19		$55.96
Total for Rate year 2011	**$82.93**	**$183.52**	**$85.21**				**$19.01**		**$370.67**
May-12	$12.40	$27.95	$13.38				$9.36		$63.08
Jun-12	$13.49	$30.51	$14.69				$11.53		$70.21
Jul-12	$14.58	$33.07	$15.99				$13.69		$77.34
Aug-12	$15.67	$35.63	$17.30				$15.86		$84.46
Sep-12	$16.76	$38.19	$18.61				$18.81		$92.37
Oct-12	$17.85	$40.75	$19.92				$21.76		$100.28
Nov-12	$18.94	$43.31	$21.23				$24.84		$108.32
Dec-12	$20.03	$45.88	$22.53				$27.93		$116.37
Jan-13	$21.12	$48.44	$23.84				$31.57		$124.98
Feb-13	$23.51	$51.92	$25.56				$35.10		$136.09
Mar-13	$25.91	$55.41	$27.27				$38.62		$147.20
Apr-13	$28.30	$58.90	$28.98				$42.54		$158.72
Total for Rate year 2012	**$311.49**	**$693.48**	**$334.51**				**$310.60**		**$1,650.08**
May-13	$30.69	$62.39	$30.69				$46.46		$170.24
Jun-13	$33.08	$65.88	$32.40				$51.15		$182.51
Jul-13	$35.48	$69.36	$34.12				$55.83		$194.79
Aug-13	$37.87	$72.85	$35.83				$60.84		$207.39
Sep-13	$40.26	$76.34	$37.54				$65.85		$219.99
Oct-13	$42.65	$79.83	$39.25				$71.23		$232.96
Nov-13	$45.05	$83.32	$40.97				$76.60		$245.93
Dec-13	$47.44	$86.80	$42.68				$81.97		$258.89
Jan-14	$49.83	$90.29	$44.39				$87.34		$271.86
Feb-14	$49.83	$90.29	$44.39				$87.34		$271.86
Mar-14	$49.83	$90.29	$44.39				$87.34		$271.86
Apr-14	$49.83	$90.29	$44.39				$87.34		$271.86
Total for Rate year 2013	**$823.35**	**$1,651.40**	**$805.55**				**$1,169.90**		**$4,450.20**
May-14	$49.83	$90.29	$44.39				$87.34		$271.86
Jun-14	$49.83	$90.29	$44.39				$87.34		$271.86
Jul-14	$49.83	$90.29	$44.39				$87.34		$271.86
Aug-14	$49.83	$90.29	$44.39				$87.34		$271.86
Sep-14	$49.83	$90.29	$44.39				$87.34		$271.86
Oct-14	$49.83	$90.29	$44.39				$87.34		$271.86
Nov-14	$49.83	$90.29	$44.39				$87.34		$271.86
Dec-14	$49.83	$90.29	$44.39				$87.34		$271.86
Jan-15	$49.83	$90.29	$44.39				$87.34		$271.86
Feb-15	$49.83	$90.29	$44.39				$87.34		$271.86
Mar-15	$49.83	$90.29	$44.39				$87.34		$271.86
Apr-15	$49.83	$90.29	$44.39				$87.34		$271.86
Total to April 30, 2015	**$1,421.34**	**$2,734.89**	**$1,338.23**				**$2,218.02**		**$7,712.48**

Note: Carrying charges are simple interest (not compound) calculated using rates specified by the OEB at:
http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates
Annual savings are assumed to be distributed equally over the year and carrying charges are applied to the balance in the account each month.

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APPENDIX 4-O OPA-CONTRACTED PROVINCE-WIDE CDM PROGRAMS FINAL 2013 RESULTS

Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2013 Verified Results Report.

2013 Report highlights:

- We have achieved 86% of our cumulative energy savings target and 48% of our annual peak demand savings target to date (Scenario 2).

  By the end of 2013, 42 LDCs have exceeded 80% of their energy target and 19 LDCs have met or exceeded their 2011-14 energy target.
- In 2013, LDCs have achieved over 600 GWh in savings, representing an increase of 20% over the 2012 net incremental energy savings results.
- The BUSINESS PROGRAM continues to generate strong interest and participation amongst business customers with significant savings results. 71% of total energy savings in 2013 came from the BUSINESS PROGRAM and its momentum continues. Also, as the program matures, we are seeing more and more studies in the PROCESS AND SYSTEMS pipeline converting to completed projects.
- Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

2013 has been a year of significant operational advancements centered around creating a better customer and LDC experience:

- A number of operational changes were made in 2013 to enhance processes, such as payment of LDC invoices streamlined to an average of 20 days, enhanced reporting and iCon updates to improve users' experience.
- Proactive updates to measures incentivized through saveONenergy have allowed programs to stay ahead of changing market conditions. Specifically in 2013, LEDs became popular measures in both the Consumer and Business programs.
- Technical tools also played a significant role in 2013, which included an updated Measure and Assumptions List as well as new and improved engineering worksheets for RETROFIT which allow customers to more easily access programs by building strong business cases based on latest estimates of savings potential.
- The Conservation Fund introduced the LDC Fast Track stream to support LDCs with innovative program ideas. 2013 LDC pilots included Oshawa PUC Networks Inc.'s retro-commissioning program, Toronto Hydro-Electric System Limited multi-unit demand response, and Niagara-on-the-Lake Hydro Inc.'s electric vehicles load shifting program.
- Key market sectors were also engaged in 2013 through Capability Building programs targeted at Home Builders and HVAC Installers to build conservation knowledge with these partners. Energy Efficiency Services Programs (EESPs) also provided valuable support to a variety of sectors.

The format of this report was developed in collaboration with the Reporting Working Group and is designed to help LDCs populate their 2013 Annual Reports that will be submitted to the OEB by September 30th. Any additional 2013 program activity not captured here will be reported in your Final 2014 Verified Results Report.

Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your ongoing collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year in 2014.

Sincerely,

Andrew Pride

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OPA-Contracted Province-Wide CDM Programs Final Verified 2013 Results

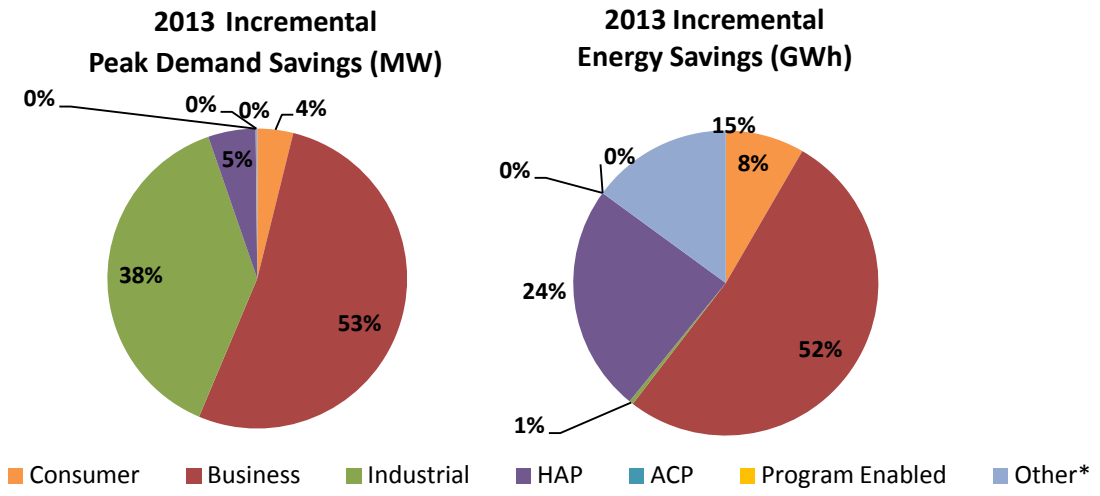
LDC: North Bay Hydro Distribution Limited

FINAL 2013 Progress to Targets	2013 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	1.5	1.5	**29.6%**	**50.1%**
Net Energy Savings (GWh)	3.0	23.4	**89.8%**	**89.8%**

Scenario 1 = Assumes that demand response resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in the LDC service territory until 2014

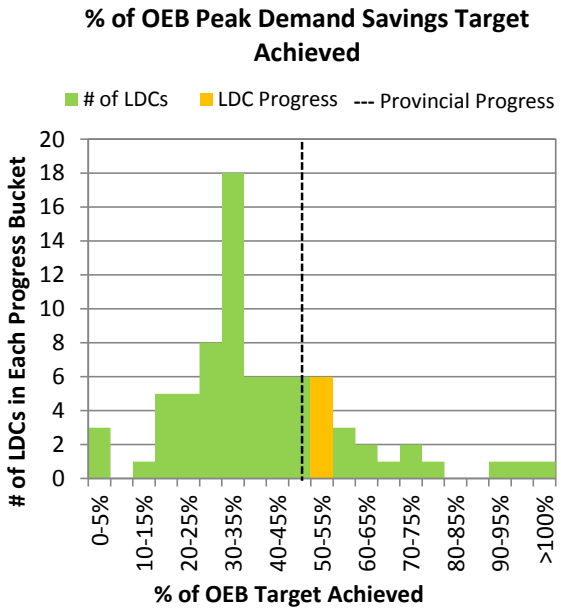
Achievement by Sector



**Other includes adjustments to previous years' results and savings from pre-2011 initiatives*

Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

The following graphs assume that demand response resources remain in the LDC service territory until 2014 (aligns with Scenario 2)



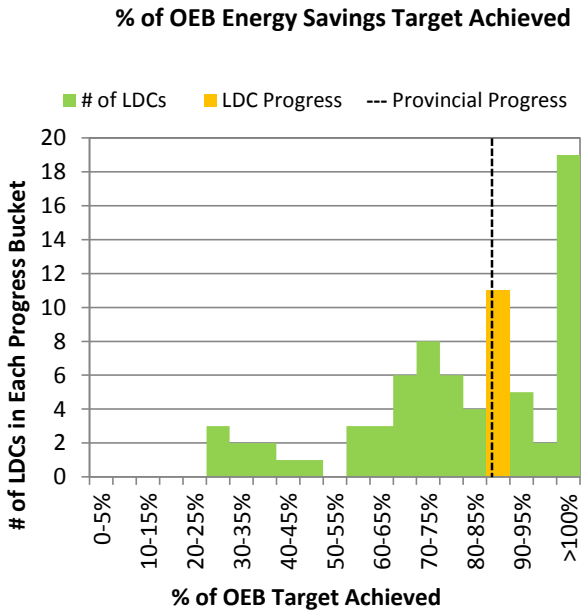


Table 1: North Bay Hydro Distribution Limited Initiative and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	252	127	105		16	7	7		106,705	50,114	44,140		29	664,734
Appliance Exchange	Appliances	21	3	17		3	0	4		4,047	782	6,280		6	30,529
HVAC Incentives	Equipment	148	180	154		67	47	37		133,752	90,414	70,397		151	947,042
Conservation Instant Coupon Booklet	Items	3,490	165	1,850		8	1	3		132,210	7,456	41,103		12	633,416
Bi-Annual Retailer Event	Items	5,078	5,658	5,038		9	8	6		156,717	142,821	91,616		23	1,238,561
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	0	0	0		0	0	0		0	0	0		0	0
Consumer Program Total						**101**	**64**	**57**		**533,430**	**291,587**	**253,536**		**221**	**3,514,282**
Business Program															
Retrofit	Projects	13	42	31		118	285	171		559,325	1,373,684	1,039,032		564	8,385,975
Direct Install Lighting	Projects	212	159	149		207	117	145		541,233	460,482	532,451		429	4,486,380
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	2	3	0		0	16	0		0	75,529	0		16	226,586
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	1	1	1		455	456	463		17,768	6,634	6,181		0	30,583
Business Program Total						**780**	**874**	**779**		**1,118,325**	**1,916,330**	**1,577,663**		**1,008**	**13,129,525**
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	1	0	0		11	0	0		70,290	0	0		11	281,159
Demand Response 3	Facilities	0	0	1		0	0	570		0	0	12,971		0	12,971
Industrial Program Total						**11**	**0**	**570**		**70,290**	**0**	**12,971**		**11**	**294,130**
Home Assistance Program															
Home Assistance Program	Homes	0	211	551		0	1	76		0	29,252	732,159		76	1,531,456
Home Assistance Program Total						**0**	**1**	**76**		**0**	**29,252**	**732,159**		**76**	**1,531,456**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	18	0	0		102	0	0		491,904	0	0		102	1,967,615
High Performance New Construction	Projects	1	0	0		27	1	0		139,326	584	0		28	559,055
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**129**	**1**	**0**		**631,229**	**584**	**0**		**129**	**2,526,669**
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Adjustments to 2011 Verified Results							**62**	**0**			**281,660**	**0**		**48**	**1,073,356**
Adjustments to 2012 Verified Results								**3**				**453,316**		**3**	**1,359,948**
Energy Efficiency Total						**566**	**483**	**450**		**2,335,507**	**2,231,118**	**2,557,178**		**1,446**	**20,952,508**
Demand Response Total (Scenario 1)						**455**	**456**	**1,033**		**17,768**	**6,634**	**19,152**		**0**	**43,554**
Adjustments to Previous Years' Verified Results Total						**0**	**62**	**3**		**0**	**281,660**	**453,316**		**50**	**2,433,303**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**1,021**	**1,002**	**1,485**		**2,353,275**	**2,519,412**	**3,029,646**		**1,496**	**23,429,366**
													Full OEB Target:	**5,050**	**26,100,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**29.6%**	**89.8%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Table 2: Adjustments to North Bay Hydro Distribution Limited Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-44	7			-15	1			-29,676	2,995		
Conservation Instant Coupon Booklet	Items	44	0			0	0			1,470	0		
Bi-Annual Retailer Event	Items	436	0			1	0			11,644	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	0	0			0	0			0	0		
Consumer Program Total						**-14**	**1**			**-16,563**	**2,995**		
Business Program													
Retrofit	Projects	3	1			64	0			251,219	446,170		
Direct Install Lighting	Projects	9	2			8	1			23,303	4,151		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	0	0			0	0			0	0		
Energy Audit	Audits	1	0			5	0			25,176	0		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						**77**	**1**			**299,698**	**450,321**		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	0			0	0			0	0		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						**0**	**0**			**0**	**0**		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						**0**	**0**			**0**	**0**		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	0	0			0	0			0	0		
High Performance New Construction	Projects	0	0			0	0			-1,476	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						**0**	**0**			**-1,476**	**0**		
Other													
Program Enabled Savings	Projects	0	0			0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						**0**	**0**			**0**	**0**		
Adjustments to 2011 Verified Results						**62**				**281,660**			
Adjustments to 2012 Verified Results							**3**				**453,316**		
Total Adjustments to Previous Years' Verified Results						**62**	**3**			**281,660**	**453,316**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table 3: North Bay Hydro Distribution Limited Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a		0.51	0.46	0.42		1.00	1.00	n/a		0.52	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.52	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	n/a		0.60	0.49	0.48		1.00	1.00	n/a		0.59	0.48	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.11	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.13	0.91	1.04		1.00	1.00	1.00		1.10	0.92	1.04	
Retailer Co-op	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Business Program																
Retrofit	0.90	0.95	0.92		0.72	0.76	0.70		1.20	1.10	0.98		0.75	0.77	0.68	
Direct Install Lighting	1.08	0.68	0.82		0.93	0.94	0.94		0.90	0.85	0.84		0.93	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Audit	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Retrofit																
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	n/a	1.20	0.04		n/a	1.00	1.00		n/a	1.37	0.84		n/a	1.00	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a		0.52	n/a	n/a		0.78	n/a	n/a		0.52	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.50	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	1.0	0.6	0.6	0.5
2012 - Verified†	0.1	1.0	0.5	0.5
2013 - Verified†	0.0	0.0	1.5	0.5
2014				
Verified Net Annual Peak Demand Savings Persisting in 2014:				1.5
North Bay Hydro Distribution Limited 2014 Annual CDM Capacity Target:				5.1
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				29.6%

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	2.4	2.3	2.3	2.2	9.2
2012 - Verified†	0.3	2.5	2.5	2.4	7.7
2013 - Verified†	0.0	0.5	3.0	3.0	6.5
2014					
Verified Net Cumulative Energy Savings 2011-2014:					23.4
North Bay Hydro Distribution Limited 2011-2014 Annual CDM Energy Target:					26.1
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					89.8%

†Includes adjustments to previous Years' verified results

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146	20,952		3,299	2,011	1,433		23,005,812	13,424,518	8,713,107		6,605	149,603,072
Appliance Exchange	Appliances	3,688	3,836	5,337		371	556	1,106		450,187	974,621	1,971,701		1,795	8,455,927
HVAC Incentives	Equipment	92,743	87,427	91,581		32,037	19,060	19,552		59,437,670	32,841,283	33,923,592		70,650	404,121,713
Conservation Instant Coupon Booklet	Items	567,678	30,891	346,896		1,344	230	517		21,211,537	1,398,202	7,707,573		2,091	104,455,900
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772		1,681	1,480	1,184		29,387,468	26,781,674	17,179,841		4,345	232,254,579
Retailer Co-op	Items	152	0	0		0	0	0		2,652	0	0		0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733		10,947	49,038	93,076		24,870	359,408	390,303		0	774,582
Residential Demand Response (IHD)	Devices	0	49,689	133,657		0	0	0		0	0	0		0	0
Residential New Construction	Homes	26	19	86		0	2	18		743	17,152	163,690		20	381,811
Consumer Program Total						**49,681**	**72,377**	**116,886**		**133,520,941**	**75,796,859**	**70,049,807**		**85,506**	**900,058,189**
Business Program															
Retrofit	Projects	2,819	6,134	8,785		24,467	61,147	59,678		136,002,258	314,922,468	345,346,008		142,831	2,168,497,702
Direct Install Lighting	Projects	20,741	18,691	17,782		23,724	15,284	18,708		61,076,701	57,345,798	64,315,558		49,886	519,693,356
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	22	69	86		123	764	1,584		411,717	1,814,721	4,959,266		2,472	17,009,564
Energy Audit	Audits	198	345	319		0	1,450	2,811		0	7,049,351	15,455,795		4,261	52,059,644
Small Commercial Demand Response	Devices	132	294	1,211		84	187	773		157	1,068	373		0	1,597
Small Commercial Demand Response (IHD)	Devices	0	0	378		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	145	151	175		16,218	19,389	23,706		633,421	281,823	346,659		0	1,261,903
Business Program Total						**64,617**	**98,221**	**107,261**		**198,124,253**	**381,415,230**	**430,423,659**		**199,449**	**2,758,523,766**
Industrial Program															
Process & System Upgrades	Projects	0	0	3		0	0	294		0	0	2,603,764		294	5,207,528
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	42	205		0	1,086	3,558		0	7,372,108	21,994,263		3,194	54,888,570
Retrofit	Projects	433	0	0		4,615	0	0		28,866,840	0	0		4,613	115,462,282
Demand Response 3	Facilities	124	185	281		52,484	74,056	162,543		3,080,737	1,784,712	4,309,160		0	9,174,609
Industrial Program Total						**57,098**	**75,141**	**166,395**		**31,947,577**	**9,156,820**	**28,907,187**		**8,101**	**184,732,989**
Home Assistance Program															
Home Assistance Program	Homes	46	5,033	26,756		2	566	2,361		39,283	5,442,232	20,987,275		2,904	57,949,913
Home Assistance Program Total						**2**	**566**	**2,361**		**39,283**	**5,442,232**	**20,987,275**		**2,904**	**57,949,913**
Aboriginal Program															
Home Assistance Program	Homes	0	0	584		0	0	267		0	0	1,609,393		267	3,218,786
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**267**		**0**	**0**	**1,609,393**		**267**	**3,218,786**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,028	0	0		21,662	0	0		121,138,219	0	0		21,662	484,552,876
High Performance New Construction	Projects	179	69	4		5,098	3,251	772		26,185,591	11,901,944	3,522,240		9,121	147,492,677
Toronto Comprehensive	Projects	577	0	0		15,805	0	0		86,964,886	0	0		15,805	347,859,545
Multifamily Energy Efficiency Rebates	Projects	110	0	0		1,981	0	0		7,595,683	0	0		1,981	30,382,733
LDC Custom Programs	Projects	8	0	0		399	0	0		1,367,170	0	0		399	5,468,679
Pre-2011 Programs completed in 2011 Total						**44,945**	**3,251**	**772**		**243,251,550**	**11,901,944**	**3,522,240**		**48,967**	**1,015,756,510**
Other															
Program Enabled Savings	Projects	14	56	13		0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**2,304**	**3,692**		**0**	**1,188,362**	**4,075,382**		**5,996**	**11,715,850**
Adjustments to 2011 Verified Results							**1,406**	**641**			**18,689,081**	**1,736,381**		**1,797**	**80,864,121**
Adjustments to 2012 Verified Results								**6,260**				**41,947,840**		**6,180**	**126,287,857**
Energy Efficiency Total						**136,610**	**109,191**	**117,536**		**603,144,419**	**482,474,435**	**554,528,447**		**351,190**	**4,920,743,312**
Demand Response Total (Scenario 1)						**79,733**	**142,670**	**280,099**		**3,739,185**	**2,427,011**	**5,046,495**		**0**	**11,212,691**
Adjustments to Previous Years' Verified Results Total						**0**	**1,406**	**6,901**		**0**	**18,689,081**	**43,684,221**		**7,976**	**207,151,978**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**216,343**	**253,267**	**404,536**		**606,883,604**	**503,590,526**	**603,259,163**		**359,166**	**5,139,107,980**
													Full OEB Target:	**1,330,000**	**6,000,000,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**27.0%**	**85.7%**

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-18,844	2,206			-5,271	452			-9,709,500	907,735		
Conservation Instant Coupon Booklet	Items	8,216	0			16	0			275,655	0		
Bi-Annual Retailer Event	Items	81,817	0			108	0			2,183,391	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	19	0			1	0			13,767	0		
Consumer Program Total						**-5,146**	**452**			**-7,236,687**	**907,735**		
Business Program													
Retrofit	Projects	303	529			3,204	4,443			16,216,165	28,739,635		
Direct Install Lighting	Projects	444	197			501	204			1,250,388	736,541		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	12	0			828	0			3,520,620	0		
Energy Audit	Audits	95	65			492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						**5,025**	**4,984**			**23,378,917**	**31,112,632**		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	3			0	68			0	719,235		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						**0**	**68**			**0**	**719,235**		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						**0**	**0**			**0**	**0**		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	12	0			138	0			545,536	0		
High Performance New Construction	Projects	34	0			1,407	0			2,065,200	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						**1,545**	**0**			**2,610,736**	**0**		
Other													
Program Enabled Savings	Projects	14	40			624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						**624**	**824**			**1,673,712**	**9,927,473**		
Adjustments to 2011 Verified Results						**2,047**				**20,426,678**			
Adjustments to 2012 Verified Results							**6,328**				**42,667,076**		
Adjustments to Previous Years' Verified Results Total						**2,047**	**6,328**			**20,426,678**	**42,667,076**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00		0.51	0.46	0.42		1.00	1.00	1.00		0.46	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.51	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	1.00		0.60	0.50	0.48		1.00	1.00	1.00		0.50	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.00	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.12	0.91	1.04		1.00	1.00	1.00		0.91	0.92	1.04	
Retailer Co-op	1.00	n/a	n/a		0.68	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	1.00	3.65	0.78		0.41	0.49	0.63		3.65	7.17	3.09		0.49	0.49	0.63	
Business Program																
Retrofit	1.06	0.93	0.92		0.72	0.75	0.73		0.93	1.05	1.01		0.75	0.76	0.73	
Direct Install Lighting	1.08	0.69	0.82		1.08	0.94	0.94		0.69	0.85	0.84		0.94	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	0.50	0.98	0.68		0.50	0.49	0.54		0.98	0.99	0.76		0.49	0.49	0.54	
Energy Audit	n/a	n/a	1.02		n/a	n/a	0.66		n/a	n/a	0.97		n/a	n/a	0.66	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85		n/a	n/a	0.94		n/a	n/a	0.87		n/a	n/a	0.93	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	1.16	0.90		n/a	0.90	0.90		1.16	1.16	0.90		0.90	0.90	0.90	
Retrofit	1.11	n/a	n/a		0.72	n/a	n/a		0.91	n/a	n/a		0.75	n/a	n/a	
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26		0.70	1.00	1.00		0.32	0.99	0.88		1.00	1.00	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05		n/a	n/a	1.00		n/a	n/a	0.95		n/a	n/a	1.00	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a		0.54	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.49	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	1.13	n/a	n/a		0.50	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a		0.78	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	1.00	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	1.06	1.00		n/a	1.00	1.00		1.06	2.26	1.00		1.00	1.00	1.00	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Provincial Progress Towards CDM Targets

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014				
Verified Net Annual Peak Demand Savings in 2014:				359.2
2014 Annual CDM Capacity Target:				1,330
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				27.0%

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
2012†	18.7	503.6	498.4	492.6	1,513.3
2013†	1.7	44.4	603.3	583.4	1,232.8
2014					
Verified Net Cumulative Energy Savings 2011-2014:					5,139.1
2011-2014 Cumulative CDM Energy Target:					6,000
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					85.7%

†Includes adjustments to previous Years' verified results

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	**Gross Savings = Activity * Per Unit Assumption** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Engineered and Custom Projects	**Gross Savings = Reported Savings * Realization Rate** **Net Savings = Gross Savings * Net-to-Gross Ratio** **All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)**
Demand Response	**Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio** **Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW** **All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)**
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any “snapback” in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2013)		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011, 2012 or 2013.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Retrofit Sector (C&I vs. Industrial Mapping)	
Building Type	**Sector**
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%

Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: North Bay Hydro Distribution Limited Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	31	7	16		206,247	50,114	94,744	
Appliance Exchange**	Appliances	5	0	7		7,852	782	11,933	
HVAC Incentives	Equipment	112	98	79		224,853	186,554	149,620	
Conservation Instant Coupon Booklet	Items	7	1	2		119,751	7,071	36,488	
Bi-Annual Retailer Event	Items	8	9	6		143,448	155,835	87,678	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	0	0		0	0	0	
Consumer Program Total		**162**	**115**	**111**		**702,151**	**400,356**	**380,463**	
Business Program									
Retrofit	Projects	166	347	252		751,636	1,592,042	1,558,740	
Direct Install Lighting	Projects	193	156	154		582,886	553,428	564,114	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	0	16	0		0	75,529	0	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	455	456	463		17,768	6,634	6,181	
Business Program Total		**814**	**976**	**868**		**1,352,290**	**2,227,632**	**2,129,035**	
Industrial Program									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	0		0	0	0	
Retrofit	Projects	15	0	0		91,988	0	0	
Demand Response 3	Facilities	0	0	570		0	0	12,971	
Industrial Program Total		**15**	**0**	**570**		**91,988**	**0**	**12,971**	
Home Assistance Program									
Home Assistance Program	Homes	0	1	76		0	21,308	732,159	
Home Assistance Program Total		**0**	**1**	**76**		**0**	**21,308**	**732,159**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	195	0	0		941,407	0	0	
High Performance New Construction	Projects	54	1	0		278,652	1,168	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		**249**	**1**	**0**		**1,220,059**	**1,168**	**0**	
Other									
Program Enabled Savings	Projects	0	0	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
Other Total		**0**	**0**	**0**		**0**	**0**	**0**	
Adjustments to 2011 Verified Results		**0**	**129**	**0**		**0**	**344,765**	**0**	
Adjustments to 2012 Verified Results		**0**	**0**	**5**		**0**	**0**	**753,793**	
Energy Efficiency Total		**785**	**637**	**593**		**3,348,720**	**2,643,829**	**3,235,477**	
Demand Response Total		**455**	**456**	**1,033**		**17,768**	**6,634**	**19,152**	
Adjustments to Previous Years' Verified Results Total		**0**	**129**	**5**		**0**	**344,765**	**753,793**	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**1,240**	**1,222**	**1,630**		**3,366,488**	**2,995,229**	**4,008,421**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to North Bay Hydro Distribution Limited Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-25	3			-49,855	6,142		
Conservation Instant Coupon Booklet	Items	0	0			1,365	0		
Bi-Annual Retailer Event	Items	1	0			12,658	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			0	0		
Consumer Program Total		**-24**	**3**			**-35,832**	**6,142**		
Business Program									
Retrofit	Projects	85	0			330,325	743,245		
Direct Install Lighting	Projects	9	1			25,096	4,406		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	0	0			0	0		
Energy Audit	Audits	5	0			25,176	0		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		**99**	**1**			**380,597**	**747,651**		
Industrial Program									
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	0			0	0		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		**0**	**0**			**0**	**0**		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		**0**	**0**			**0**	**0**		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total									
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	0	0			0	0		
High Performance New Construction	Projects	54	0			0	0		
Toronto Comprehensive	Projects	0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		**54**	**0**			**0**	**0**		
Other									
Program Enabled Savings	Projects	0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		**0**	**0**			**0**	**0**		
Adjustments to 2011 Verified Results		**129**				**344,765**			
Adjustments to 2012 Verified Results			**5**				**753,793**		
Total Adjustments to Previous Years' Verified Results		**129**	**5**			**344,765**	**753,793**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151		45,971,627	13,424,518	18,616,239	
Appliance Exchange**	Appliances	719	556	2,101		873,531	974,621	3,746,106	
HVAC Incentives	Equipment	53,209	38,346	40,418		99,413,430	66,929,213	71,225,037	
Conservation Instant Coupon Booklet	Items	1,184	231	464		19,192,453	1,325,898	6,842,244	
Bi-Annual Retailer Event	Items	1,504	1,622	1,142		26,899,265	29,222,072	16,441,329	
Retailer Co-op	Items	0	0	0		3,917	0	0	
Residential Demand Response	Devices	10,390	49,038	93,076		23,597	359,408	390,303	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	1	29		1,813	4,884	259,826	
Consumer Program Total		**73,757**	**91,805**	**140,380**		**192,379,633**	**112,240,615**	**117,521,084**	
Business Program									
Retrofit	Projects	34,201	78,965	82,896		184,070,265	387,817,248	478,410,896	
Direct Install Lighting	Projects	22,155	20,469	19,807		65,777,197	68,896,046	68,140,249	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	247	1,596	2,934		823,434	3,755,869	9,183,826	
Energy Audit	Audits	0	1,450	4,283		0	7,049,351	23,386,108	
Small Commercial Demand Response	Devices	55	187	773		131	1,068	373	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	21,390	19,389	23,706		633,421	281,823	346,659	
Business Program Total		**78,048**	**122,056**	**134,399**		**251,304,448**	**467,801,406**	**579,468,111**	
Industrial Program									
Process & System Upgrades	Projects	0	0	313		0	0	2,799,746	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	1,034	3,953		0	7,067,535	24,438,070	
Retrofit	Projects	6,372	0	0		38,412,408	0	0	
Demand Response 3	Facilities	176,180	74,056	162,543		4,243,958	1,784,712	4,309,160	
Industrial Program Total		**182,552**	**75,090**	**166,809**		**42,656,366**	**8,852,247**	**31,546,976**	
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361		56,119	5,524,230	20,987,275	
Home Assistance Program Total		**4**	**1,777**	**2,361**		**56,119**	**5,524,230**	**20,987,275**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	267		0	0	1,609,393	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**267**		**0**	**0**	**1,609,393**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0		223,956,390	0	0	
High Performance New Construction	Projects	10,197	6,501	772		52,371,183	23,803,888	3,522,240	
Toronto Comprehensive	Projects	33,467	0	0		174,070,574	0	0	
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0		9,774,792	0	0	
LDC Custom Programs	Projects	534	0	0		649,140	0	0	
Pre-2011 Programs completed in 2011 Total		**87,169**	**6,501**	**772**		**460,822,079**	**23,803,888**	**3,522,240**	
Other									
Program Enabled Savings	Projects	0	2,177	3,692		0	525,011	4,075,382	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
Other Total		**0**	**2,177**	**3,692**		**0**	**525,011**	**4,075,382**	
Adjustments to 2011 Verified Results			**13,266**	**645**			**48,705,294**	**1,744,645**	
Adjustments to 2012 Verified Results				**8,707**				**55,101,043**	
Energy Efficiency Total		**213,515**	**156,735**	**168,583**		**942,317,539**	**616,320,385**	**753,683,966**	
Demand Response Total		**208,015**	**142,670**	**280,099**		**4,901,107**	**2,427,011**	**5,046,495**	
Adjustments to Previous Years' Verified Results Total		**0**	**13,266**	**9,352**		**0**	**48,705,294**	**56,845,688**	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**421,530**	**312,671**	**458,033**		**947,218,646**	**667,452,690**	**815,576,149**	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-8,762	1,036			-16,245,279	1,854,833		
Conservation Instant Coupon Booklet	Items	15	0			255,975	0		
Bi-Annual Retailer Event	Items	117	0			2,373,616	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			328,256	0		
Consumer Program Total		**-8,630**	**1,036**			**-13,287,430**	**1,854,833**		
Business Program									
Retrofit	Projects	4,504	6,218			22,046,931	40,101,273		
Direct Install Lighting	Projects	541	217			1,346,618	781,858		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	3,243	0			11,323,593	0		
Energy Audit	Audits	492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		**8,780**	**6,771**			**37,108,886**	**42,519,588**		
Industrial Program									
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	75			0	799,151		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		**0**	**75**			**0**	**799,151**		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		**0**	**0**			**0**	**0**		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total		**0**	**0**			**0**	**0**		
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0			1,049,108	0		
High Performance New Construction	Projects	12,872	0			23,905,663	0		
Toronto Comprehensive	Projects	0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		**13,137**	**0**			**24,954,771**	**0**		
Other									
Program Enabled Savings	Projects	624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		**624**	**824**			**1,673,712**	**9,927,473**		
Adjustments to 2011 Verified Results		**13,911**				**50,449,939**			
Adjustments to 2012 Verified Results			**8,707**				**55,101,043**		
Adjustments to Previous Years' Verified Results Total		**13,911**	**8,707**			**50,449,939**	**55,101,043**		

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results

APPENDIX 4-P OEB INCOME TAX/PILS WORKFORM FOR 2015 FILERS

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Version 3.0

Utility Name	North Bay Hydro Distribution Limited
Assigned EB Number	EB-2014-0099
Name and Title	Melissa Casson, Regulatory Manager
Phone Number	705-474-8100 xt: 300
Email Address	mcasson@northbayhydro.com
Date	12-Dec-14
Last COS Re-based Year	**2010**

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

1. Info
A. Data Input Sheet
B. Tax Rates & Exemptions
C. Sch 8 Hist
D. Schedule 10 CEC Hist
E. Sch 13 Tax Reserves Hist
F. Sch 7-1 Loss Cfwd Hist
G. Adj. Taxable Income Historical
H. PILs,Tax Provision Historical
I. Schedule 8 CCA Bridge Year
J. Schedule 10 CEC Bridge Year
K. Sch 13 Tax Reserves Bridge
L. Sch 7-1 Loss Cfwd Bridge
M. Adj. Taxable Income Bridge
N. PILs,Tax Provision Bridge
O. Schedule 8 CCA Test Year
P. Schedule 10 CEC Test Year
Q Sch 13 Tax Reserve Test Year
R. Sch 7-1 Loss Cfwd
S. Taxable Income Test Year
T. PILs,Tax Provision

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Rate Base			**$**	**64,061,442**	
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	T	$	2,562,458	*W = S * T*
Deemed Long Term Debt %	56.00%	U	$	35,874,408	*X = S * U*
Deemed Equity %	40.00%	V	$	25,624,577	*Y = S * V*
Short Term Interest Rate	2.11%	Z	$	54,068	*AC = W * Z*
Long Term Interest	4.38%	AA	$	1,572,820	*AD = X * AA*
Return on Equity (Regulatory Income)	9.36%	AB	**$**	**2,398,460**	*AE = Y * AB*
Return on Rate Base			**$**	**4,025,348**	*AF = AC + AD + AE*

Questions that must be answered

	Historical	**Bridge**	**Test Year**
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Tax Rates Federal & Provincial As of June 20, 2012	Effective January-01-11	Effective January-01-12	Effective January-01-13	Effective January-01-14	Effective January-01-15
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-11.50%	-13.00%	-13.00%	-13.00%	-13.00%
	16.50%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.75%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	28.25%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	29,552,526		29,552,526
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election			0
2	Distribution System - pre 1988			0
8	General Office/Stores Equip	671,094		671,094
10	Computer Hardware/ Vehicles	564,937		564,937
10.1	Certain Automobiles			0
12	Computer Software			0
13 1	Lease # 1			0
13 2	Lease #2			0
13 3	Lease # 3			0
13 4	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04	3,814		3,814
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	28,379,222		28,379,222
50	Data Network Infrastructure Equipment - post Mar 2007	202,566		202,566
52	Computer Hardware and system software			0
95	CWIP			0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	**59,374,160**	**0**	**59,374,160**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital

Additions

Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**0**

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**

Cumulative Eligible Capital Balance			**0**
Current Year Deduction	**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance			**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	804,216		804,216
Reserve for goods and services not delivered ss. 20(1)(m)	1,557,884		1,557,884
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**2,362,100**	**0**	**2,362,100**
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts	804,216		804,216
Accrued Employee Future Benefits:	4,511,393		4,511,393
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other	1,557,884		1,557,884
			0
			0
Total	**6,873,493**	**0**	**6,873,493**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual Historical			0

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual Historical			0

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	2,760,503	-33,531	2,794,034
Additions:				
Interest and penalties on taxes	103	1,666		1,666
Amortization of tangible assets	104	2,135,872	85,284	2,050,588
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107	481,205	481,205	0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112	21,050		21,050
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	8,353	355	7,998
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	1,996,913		1,996,913
Reserves from financial statements- balance at end of year	126	6,873,493		6,873,493
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291	2,334,323		2,334,323
Pensions	292	110,138		110,138
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**13,963,013**	**566,844**	**13,396,169**
Deductions:				
Gain on disposal of assets per financial statements	401	7,461	-4,682	12,143
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	4,002,224		4,002,224
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413	2,362,100		2,362,100
Reserves from financial statements - balance at beginning of year	414	6,402,895		6,402,895
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)		1,306,957		
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		**14,081,637**	**-4,682**	**12,779,362**
Net Income for Tax Purposes		**2,641,879**	**537,995**	**3,410,841**
Charitable donations from Schedule 2	311	21,050		21,050
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		**2,620,829**	**537,995**	**3,389,791**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

						Wires Only	
Regulatory Taxable Income						$ 3,389,791	**A**
Ontario Income Taxes							
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$ 301,395	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**				
	Rate reduction (negative)	-7.00%	**E**	-$ 35,000	**F = D * E**		
Ontario Income tax						$ 266,395	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate			7.86%	**K = J / A**		
	Federal tax rate (Maximum 15%)			15.00%	**L**		
	Combined tax rate					22.86%	**M = K + L**
Total Income Taxes						**$ 774,864**	**N = A * M**
Investment Tax Credits							**O**
Miscellaneous Tax Credits							**P**
Total Tax Credits						**$ -**	**Q = O + P**
Corporate PILs/Income Tax Provision for Historical Year						**$ 774,864**	**R = N - Q**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	$ 29,552,526	$ 508,280		$ 30,060,806	$ 254,140	$ 29,806,666	4%	$ 1,192,267	$ 28,868,540
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election				$ -	$ -	$ -	6%	$ -	$ -
2	Distribution System - pre 1988				$ -	$ -	$ -	6%	$ -	$ -
8	General Office/Stores Equip	$ 671,094	$ 104,280	-$ 2,080	$ 773,294	$ 51,100	$ 722,194	20%	$ 144,439	$ 628,856
10	Computer Hardware/ Vehicles	$ 564,937	$ 72,163	-$ 6,375	$ 630,724	$ 32,894	$ 597,831	30%	$ 179,349	$ 451,375
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	$ 3,814	$ -		$ 3,814	$ -	$ 3,814	45%	$ 1,716	$ 2,098
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				$ -	$ -	$ -	30%	$ -	$ -
47	Distribution System - post February 2005	$ 28,379,222	$ 4,791,144	$ -	$ 33,170,367	$ 2,395,572	$ 30,774,794	8%	$ 2,461,984	$ 30,708,383
50	Data Network Infrastructure Equipment - post Mar 2007	$ 202,566	$ 260,476	$ -	$ 463,043	$ 130,238	$ 332,804	55%	$ 183,042	$ 280,000
52	Computer Hardware and system software				$ -	$ -	$ -	100%	$ -	$ -
95	CWIP				$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -	5%	$ -	$ -
					$ -	$ -	$ -	10%	$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
					$ -	$ -	$ -		$ -	$ -
	TOTAL	$ 59,374,160	$ 5,736,343	-$ 8,455	$ 65,102,048	$ 2,863,944	$ 62,238,104		$ 4,162,797	$ 60,939,251

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital				**0**
Additions				
Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**0**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**0**
Current Year Deduction		**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance				**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	804,216		804,216	153,140		957,356	153,140	
Reserve for goods and services not delivered ss. 20(1)(m)	1,557,884		1,557,884		264,951	1,292,933	-264,951	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**2,362,100**	**0**	**2,362,100**	**153,140**	**264,951**	**2,250,289**	**-111,811**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	804,216		804,216	153,140		957,356	153,140	
Accrued Employee Future Benefits:	4,511,393	-205,022	4,306,371		5,601	4,300,770	-5,601	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accmulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	0		0			0	0	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	1,557,884		1,557,884		264,951	1,292,933	-264,951	
	0		0			0	0	
	0		0			0	0	
Total	**6,873,493**	**-205,022**	**6,668,471**	**153,140**	**270,552**	**6,551,059**	**-117,412**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	2,977,443

Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	3,331,727
Amortization of intangible assets	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	65,870
Charitable donations	112	0
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	10,000
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	2,362,100
Reserves from financial statements- balance at end of year	126	6,551,059
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
Apprenticeship Tax Credits	295	17,488
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		**12,338,244**
Deductions:		
Gain on disposal of assets per financial statements	401	8,455
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	4,162,797
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	2,250,289
Reserves from financial statements - balance at beginning of year	414	6,668,471
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		**13,090,012**
Net Income for Tax Purposes		**2,225,675**
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		**2,225,675**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILS Tax Provision - Bridge Year

							Wires Only	
Regulatory Taxable Income							$ 2,225,675	**A**
Ontario Income Taxes								
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$	255,953	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**					
	Rate reduction	-7.00%	**E**	-$	35,000	**F = D * E**		
Ontario Income tax							$ 220,953	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate		9.93%			**K = J / A**		
	Federal tax rate (Maximum 15%)		15.00%			**L**		
	Combined tax rate						24.93%	**M = K + L**
Total Income Taxes							**$ 554,804**	**N = A * M**
Investment Tax Credits								**O**
Miscellaneous Tax Credits							$ 17,488	**P**
Total Tax Credits							**$ 17,488**	**Q = O + P**
Corporate PILs/Income Tax Provision for Bridge Year							**$ 537,316**	**R = N - Q**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	$ 28,868,540	56,652		$ 28,925,191	$ 28,326	$ 28,896,865	4%	$ 1,155,875	$ 27,769,317
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	$ -			$ -	$ -	$ -	6%	$ -	$ -
2	Distribution System - pre 1988	$ -			$ -	$ -	$ -	6%	$ -	$ -
8	General Office/Stores Equip	$ 628,856	52,151		$ 681,006	$ 26,075	$ 654,931	20%	$ 130,986	$ 550,020
10	Computer Hardware/ Vehicles	$ 451,375	598,285		$ 1,049,660	$ 299,143	$ 750,518	30%	$ 225,155	$ 824,505
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 Bl	$ -			$ -	$ -	$ -	8%	$ -	$ -
42	Fibre Optic Cable	$ -			$ -	$ -	$ -	12%	$ -	$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	$ -			$ -	$ -	$ -	30%	$ -	$ -
43.2	Certain Clean Energy Generation Equipment	$ -			$ -	$ -	$ -	50%	$ -	$ -
45	Computers & Systems Software acq'd post Mar 22/04	$ 2,098			$ 2,098	$ -	$ 2,098	45%	$ 944	$ 1,154
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	$ -			$ -	$ -	$ -	30%	$ -	$ -
47	Distribution System - post February 2005	$ 30,708,383	7,183,183		$ 37,891,566	$ 3,591,591	$ 34,299,975	8%	$ 2,743,998	$ 35,147,568
50	Data Network Infrastructure Equipment - post Mar 2007	$ 280,000	147,800		$ 427,800	$ 73,900	$ 353,900	55%	$ 194,645	$ 233,155
52	Computer Hardware and system software	$ -			$ -	$ -	$ -	100%	$ -	$ -
95	CWIP	$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	5%	$ -	$ -
		$ -			$ -	$ -	$ -	10%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
		$ -			$ -	$ -	$ -	0%	$ -	$ -
	TOTAL	$ 60,939,251	$ 8,038,071	$ -	$ 68,977,322	$ 4,019,035	$ 64,958,286		$ 4,451,603	$ 64,525,719

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

					0
Additions					
Cost of Eligible Capital Property Acquired during Test Year		0			
Other Adjustments		0			
	Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002		0	**x 1/2 =**	0	
				0	**0**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**0**
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year		0			
Other Adjustments		0			
	Subtotal	0	**x 3/4 =**		**0**

Cumulative Eligible Capital Balance			**0**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**0**	**x 7% =**	**0**
Cumulative Eligible Capital - Closing Balance			**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments: Additions	Test Year Adjustments: Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	957,356		957,356	66,076		1,023,432	66,076	
Reserve for goods and services not delivered ss. 20(1)(m)	1,292,933		1,292,933		48,667	1,244,266	-48,667	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	**2,250,289**	**0**	**2,250,289**	**66,076**	**48,667**	**2,267,698**	**17,409**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	957,356		957,356	66,076		1,023,432	66,076	
Accrued Employee Future Benefits:	4,300,770		4,300,770		11,081	4,289,689	-11,081	
- Medical and Life Insurance	0		0			0	0	
-Short & Long-term Disability	0		0			0	0	
-Accmulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	0		0			0	0	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	1,292,933		1,292,933		48,667	1,244,266	-48,667	
	0		0			0	0	
	0		0			0	0	
Total	**6,551,059**	**0**	**6,551,059**	**66,076**	**59,748**	**6,557,387**	**6,328**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	0		0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year	0		0
Balance available for use post Test Year	0	0	0

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		2,398,460

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104	2,647,077
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	78,456
Charitable donations	112	0
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	10,000
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	2,250,289
Reserves from financial statements- balance at end of year	126	6,557,387
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Other Additions: (please explain in detail the nature of the item)		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
Apprenticeship Tax Credits	295	20,725
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
Total Additions		**11,563,934**
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	4,451,603
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	0
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	2,267,698
Reserves from financial statements - balance at beginning of year	414	6,551,059
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Total Deductions		**13,270,360**
NET INCOME FOR TAX PURPOSES		**692,034**
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		**692,034**

Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Test Year

							Wires Only	
Regulatory Taxable Income							$ 692,034	**A**
Ontario Income Taxes								
Income tax payable	**Ontario Income Tax**	11.50%	**B**	$	79,584	**C = A * B**		
Small business credit	Ontario Small Business Threshold	$ 500,000	**D**					
	Rate reduction	-7.00%	**E**	-$	35,000	**F = D * E**		
Ontario Income tax							$ 44,584	**J = C + F**
Combined Tax Rate and PILs	Effective Ontario Tax Rate			6.44%		**K = J / A**		
	Federal tax rate (Maximum 15%)			15.00%		**L**		
	Combined tax rate						21.44%	**M = K + L**
Total Income Taxes							**$ 148,389**	**N = A * M**
Investment Tax Credits								**O**
Miscellaneous Tax Credits							$ 20,725	**P**
Total Tax Credits							**$ 20,725**	**Q = O + P**
Corporate PILs/Income Tax Provision for Test Year							**$ 127,664**	**R = N - Q**
Corporate PILs/Income Tax Provision Gross Up [1]				78.56%		**S = 1 - M**	**$ 34,846**	**T = R / S - R**
Income Tax (grossed-up)							**$ 162,510**	**U = R + T**

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.